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CREDIT NUMBER 76340-KH

# **Financing Agreement**

**(Second Higher Education Improvement Project)**

**between**

**KINGDOM OF CAMBODIA**

**and**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

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## **FINANCING AGREEMENT**

AGREEMENT dated as of the Signature Date between KINGDOM OF CAMBODIA (“Recipient”) and 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) apply to and form 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 a credit, which is deemed as Concessional Financing for purposes of the General Conditions, in an amount equivalent to sixty million three hundred thousand Special Drawing Rights (SDR 60,300,000) (variously, “Credit” and “Financing”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section III of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.
- 2.04. The Service Charge is three-fourths of one percent (3/4 of 1%) per annum on the Withdrawn Credit Balance.
- 2.05. The Interest Charge is one and a quarter percent (1.25%) per annum on the Withdrawn Credit Balance.
- 2.06. The Payment Dates are April 15 and October 15 in each year.
- 2.07. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

- 2.08. 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, through its Ministry of Education, Youth and Sport (“MoEYS”), shall carry out the Project in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

### **ARTICLE IV — EFFECTIVENESS; TERMINATION**

- 4.01. The Additional Condition of Effectiveness consists of the following, namely that the Project Operations Manual has been adopted by the Recipient in a satisfactory form and substance to the Association.
- 4.02. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.
- 4.03. For purposes of Section 10.05(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 Signature Date.

### **ARTICLE V — REPRESENTATIVE; ADDRESSES**

- 5.01. The Recipient’s Representative is its Minister at the time responsible for finance.
- 5.02. For purposes of Section 11.01 of the General Conditions:

- (a) the Recipient’s address is:

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

- (b) the Recipient’s Electronic Address is:

E-mail:  
[gdicdm@mef.gov.kh](mailto:gdicdm@mef.gov.kh)

5.03. For purposes of Section 11.01 of the General Conditions:

- (a) the Association's address is:

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

- (b) the Association's Electronic Address is:

Telex:	Facsimile:
248423 (MCI)	1-202-477-6391

AGREED as of the Signature Date.

KINGDOM OF CAMBODIA

By



\_\_\_\_\_  
Authorized Representative

Name: H.E. Dr. Aun Pornmoniroth

Title: Minister of Economy and Finance

Date: 12-Nov-2024

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



\_\_\_\_\_  
Authorized Representative

Name: Tania Meyer

Title: Country Manager

Date: 27-Sep-2024

## **SCHEDULE 1**

### **Project Description**

The objective of the Project is to improve quality and relevance of higher education and research mainly in STEM at targeted higher education institutions, 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 Quality and Relevance of Academic Programs and Research**

##### *1.1. Improving quality and relevance of academic programs.*

Carrying out of a program of activities designed to improve the quality and relevance of undergraduate and graduate academic programs mainly in STEM and other complementary fields, in selected public HEIs, through:

##### *1.1.1. curriculum development* through:

- (a) the update of curriculums to be aligned with the outcome-based education framework and to include content on climate change and disaster resilience;
- (b) the provision of technical assistance to strengthen industrial linkages by supporting consulting activities, internships, co-development of certain curriculum modules with industrial partners, and guest lecturers from industry;
- (c) the provision of technical assistance to the development of short online non-degree skill-focused programs and online degree programs to expand access in selected public HEIs;
- (d) the provision of technical assistance to selected HEIs to prepare their curriculums to meet national and regional standards; and
- (e) conducting a feasibility study for the implementation of online degree programs and designing the structure of these programs.

##### *1.1.2. capacity development* through:

- (a) the improvement of lecturers' professional qualifications, instructional expertise, and graduate student supervision skills and the improvement of librarians' management skills through degree programs and training activities; and

- (b) the provision of Partnership Payments to the selected public HEIs in order to implement Subprojects comprising partnership activities to improve academic programs through mentoring and capacity building activities, under Partnership Agreements.

1.1.3. *infrastructure and facilities improvement* by carrying out of a program of activities designed to improve access to quality education and research in STEM in selected public HEIs, through:

- (a) renovation works for selected laboratories and libraries (including the digital library system with hardware and software equipment); and
- (b) financing the construction of selected classrooms, laboratories, libraries, and offices to accommodate programs identified as high-demanded by the Recipient.

1.2. *Improving quality and relevance of research.*

Carrying out a program of activities designed to improve the quality and relevance of research in STEM, in selected public HEIs, by:

- (a) financing new and/or existing selected research projects, including *inter alia* research equipment, research consumables, research activities, training activities, technology transfer activities, and/or standard certifications for primary laboratories, as needed;
- (b) supporting the establishment of a research committee responsible to select and approve the new research projects developed and approved under Part 1.2(a); and
- (c) providing technical assistance to improve research funding rules and to introduce a pilot performance-based management system to improve researchers' working conditions for selected HEIs.

1.3. *Strengthening institutional governance.*

Carrying out of a program of activities designed to improve the institutional governance capacity of the selected HEIs by strengthening their data management, internal quality assurance, tracer studies, student grievances, human resources management, and financial management, through the provision of technical assistance, workshops, equipment, and training activities.

## **Part 2. Strengthening Higher Education Sectoral Governance and Research Management Capacity**

### *2.1. Strengthening Higher Education Sectoral Governance.*

Carrying out of a program of activities designed to strengthen DGHE's higher education sectoral governance and capacity, through:

- (a) supporting DGHE to strengthen and expand the implementation of the internal quality assurance system, tracer studies, data management, and student grievances, through technical assistance, workshops and training;
- (b) collaborating with the AUN-QA and other selected agencies to provide quality assurance training, workshops and technical assistance to selected HEIs;
- (c) supporting selected HEIs to implement an outcome-based education curriculum framework through technical assistance, workshops and training;
- (d) conducting strategic research on the higher education sub-sector to inform policymaking;
- (e) providing technical assistance for DGHE to develop a comprehensive regulatory framework to govern online education; and
- (f) financing selected construction works for a new building for DGHE, to accommodate additional staff and expanded operations.

### *2.2. Building research management capacity.*

Carrying out of a program of activities designed to build DGHE's capacity through:

- (a) the establishment and management of the Higher Education Research Fund to support HEIs selected through a transparent and competitive selection process to build institutional research capacity, build and transfer knowledge, support young researchers and graduate students to obtain advance degrees;
- (b) the provision of Research Payments (through the Higher Education Research Fund) to competitively selected HEIs in order to implement Subprojects comprising the conduct of research projects, under Research Agreements; and



- (c) the provision of technical assistance to DGHE, in relation to: (i) the enhancement of the regulatory framework to build research and attract and retain researchers; (ii) attract funding from the private and public institutions to increase the Higher Education Research Fund; and (iii) the implementation of a database system of researcher profiles and laboratories.

2.3. *Strengthening project management and evaluation.*

Carrying out of the day-to-day implementation, coordination, and management of Project activities including planning and execution, financial management, procurement, internal and external audits, environmental and social risks and impact management, monitoring, reporting and evaluation.

**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.**

1. The Recipient shall designate and charge MoEYS with overall responsibility for Project coordination and supervision.
2. The Recipient shall maintain, and cause to be maintained, throughout the period of implementation of the Project, the following structures, all with functions, composition, staffing and resources acceptable to the Association:
  - (a) a Project steering committee chaired by MoEYS and including representatives of the DGHE and participating HEIs to provide overall policy direction and general oversight of the Project;
  - (b) a Project management unit housed in the MoEYS, to carry out the day-to-day implementation oversight, monitoring and evaluation of Project activities, including fiduciary reporting and auditing; and
  - (c) Project teams within the DGHE and each HEI participating in the Project, to implement and coordinate Project activities involving fiduciary and safeguards aspects.

##### **B. Project Operations Manual and Partnership and Research Annex**

1. The Recipient shall prepare and furnish to the Association for its review and no-objection:
  - (a) an implementation manual for the Project (“Project Operations Manual” and/or “POM”), in form and substance acceptable to the Association, containing, inter alia, detailed arrangements and procedures in connection to: (i) implementation of the Project; (ii) administrative; (iii) procurement; (iv) environmental and social safeguards; (v) financial management and accounting; (vi) monitoring and evaluation; (vii) grievance mechanism for the Project; and (viii) other such technical, administrative, fiduciary or coordination arrangements as may be necessary to ensure effective Project implementation; and
  - (b) an annex to the POM for the Partnership Payments under Part 1.1.2 of the Project and the Research Payments under Part 2.2(b)

of the Project (“Partnership and Research Annex”), in form and substance acceptable to the Association, containing, inter alia, detailed arrangements and procedures in connection to: (i) arrangements and procedures for financial management, disbursement, procurement, monitoring, evaluation, reporting, and environmental and social requirements for Subprojects, Partnership Payments and Research Payments; (ii) eligibility criteria, implementation conditions and financial terms for all Subprojects, beneficiary HEIs, Partnership Payments and Research Payments; (iii) verification mechanisms (including protocols) to be carried out by MoEYS and/or DGHE for all Partnership Payments and Research Payments; and (iv) other such technical, administrative, fiduciary or coordination arrangements as may be necessary to ensure effective implementation of Subprojects, Partnership Payments and Research Payments.

2. The Recipient shall afford the Association a reasonable opportunity to review the proposed POM and Partnership and Research Annex.
3. The Recipient shall:
  - (a) promptly adopt the POM as approved by the Association, in accordance with Article 4.01 of this Agreement; and
  - (b) no later than one (1) month after the Effective Date, adopt the Partnership and Research Annex, as approved by the Association.
4. The Recipient shall: (a) ensure that the Project is carried out in accordance with the POM and the Partnership and Research Annex; and (b) not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the POM and/or the Partnership and Research Annex, or any provision thereof, without the prior written agreement of the Association.
5. Notwithstanding the foregoing, in the event of any inconsistency between the provisions of the POM and/or the Partnership and Research Annex and those of this Agreement, the provisions of this Agreement shall prevail.

**C. Annual Works Plans and Budgets**

1. The Recipient shall prepare and furnish to the Association for its approval, not later than November 30 of each year, a consolidated annual program of activities (including Training and Operating Costs) proposed for implementation of the Project for the following Fiscal Year, together with a proposed budget, in a manner and substance satisfactory to the Association, which shall include the source(s) of financing of such activities and

expenditures, as well as counterpart funds and any other funds which may become available for the implementation of the Project (“Annual Work Plan and Budget” or “AWPB”); except for the Annual Work Plan and Budget for the first Fiscal Year which shall be furnished to the Association prior to the commencement of the relevant activities under the Project.

2. Without limitation to the provision of Section I.C.1 of this Schedule, each Annual Work Plan and Budget prepared under Section I.C.1 of this Schedule shall set forth: (i) a detailed description of the planned activities, including any proposed conferences and training, under the Project for the period covered by the plan; (ii) the sources and proposed use of funds therefore; and (iii) procurement and environmental and social safeguards arrangements therefor, as applicable.
3. The Recipient shall implement the activities under the Project during the relevant Fiscal Year in accordance with such plan and budget as approved by the Recipient and agreed with the Association (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). Annual Work Plans and Budgets may be revised during the Fiscal Year to which they relate, with the prior written agreement of the Association.
4. Only those activities that are included in an Annual Work Plan and Budget shall be eligible for financing out of the proceeds of the Financing.
5. Training shall be carried out on the basis of Annual Work Plans and Budgets, which shall identify: (a) particulars of the training envisaged; (b) the personnel to be trained; (c) the selection methods and criteria of the institution or individuals conducting such training; (d) the institution conducting such training if identified; (e) the purpose and justification for such training; (f) the location and duration of the proposed training; and (g) the estimate of the cost of such training.
6. Except with the prior and written concurrence of the Association, the Annual Work Plan and Budget shall not be waived, amended or otherwise revised to include new activities.

**D. Subprojects.**

1. No Subproject shall be eligible for financing out of the proceeds of the Financing unless such Subproject has been prepared, approved and implemented in accordance with the criteria, guidelines and procedures set forth in the Project Operations Manual, and with terms set forth in this Agreement.

2. Prior to each eligible Subproject for which the Recipient has decided to make available to an eligible HEI either a Partnership Payment under Part 1.1.2(b) of the Project, or a Research Payment under Part 2.2(b) of the Project, the Recipient shall enter into or cause to be entered into a Partnership Agreement or a Research Agreement respectively, with the competitively selected HEI, on terms and conditions satisfactory to the Association, which shall include:
  - (a) the following requirements:
    - (i) for each eligible HEI to carry out its Subproject with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association, in full compliance with the provisions of the Project Operations Manual, the ESCP (including the management tools and instruments referred to therein) and the Anti-Corruption Guidelines applicable to recipients of Financing proceeds other than the Recipient;
    - (ii) for each eligible HEI to provide, promptly as needed, the resources (including bonuses, fees and honoraria or equivalent payments of academic staff providing mentoring support, if needed) required for the purpose of the Subproject;
    - (iii) for each eligible HEI to procure the goods, works and services to be financed out of the Partnership Payments/Research Payments in accordance with the provisions of the Procurement Regulations and as further specified in the Project Operations Manual;
    - (iv) for each eligible HEI to maintain a financial management system and adequate records to reflect, in accordance with sound accounting practices acceptable to the Association, the operations, resources and expenditures relating to the Subproject;
    - (v) to enable the Recipient and/or the Association to inspect the Subproject, its operation and any relevant records and documents and have HEI's financial statements audited by independent auditors acceptable to the Association; and
    - (vi) for each eligible HEI to prepare and furnish to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request relating to the foregoing;
  - (b) the obligation for the Recipient, through MoEYS and DGHE, to ensure:

- (i) the carrying out of technical reviews of Subprojects during Project implementation, particularly focused on the compliance with the verification mechanisms included in the Project Operations Manual;
  - (ii) the carrying out of periodic verification exercises of Partnership Payments and Research Payments in accordance with the provisions of the Project Operations Manual; and
  - (iii) the provision of a report of such scope and in such detail as the Association shall reasonably request prior to the payment of any proceeds of any Partnership Payments and Research Payments; and
- (c) adequate provisions to protect the Recipient's interests and the interests of the Association, including the right to suspend or terminate the right of the HEI to use the proceeds of the Partnership Payment or a Research Payment, and the right to obtain a refund of all or any part of the amount of the Partnership Payment or a Research Payment then withdrawn, upon the HEI's failure to perform any of its obligations under the Partnership Agreement or a Research Agreement respectively.
3. No Subproject shall be eligible for financing unless a Partnership Agreement or a Research Agreement has been concluded to this effect on terms and conditions set forth in this Section D and the Project Operations Manual, in form and substance satisfactory to the Association.
4. The Recipient shall exercise its rights under each Partnership Agreement or a Research Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive any Partnership Agreement or a Research Agreement or any of its provisions.

**E. Environmental and Social Standards.**

1. The Recipient shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Association.
2. Without limitation upon paragraph 1 above, the Recipient shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan ("ESCP"), in a manner acceptable to the Association. To this end, the Recipient shall ensure that:

- (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as provided in the ESCP;
  - (b) sufficient funds are available to cover the costs of implementing the ESCP;
  - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
  - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Association shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
4. The Recipient shall ensure that:
- (a) all measures necessary are taken to collect, compile, and furnish to the Association through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Association, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Association, setting out, *inter alia*: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
  - (b) the Association is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, including any workplace accidents that result in death, serious or multiple injury, pollution, any case of sexual exploitation and abuse, sexual harassment and violence against students, teachers or workers, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
5. The Recipient shall establish, publicize, maintain, and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Association.

6. The Recipient shall ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors and subcontractors to: (a) comply with the relevant aspects of ESCP and the environmental and social instruments referred to therein; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address environmental, social, health and safety risks, and the risks of sexual exploitation and abuse, sexual harassment and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.

**F. Contingent Emergency Response.**

1. In order to ensure the proper implementation of contingent emergency response activities under Part 3 of the Project (“Contingent Emergency Response Part”), the Recipient shall ensure that:
  - (a) a manual (“CERC Manual”) is prepared and adopted in form and substance acceptable to the Association, which shall set forth detailed implementation arrangements for the Contingent Emergency Response Part, including: (i) any structures or institutional arrangements for coordinating and implementing the Contingent Emergency Response Part; (ii) specific activities which may be included in the Contingent Emergency Response Part, Eligible Expenditures required therefore (“Emergency Expenditures”), and any procedures for such inclusion; (iii) financial management arrangements for the Contingent Emergency Response Part; (iv) procurement methods and procedures for the Contingent Emergency Response Part; (v) documentation required for withdrawals of Financing amounts to finance Emergency Expenditures; (vi) a description of the environmental and social assessment and management arrangements for the Contingent Emergency Response Part; and (vii) a template Emergency Action Plan;
  - (b) the Emergency Action Plan is prepared and adopted in form and substance acceptable to the Association;
  - (c) the Emergency Response Part is carried out in accordance with the CERC Manual and the Emergency Action Plan; provided, however, that in the event of any inconsistency between the provisions of the CERC Manual or the Emergency Action Plan and this Agreement, the provisions of this Agreement shall prevail; and
  - (d) neither the CERC Manual or the Emergency Action Plan is amended, suspended, abrogated, repealed or waived without the prior written approval by the Association.



2. The Recipient shall ensure that the structures and arrangements referred to in the CERC Manual are maintained throughout the implementation of the Contingent Emergency Response Part, with adequate staff and resources satisfactory to Association.
3. The Recipient shall ensure that:
  - (a) the environmental and social instruments required for the Contingent Emergency Response Part are prepared, disclosed, and adopted in accordance with the CERC Manual and the ESCP, and in form and substance acceptable to the Association; and
  - (b) the Contingent Emergency Response Part is carried out in accordance with the environmental and social instruments in a manner acceptable to the Association.
4. Activities under the Contingency Emergency Response Part shall be undertaken only after an Eligible Crisis or Emergency has occurred.

**Section II. Project Monitoring, Reporting and Evaluation**

**A. Project Reports**

The Recipient shall furnish to the Association each Project Report not later than forty-five (45) days after the end of each calendar semester, covering the calendar semester.

**B. Mid-term Review Report**

The Recipient shall: (a) on or about the date thirty (30) 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 Part A above, and setting out the measures recommended to ensure the continued efficient implementation 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.

**Section III. Withdrawal of the Proceeds of the Financing**

**A. General**

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Financing to finance Eligible Expenditures; in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

<b>Category</b>	<b>Amount of the Credit Allocated (expressed in SDR)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) Goods, works, non-consulting services, and consulting services, Partnership Payments, Training and Operating Costs for the Project, except for Part 2.2(b)	58,000,000	100%
(2) Research Payments under Part 2.2(b) of the Project	2,300,000	100%
(3) Emergency Expenditures under Part 3 of the Project	0	100%
<b>TOTAL AMOUNT</b>	<b>60,300,000</b>	

**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 Signature Date; or
  - (b) for Emergency Expenditures under Category (3), unless and until all of the following conditions have been met in respect of said expenditures:
    - (A) the Recipient has determined that an Eligible Crisis or Emergency has occurred, and has furnished to the Association a request to withdraw Financing amounts under Category (3); and (B) the

Association has agreed with such determination, accepted said request and notified the Recipient thereof; and

(B) the Recipient has adopted the CERC Manual and Emergency Action Plan, in form and substance acceptable to the Association.

2. The Closing Date is November 30, 2030.

**SCHEDULE 3**

**Repayment Schedule**

<b>Date Payment Due</b>	<b>Principal Amount of the Credit repayable (expressed as a percentage)*</b>
On each April 15 and October 15:	
commencing October 15, 2029 to and including April 15, 2049	1.65%
commencing October 15, 2049 to and including April 15, 2054	3.40%

\* 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 3.05(b) of the General Conditions.

## 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.
2. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006, and revised in January 2011, and as of July 1, 2016.
3. “AUN-QA”, I suggest including the following definition ““AUN-QA” means the ASEAN University Network Quality Assurance, a quality assurance network in higher education of the ASEAN”.
4. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
5. “CERC Manual” means the manual referred to in Section I.F of Schedule 2 to this Agreement, as such manual may be updated from time to time with the agreement of the Association, and which is an integral part of the Operations Manual.
6. “Contingent Emergency Response Part” means any activity or activities to be carried out under Part 3 of the Project to respond to an Eligible Crisis or Emergency.
7. “DGHE” means the Directorate General of Higher Education of MoEYS, or any successor thereto which the Association has confirmed in writing is acceptable for the implementation of the Project.
8. “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.
9. “Emergency Action Plan” means the plan referred to in Section I.F, detailing the activities, budget, implementation plan, and monitoring and evaluation arrangements, to respond to the Eligible Crisis or Emergency.
10. “Emergency Expenditures” means any of the eligible expenditures set forth in the CERC Manual referred to in Section I.F of Schedule 2 to this Agreement and required for the Contingent Emergency Response Part.

11. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated August 14, 2024, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Recipient shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
12. “Environmental and Social Standards” or “ESSs” means, collectively:
  - (i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”;
  - (ii) “Environmental and Social Standard 2: Labor and Working Conditions”;
  - (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”;
  - (iv) “Environmental and Social Standard 4: Community Health and Safety”;
  - (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”;
  - (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”;
  - (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities”;
  - (viii) “Environmental and Social Standard 8: Cultural Heritage”;
  - (ix) “Environmental and Social Standard 9: Financial Intermediaries”; and
  - (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”;effective on October 1, 2018, as published by the Association.
13. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018 (Last revised on July 15, 2023).
14. “HEI” means a Cambodian higher education institution selected to implement specific activities under the Project in accordance with this Agreement and as further described in the POM.
15. “Higher Education Research Fund” means the national fund yet to be created and allocated annually by the Recipient to provide financial support to HEIs to strengthen their research capacity, including the provision of Research Payments to competitively selected research teams within a public or private HEI, for the carrying out of a Subproject under a Research Agreement.
16. “MoEYS” means the Recipient’s Ministry of Education, Youth and Sport, or any successor thereto which the Association has confirmed in writing is acceptable for the implementation of the Project.

17. “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, 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 or of HEIs staff.
18. “Partnership Agreement” means the agreement to be entered into between the Recipient and each selected public HEI for purposes of providing a Partnership Payment for the implementation of a Subproject under Part 1.1.2.(b) of the Project. The Term “Partnership Agreements” means more than one such Partnership Agreement or all of them as the context may require.
19. “Partnership Payment” means a payment made available by the Recipient to a selected public HEI, for the carrying out of a Subproject under Part 1.1.2(b) of the Project, and in accordance with the provisions of a Partnership Agreement to finance the reasonable cost of goods, equipment and consulting services (which may include bonuses, fees and honoraria of academic staff providing mentoring support) required for such Subproject. The Term “Partnership Payments” means more than one such Partnership Payment or all of them as the context may require.
20. “Partnership and Research Annex” the Recipient’s annex to the POM referred to in Section I.B.1(b) of Schedule 2 to this Agreement, in form and substance satisfactory to the Association, containing detailed arrangements and procedures for financial management, disbursement, procurement, monitoring, evaluation, reporting, and environmental and social requirements for Subprojects, Partnership Payments and Research Payments (including eligibility criteria, implementation conditions, and verification mechanisms), as said annex may be modified from time to time with the prior written no-objection of the Association.
21. “Procurement Regulations” means, for purposes of paragraph 85 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated September 2023.
22. “Project Operations Manual” and/or “POM” each means the Recipient’s manual referred to in Section I.B.1(a) 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; (ii) disbursement and financial management; (iii) procurement; (iv) environmental and social safeguards management; (v) monitoring, evaluation, reporting and communication; and (vi) 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 and attachments to the Project Operations Manual.

23. “Research Agreement” means the agreement to be entered into between the Recipient, through the Higher Education Research Fund, and each competitively selected HEI for purposes of providing a Research Payment for the implementation of a Subproject under Part 2.2(b) of the Project. The Term “Research Agreements” means more than one such Research Agreement or all of them as the context may require.
24. “Research Payment” means a grant made available, by DGHE using the Higher Education Research Fund, to a competitively selected research team within a public or private HEI, as the case may be, for the carrying out of a Subproject under Part 2.2(b) of the Project, and in accordance with the provisions of a Research Agreement to finance the reasonable cost of goods, works and services required for such Subproject. The Term “Research Payments” means more than one such Research Payment or all of them as the context may require.
25. “Signature Date” means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to “the date of the Financing Agreement” in the General Conditions.
26. “STEM” means science, technology, engineering, and mathematics.
27. “Subprojects” means a specific set of activities to be carried out by a selected HEI either: (i) under Part 1.1.2(b) of the Project utilizing the proceeds of a Partnership Payment to improve academic programs through mentoring and capacity building activities; or (ii) under Part 2.2.(b) of the Project utilizing the proceeds of a Research Payment to carry out research projects competitively selected; all in accordance with the provisions of this Agreement and the Project Operations Manual; and the term “Subprojects” means more than one such Subproject or all of them as the context may require.
28. “Training” means the reasonable costs incurred by the Recipient and required for the participation of personnel involved in training activities, workshops and study tours under the Project, including travel and subsistence costs for training, workshop and study tour participants, costs associated with securing the services of trainers, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, and other costs directly related to training course, workshop or study tour preparation and implementation, but excluding fees of consultants and salaries, bonuses, fees and honoraria or equivalent payments of members of the Recipient’s civil service.