

MARYAM SALIM  
Country Manager  
Cambodia

14-Jun-2024

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H.E. Dr. Aun Pornmoniroth  
Deputy Prime Minister  
Minister of Economy and Finance  
Ministry of Economy and Finance  
Street 92, Sangkat Wat Phnom  
Khan Daun Penh, Phnom Penh  
Kingdom of Cambodia

**Re: IDA Credit No. 75480-KH  
(Skills for Better Jobs Project)**

**Additional Instructions: Disbursement and Financial Information Letter**

Excellency:

I refer to the Financing Agreement between the Kingdom of Cambodia (“Recipient”) and the International Development Association (“Association”) for the above-referenced Project. The General Conditions, as defined in the Financing Agreement, provide that the Recipient may from time-to-time request withdrawals of Credit amounts from the Credit Accounts in accordance with the Disbursement and Financial Information Letter, and such additional instructions as the Association may specify from time to time by notice to the Recipient. The General Conditions also provide that the Disbursement and Financial Information Letter may set out Project specific financial reporting requirements. This letter constitutes such Disbursement and Financial Information Letter (“DFIL”) and may be revised from time to time.

**I. Disbursement Arrangements, Withdrawal of Credit Funds, and Reporting of Uses of Credit Funds**

The *Disbursement Guidelines for Investment Project Financing*, dated February 2017, (“Disbursement Guidelines”), are available in the Association’s public website at <https://www.worldbank.org> and its secure website “Client Connection” at <https://clientconnection.worldbank.org>. The Disbursement Guidelines are an integral part of the DFIL, and the manner in which the provisions in the Disbursement Guidelines apply to the Credit is specified below.

**(i) Disbursement Arrangements**

- **General Provisions** (Schedule 1). The table in Schedule 1 sets out the disbursement methods which may be used by the Recipient, [and conditions], information on registration of authorized signatories, processing of Withdrawal Applications (including minimum value of applications and processing of advances), instructions on supporting documentation, and frequency of reporting on the Designated Account(s).

**(ii) *Withdrawal Applications (Electronic Delivery)***

The Recipient will deliver Withdrawal Applications (with supporting documents, “Applications”) electronically through the Association’s web-based portal “Client Connection” at <https://clientconnection.worldbank.org>. This option will be effected after the officials designated in writing by the Recipient who are authorized to sign and deliver Applications have registered as users of “Client Connection”. The designated officials will deliver Applications electronically by completing the Form 2380, which is accessible through “Client Connection”. By signing the Authorized Signatory Letter, the Recipient confirms that it is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to the Association by electronic means. The Recipient may exercise the option of preparing and delivering Applications in paper form on exceptional cases (including those where the Recipient encounters legal limitations), and which were previously agreed with the Association. By designating officials to use SIDC and by choosing to deliver the Applications electronically, the Recipient confirms through the Authorized Signatory Letter its agreement to: (a) abide by the Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation, available in the Association's public website at <https://www.worldbank.org> and “Client Connection”; and (b) to cause such officials to abide by those terms and conditions.

**II. Financial Reports and Audits**

**(i) *Financial Reports.***

The Recipient shall through the Ministry of Labor and Vocational Skills Training (MLVT) and the Skills Development Fund (SDF), each prepare and furnish to the Association not later than forty-five (45) days after the end of each semester, separate Interim Unaudited Financial Reports (“IFRs”) for the Project covering the semester.

**(ii) *Audits.***

Each audit of the Project Financial Statements (which shall include both the incentivized performance-based financing to the Technical Training Institutes and the Component 3 managed by the Skills Development Fund (SDF) must cover the period of one (1) fiscal year of the Recipient, commencing with the fiscal year in which the first withdrawal was made. The audit of the project shall be carried out by a private audit firm recruited by the Ministry of Economy and Finance (MEF) via bundle audit arrangements with a term of reference acceptable to the World Bank. The audited Financial Statements and Management Letter for each such period must be furnished to the Association through the Client Connection website by MLVT and SDF respectively not later than six (6) months after the end of such period.

**III. Other Important Information.**

For additional information on disbursement arrangements, please refer to the Loan Handbook available on the Association’s public website and “Client Connection”. The Association recommends that you register as a user of “Client Connection”. From this website you will be able to prepare and deliver Applications, monitor the near real-time status of the Credit, and retrieve related policy, financial, and procurement information. For more information about the website and registration arrangements, or if you have any queries in relation to the above, please contact the Association by email at [askloans@worldbank.org](mailto:askloans@worldbank.org) using the loan name and number: *Skills for Better Jobs Project, IDA Credit No. 75480-KH, as applicable.*

Yours sincerely,

*Maryam Salim*

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Maryam Salim  
Country Manager  
Cambodia

**Attachments**

1. Form of Authorized Signatory Letter
2. Form of Statement of Expenditures (SOE)
3. Designated Account Reconciliation Statements
4. Two Quarters of Cash Forecast

With copies: H. E. Pen Thirong  
Under Secretary of State  
Ministry of Economy and Finance (MEF)  
Street 92, Sangkat Wat Phnom  
Khan Daun Penh, Phnom Penh  
Kingdom of Cambodia  
Telephone: 855-23-724-664  
Facsimile: 855-23-427-798  
Email: [thirong\\_pen@mef.gov.kh](mailto:thirong_pen@mef.gov.kh)

H.E. Hing Sideth  
Delegate of the Royal Government in Charge as Director General, Directorate General of  
Technical Vocational Education and Training and Project Director  
Ministry of Labour and Vocational Training (MLVT)  
Building No.3, Russian Federation Blvd., Sangkat Teuk Laak,  
Khan Toul Kork, Phnom Penh  
Kingdom of Cambodia  
Telephone: 012 658 546  
Email: [sidethhing@gmail.com](mailto:sidethhing@gmail.com)

Mr. Ky Sokkim  
Chief Executive Officer  
Skills Development Fund (SDF)  
12110 OCIC Blvd,  
Phnom Penh  
Kingdom of Cambodia  
Telephone: +855 23 901 583  
Email: [sokkimky@gmail.com](mailto:sokkimky@gmail.com)

## Schedule 1: Disbursement Provisions

A. Basic Information					
Credit Number	IDA 75480-KH	Country	Kingdom of Cambodia	Closing Date	Section III A of Schedule 2 to the Financing Agreement
		Recipient's Representative	Ministry of Economy and Finance		
		Name of the Project	Skills for Better Jobs Project	Disbursement Deadline Date	Four (4) months after the Closing Date
B. Disbursement Methods and Supporting Documentation					
Disbursement Methods	Methods	Supporting Documentation			
Direct Payment	Yes	Records (Supplier Invoices/Copy of Receipts)			
Reimbursement	Yes	Statement of Expenditure, in the format provided in Attachment 2 of the DFIL			
Advance (into a Designated Account)	Yes	Statement of Expenditure, in the format provided in Attachment 2 of the DFIL Designated Account Reconciliation Statement, in the format provided in Attachment 3 and related bank statement			
Special Commitments	Yes	Copy of Letter of Credit			
C. Designated Account(s)					
Type and Management Unit	Segregated Accounts: DA-A - to be managed by MLVT. DA-B - to be managed by SDF.		Ceiling	Variable	
Financial Institution - Name	National Bank of Cambodia		Currency	U.S. Dollars	
Frequency of Reporting <sup>1</sup>	Quarterly		Amount	Based on the two quarters of cash flow forecast	
D. Minimum Value of Applications					
The minimum value of applications for Direct Payment, Reimbursement, and Special Commitment is USD 100,000 equivalent.					
E. Authorized Signatures					
<i>Withdrawal and Documentation Applications</i>					
The form for Authorized Signatory Letter is provided in Attachment 1 of this letter. All Applications and its supporting documentation, and Authorized Signatory Letter will be electronically sent via the Bank's system "Client Connection".					
F. Additional Instructions					
<ul style="list-style-type: none"> <li>▪ <b>Reimbursement of pre-financed start-up procurement activities:</b> To expedite project implementation, the Borrower through MLVT/PMU and the SDF shall be allowed to pre-finance costs of start-up procurement activities related to procurement transactions including, but not limited to, advertising expenses for Expression of Interest (EOI), Request for Proposals (RFPs), Invitation for Bid, etc., incurred between the date of signing the Financing Agreement and effectiveness. The Bank shall reimburse the borrower for such eligible start-up costs in an amount not exceeding eight thousand United States dollars (US\$8,000), and payment shall be made into any bank account of borrower's choice.</li> </ul>					

<ul style="list-style-type: none"> <li>▪ <b>Disbursement conditions under Category 2 of the IDA Credit for the Industry Linkage Development Plan (ILDP) financing under Part 1.2(c) of the Project:</b> The ILDP Implementation Manual (ILDPIIM) will be submitted for the WB’s no objection and the disbursement effectiveness will be made from the date of the Bank’s no objection letter.</li> <li>▪ <b>Disbursement conditions under Category 4 of the IDA Credit for the SDF Training Financing under Part 3.2 of the Project:</b> The SDF Manual will be submitted for the WB’s no objection and the disbursement effectiveness will be made from the date of the Bank’s no objection letter. The funding mechanisms and disbursements arrangements will be detailed in the SDF Manual.</li> <li>▪ <b>Category 5 of the IDA Credit for Emergency Expenditures under Part 5 of the Project:</b> CERC is a “zero” component, and no withdrawal can be made under it until all required and agreed conditions as spelt out in the Financing Agreement are met. In that case, the DFIL will be revised, or a supplemental letter will be issued, if needed, when funds are allocated from time to time to Category 3 of the withdrawal of proceeds table in Section III A of Schedule 2 to the Financing Agreement.</li> </ul>
<b>Other</b>
<ul style="list-style-type: none"> <li>▪ <b>Counterpart Fund accounts:</b> MLVT and SDF shall each open a separate Designated Account (DA) (advance account in US dollars) at the National Bank of Cambodia to receive their share of counterpart funds from the National Treasury. The counterpart funds will be disbursed to the respective PMU and SDF-PIU to cover only staff costs for government personnel who are working on the project and annual audit fees.</li> </ul>

**Attachment 1 – Form of Authorized Signatory Letter**

[Letterhead]  
 Ministry of Finance  
 [Street address]  
 [City] [Country]

[DATE]

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

Attention: Mariam J. Sherman, Country Director, East Asia and Pacific Region

Dear Ms. Sherman:

**Re: IDA Credit No. 75480-KH  
 Skills for Better Jobs Project**

I refer to the Financing Agreement (“Agreement”) between the International Development Association (“Association”) and the Kingdom of Cambodia (“Recipient”), providing the above Credit. For the purposes of Section 2.03 of the General Conditions as defined in the Agreement, any <sup>1</sup>[one] of the persons whose authenticated specimen signatures appear below is authorized on behalf of the Recipient to sign Withdrawal Applications (“Application”) [and applications for a special commitment] under this [Credit] [Grant].

For the purpose of delivering Applications to the Association, including by electronic means, <sup>2</sup>[each] of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Recipient, acting <sup>3</sup>[individually] <sup>4</sup>[jointly], to deliver Applications, and evidence in support thereof on the terms and conditions specified by the Association.

This confirms that the Recipient is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to the Association by electronic means. In full recognition that the Association shall rely upon such representations and warranties, including without limitation, the representations and warranties contained in the *Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation* (“Terms and Conditions of Use of SIDC”), the Recipient represents and warrants to the Association that it will cause such persons to abide by those terms and conditions.

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<sup>1</sup> Instruction to the Recipient: stipulate if more than one person needs to sign Applications, and how many or which positions, and if any thresholds apply. *Please delete this footnote in final letter that is sent to the Association.*

<sup>2</sup> Instruction to the Recipient: stipulate if more than one person needs to jointly sign Applications, if so, please indicate the actual number. *Please delete this footnote in final letter that is sent to the Association.*

<sup>3</sup> Instruction to the Recipient: use this bracket if any one of the authorized persons may sign; if this is not applicable, please delete. *Please delete this footnote in final letter that is sent to the Association.*

<sup>4</sup> Instruction to the Recipient: use this bracket only if several individuals must jointly sign each Application; if this is not applicable, please delete. *Please delete this footnote in final letter that is sent to the Association.*

This Authorization replaces and supersedes any Authorization currently in the Association records with respect to this Agreement.

[Name], [position]                      Specimen Signature: \_\_\_\_\_

[Name], [position]                      Specimen Signature: \_\_\_\_\_

[Name], [position]                      Specimen Signature: \_\_\_\_\_

Yours truly,

/ signed /

\_\_\_\_\_





## Attachment 3 – Designated Account Reconciliation Statement

IDA Account No. Bank's name:		
1. Total Advance by World Bank		
2. <b>Less:</b> Total amount recovered by World Bank		
3. <b>Equals:</b> Present outstanding amount advanced to Special Account		
<hr/>		
4a Balance of Special Account per attached Bank statement		<i>(as of)</i>
5. + Total amount claimed in this application		<i>(appl no.)</i>
6. + Amounts not yet credited to account at date of bank statement from past applications <i>(Enter application numbers below)</i>		
7. + Bank Charge - Interest earned		
8. + Total amount withdrawn and not yet claimed <i>(Enter explanations below)</i>		
9. Total Advance accounted for (#s 4 through 8)		
<hr/>		
10. Difference to be explained		
11. Explanation of any difference between the totals appearing on lines 3 and 9		<i>(Amounts)</i>
		\$0.00
Total Advanced Accounted For		
12. Unclaimed amount without explanation		
<hr/>		
Note :		
(i) Withdraw application is created but fund is not credited to the PIU bank account		
(ii) PIU have paid from Designated account but not yet reported expenditure in this period due to: pending treasury		
13.		
	<i>Project Supervisor</i>	<i>(Date)</i>

## Attachment 4 – Two Quarters of Cash Flow Forecast

Cash Flow Forecast (One Semester)			
	From ----- to -----		
			(Amount in US\$)
Category	Description	Cash flow forecast one Semester	Total
<b>(a) Fund balance as at NBC date xxxxxx</b>			xxxxxx
<b>(b) Projected cash requirements for the next one Semester</b>			
1.1	Goods	xxxxxx	
1.2	Works		
1.3	Non Consultant services	xxxxxx	
1.4	Consulting services	xxxxxx	
1.5	Training and workshop	xxxxxx	
1.6	Operating costs	xxxxxx	
2	Incentivized performance-based financing	xxxxxx	
	<b>Sub-total projected cash requirements</b>	xxxxxx	xxxxxx
<b>(c) Total funds required for the next one semester (c = b - a)</b>			xxxxxx
<b>(d) Amount requested; but not yet received at date of bank statement</b>			
	WA #.....		xxxxxx
	WA #.....		xxxxxx
	<b>Sub-total</b>		-
<b>(e) Amounts to be paid via direct payment method, if any (goods, consulting services)</b>			xxxxxx
<b>(f) Total amount to be requested for DA (f = c - d - e)</b>			xxxxxx

