

CONFORMED COPY

**CREDIT NUMBER 4818-KH
GRANT NUMBER H613-KH**

Financing Agreement

(Ketsana Emergency Reconstruction and Rehabilitation Project)

between

KINGDOM OF CAMBODIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated November 11, 2010



**CREDIT NUMBER 4818-KH
GRANT NUMBER H613-KH**

FINANCING AGREEMENT

AGREEMENT dated November 11, 2010, entered into 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) constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant and a credit (collectively, “Financing”) in the following amounts to assist in financing the Project described in Schedule 1 to this Agreement (“Project”):
 - (a) an amount equivalent to thirteen million two hundred thousand Special Drawing Rights (SDR 13,200,000) (“Grant”); and
 - (b) an amount equivalent to thirteen million two hundred thousand Special Drawing Rights (SDR 13,200,000) (“Credit”).
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.

- 2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.
- 2.05. The Payment Dates are March 15 and September 15 in each year.
- 2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.07. The Payment Currency is Dollars.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out Part 1(a) of the Project through MEF, Part 1(b), Part 2 and Part 3 of the Project through MRD, and Part 4 of the Project through NCDM, in each case, in accordance with the provisions of Article IV of the General Conditions.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

- 4.01. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.
- 4.02. For purposes of Section 8.05(b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the date of this Agreement.

ARTICLE V — REPRESENTATIVE; ADDRESSES

- 5.01. The Recipient's Representative is the Minister of Economy and Finance.

5.02. The Recipient's Address is:

Ministry of Economy and Finance
Street 92, Sang Kat Wat Phnom
Phnom Penh
Kingdom of Cambodia

Facsimile:

855-23-427798 / 855-23-430241

5.03. The Association's Address is:

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

Cable:

Telex:

Facsimile:

INDEVAS
Washington, D.C.

248423 (MCI)

1-202-477-6391

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

KINGDOM OF CAMBODIA

By: /s/ Keat Chhon

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By: /s/ Qimiao Fan

Authorized Representative

SCHEDULE 1**Project Description**

The objective of the Project is to restore the service levels of transport and water and sanitation to the affected people in the Project Provinces and strengthen the Recipient's capacity in disaster preparedness and management.

The Project consists of the following parts:

Part 1. Support for Emergency Response

Provision of support to the Recipient for, *inter alia*:

- (a) rehabilitation and reconstruction works needed after the typhoon Ketsana; and
- (b) conducting a road and village survey; and initial preparation and implementation of the Project.

Part 2. Rural Road Rehabilitation and Reconstruction in the Project Provinces and Provision of Community-Level Water Supply and Sanitation Facilities

Provision of support to the Recipient for, *inter alia*:

- (a) rural road rehabilitation and improvement in accordance with the road village survey referred to in Part 1(b) of this Schedule 1, including:
 - (i) rehabilitation of, *inter alia*, fully and partially damaged gravel surfaced roads, reconstruction of bridges, major culverts and drainage facilities; and
 - (ii) three (3) years of maintenance of unimproved gravel surface rural roads affected by the typhoon Ketsana;
- (b) dust control, including seal surface treatment in selected villages in accordance with the road village survey referred to in Part 1(b) of this Schedule 1;
- (c) water and sanitation activities, including:
 - (i) building community-based wells with hand pumps in selected villages; and

- (ii) providing prefabricated one pour-flush latrines to households.

Part 3. Project Implementation Support

Provision of support to the MRD to, *inter alia*:

- (a) develop detailed surveys and engineering designs;
- (b) conduct construction supervision;
- (c) monitor contracts deliverables in terms of quantity and quality;
- (d) strengthen capacity of local contractors;
- (e) strengthen MRD's financial management and reporting;
- (f) strengthen MRD's capacity in safeguards implementation;
- (g) support to MRD in project management; and
- (h) undertake outreach and dissemination activities on the sustainable use of water and sanitation facilities.

Part 4. Institutional Strengthening and Capacity Building

Provision of support to NCDM to develop, *inter alia*:

- (a) national and provincial risk maps;
- (b) emergency management information, an early warning system, and emergency response strategy; and
- (c) housing and building codes.

SCHEDULE 2**Project Execution****Section I. Implementation Arrangements****A. Institutional Arrangements**

1. For the purpose of providing oversight and overall coordination in the implementation of the Project, the Recipient shall maintain, throughout the period of implementation of the Project, a Project Steering Committee, to be chaired by MEF, with a mandate, terms of reference and composition that shall be satisfactory to the Association, whose membership includes representatives from, *inter alia*, MEF, MRD and NCDM.
2. For the purpose of management, coordination and monitoring of the activities under Parts 1(b), 2 and 3 of the Project, the Recipient shall maintain throughout the period of implementation of the Project, an implementation unit within MRD, headed by a Project Director with sufficient resources, appropriately qualified and competent staff in adequate numbers with terms of reference satisfactory to the Association, including, *inter alia*, a procurement officer, financial management and safeguards specialists, and three (3) Project managers each responsible to coordinate the implementation of Parts 2(a), (b) and (c), respectively.
3. The Recipient shall ensure that MRD maintains, throughout the period of implementation of the Project:
 - (a) that the implementation unit is under the leadership and coordination of a Secretary of State;
 - (b) a technical team which will conduct the survey referred to in Part 1(b) of the Project;
 - (c) the managing consultant engaged to support the implementation of Parts 2 and 3 of the Project and be responsible for, *inter alia*, development and management of contracts resulting from the survey developed by the technical team pursuant to paragraph (b) above; and
 - (d) the financial management consultant engaged in accordance with Section I.A.6(a) of this Schedule 2 to support the implementation of Parts 1(b), 2 and 3 of the Project.
4. The Recipient shall, for the purpose of the implementation of Part 4 of the Project, ensure that NCDM:

- (a) maintain throughout the period of implementation of the Project, an implementation unit within NCDM, headed by a Project Director with sufficient resources, appropriately qualified and competent staff in adequate numbers with terms of reference satisfactory to the Association, including, *inter alia*, a Project Manager, a procurement officer, a financial management specialist, and a head of the technical operation unit;
- (b) carries out Part 4 of the Project in conformity with the financial management manual agreed with the Association under the Avian and Influenza Control and Preparedness Emergency Project;
- (c) develops within two (2) months of the Effective Date, on terms and conditions satisfactory to the Association, and thereafter implement, throughout the period of implementation of the Project, the NCDM Operational Manual for implementing Part 4 of the Project which shall include, *inter alia*: (i) Project implementation arrangements; (ii) financial arrangements; (iii) procurement procedures consistent with Section III of Schedule 2 to the Financing Agreement and standard procurement documentation; (iv) reporting requirements, financial management procedures and audit procedures; and (v) monitoring and evaluation arrangements; as such Manual shall be acceptable to the Association; and
- (d) does not assign, amend, abrogate, waive or permit to be amended, suspended, abrogated, repealed, or waived, the NCDM Operational Manual or any provisions thereof without the prior written agreement of the Association; and the event of any inconsistency between the provisions of this Agreement and those of the NCDM Operational Manual, the provisions of this Agreement shall prevail.

5. The Recipient shall ensure that MRD:

- (a) develops within two (2) months of the Effective Date, on terms and conditions satisfactory to the Association, and thereafter implement, throughout the period of implementation of the Project, the MRD Operational Manual for implementing Parts 2 and 3 of the Project which shall include, *inter alia*: (i) Project implementation arrangements; (ii) financial arrangements; (iii) procurement procedures consistent with Section III of Schedule 2 to the Financing Agreement and standard procurement documentation; (iv) reporting requirements, financial management procedures and audit procedures; (v) monitoring and

evaluation arrangements; and (vi) the Environmental Management Framework, and the Resettlement Policy Framework; as such Manual shall be acceptable to the Association; and

- (b) does not assign, amend, abrogate, waive or permit to be amended, suspended, abrogated, repealed, or waived, the MRD Operational Manual or any provisions thereof without the prior written agreement of the Association; and in the event of any inconsistency between the provisions of this Agreement and those of the MRD Operational Manual, the provisions of this Agreement shall prevail.

6. The Recipient shall ensure that MRD, within one (1) month of the Effective Date:

- (a) engage a financial management consultant with appropriate experience and qualifications and under terms of reference acceptable to the Association; and
- (b) adopt and disclose the Environmental Management Framework, and a Resettlement Policy Framework of the Project both acceptable to the Association and the Recipient shall ensure that the said Resettlement Policy Framework takes into account the following principles:
 - (i) avoid involuntary resettlement where feasible and minimize resettlement where population displacement is unavoidable;
 - (ii) ensure that displaced people receive compensation, assistance and rehabilitation so that they will be at least as well off as they would have been in the absence of the Project;
 - (iii) persons affected by the Project will benefit from the Project; and
 - (iv) Project stakeholders, including the persons affected by the Project, are consulted and given the opportunity to participate, as practicable, in the design, implementation, and operation of the Project.

B. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines and the Good Governance Frameworks.

C. Safeguards

1. The Recipient shall through MRD:
 - (a) ensure that all civil works to be financed through the Project are technically and economically viable, and have been designed and appraised, with due regard for public health, safety, social and environmental standards acceptable to the Association, and pursuant to the Environmental Management Framework;
 - (b) prior to the commencement of any civil work, ensure that an environmental screening for such civil work has been carried out and, if necessary on the basis of such screening and the Environmental Management Framework, an appropriate environmental impact assessment has been carried out and prepared by the Recipient, satisfactory to the Association, in order to determine any measures to be taken to prevent, minimize, mitigate or compensate any environmentally adverse effects;
 - (c) for each civil work: (i) minimize land acquisition; (ii) require that all civil works involving land acquisition meet commitments to replace acquired land with equivalent or better land or other equivalent productive assets; (iii) emphasize participatory resolution of land issues; (iv) ensure sign-off that the land acquisition rules are followed by the Project staff; (v) prepare an Environmental Management Plan, satisfactory to the Association, in accordance with the Environmental Management Framework; and (vi) require a full Resettlement Action Plan or an abbreviated Resettlement Action Plan, as the case may be, satisfactory to the Association, in accordance with the Resettlement Policy Framework in the event that any resettlement involves more than two hundred (200) persons, or less than two hundred (200) persons, respectively;
 - (d) (i) prior to the commencement of any civil work, ensure that a social screening of such civil work has been carried out and, if necessary on the basis of such screening and the Resettlement Policy Framework, all necessary actions have been taken in order to minimize to the extent possible any involuntary loss by persons of shelter, productive assets or access to productive assets, or income, or means of livelihood, temporarily or permanently; and (ii) in the event that the civil works would give rise to Displaced Persons ensure that a Resettlement Action

Plan, satisfactory to the Association, has been prepared and implemented prior to commencing such civil works, in accordance with the Resettlement Policy Framework, and thereafter implement said Resettlement Action Plan in a manner and substance satisfactory to the Association;

- (e) furnish to the Association for its prior approval any revisions proposed to be introduced into the Environmental Management Framework, the Resettlement Policy Framework, any Environmental Management Plan, and any Resettlement Action Plan in order to achieve their objectives; and thereafter introduce such revisions into and implement such Environmental Management Framework, Resettlement Policy Framework, Environmental Management Plan, and Resettlement Action Plan in a manner and substance satisfactory to the Association; and
 - (f) maintain policies and procedures adequate to enable it to monitor and evaluate, in accordance with guidelines acceptable to the Association, the implementation of said Environmental Management Framework, Resettlement Policy Framework, any Environmental Management Plan, any Resettlement Action Plan and the achievement of their objectives. Without limitation to its reporting obligations under Section II.A.1 of this Schedule, the Recipient shall include in the quarterly progress reports required thereunder a report on the implementation of the Environmental Management Framework, Resettlement Policy Framework, any Environmental Management Plan, and any Resettlement Action Plan.
2. In the event of any inconsistency between the provisions of this Agreement and those of any of the Environmental Management Framework, Resettlement Policy Framework, any Environmental Management Plan, and any Resettlement Action Plan, the provisions of this Agreement shall prevail.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

- 1. (a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators set forth below in sub-paragraph (b) of this paragraph. Each Project Report shall cover the period of one (1) quarter, and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.
- (b) The performance indicators referred to above in sub-paragraph (a) consist of the following:

- (i) percentage of Project roads to be restored at least to pre-disaster levels;
- (ii) percentage of communities with access to and utilization of improved water supply in the target villages; and
- (iii) percentage of households with access to and utilization of family latrine sanitation in the target villages.

B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.
2. The Recipient shall prepare and furnish to the Association not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.
3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09(b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The Recipient shall ensure that the audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period.

Section III. Procurement

A. General

1. **Goods and Works.** All goods and works required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.
2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.
3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of

particular contracts, refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods and Works

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods and works shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods and Works.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods and works. The Procurement Plan shall specify the circumstances under which such methods may be used:

Procurement Method
(a) National Competitive Bidding subject to procedures listed in the Annex to this Schedule 2 and in Section V of this Schedule 2
(b) Shopping
(c) Force Account
(d) Direct Contracting

C. Particular Methods of Procurement of Consultants’ Services

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.
2. **Other Methods of Procurement of Consultants’ Services.** The following table specifies methods of procurement, other than Quality- and Cost-based Selection, which may be used for consultants’ services. The Procurement Plan shall specify the circumstances under which such methods may be used:

Procurement Method
(a) Quality-Based Selection
(b) Selection Based on the Consultants’ Qualification
(c) Least-Cost Selection
(d) Fixed Budget
(e) Single Source Selection
(f) Selection of Individual Consultants
(g) Individual Consultants selected on a sole source basis

D. Review by the Association of Procurement Decisions

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

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing (“Category”), the allocations of the amounts of the Credit and of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Credit Allocated (expressed in SDR)	Amount of the Grant Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, consultants’ services, Training and Workshops, and Incremental Operating Costs for Part 1 of the Project		3,300,000	100%

(2) Goods, works, consultants' services, Training and Workshops, and Incremental Operating Costs for Parts 2, 3 and 4 of the Project	11,270,000	9,900,000	100%
(3) Unallocated	1,930,000		
TOTAL AMOUNT	13,200,000	13,200,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed three million three hundred thousand Special Drawing Rights (SDR 3,300,000) may be made for payments made prior to this date but on or after November 30, 2009, for Eligible Expenditures under Category (1).
2. The Closing Date is July 31, 2014.
3. For purposes of Category (2) of the table shown in Part A of this Section, the Recipient and the Association intend, to the extent practicable, that the proceeds of the Grant be disbursed on account of expenditures for the Project before disbursement of the proceeds of the Credit.

Section V. Other Undertakings

1. For the purposes of Section III of Schedule 2 to this Agreement, guidance for implementing the Procurement Guidelines and the Consultant Guidelines is provided in the Kingdom of Cambodia's *Externally Assisted Project Procurement Manual: Goods, Works and Services*, issued under *Sub-Decree 14 dated February 26, 2007*, on Promulgating of the Standard Procedure for Implementing the World Bank and the Asian Development Bank Assisted Projects.
2. Unless otherwise agreed to between the Recipient and the Association, and for the purposes of Section III of Schedule 2 to this Agreement, the Recipient shall

use the services of a procurement agent engaged by the MEF under terms of reference satisfactory to the Association for all procurement to be undertaken under the Project except: Direct Contracting, Force Account, Single Source Selection of Firms, selection of individual consultants, selection of NGOs, procurement of goods estimated to cost less than \$50,000 equivalent per contract, procurement of works estimated to cost less than \$100,000 equivalent per contract, and procurement financed by sources other than the Association, including by the Recipient, which will not be undertaken through the procurement agent but by the Recipient.

**ANNEX
to
SCHEDULE 2**

National Competitive Bidding Procedures

The procedure to be followed for National Competitive Bidding shall be those set forth in the Sub-decree 14 on Promulgating of the Standard Procedure for Implementing the World Bank and the Asian Development Bank Assisted Projects dated February 26, 2007 and relevant provisions of the Royal Government of Cambodia Externally Assisted Project Procurement Manual for Goods, Works and Services with modifications set forth below in order to ensure economy, efficiency and transparency and broad consistency with the provisions of Section I of the Procurement Guidelines as required by paragraphs 3.3 and 3.4 of the said Guidelines.

1. Eligibility

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

2. Qualification Criteria

The assessment of the qualification of a bidder shall be conducted separately from the technical and commercial evaluation of the bid and in strict adherence to the qualification criteria that shall be clearly specified in the bidding documents. Such assessment shall only take into account a bidder's capacity and resources to perform the contract, specifically its experience and past performance on similar contracts, capabilities with respect to personnel, equipment and construction and manufacturing facilities, and financial capacity.

3. Bid Submission, Bid Opening and Bid Evaluation

- (a) The evaluation of a bid shall be made in strict adherence to the criteria that shall be clearly specified in the bidding documents and quantified in monetary terms for evaluation criteria other than price; merit points shall not be used in bid evaluation.
- (b) No bidder shall be rejected on the basis of a comparison with the Recipient's estimate and budget ceiling without the Association's prior concurrence.

- (c) A copy of the minutes of the public bid opening shall be promptly provided to all bidders and to the Association with respect to contracts subject to prior review.
- (d) Neither shall all bids be rejected nor shall new bids invited without Association's prior written concurrence.

4. Complaints by Bidders and Handling of Complaints

The Recipient shall implement the complaint handling mechanism in accordance with Section 7 of the above mentioned Procurement Manual.

5. Fraud and Corruption

The Association shall declare a firm or individual ineligible, either indefinitely or for a stated period, to be awarded a contract financed by the Association, if it at any time determines that the firm or individual has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for, or in executing, a contract financed by the Association.

6. Right to Inspect/Audit

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

SCHEDULE 3**Repayment Schedule**

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each March 15 and September 15:	
commencing March 15, 2021 to and including September 15 2030	1%
commencing March 15, 2031 to and including September 15, 2050	2%

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03(b) of the General Conditions.

APPENDIX**Section I. Definitions**

1. “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 with the modifications set forth in Section II of this Appendix.
2. “Avian and Human Influenza Control and Preparedness Emergency Project” means the Project described in Schedule 1 of the Financing Agreement between the Kingdom of Cambodia and the International Development Association dated May 8, 2008, as the same may be amended from time to time.
3. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
4. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004 and revised in October 2006 and May 2010.
5. “Displaced Person” means a person who, on account of the execution of the Project, experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not such person must move to another location; or (b) the involuntary restriction to access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person, and “Displaced Persons” means, collectively, all such persons.
6. “Environmental Management Framework” means the framework instrument, satisfactory to the Association, to be prepared by the Recipient pursuant to in paragraph 1.A.6.(b) of Schedule 2 to this Agreement and referred to in Section 1.C.1 of Schedule 2 to this Agreement which sets forth the principles and procedures, satisfactory to the Association, governing the environmental impact screening of civil works to be carried out under Project be done prior to the commencement of such civil works, and the environmental protection measures, if any, required to be undertaken in order to avoid or mitigate potential adverse environmental impacts resulting from such civil works; as said framework may be revised from time to time with the prior approval of the Association.
7. “Environmental Management Plan” means a plan referred to in Section 1.C. of Schedule 2 to this Agreement, prepared in accordance with the Environmental Management Framework and satisfactory to the Association, which sets out the

environmental protection measures in respect of civil works undertaken under the Project, as well as administrative and monitoring arrangements to ensure the implementation of said plan, and including all schedules and annexes to such plan, as said plan may be revised from time to time with the prior written agreement of the Association.

8. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010.
9. “Good Governance Frameworks” means the Good Governance Framework of NCDM approved by the Recipient on August 6, 2010 and the Good Governance Framework of MRD approved by the Recipient on August 16, 2010, both acceptable to the Association, and “Good Governance Framework” means any of the Good Governance Frameworks.
10. “Incremental Operating Costs” means reasonable expenditures directly related to the Project, incurred by the Recipient (which expenditures would not have been incurred absent the Project), including consumable materials and supplies, communications, printing services up to five hundred Dollars (\$500.00), vehicle rental, vehicle maintenance, drivers, maintenance of offices, operation and maintenance, charges for the opening and operation of bank accounts required for the Project, postage and handling, and travel, accommodation and per diems, but excluding salaries of officials of the Recipient’s civil service.
11. “MEF” means the Recipient’s Ministry of Economy and Finance or any successor thereto.
12. “MRD” means the Recipient’s Ministry for Rural Development or any successor thereto.
13. “MRD Operational Manual” means the manual, referred to in Section I.A.5 of Scheduled 2 to this Agreement, to be developed and adopted by the Recipient for the implementation of Parts 2 and 3 of the Project in a manner and substance satisfactory to the Association.
14. “NCDM” means the Recipient’s National Committee for Disaster Management or any successor thereto.
15. “NCDM Operational Manual” means the manual, referred to in Section I.A.4(c) of Scheduled 2 to this Agreement, to be developed and adopted by the Recipient for the implementation of Part 4 of the Project in a manner and substance satisfactory to the Association.

16. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October, 2006 and May 2010.
17. “Procurement Plans” means the MRD’s Procurement Plan for the Project, dated July 28, 2010, and NCDM’s Procurement Plan for the Project, dated July 20, 2010, both being the Procurement Plans referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs; and “Procurement Plan” means any of the Procurement Plans.
18. “Project Coordinator” means MRD’s Secretary of State or any successor thereto.
19. “Project Provinces” means the provinces of Siem Reap, Kampong Cham, Banteay Meanchey, Kampong Thom, Battambang, and Kampong Chhnang or such other province(s) which may become eligible and agreed to between the Recipient and the Association.
20. “Project Steering Committee” means the committee referred to in Section I.A.1 of Schedule 2 to this Agreement.
21. “Resettlement Action Plan” means a plan referred to in Section 1.C of Schedule 2 to this Agreement and prepared in accordance with the Resettlement Policy Framework and satisfactory to the Association, which sets out the principles and procedures governing the acquisition of land and other assets, and the resettlement, compensation and rehabilitation of Displaced Persons, as well as monitoring and reporting arrangements to ensure compliance with said plan, and including all schedules and annexes to such plan, as said plan may be revised from time to time with the prior written agreement of the Association.
22. “Resettlement Policy Framework” means the framework instrument, satisfactory to the Association, to be prepared by the Recipient pursuant to in paragraph 1.A.6(a) of Schedule 2 to this Agreement which sets forth the principles and procedures, satisfactory to the Association, governing land or other asset acquisition from, resettlement and rehabilitation of and compensation to, Displaced Persons, as well as reporting and monitoring arrangements to ensure compliance with said principles, and for the preparation of Resettlement Action Plans whenever required in the carrying out of Project implementation activities.
23. “Training and Workshops” means training and workshops conducted in the territory of the Recipient, and study tours abroad, on the basis of annual plans and budgets acceptable to the Association, including, *inter alia*, purchase and publication of materials, rental of facilities, course fees, and travel, accommodation and subsistence of trainees.

Section II. Modifications to the Anti-Corruption Guidelines

The modifications to the Anti-Corruption Guidelines are as follows:

1. Section 5 is re-numbered as Section 5(a) and a new Section 5(b) is added to read as follows:

“... (b) These Guidelines also provide for the sanctions and related actions to be imposed by the Bank on Borrowers (other than the Member Country) and all other individuals or entities who are recipients of Loan proceeds, in the event that the Borrower or the individual or entity has been debarred by another financier as a result of a determination by such financier that the Borrower or the individual or entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”
2. Section 11(a) is modified to read as follows:

“... (a) sanction in accordance with prevailing Bank’s sanctions policies and procedures (fn13) a Borrower (other than a Member Country) (fn14) or an individual or entity, including (but not limited to) declaring such Borrower, individual or entity ineligible publicly, either indefinitely or for a stated period of time: (i) to be awarded a Bank-financed contract; (ii) to benefit from a Bank-financed contract, financially or otherwise, for example as a sub-contractor; and (iii) to otherwise participate in the preparation or implementation of the Project or any other project financed, in whole or in part, by the Bank, if at any time the Bank determines (fn15) that such Borrower, individual or entity has engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in connection with the use of loan proceeds, or if another financier with which the Bank has entered into an agreement for the mutual enforcement of debarment decisions has declared such person or entity ineligible to receive proceeds of financings made by such financier or otherwise to participate in the preparation or implementation of any project financed in whole or in part by such financier as a result of a determination by such financier that the Borrower or the individual or entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

Footnotes:

“13. An individual or entity may be declared ineligible to be awarded a Bank financed contract upon completion of sanctions proceedings pursuant to the Bank’s sanctions policies and procedures, or under the procedures of temporary suspension or early temporary suspension in connection with an ongoing sanctions proceeding, or following a sanction by another financier with whom the Bank has entered into a cross

debarment agreement, as a result of a determination by such financier that the firm or individual has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

“14. Member Country includes officials and employees of the national government or of any of its political or administrative subdivisions, and government owned enterprises and agencies that are not eligible to bid under paragraph 1.8(b) of the Procurement Guidelines or participate under paragraph 1.11(c) of the Consultant Guidelines.”

“15. The Bank has established a Sanctions Board, and related procedures, for the purpose of making such determinations. The procedures of the Sanctions Board sets forth the full set of sanctions available to the Bank. In addition, the Bank has adopted an internal protocol outlining the process to be followed in implementing debarments by other financiers, and explaining how cross-debarments will be posted on the Bank’s website and otherwise be made known to staff and other stakeholders.”