Financing Agreement

(Secondary Education Improvement Project)

between

KINGDOM OF CAMBODIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated June 5, 2017
FINANCING AGREEMENT

AGREEMENT dated June 5, 2017, entered into between the KINGDOM OF CAMBODIA ("Recipient") and the 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) constitute an integral 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, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to twenty-nine million five hundred thousand Special Drawing Rights (SDR 29,500,000) (variously, "Credit" and "Financing"), to assist in financing the project described in Schedule I to this Agreement ("Project").

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

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

2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.

2.05. The Payment Dates are May 1 and November 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. To this end, the Recipient shall carry out the Project through its Ministry of Education, Youth and Sports (“MOEYS”) in accordance with the provisions of Article IV of the General Conditions.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — TERMINATION

4.01. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

4.02. For purposes of Section 8.05 (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 date of this Agreement.

ARTICLE V — REPRESENTATIVE; ADDRESSES

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

5.02. The Recipient’s Address is:

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

Facsimile:

(855-23) 725-341
(855-23) 427-798
5.03. The Association's Address is:

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

Facsimile:
1-202-477-6391

AGREED at Phnom Penh, Kingdom of Cambodia as of the day and year first above written.

KINGDOM OF CAMBODIA

By

Authorized Representative

Name: AUN PORN MONIROTH, Ph.D
Title: Senior Minister and Minister of Economy and Finance

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: Ulrich Zachau
Title: Country Director
South East Asia
SCHEDULE 1

Project Description

The objective of the Project is to expand lower secondary education to achieve minimum standards in target areas, and to provide immediate and effective response in case of an eligible crisis or emergency.

The Project consists of the following parts:

Part 1: Improving Lower Secondary Education to Meet Minimum Standards

1.1 Carrying out a program of activities to improve school based management through school development planning, teacher and student monitoring and assessment and community participation, and to support teachers in improving teaching and classroom management practices.

1.2 Carrying out a program of activities to improve the curriculum, pedagogical and school management qualifications of selected lower secondary school teachers and school management staff.

1.3 Construction and rehabilitation of selected lower secondary school buildings and facilities, POE and DOE offices, and regional teacher training centers.

Part 2: Strengthening Project Management and Monitoring and Evaluation

1.1 Provision of technical and operational assistance for the coordination, administration, monitoring, evaluation and audit of the Project.

1.2 Provision of technical assistance to strengthen the assessment capacity of MOEYS in preparation for PISA 2021.

Part 3: Contingent Emergency Response

Provision of immediate response to an Eligible Crisis or Emergency, as needed.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

The Recipient shall maintain, throughout the period of implementation of the Project, the following structures, all with functions, composition, staffing and resources acceptable to the Association: (1) a Project management committee chaired by MOEYS to provide overall policy direction and general oversight of the Project, including the review and endorsement of AWPBs; and (2) a Project management team in the MOEYS, to be responsible for the day-to-day management, monitoring and evaluation of Project activities.

B. Project Operational Manual

The Recipient shall ensure that the Project is carried out in accordance with the arrangements and procedures set out in the Project Operational 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. Annual Works Plans and Budgets

1. The Recipient shall furnish to the Association not later than December 1 of each fiscal year of the Recipient during the implementation of the Project (or such later date as the Association may agree) for the Association’s no-objection, a consolidated Annual Work Plan and Budget (“AWPB”) as approved by the Ministry of Economy and Finance, containing all Project activities and Eligible Expenditures proposed to be included in the Project in the Recipient’s following fiscal year.

2. The Recipient shall ensure that the Project is implemented in accordance with the AWPB accepted by the Association for the Recipient’s respective fiscal 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. DLI Monitoring and Reporting

Without limitation on its other reporting obligations under this Agreement, the Recipient shall, not later than forty-five (45) days after the end of each calendar semester during the Project implementation period, furnish reports to the Association on the status of achievement of the relevant DLI Targets, in accordance with the verification protocol and procedures set out in the Project Operational Manual.

E. Safeguards

1. The Recipient shall implement the Safeguards Instruments in a manner and substance satisfactory to the Association.

2. Without limitation upon the foregoing, the Recipient shall:

   (a) (i) screen and assess any potential negative environmental impacts of Project activities, and take all necessary actions to avoid, minimize, mitigate and/or compensate such impacts in accordance with the ESMF and in a manner satisfactory to the Association; and (ii) whenever required pursuant to the ESMF and EMP, proceed to have ESMPs: (A) prepared in form and substance satisfactory to the Association; (B) except as otherwise agreed with the Association, submitted to the Association for review and no-objection; (C) adopted and publicly disclosed in a manner satisfactory to the Association; and (D) thereafter, implemented in accordance with their terms and in a manner satisfactory to the Association;

   (b) (i) take all necessary actions to avoid or minimize to the extent possible any involuntary loss by persons of shelter, productive assets or access to productive assets or income or means of livelihood, temporarily or permanently, and the displacement of said people in the carrying out of the Project or any part thereof; (ii) where the acquisition of land or assets or the displacement of people is unavoidable, before initiating the implementation of any Project activities which would result in such acquisition or displacement, make available to such people compensation and, as applicable, relocate and rehabilitate the Displaced Persons in accordance with the RPF and in a manner satisfactory to the Association; and (iii) whenever required pursuant to the RPF, proceed to have RAPs: (A) prepared in form and substance satisfactory to the Association; (B) except as otherwise agreed with the Association, submitted to the Association for review and no-objection; (C) adopted and publicly disclosed in a manner satisfactory to the Association; and (D) thereafter, implemented in accordance with their terms and in a manner satisfactory to the Association; and
take all necessary actions to: (i) avoid adverse effects or when avoidance is not feasible, minimize, mitigate and/or compensate such effects on Indigenous Peoples caused or likely to be caused by the Project; (ii) apply the IPPF in a manner and substance satisfactory to the Association; (iii) through a process of informed participation, involve concerned Indigenous Peoples in the implementation of the Project 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 (iv) whenever required pursuant to the IPPF, proceed to have IPPs: (A) prepared in form and substance satisfactory to the Association; (B) except as otherwise agreed with the Association, submitted to the Association for review and no-objection; (C) adopted and publicly disclosed in a manner satisfactory to the Association; and (D) thereafter, implemented in accordance with their terms and in a manner satisfactory to the Association.

3. 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.

4. Except as the Association shall otherwise agree in writing, the Recipient shall not assign, amend, abrogate, waive, or permit to be assigned, amended, abrogated, or waived, any Safeguards Instrument, or any provision thereof.

5. The Recipient shall ensure that the terms of reference for any consultancies related to studies, assessments, regulations, technical guidelines, training and technical assistance activities under the Project shall be satisfactory to the Association and, to that end, such terms of reference shall, inter alia, duly incorporate the requirements of the Association’s safeguard policies then in force, as applied to the advice conveyed through such studies, assessments, regulations, technical guidelines, training and technical assistance activities.

6. Without limitation upon its other reporting obligations under Section II.A of this Schedule 2, the Recipient shall take all measures necessary to regularly collect and compile, and submit to the Association, as part of the Project Reports, information on the status of compliance with the Safeguards Instruments, providing details of:

(a) the measures taken in furtherance of the Safeguards Instruments;
(b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Safeguards Instruments; and
(c) remedial measures taken or required to be taken to address such conditions.

7. In the event of a conflict between the provisions of any of the Safeguards Instruments and those of this Agreement, the provisions of this Agreement shall prevail.

F. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the Anti-Corruption Guidelines.

G. Contingent Emergency Response

1. In order to ensure the proper implementation of contingent emergency response activities under Part 3 of the Project ("Emergency Response Part"), the Recipient shall:

(a) prepare and furnish to the Association for its review and no-objection, an Emergency Response Manual ("ERM") which shall set forth detailed implementation arrangements for the Emergency Response Part, including: (i) any special institutional arrangements for coordinating and implementing the Emergency Response Part; (ii) specific activities which may be included in the Emergency Response Part, Eligible Expenditures required therefor ("Emergency Expenditures"), and any procedures for such inclusion; (iii) financial management arrangements for the Emergency Response Part; (iv) procurement methods and procedures for the Emergency Response Part; (v) documentation required for withdrawals of Emergency Expenditures; (vi) application of the Safeguard Instruments and any other relevant safeguard instruments to the Emergency Response Part; and (vii) any other arrangements necessary to ensure proper coordination and implementation of the Emergency Response Part;

(b) afford the Association a reasonable opportunity to review the proposed ERM;

(c) promptly adopt the ERM for the Emergency Response Part as accepted by the Association;

(d) ensure that the Emergency Response Part is carried out in accordance with the ERM; provided, however, that in the event of any inconsistency between the provisions of the ERM and this Agreement, the provisions of this Agreement shall prevail; and
(c) not amend, suspend, abrogate, repeal or waive any provision of the ERM without the prior written no-objection by the Association.

2. The Recipient shall undertake no activities under the Emergency Response Part unless and until the following conditions have been met in respect of said activities:

(a) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Association a request to include said activities in the Emergency Response Part in order to respond to said Eligible Crisis or Emergency, and the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and

(b) the Recipient has ensured the preparation and disclosure of all safeguard instruments as may be required for said activities in accordance with the ERM, the Association has provided its no-objection to all said instruments, and the Recipient has ensured the implementation of any actions which are required to be taken under said instruments.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators acceptable to the Association and set forth in the Project Operational Manual. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.

2. The Recipient shall: (a) on or about the date twenty four (24) months after the Effective Date, prepare and furnish to the Association a mid-term report, in such detail as the Association shall reasonably request, documenting progress achieved in the carrying out of the Project during the period preceding the date of such report, taking into account the monitoring and evaluation activities performed pursuant to paragraph 1 of this Part A, and setting out the measures recommended to ensure the continued efficient carrying out of the Project and the achievement of its objectives during the period following such date; and (b) review with the Association such mid-term report, on or about the date forty-five (45) days after its submission, and thereafter take all measures required to ensure the continued efficient implementation of the Project and the achievement of its objectives, based on the conclusions and recommendations of the mid-term report and the Association’s views on the matter.
B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.

2. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.

3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each 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 Association not later than six (6) months after the end of such period.

Section III. Procurement

A. General

1. Goods, Works and Non-consulting Services. All goods, works and non-consulting services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2. Consultants' Services. All consultants' services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.

3. Definitions. The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association 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.

B. Particular Methods of Procurement of Goods, Works and Non-consulting Services

1. International Competitive Bidding. Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) Limited International Bidding; (b) National Competitive Bidding, subject to the additional provisions set forth in the Annex to this Schedule 2; (c) Shopping; (d) Procurement of UN Agencies; (e) Community Participation procedures which have been found acceptable to the Association and set out in the Project Operational Manual; and (f) Direct Contracting.

C. **Particular Methods of Procurement of Consultants’ Services**

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants’ services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.

2. **Other Methods of Procurement of Consultants’ Services.** The following methods, other than Quality and Cost-based Selection, may be used for procurement of consultants’ services for those contracts which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection Based on Consultants’ Qualifications; (c) Least Cost Selection; (d) Selection of UN Agencies; (e) Single-source Selection of consulting firms; (f) Selection of Individual Consultants; and (g) Single-source procedures for the Selection of Individual Consultants.

D. **Review by the Association of Procurement Decisions**

The Procurement Plan shall set forth those contracts which shall be subject to the Association’s Prior Review. All other contracts shall be subject to Post Review by the Association.

E. **Additional Provisions**

Unless otherwise agreed to between the Recipient and the Association, 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. In case of inconsistency between the provision of these regulations and manual and the provisions of this Agreement (including the Procurement Guidelines and the Consultant Guidelines) the provisions of this Agreement (including the Procurement Guidelines and the Consultant Guidelines) shall prevail.
F. Procurement of Emergency Expenditures under the Emergency Response Part

Notwithstanding any provision to the contrary in this Section, Emergency Expenditures required for activities included in the Emergency Response Part shall be procured in accordance with the procurement methods and procedures set forth in the ERM.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall 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 Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing (“Category”), the allocations of the amounts of the Financing to 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 the Financing Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Eligible Expenditures Programs under Parts 1.1 and 1.2 of the Project</td>
<td>16,800,000</td>
<td>100 %</td>
</tr>
<tr>
<td>(2) Goods, works, non-consulting services, consultants' services, Operating Costs and Training under Parts 1.3 and 2 of the Project</td>
<td>12,700,000</td>
<td>100 %</td>
</tr>
</tbody>
</table>
(3) Emergency Expenditures under Part 3 of the Project | 0 | 100%

TOTAL AMOUNT | 29,500,000

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:

(a) for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed SDR 2,290,000 may be made for payments made prior to this date but on or after September 1, 2016, for Eligible Expenditures subject to the requirements referred to in paragraph (b) below;

(b) for Eligible Expenditure Programs under Category (1), unless and until the Recipient has:

(i) furnished evidence satisfactory to the Association in accordance with the verification protocol set forth in the Project Operational Manual that the Recipient has achieved the respective DLI Targets set forth in Schedule 4 to this Agreement against which withdrawal is requested; and

(ii) complied with the additional instructions referred to in Section IV.A of this Schedule, including furnished to the Association the applicable interim unaudited financial reports documenting the incurrence of Eligible Expenditure Programs during the respective fiscal year up to the date against which withdrawal is requested; or

(c) for Emergency Expenditures under Category (3), unless and until the Association is satisfied that all of the following conditions have been met in respect of said expenditures:

(i) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Association a request to include said activities in the Emergency Response Part in order to respond to said crisis or emergency, and the Association has agreed with such determination, accepted said request and notified the Recipient thereof;
(ii) the Recipient has ensured that all safeguards instruments required for said activities have been prepared and disclosed, and the Recipient has ensured that any actions which are required to be taken under said instruments have been implemented, all in accordance with the provisions of Section I.G of this Schedule;

(iii) the entities in charge of coordinating and implementing the Emergency Response Part have adequate staff and resources, in accordance with the provisions of Section I.G of this Schedule, for the purposes of said activities; and

(iv) the Recipient has adopted the ERM, in form and substance acceptable to the Association, and the provisions of the ERM remain - or have been updated in accordance with the provisions of Section I.G of this Schedule so as to be - appropriate for the inclusion and implementation of the Emergency Response Part.

2. Notwithstanding the provisions of Parts A and B.1(b) of this Section, the amount of the Financing to be withdrawn upon the verified achievement of any DLI Target shall correspond to the DLI Value of such DLI Target as set forth in Schedule 4 to this Agreement.

3. Notwithstanding the provisions of Part B.1(b) of this Section, if the Association shall determine, based on the evidence furnished by the Recipient under Part B.1 of this Section, that:

(a) any DLI Target has been partially achieved, the Association may in its sole discretion authorize the withdrawal of a portion of the amount of the Financing then allocated to said DLI Target, calculated on a pro rata basis in respect of the level of partial achievement of said DLI Target; and

(b) any DLI Target has not been fully achieved by its DLI Target Achievement Date, the Association may in its sole discretion, by notice to the Recipient:

(i) withhold in whole or in part the amount of the Financing allocated to such DLI Target;

(ii) disburse in whole or in part the withheld amount of the Financing allocated to such DLI Target at any later time prior to the Closing Date if and when the Association shall be satisfied that the DLI Target for any subsequent fiscal year (if applicable) under the same DLI has been fully achieved;
(iii) reallocate in whole or in part any withheld amount of the Financing allocated to such DLI Target; and/or

(iv) cancel in whole or in part any withheld amount of the Financing allocated to such DLI Target.

4. The Closing Date is July 29, 2022.
ANNEX TO SCHEDULE 2

National Competitive Bidding Procedures

The competitive bidding procedure to be followed for National Competitive Bidding shall be the public competitive methods set forth in the Kingdom of Cambodia’s Updated Procurement Manual for All Externally Financed Projects/Programs (“Procurement Manual”), with the modifications set forth below in order to ensure broad consistency with the provisions of Section I of the Procurement Guidelines as required by paragraphs 3.3 and 3.4 of the Procurement Guidelines. The Procurement Manual elaborates detailed procedures for the procurement of goods, works and non-consulting services under projects financed by development partners in Cambodia, and is promulgated through the Sub-decree 74 on “Promulgating the Updated Standard Procedures for Implementing all Externally Financed Projects/Programs” dated May 22, 2012, which is issued pursuant to Article 3 of the Kingdom of Cambodia’s Law on Public Procurement dated January 14, 2012.

1. Eligibility

No bidder or potential bidder shall be declared ineligible for contracts financed by the Association for reasons other than as provided in Section I of the Procurement Guidelines. Bidder registration shall not be used to determine eligibility under Section I of the Procurement Guidelines. Foreign bidders shall not be asked or required to form joint ventures with national bidders in order to submit a bid. Bidders located in the same province or city as the procuring entity shall not be given preference over bidders located outside that city or province.

2. Bid Submission, Bid Opening and Bid Evaluation

(a) Prospective bidders shall be given at least thirty (30) days from the date of publication of the invitation to bid or the date of availability of the bidding documents, whichever is later, to prepare and submit bids;

(b) The evaluation of a bid shall be made in strict adherence to the criteria that shall be clearly specified in the bidding documents and quantified in monetary terms for evaluation criteria other than price; merit points shall not be used in bid evaluation;

(c) The lowest evaluated bidder shall be required to meet minimum qualification criteria which shall be determined based on the bidder’s capacity and resources to perform the contract, specifically its experience and past performance on similar contracts, capabilities with respect to personnel, equipment and construction and manufacturing facilities, and financial capacity;
(d) No bidder shall be rejected on the basis of a comparison with the Recipient's estimate and budget ceiling without the Association's prior concurrence;

(e) A copy of the minutes of the public bid opening shall be promptly provided to all bidders and to the Association with respect to contracts subject to prior review; and

(f) Neither shall all bids be rejected nor shall new bids invited without the Association's prior written concurrence.

3. Right to Inspect/Audit

Each bidding document and contract financed from the proceeds of the Financing shall include a provision requiring bidders, suppliers, contractors and subcontractors to permit the Association, at its request, to inspect their accounts and records relating to the bid submission and performance of the contract and to have said accounts and records audited by auditors appointed by the Association. The deliberate and material violation by a bidder, supplier, contractor or subcontractor of such provision may amount to obstructive practice.

4. Publication

Information on contract award shall be published at least in a national newspaper or in the official gazette of wide circulation, or on a widely used website with free national and international access within two (2) weeks of receiving the Association's no objection to the award recommendation for contracts subject to prior review, and within two (2) weeks from the award for contracts subject to post review. Publication shall include the following information: (a) the name of each bidder which submitted a bid; (b) bid prices as read out at bid opening; (c) evaluated prices of each bid that was evaluated; (d) the names of bidders whose bids were rejected and the reasons for their rejection, and (e) the name of the winning bidder, the final total contract price, and the duration and summary scope of the contract.
SCHEDULE 3
Repayment Schedule

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of the Credit repayable (expressed as a percentage)*</th>
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<tbody>
<tr>
<td>On each May 1 and November 1, commencing May 1, 2023 to and including November 1, 2054</td>
<td>1.5625%</td>
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* 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 3.03 (b) of the General Conditions.
<table>
<thead>
<tr>
<th>Area</th>
<th>DLJ Result</th>
<th>DLJ Target</th>
<th>Year 0</th>
<th>DLJ Target</th>
<th>Year 1</th>
<th>DLJ Target</th>
<th>Year 2</th>
<th>DLJ Target</th>
<th>Year 3</th>
<th>DLJ Target</th>
<th>Year 4</th>
<th>DLJ Target</th>
<th>Year 5</th>
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<tbody>
<tr>
<td>1.</td>
<td>DLJ 1: SIF</td>
<td>Manual: MOEYS has adopted a School Improvement Fund Manual</td>
<td>SDR 1,000,000</td>
<td>SDR 2,210,000</td>
<td>SDR 880,000</td>
<td>SDR 880,000</td>
<td>SDR 750,000</td>
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<td>DLJ 4: Improved SBM: At least 40% of lower secondary schools have publicly displayed their school development plan based on the School Improvement Manual</td>
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<td></td>
<td>DLJ 8: Improved SBM: At least 50% of lower secondary schools have publicly displayed their school development plan based on the School Improvement Manual</td>
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<td>2.</td>
<td>DLJ 2: Training Plan: MOEYS has adopted a training plan for target POEs,</td>
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<td>DLJ 5: Program Monitoring: MOEYS has submitted its first annual status</td>
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<td>DLJ 9: Program Monitoring: MOEYS has submitted its second annual status</td>
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<td>DLJ 13: Program Monitoring: MOEYS has submitted its third annual status</td>
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<td>3.</td>
<td>DLJ 12: Improved SBM: At least 20% of lower secondary schools have achieved the minimum standards defined in the LSSES</td>
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<td>DLJ 16: Improved SBM: At least 40% of lower secondary schools have achieved the minimum standards defined in the LSSES</td>
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<td>4.</td>
<td>Improved SBM: At least 40% of lower secondary schools have achieved the minimum standards defined in the LSSES</td>
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<td>5.</td>
<td>MOEYS has submitted its third annual status</td>
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<td>Improved SBM: At least 70% of lower secondary schools have achieved the minimum standards defined in the LSSES</td>
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<td>MOEYS has submitted its third annual status</td>
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<td>Improved SBM: At least 70% of lower secondary schools have achieved the minimum standards defined in the LSSES</td>
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**SCHEDULE 4**

**DISBURSEMENT LINKED INDICATORS**

**DLJs with DLJ Target Achievement Dates and DLJ Values**

**Year 0**

- **DLJ Target:**
  - SIF Manual: MOEYS has adopted a School Improvement Fund Manual
  - Improved SBM: At least 40% of lower secondary schools have publicly displayed their school development plan based on the School Improvement Manual
  - Improved SBM: At least 50% of lower secondary schools have publicly displayed their school development plan based on the School Improvement Manual

**Year 1**

- **DLJ Target:**
  - Improved SBM: At least 40% of lower secondary schools have publicly displayed their school development plan based on the School Improvement Manual
  - Improved SBM: At least 50% of lower secondary schools have publicly displayed their school development plan based on the School Improvement Manual

**Year 2**

- **DLJ Target:**
  - Improved SBM: At least 40% of lower secondary schools have publicly displayed their school development plan based on the School Improvement Manual
  - Improved SBM: At least 50% of lower secondary schools have publicly displayed their school development plan based on the School Improvement Manual

**Year 3**

- **DLJ Target:**
  - Improved SBM: At least 40% of lower secondary schools have publicly displayed their school development plan based on the School Improvement Manual
  - Improved SBM: At least 50% of lower secondary schools have publicly displayed their school development plan based on the School Improvement Manual

**Year 4**

- **DLJ Target:**
  - Improved SBM: At least 40% of lower secondary schools have publicly displayed their school development plan based on the School Improvement Manual
  - Improved SBM: At least 50% of lower secondary schools have publicly displayed their school development plan based on the School Improvement Manual

**Year 5**

- **DLJ Target:**
  - Improved SBM: At least 40% of lower secondary schools have publicly displayed their school development plan based on the School Improvement Manual
  - Improved SBM: At least 50% of lower secondary schools have publicly displayed their school development plan based on the School Improvement Manual

**DLJ Result Year 0**

- **Improved:**
  - School based management and capacity

**DLJ Result Year 1**

- **Improved:**
  - Incorporation of new ideas

**DLJ Result Year 2**

- **Improved:**
  - Effectiveness of new practices

**DLJ Result Year 3**

- **Improved:**
  - Ongoing improvement

**DLJ Result Year 4**

- **Improved:**
  - Sustainability of improvements

**DLJ Result Year 5**

- **Improved:**
  - Continuous improvement and innovation
DOE's and lower secondary schools report on the SIF program that provides updates on all progress indicators defined in the SIF Manual. DOE's and lower report on the SIF status report on the SIF program that provides updates on all progress indicators defined in the SIF Manual. DOE's and lower report on the SIF program that provides updates on all progress indicators defined in the SIF Manual.

evaluation have been discussed at a policy meeting with MOEYS, the Ministry of Economy and Finance, the Ministry of Public Works and relevant development partners.

III. Improved lower secondary school teacher performance

**DLI Target:**

**DLI 3. Training Strategy and Manual:** MOEYS has adopted a strategy for upgrading the qualifications of lower secondary school teachers, together with a corresponding implementation plan and

**DLI Value:**

SDR 750,000

SDR 370,000

SDR 370,000

SDR 370,000

SDR 330,000

**DLI 6. Upgrade Training:** At least 120 lower secondary school teachers have been enrolled in the upgrading program.

**DLI 14. Upgrade Training:** At least 300 lower secondary school teachers have graduated from the upgrading program.

**DLI 21. Upgrade Training:** At least 1,200 lower secondary school teachers have graduated from the upgrading program.

**DLI Target:**

SDR 550

SDR 1,200

SDR 2,000
IV. Improved lower secondary school director performance

**DLI Value:** SDR 440,000  
**DLI Target:**

**DLI Value:** SDR 880,000  
**DLI Target:**

**DLI Value:** SDR 2,000,000  
**DLI Target:**

**DLI Value:** SDR 1,850,000  
**DLI Target:**

**DLI Value:** SDR 370,000  
**DLI Target:**

**DLI Value:** SDR 370,000  
**DLI Target:**

MOEYS has adopted a strategy for upgrading the qualifications of lower secondary school directors and deputy directors, together with a corresponding implementation plan and operational manual.

- **DLI 7. Training Strategy and Manual:** MOEYS has adopted a strategy for upgrading the qualifications of lower secondary school directors and deputy directors, together with a corresponding implementation plan and operational manual.

- **DLI 11. Upgrade Training:** At least 150 lower secondary school directors and/or deputy directors have been enrolled in the upgrading program.

- **DLI 15. Upgrade Training:** At least 310 lower secondary school directors and/or deputy directors have graduated from the upgrading program.

- **DLI 18. Upgrade Training:** At least 310 lower secondary school directors and/or deputy directors have graduated from the upgrading program.
APPENDIX

Definitions

1. “Annual Work Plan and Budget” and the acronym “AWPB” each means the plan and budget referred to in Section I.C of Schedule 2 to this Agreement; as said plan may be modified from time to time with the prior written no-objection of the Association.


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


5. “Displaced Persons” means any person who, on account of the execution of the Project, has experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not such person must move to another location; or (b) the involuntary restriction or access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person.

6. “Disbursement Linked Indicator” or “DLI” means any one of the indicators set out in the table in Schedule 4 to this Agreement for the purposes of Parts 1.1 and 1.2 of the Project.

7. “DLI Target” means the annual targets set to be achieved under each DLI as set forth in the table in Schedule 4 to this Agreement.

8. “DLI Target Achievement Date” means, with regard to each DLI Target, the end of the Year during which the relevant DLI Target is set to be achieved as set forth in the table in Schedule 4 to this Agreement.

9. “DLI Value” means the total amount of the Financing allocated to each DLI Target as set forth in the table in Schedule 4 to this Agreement, as such amount may be reallocated in whole or in part among the DLI Targets or among the Categories by notice by the Association from time to time.

10. “DOEs” means the Recipient’s District Offices of Education.
11. "Eligible Crisis or Emergency" means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Recipient, associated with a natural or man-made crisis or disaster.

12. "Eligible Expenditure Programs" means personnel costs (wages, salaries and other compensations) under MOEYS budget line chapter 64, which are reimbursed in support of the implementation of Parts 1.1 and 1.2 of the Project.

13. "Emergency Expenditure" means any of the eligible expenditures set forth in the Contingent Emergency Response Implementation Plan in accordance with the provisions of Section I.G of Schedule 2 to this Agreement, and required for the Emergency Response Part.

14. "Emergency Response Manual" or "ERM" means the plan referred to in Section I.G(a) of Schedule 2 to this Agreement, to be adopted by the Recipient for the Emergency Response Part in accordance with the provisions of said Section.

15. "Emergency Response Part" means a specific activity or activities to be carried out in the event of an Eligible Crisis or Emergency under Part 3 of the Project.

16. "ECOP" means the Environmental Codes of Practices included in the ESMF and EMP, setting out, inter alia, measures and procedures to avoid, minimize, mitigate and/or compensate any adverse environmental, social, health and safety impacts that may result from the implementation of the Project.

17. "EMP" means the Recipient’s Environmental Management Plan for the Project dated November 2016, setting out, inter alia, general measures to manage potential environmental risks and avoid, minimize, mitigate and/or compensate any adverse environmental impacts associated with the implementation of Project activities, including the ECOPs and guidance on the preparation of site-specific environmental management plans, as said plan may be modified from time to time with the prior written no-objection of the Association, and such term includes any annexes and schedules to such plan.

18. "ESMF" means the Recipient’s Environmental and Social Management Framework dated November 2016, setting out, inter alia, the principles, standards, processes and tools to be applied to assess potential adverse environmental and social impacts associated with Project activities and the ways to avoid, minimize, mitigate and/or compensate such impacts, with related public consultation, disclosure, reporting and grievance redress procedures, including, inter alia, the EMP, the ECOP, and the guidelines, procedures and forms for preparing and implementing ESMPs, as said framework may be modified from time to time with the prior written no-objection of the Association, and such term includes any schedules or annexes to such framework.
19. "ESMP" means any environmental and social management plans to be prepared by the Recipient in accordance with the ESMF and EMP pursuant to Section I.E of Schedule 2 to this Agreement, each such plan in form and substance satisfactory to the Association, setting out, inter alia, details of measures to manage potential environmental and social risks and avoid, minimize, mitigate and/or compensate any adverse environmental and social impacts associated with the implementation of Project activities, together with adequate budget, institutional, monitoring and reporting arrangements capable of ensuring proper implementation of, and regular feedback on compliance with, its terms, as said plan may be modified from time to time with the prior written no-objection of the Association, and such term includes any annexes and schedules to such plan.


21. "Indigenous Peoples" means those social groups in the Recipient’s territory that have a distinct, vulnerable, social and cultural identity, and that possess the following characteristics in varying degrees: (a) self-identification as members of a distinct indigenous cultural group and recognition of this identity by others; (b) collective attachment to geographically distinct habitats or ancestral territories in the Project area and to the natural resources in these habitats and territories; (c) customary cultural, economic, social, or political institutions that are separate from those of the dominant society and culture; and (d) an indigenous language.

22. "IPPF" means the Recipient’s Indigenous Peoples Planning Framework, dated November 2016, setting out, inter alia, the principles, standards, processes and tools to be applied to ensure the free, prior and informed consultation of Indigenous Peoples affected by any proposed Project activity, resulting in their broad community support for such activity, including the preparation of IPPs and a grievance redress mechanism, as said framework may be modified from time to time with the prior written no-objection of the Association, and such term includes any annexes and schedules to such framework.

23. "IPP" means any Indigenous Peoples Plans to be prepared by the Recipient in accordance with the IPPF, pursuant to Section I.E of Schedule 2 to this Agreement, each such plan in form and substance satisfactory to the Association, setting out the measures to be undertaken in accordance with the IPPF to ensure culturally appropriate social and economic benefits for the Indigenous Peoples affected by Project activities, and to avoid, minimize, mitigate and/or compensate for any potential adverse effects on the Indigenous Peoples associated with such activities; as said plan may be modified from time to time with the prior written no-objection of the Association, and such term includes any schedules or annexes to such plan.

24. "LSSES" means the Lower Secondary School Education Standards established by MOEYS pursuant to its results-based monitoring and evaluation guidelines for
secondary education to measure the quality of education service delivery at lower secondary schools in Cambodia.

25. "Operating Costs" means reasonable costs required for the day-to-day coordination, administration, operation 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), translation, printing and photocopying expenses, bank charges, publications and advertising expenses, insurance, Project-related meeting expenses, Project-related travel, subsistence and lodging expenses, support staff and other administrative costs directly related to the Project, but excluding salaries, bonuses, fees and honoraria or equivalent payments of members of the Recipient’s civil service.

26. "PISA" means the Programme for International Student Assessment developed by the Organization for Economic Co-operation and Development.

27. "POEs" means the Recipient’s Provincial Offices of Education.


29. "Procurement Plan" means the Recipient’s procurement plan for the Project, dated February 1, 2017, and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

30. "Project Operational Manual" means the Recipient’s manual referred to in Section LB of Schedule 2 to this Agreement, in form and substance satisfactory to the Association, containing detailed arrangements and procedures for: (i) institutional coordination and day-to-day execution of the Project at the central, provincial, district, and school level; (ii) disbursement and financial management; (iii) procurement; (iv) environmental and social safeguards management; (v) monitoring, evaluation, reporting and communication; (vi) a verification protocol containing the technical standards and arrangements and procedures for the monitoring, reporting and verification of DLIs; and (vii) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project, as said manual may be modified from time to time with the prior written no-objection of the Association; and such term includes any schedules, annexes and attachments to the Project Operational Manual.
31. "RAP" means any Resettlement Action Plan to be prepared by the Recipient in accordance with the RPF, pursuant to Section IEF of Schedule 2 to this Agreement, each such plan in form and substance satisfactory to the Association, setting out, inter alia, measures for compensation and resettlement of any Displaced Persons, including the magnitude of displacement, compensation and resettlement arrangements, budget and cost estimates, and sources of funding, together with adequate institutional, monitoring and reporting arrangements capable of ensuring proper implementation of, and regular feedback on compliance with its terms, as said plan may be modified from time to time with the prior written no-objection of the Association, and such term includes any annexes and schedules to such plan.

32. "RPF" means the Recipient’s Resettlement Policy Framework, dated February 28, 2017 setting out, inter alia, the principles, standards, processes and tools applicable to the acquisition of rights to land, resettlement and compensation, as well as reporting and monitoring arrangements to ensure compliance with the said framework, with related public consultation, disclosure, reporting and grievance redress procedures, as said framework may be modified from time to time with the prior written no-objection of the Association, and such term includes any schedules or annexes to such framework.

33. "Safeguard Instruments" means, collectively, the ECOPs, the EMP, the ESMF, the ESMPs, the IPPF, the IPPs, the RPF and the RAPs.

34. "SBM" means School-Based Management.

35. "School Improvement Fund" and "SIF" means funds provided by the Recipient out of its own resources to target schools, POEs and DOEs in support of activities under Part 1.1 of the Project.

36. "School Improvement Fund Manual" and "SIF Manual" means the manual to be adopted by the Recipient under DLI 1 in Schedule 4 to this Agreement, to govern the administration of the School Improvement Fund.

37. "Training" means the reasonable costs incurred by the Recipient for training under the Project and directly attributable to seminars, workshops and study tours, along with travel and subsistence allowances for training participants, course fees, services of trainers, rental of training facilities, preparation, acquisition, distribution and reproduction of training materials, and other activities directly related to course preparation and implementation.

38. "Year 0" means the period commencing on June 1, 2016 and ending on October 31, 2017; "Year 1" means the year commencing November 1, 2017 and ending on October 31, 2018; "Year 2" means the year commencing November 1, 2018 and ending on October 31, 2019; "Year 3" means the year commencing November 1, 2019 and ending on October 31, 2020; "Year 4" means the year commencing
November 1, 2020 and ending on October 31, 2021; and “Year 5” means the period commencing on November 1, 2021 and ending on July 29, 2022.