
**CREDIT NUMBER 7427 -KH
CREDIT NUMBER 7428-KH**

Financing Agreement

(Water Supply and Sanitation Acceleration Project)

between

KINGDOM OF CAMBODIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

CREDIT NUMBER 7427-KH
CREDIT NUMBER 7428-KH

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 credits, which are deemed as Concessional Financing for purposes of the General Conditions (collectively, “Financing”), in the following amounts to assist in financing the project described in Schedule 1 to this Agreement (“Project”):
 - (a) an amount of ninety-eight million, nine hundred thousand Special Drawing Rights (SDR98,900,000) (the “Credit (A)”); and
 - (b) the amount of thirty-three million Dollars (USD33,000,000), as such amount may be converted from time to time through a Currency Conversion (the “Credit (B)”).
- 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 applicable only to Credit (A) and is three-fourths of one percent (3/4 of 1%) per annum; on the amounts of Credit (A) withdrawn from the Credit Account for Credit (A).
- 2.05. The Interest Charge is applicable only to Credit (A) and is one and a quarter percent (1.25%) per annum; on the amounts of Credit (A) withdrawn from the Credit Account for Credit (A).
- 2.06. The Payment Dates are May 15 and November 15 in each year.
- 2.07. The principal amount of the Financing 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 objectives of the Project. To this end, the Recipient shall carry out Part 1 of the Project through Ministry of Industry, Science, Technology & Innovation; and Part 2 of the Project through Ministry of Public Works and Transport 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 is that the Recipient has adopted the Project Operations Manual in form and substance satisfactory 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

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: 14-Dec-2023

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: Maryam Salim

Title: Country Manager

Date: 07-Dec-2023

SCHEDULE 1

Project Description

The objectives of the Project are to increase access to safely managed water supply and sanitation services in Selected Areas, strengthen institutions for water supply and sanitation service delivery, and in case of an Eligible Crisis or Emergency, respond promptly and effectively to it.

The Project consists of the following parts:

Part 1. Province-wide Water Supply Development

1.1. Water Supply Expansion and Modernization of Public Water Utilities in the Battambang, Pursat and Mondul Kiri Provinces

- 1.1.1. Supporting the expansion of water supply infrastructure in the service areas of public water utilities in the provinces of Battambang, Pursat, and Mondul Kiri through: (a) the construction of water treatment plants, including intake stations, conveyance pipes, clear water reservoirs, and pumping stations; (b) the construction of pipe networks including transmission mains and distribution pipes; and (c) the installation of bulk and pressure meters and other necessary equipment to optimize operations.
- 1.1.2. Providing technical assistance and capacity building support for the optimization and modernization of selected water utilities, through the improvement of provincial water utilities' functions in strategy and planning, technical operations, customer orientation, human resource management and resilience.

1.2. Water Supply System Development and Improvement Outside Service Areas of Public Water Utilities in the Battambang and Pursat Provinces

- 1.2.1. Providing: (a) technical assistance to MISTI in refining and implementing a framework for supporting PWOs to invest in improving and expanding water supply services and strengthening climate resilience in their operations; and (b) technical assistance, capacity building support, and Investment Support Grants to Eligible PWOs for the improvement and expansion of water supply services.

- 1.2.2. Providing: (a) Investment Support Grants, technical assistance, and capacity building support to Eligible PWOs for water supply development in greenfield areas; and (b) technical assistance and capacity building support to MISTI in selecting and supporting Eligible PWOs for greenfield development.
- 1.2.3. Strengthening the capacity of Battambang and Pursat water utilities for technical support to PWOs for improved service standards and operational performance of water supply services within respective provinces.

1.3. Water Supply Institutional Strengthening, Capacity Building, and Project Management

Providing technical, operational, and capacity building support for:

- 1.3.1. the increased usage of the WSMS, improving data quality, and the performance of the water service providers;
- 1.3.2. developing water supply regulation action plan;
- 1.3.3. water source development planning through enhanced inter-ministerial collaboration;
- 1.3.4. strengthening social accountability of public water utilities through the facilitation of social accountability between the Battambang, Pursat and Mondul Kiri water utilities and customers; and
- 1.3.5. project management for activities under Part 1 the Project, including day-to-day Project implementation and coordination, technical design, construction supervision and management, and monitoring of environmental and social impacts; and independent financial audits for the Project.

Part 2. Provincial Municipality Sanitation Development

2.1. Sanitation System Development in the Battambang, Pursat, and Ta Khmau Municipalities

Carrying out a program of activities to support the planning, expansion of sanitation infrastructure, and sustainable operational management of sanitation systems in the respective municipalities, through:

- 2.1.1. Sanitation Planning: Providing technical assistance and capacity building support for the development of citywide sanitation plans for Battambang, Pursat, and Ta Khmau municipalities;
- 2.1.2. Wastewater Infrastructure Development: Supporting climate-resilient sanitation infrastructure investments in the Battambang, Pursat, and Ta Khmau municipalities through construction and/or rehabilitation/upgrading of wastewater collection networks, wastewater treatment plants, wastewater pumping stations, fecal sludge treatment facilities, and house and service connections; and
- 2.1.3. Institutional Development and Capacity for Operational Management of Sanitation Systems: providing technical assistance and capacity building support for institutional development, setting up cost-reflective tariff, development and implementation of sanitation uptake programs; and strengthening social accountability of sanitation operational units.

2.2. Sanitation Institutional Strengthening and Project Management

Providing technical, operational, and capacity building support for:

- 2.2.1. development of: (a) a framework for a city-wide inclusive sanitation (CWIS) approach for the country; and (b) relevant guidelines and tools for the planning and implementation of CWIS at the municipality or town level; and
- 2.2.2. project management for activities under Part 2 of the Project, including day-to-day Project implementation and coordination, technical design, construction supervision and management, and monitoring of environmental and social impacts.

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. For the purpose of ensuring the efficient and effective implementation of the Project, the Recipient shall maintain, throughout the period of implementation of the Project, Project implementation structures with composition, functions, staffing and resources satisfactory to the Association and set out in the Project Operations Manual.
2. Without limitation to foregoing, the Recipient shall:
 - (a) maintain a Project Steering Committee, co-chaired by senior officials of MPWT and MISTI and including representatives of MPWT, MISTI, MOH, MRD, MEF, MoWRAM, NCDD-S, and other relevant ministries and agencies involved in the implementation of the Project, which shall be responsible, *inter alia*, for: (i) monitoring the overall progress of the Project and providing strategic guidance on its implementation and the achievement of its objectives; and (ii) facilitating coordination of Project activities, policy discussions among the members of the committee, and removal of any obstacles to the timely and effective implementation of the Project; and to this end, ensure that the Project Steering Committee shall meet at least once every six (6) months during the implementation of the Project;
 - (b) maintain a Project Management Unit within MISTI, to be responsible, *inter alia*, for: (i) overall Project coordination, including arrangement for Project audits, and consolidation of Project reports; and (ii) carrying out Part 1 of the Project's: day-to-day implementation and management, preparation of relevant Annual Work Plans and Budgets and procurement plan(s), monitoring and evaluation, and management of relevant environmental and social impacts with the oversight of the IRC / MEF on any resettlement matters;
 - (c) by no later than three (3) months after the Effective Date establish a Review and Approval Committee chaired by MISTI and including representatives of MISTI, MEF and/or relevant national and provincial agencies involved in the implementation of Part 1.2 of the Project, which shall be responsible for reviewing and approving the PWOs' grant proposals; and

- (d) maintain a Project Management Unit within MPWT to be responsible, *inter alia*, for: carrying out Part 2 of the Project's: day-to-day implementation and management, preparation of relevant Annual Work Plans and Budgets and procurement plan(s), monitoring and evaluation, and management of relevant environmental and social impacts with the oversight of the IRC / MEF on any resettlement matters.

B. Project Operations Manual and Guidelines for the Investment Support Grants

The Recipient shall, by no later than three (3) months after the Effective Date, adopt the Guidelines for the Investment Support Grants in form and substance satisfactory to the Association, and ensure that the Project is carried out in accordance with the arrangements and procedures set out in the Project Operations Manual and the Guidelines for the Investment Support Grants (provided, however, that in the event of any conflict between the arrangements and procedures set out in the Project Operations Manual or the Guidelines for the Investment Support Grants and the provisions of this Agreement, the provisions of this Agreement shall prevail) and shall not amend, abrogate or waive any provision of Project Operations Manual and the Guidelines for the Investment Support Grants unless the Association has provided its prior approval thereof in writing.

C. Annual Work Plans and Budgets

1. The Recipient shall prepare and furnish to the Association for its no-objection not later than November 30 of each Fiscal Year during the implementation of the Project (or such later date as the Association may agree), an Annual Work Plan and Budget ("AWPB") for each Respective Part of the Project as approved by the MEF, containing relevant Project activities and expenditures proposed to be included in the Respective Part of the Project in the following Fiscal Year, including a specification of the sources of financing for relevant expenditures, and environmental and social impact management measures taken or planned to be taken in accordance with the provisions of Part D of this Schedule.
2. The Recipient shall ensure that the Project is implemented in accordance with the AWPB accepted by the Association for the 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. 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, 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, subcontractors, and supervising entities 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.

E. Investment Support Grants

1. The Recipient, through MISTI, shall ensure that the Investment Support Grants financed out of the proceeds of the Financing are made and administered in accordance with the Guidelines for the Investment Support Grants, and the additional terms and conditions set forth in this Section.
2. The Recipient shall enter into an Investment Support Agreement under terms and conditions satisfactory to the Association, whereby the Recipient, through MISTI, shall provide each Investment Support Grant to an Eligible PWO which shall include, *inter alia*, the following provisions:
 - (a) the Recipient, through the MISTI, shall obtain rights adequate to protect its interests and the interests of the Association, including the right to suspend or terminate the right of an Eligible PWO to use the proceeds of the Investment Support Grant and obtain a refund of all or any part of the amount of the Investment Support Grant then withdrawn, upon any failure of the Eligible PWO to perform any of its obligations under the respective arrangements;
 - (b) the Recipient, through the MISTI, shall require each of Eligible PWO to:
 - (i) carry out activities financed from the Investment Support Grants, with due diligence and efficiency and in accordance with sound health, technical, economic, financial, managerial, environmental

and social standards and practices satisfactory to the Association, including in accordance with the provisions of the Guidelines for the Investment Support Grants, the ESCP (including the management tools and instruments referred to therein) and the Anti-Corruption Guidelines applicable to the recipients of the proceeds of the Financing other than the Recipient;

- (ii) provide, promptly as needed, the resources required for the purpose of the activities under Parts 1.2.1 and 1.2.2 of the Project;
 - (iii) procure the goods, works, and services to be financed out of the Investment Support Grants in accordance with the provisions of the Procurement Regulations and as further specified in the Guidelines for the Investment Support Grants;
 - (iv) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the supported activities and the achievement of its objectives;
 - (v) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations, resources and expenditures related to the supported activities;
 - (vi) at the Association's or the Recipient's request, have such financial statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association;
 - (vii) enable the Recipient and the Association to inspect the supported activities, its operation and any relevant records and documents; and
 - (viii) 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.
3. The Recipient shall exercise its rights and carry out its obligations under each Investment Support 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 the Investment Support Agreement or any of its provisions.

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 therefor (“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 Contingent 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 the 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

The Recipient shall: (a) on or about the date thirty-six (36) 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 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.

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: (a) finance Eligible Expenditures; in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Credit (A) Allocated (expressed in SDR)	Amount of the Credit (B) Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, and consulting services, Training and Operating Costs for Part 1 of the Project	43,100,000	33,000,000	100%
(2) Investment Support Grants under Parts 1.2.1 and 1.2.2 of the Project	11,400,000	0	100% of the amount disbursed
(3) Goods, works, non-consulting services, and consulting services, Training and Operating Costs for Part 2 of the Project	44,400,000	0	100%
(4) Emergency Expenditures	0	0	

TOTAL AMOUNT	98,900,000	33,000,000	
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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 (4), unless and until all of the following conditions have been met in respect of said expenditures:
 - (i) (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
 - (ii) the Recipient has adopted the CERC Manual and Emergency Action Plan, in form and substance acceptable to the Association.
2. The Closing Date is December 28, 2029.

Section IV. Other Undertakings

1. The Recipient shall: (i) develop a tariff structure for provision of sanitation services in each Selected Area; and (ii) upon completion of the construction of the sanitation infrastructures under Part 2.1.2 of the Project in the respective Selected Area, adopt the said structure to ensure the sustainability of sanitation services.

SCHEDULE 3

Repayment Schedule

I. REPAYMENT OF CREDIT (A)

Date Payment Due	Principal Amount of Credit (A) Repayable (Expressed as a Percentage) *
On each May 15 and November 15:	
commencing May 15, 2029, to and including November 15, 2048	1.65%
commencing May 15, 2049, to and including November 15, 2053_____	3.40%

* The percentages represent the percentage of the principal amount of Credit (A) to be repaid, except as the Association may otherwise specify pursuant to Section 3.05 (b) of the General Conditions.

II. REPAYMENT OF CREDIT (B)

Date Payment Due	Principal Amount of Credit (B) Repayable (Expressed as a Percentage) *
On each May 15 and November 15:	
commencing May 15, 2030, to and including May 15, 2035	8.33334%
on November 15, 2035	8.33326%

* The percentages represent the percentage of the principal amount of Credit (B) 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. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
4. “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.
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 Project Operations Manual.
6. “Credit (A)” means the credit in the amount referenced in Section 2.01(a) of this Agreement and the Credit for purposes of paragraph 24 of the General Conditions.
7. “Credit (B)” means the credit in the amount referenced in Section 2.01(b) of this Agreement and the Credit for purposes of paragraph 24 the General Conditions.
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. “Eligible PWO” means a PWO as selected by MISTI in accordance with Guidelines for the Investment Support Grants, as agreed with the Association; and “Eligible PWOs” means all Eligible PWOs.
10. “Emergency Expenditures” means any of the eligible expenditures set forth in the CERC Manual in accordance with the provisions of Section I.F of Schedule 2 to this Agreement and required for the Contingent Emergency Response Part.

11. “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.
12. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated October 11, 2023, 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.
13. “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”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Association.
14. “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).
15. “Guidelines for the Investment Support Grants” means the guidelines to be adopted by the MISTI (as an integral part of the Project Operations Manual) containing the eligibility criteria and detailed arrangements and procedures for the provision of Investment Support Grants to Eligible PWOs; as said guidelines may be modified from time to time with the prior written no-objection of the Association, and such term includes any schedules to such guidelines.
16. “Investment Support Grant” means a grant to be made available by the MISTI out of the proceeds of the Financing to an Eligible PWO in accordance with an Investment Support Agreement; and “Investment Support Grants” means more than one (1) such Investment Support Grant.

17. “Investment Support Agreement” means the agreement to be entered into between the Recipient, through MISTI, and an Eligible PWO for purposes of implementing and financing an activity under Parts 1.2.1(b) and 1.2.2(a) of the Project, and the “Investment Support Agreements” means, collectively, all such Investment Support Agreement.
18. “IRC” means the Recipient’s Inter-ministerial Resettlement Committee; or any successor thereto.
19. “MEF” means the Recipient’s Ministry of Economy and Finance, or any successor thereto.
20. “MISTI” means the Recipient’s Ministry of Industry, Science, Technology & Innovation, or any successor thereto.
21. “MPWT” means the Recipient’s Ministry of Public Works and Transport, or any successor thereto.
22. “MOH” means the Recipient’s Ministry of Health, or any successor thereto.
23. “MoWRAM” means the Recipient’s Ministry of Water Resources and Meteorology; or any successor thereto.
24. “MRD” means the Recipient’s Ministry of Rural Development, or any successor thereto.
25. “NCDD-S” means the Recipient’s National Committee for Sub-National Democratic Development Secretariat, or any successor thereto.
26. “Operating Costs” means the reasonable costs of goods and non-consulting services required for the day-to-day coordination, administration 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), transportation, translation, printing and photocopying expenses, bank charges, publications and advertising expenses, insurance, Project-related meeting expenses, Project-related travel, subsistence and lodging expenses, contractual 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.
27. “Project Operations Manual” means the manual to be adopted by the Recipient for the implementation of the Project referred to in Section I.B of Schedule 2 to this Agreement, containing: (A) detailed arrangements and procedures for: (a) institutional coordination and day-to-day execution of the Project; (b)

disbursement and financial management; (c) procurement; (d) environmental and social impact management; (e) monitoring and evaluation, reporting and communication; (f) detailed grievance redress mechanisms; (g) an integrity action plan; and (h) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project; (B) the CERC Manual; and (C) the Guidelines for the Investment Support Grants; 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 to such manual.

28. “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.
29. “Project Management Unit” and the acronym “PMU” each means the project management unit to be established and maintained by the Recipient at each of MISTI and MPWT, in accordance with Sections I.A.2(b) and (c) of Schedule 2 to this Agreement, or any successor thereto.
30. “Project Steering Committee” means the committee to be established and maintained by the Recipient in accordance with Section I.A.2(a) of Schedule 2 to this Agreement, or any successor thereto.
31. “PWO” means Private Water Operator; and “PWOs” means, collectively, all of such PWOs.
32. “Respective Part of the Project” means: (a) Part 1 of the Project to be implemented by the Recipient, through MISTI; and (b) Part 2 of the Project to be implemented by the Recipient through MPWT.
33. “Selected Areas” means selected municipalities and districts in the Recipient’s provinces of Battambang, Pursat, Kandal, and Mondul Kiri; and “Selected Area” means any of the Selected Areas.
34. “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.
35. “Training” means the reasonable costs of goods and services 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

consultants' fees and salaries, bonuses, fees and honoraria or equivalent payments of members of the Recipient's civil service.