

**OFFICIAL
DOCUMENTS**

CREDIT NUMBER 5777-KH

Financing Agreement

(Mekong Integrated Water Resources Management Phase 3 Project)

between

KINGDOM OF CAMBODIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated

JUNE 9 , 2016

FINANCING AGREEMENT

AGREEMENT dated JUNE 9, 2016, 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 credit in an amount equivalent to ten million nine hundred thousand Special Drawing Rights (SDR 10,900,000) (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 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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.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 April 1 and October 1 in each year.
- 2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.07. The Payment Currency is Dollars.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objective of the Project and the Program. To this end, the Recipient shall carry out Part 1 of the Project through FiA and Part 2 of the Project through CNMC 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 — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Events of Suspension consist of the following:
- (a) the Financing Agreement between the Association and the Mekong River Commission, dated April 4, 2012, or any part thereof, has been amended, suspended or waived without the Association's prior written agreement; or
 - (b) the Recipient has failed to (i) adhere to the principles and objectives of the MRC, or (ii) respect its mutually agreed procedures including, *inter alia*, the Procedures for Notification, Prior Consultation, and Agreement.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.
- 5.02. 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 VI — REPRESENTATIVE; ADDRESSES

- 6.01. The Recipient's Representative is its Minister at the time responsible for Finance.

6.02. The Recipient's Address is:

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

Facsimile:

(855- 23) 725-341
(855- 23) 427-798

6.03. The Association's Address is:

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

Facsimile:

1-202-477-6391

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

KINGDOM OF CAMBODIA

By



Authorized Representative

Name: **AUN PORN MONIROTH, Ph.D**

Title: **SENIOR MINISTER AND MINISTER OF
MINISTRY OF ECONOMY AND FINANCE**

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Ulrich Zachau

Name: _____

Title: **COUNTRY DIRECTOR
SOUTH EAST ASIA**

SCHEDULE 1

Project Description

The objective of the Project is to establish the foundation for effective water resource and fisheries management in the Project areas in the northeast of the Recipient's territory.

The Project constitutes the third phase of the Program, and consists of the following parts, the Recipient acknowledging and confirming that the Association shall not, directly or indirectly, provide any financial or technical support under the Project for the Processing of a Dam in the mainstream Mekong:

Part 1: Fisheries and Aquatic Resources Management in Northern Cambodia

- 1.1. *Establishment of Community Fisheries Management.* Provision of support for the development of community-managed fisheries management organizations in Stung Treng and Kratie provinces through:
 - (a) the establishment of new Community Fisheries ("CFis") and the strengthening of existing Community Fisheries; and
 - (b) the formulation of management plans, including demarcation of fishing areas and conservation zones (FCZ), enforcement of fishing regulations, systematic monitoring and reporting, and evaluation of management plans.
- 1.2. *Fisheries Co-Management Infrastructure and Equipment.* Building capacity for co-management of fisheries resources, planning and development of rural infrastructure, through:
 - (a) building capacity of commune, district and provincial level authorities on fisheries co-management;
 - (b) provision of infrastructure and equipment for CFis to implement their management plans, conduct fisheries-related water quality monitoring, and information dissemination;
 - (c) provision of infrastructure and equipment for the provincial offices of FiA for monitoring, general administration activities, and to support co-management roles and responsibilities; and
 - (d) strengthening FiA capacity to assess the pollution-related impacts on fisheries, and engage in transboundary fisheries management activities.

- 1.3. *Enhancements of Fisher Community Livelihoods.* Provision of support for the identification and development of alternative livelihoods for CFIs, through:
- (a) the establishment of a new hatchery;
 - (b) the provision of Livelihood Sub-grants to eligible Beneficiaries for livelihoods diversification including Livelihood Sub-projects; and
 - (c) construction of small-scale infrastructure identified in Commune Development Plans.
- 1.4. *Project Administration and Management.* Provision of management and implementation support activities for the administration and management of this Part 1, including incremental operational support, social and environmental safeguards, and fiduciary management.

Part 2: Water Resources Management (WRM) in the Northeastern Cambodia

- 2.1. *Strengthening Water Resource Management Institutions.* Strengthening the capacity of MOWRAM and each PDOWRAM in the provinces of Kratie, Stung Treng, Ratanakiri and Mondulakiri on water resource management; carrying out transboundary water resource management activities; and upgrading the national information system.
- 2.2. *Water Resources Monitoring and Management in the 3S basins and 4P basins.* Provision of support for the establishment and maintenance of hydrological and meteorological monitoring stations, carrying out of field surveys, development of water resource models, basin profile studies, and water resources monitoring and assessment programs.
- 2.3. *Project Administration and Management.* Provision of Project management and implementation support activities for, *inter alia*: (a) the administration and management of this Part 2; and (b) monitoring and evaluation, safeguards, financial management and procurement and internal audits for the Project.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. For the purpose of facilitating the overall progress of the Project and ensuring coherence and consistency in implementation of the Project, the Regional Project Steering Committee referred to in the Financing Agreement between the Association and the Mekong River Commission, dated April 4, 2012, shall be maintained with a mandate, terms of reference and composition satisfactory to the Association. The Recipient shall take all action necessary and/or appropriate to maintain its respective participation in the Regional PSC.
2. For the purpose of overseeing the implementation of the Project, the Recipient shall establish by no later than one (1) month after the Effective Date, and thereafter maintain a National Project Steering Committee, throughout the period of implementation of the Project, with a mandate, terms of reference and composition satisfactory to the Association, whose membership shall include representatives from CNMC, FiA/MAFF, MEF and MOWRAM. The committee shall *inter alia*: (a) review and approve Project Reports and Project plans prepared by the PMU and the CMU1; (b) review and endorse the annual financial audit reports; and (c) review, advise on, and approve solutions to major Project-related implementation issues, and liaise with other government institutions on implementation and policy matters.
3. The Recipient shall maintain, throughout the period of implementation of the Project, the following Project implementation structures at the national level, all with composition, functions, staffing and resources satisfactory to the Association:
 - (a) CNMC, which shall be responsible for overall financial management, safeguards compliance, and monitoring and evaluation of the activities under the Project and the implementation of the activities under Part 2 of the Project; and to this end, the Recipient, through CNMC, shall maintain, throughout the period of implementation of the Project, a PMU, with sufficient resources, appropriately qualified and competent staff in adequate numbers, and having terms of reference satisfactory to the Association; and
 - (b) FiA, which shall be responsible for the implementation of the activities under Part 1 of the Project; and to this end, the Recipient, through FiA, shall maintain, throughout the period of implementation of the Project, a CMU1, with sufficient resources, appropriately qualified and competent staff in

adequate numbers, and having terms of reference satisfactory to the Association.

4. The Recipient shall:

- (a) carry out, or cause the Project to be carried out, in accordance with the Project Operational Manual, which includes: (i) procurement procedures in compliance with Section III of this Schedule and standard procurement documentation; (ii) reporting requirements, financial management procedures and audit procedures referred to in Section II.B of this Schedule; (iii) the performance indicators for the Project; and (iv) the Livelihood Enhancement Manual; and
- (b) not amend, suspend, abrogate, repeal or waive or permit to be amended, suspended, abrogated, repealed, or waived, any provisions of the Project Operational Manual without the prior written agreement of the Association.

5. In the event of any conflict between the provisions of the Project Operational Manual and those of this Agreement, the latter shall prevail.

6. The Recipient shall fully cooperate on a timely basis with the MRC in its role in coordinating and facilitating the implementation of the Project to maintain the coherence and consistency of the activities under 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 Framework.

C. Annual Work Plans and Budgets

- 1. The Recipient shall prepare and furnish to the Association for its approval not later than December 11 of each calendar year, starting December 11, 2016, during the implementation of the Project (or such later date as the Association may agree), a consolidated Annual Work Plan and Budget ("AWPB") containing all Project activities and Eligible Expenditures proposed to be included in the Project in the following calendar year, including a specification of the sources of financing for all Eligible Expenditures, and environmental and social safeguard measures taken or planned to be taken in accordance with the provisions of Part E 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 calendar 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.

D. Livelihoods Sub-Projects

1. No Sub-project shall be eligible for financing out of the proceeds of the Financing unless such Sub-project has been prepared, approved and implemented in accordance with the guidelines and procedures set forth in the Livelihoods Enhancement Manual.
2. With respect to each eligible Livelihood Sub-project for which the Recipient has decided to make available a Livelihood Sub-grant, the Recipient shall enter into or cause to be entered into a Livelihood Sub-grant Agreement with the proposed Beneficiary on terms and conditions satisfactory to the Association, which shall include the following:
 - (a) the amount of the Livelihood Sub-grant which shall be denominated in Dollars;
 - (b) details of agreed disbursement schedules;
 - (c) provisions to suspend or terminate the right of the Beneficiary to use the proceeds of the Livelihood Sub-grant, or obtain a refund of all or any part of the amount of the Livelihood Sub-grant then withdrawn, upon the Beneficiary's failure to perform any of its obligations under the Livelihood Sub-grant Agreement; and
 - (d) requirements to: (A) carry out its Livelihood Sub-project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of Livelihood Sub-grant and Credit proceeds other than the Recipient; (B) provide, promptly as needed, the resources required for the purpose of the Livelihood Sub-project; (C) procure the goods, works and services to be financed out of the Livelihood Sub-grant in accordance with the provisions of this Agreement; (D) maintain adequate records to reflect, in accordance with sound accounting practices, the operations, resources and expenditures relating to the Sub-project; (E) enable the Recipient and the Association to inspect the Sub-project, its operation and any relevant records and documents; and (F) 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. No Livelihood Sub-project shall be eligible for financing unless a Livelihood Sub-grant Agreement has been concluded to this effect on terms and conditions set forth in the Livelihood Enhancement Manual.
4. The Recipient shall exercise its rights under each Livelihood Sub-grant 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 in writing, the Recipient shall not assign, amend, abrogate or waive any Livelihood Sub-grant Agreement or any of its provisions.

E. Safeguards

1. In carrying out the Project, the Recipient shall:
 - (a) (i) take all necessary actions 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 the displacement of said people in the carrying out of the Project or any part thereof; (ii) where the acquisition of land or assets or the displacement of people is unavoidable, before initiating the implementation of any works which would result in such acquisition or displacement, make available to such people compensation and, as applicable, relocate and rehabilitate the Displaced Persons in accordance with the RPF and in a manner satisfactory to the Association; and (iii) whenever required in terms of the RPF, proceed to have RAPs: (A) prepared in form and substance satisfactory to the Association; (B) except as otherwise agreed with the Association, submitted to the Association for review and approval; (C) adopted and publicly disclosed; and (D) thereafter, implemented in accordance with their terms and in a manner acceptable to the Association.
 - (b) (i) avoid adverse effects or when avoidance is not feasible, minimize, mitigate or compensate such effects on Indigenous Peoples caused or likely to be caused by the Project; (ii) apply the IPPF in a manner and substance satisfactory to the Association; (iii) through a process of informed participation, involve concerned Indigenous Peoples in the implementation of the Project so as to ensure that the benefits under the Project are socially and culturally acceptable to such people and that Project activities are in harmony with their economic, social and cultural preferences and protect their customary user rights; and (iv) whenever required in terms of the IPPF, proceed to have IPDPs: (A) prepared in form and substance satisfactory to the Association; (B) except as otherwise agreed with the Association, submitted to the Association for review and approval; (C) adopted and publicly disclosed; and (D) thereafter,

implemented in accordance with their terms and in a manner acceptable to the Association.

2. The Recipient shall implement the Safeguards Instruments in a manner and substance satisfactory to the Association. Without limitation upon the foregoing, the Recipient shall ensure that each contract for civil works to be financed out of the proceeds of the Financing or by counterpart funds under the Project shall include the obligation of the relevant contractor to carry out such works in accordance with the Safeguards Instruments.
3. Except as the Association shall otherwise agree in writing, the Recipient shall not assign, amend, abrogate, waive, or permit to be assigned, amended, abrogated, or waived, any Safeguards Instrument, or any provision thereof.
4. The Recipient shall maintain policies and procedures adequate to enable it to monitor and evaluate, in accordance with guidelines acceptable to the Association, the implementation of the Safeguards Instruments.
5. The Recipient shall ensure that the terms of reference for any consultancies related to studies, assessments, regulations, technical guidelines, training and technical assistance activities under the Project shall be satisfactory to the Association and, to that end, such terms of reference shall, *inter alia*, duly incorporate the requirements of the Association's safeguard policies then in force, as applied to the advice conveyed through such studies, assessments, regulations, technical guidelines, training and technical assistance activities.
6. Without limitation upon its other reporting obligations under Section II.A of this Schedule 2, the Recipient shall take all measures necessary to regularly collect and compile, and submit to the Association, as part of the Project Reports, information on the status of compliance with the Safeguards Instruments, providing details of:
 - (a) the measures taken in furtherance of the Safeguards Instruments;
 - (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Safeguards Instruments; and
 - (c) remedial measures taken or required to be taken to address such conditions.
7. In the event of a conflict between the provisions of any of the Safeguards Instruments and those of this Agreement, the provisions of this Agreement shall prevail.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Recipient shall monitor and evaluate the progress of Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators agreed with the Association and set forth in the Project Operational Manual. Each Project Report shall cover the period of one (1) calendar 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.
2. The Recipient shall:
 - (a) carry out jointly with the Association, no later than December 31, 2018, or such later date as the Association may establish by notice to the Recipient, a midterm review to assess the status of the Project, as measured against the performance indicators. Such review shall include an assessment of the following: (i) overall progress in implementation of the Project; (ii) results of monitoring and evaluation activities; (iii) progress on procurement, disbursement and financial management; (iv) progress on the implementation of the Safeguards Instruments; (v) effectiveness of implementation arrangements and coordination with MRC and other riparian states; and (vi) the need to make any adjustments to the Project and any reallocation of funds to improve performance;
 - (b) cause the CNMC prepare and furnish to the Association, at least three (3) months before such review, a report, in scope and detail satisfactory to the Association, needed to undertake the review, integrating the results of the monitoring and evaluation activities performed pursuant to paragraph (a) of this Section on the progress achieved in the carrying out the Project during the period preceding the date of the said report and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objectives of the Project during the period following such date; and
 - (c) review with the Association, the report referred to in subparagraph (b) of this Section and thereafter cause the CNMC to take all measures required to ensure the efficient completion of the Project and the achievement of its objectives, based on the conclusions and recommendations of said report and the Association's views on the matter.

B. Financial Management, Financial Reports and Audits

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

Section III. Procurement

A. General

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

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

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) National Competitive Bidding subject to the additional provisions set forth in the Annex to this Schedule 2; (b) Shopping; (c) Direct Contracting; (d) Procurement from UN agencies and (e) Community Participation procedures which have been found acceptable to the Association, and set forth in the Project Operations Manual.

C. Particular Methods of Procurement of Consultants' Services

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.
2. **Other Methods of Procurement of Consultants' Services.** The following methods, other than Quality and Cost-based Selection, may be used for procurement of consultants' services for those contracts which are specified in the Procurement Plan: (a) Least Cost Selection; (b) Selection based on Consultants' Qualifications; (c) Single-source Selection of consulting firms; (d) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (e) Single-source procedures for the Selection of Individual Consultants.

D. Review by the Association of Procurement Decisions

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

E. Additional Provisions

Unless otherwise agreed to between the Recipient and the Association, and for the purposes of 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 Updated Procurement Manual for all Externally Financed Projects/Programs, promulgated pursuant to Sub-Decree 74 on Promulgating the Updated Standard Procedures for Implementing All Externally Financed Projects/Programs, dated May 22, 2012. In case of inconsistency between the provision of these regulations and manual and the provisions of this Agreement (including the Procurement Guidelines and the Consultant Guidelines) the provisions of this Agreement (including the Procurement Guidelines and the Consultant Guidelines) shall prevail.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

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

Category	Amount of the Credit Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, non-consultant services, consultants’ services, Training and Workshops, and Incremental Operating Costs under Part 1 of the Project	6,500,000	100%
(2) Livelihood Sub-grants under Part 1.3 (b) of the Project	750,000	100% of amounts disbursed
(3) Goods, works, non-consultant services, consultants’ services, Training and Workshops, and Incremental Operating Costs under Part 2 of the Project	3,650,000	100%
TOTAL AMOUNT	10,900,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section:

- (a) no withdrawal shall be made for payments made prior to the date of this Agreement; or
 - (b) under Category (2) until and unless the Bank has received evidence that the Recipient has adopted the Livelihoods Enhancement Manual, in form and substance satisfactory to the Association.
2. The Closing Date is June 1, 2021.

**ANNEX
to
SCHEDULE 2**

National Competitive Bidding Procedures

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

1. Eligibility

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

2. Bid Submission, Bid Opening and Bid Evaluation

- (a) Prospective bidders shall be given at least thirty (30) days from the date of publication of the invitation to bid or the date of availability of the bidding documents, whichever is later, to prepare and submit bids;
- (b) The evaluation of a bid shall be made in strict adherence to the criteria that shall be clearly specified in the bidding documents and quantified in monetary terms for evaluation criteria other than price; merit points shall not be used in bid evaluation;
- (c) The lowest evaluated bidder shall be required to meet minimum qualification criteria which shall be determined based on the bidder's capacity and resources to perform the contract, specifically its experience and past performance on similar contracts, capabilities with respect to personnel, equipment and construction and manufacturing facilities, and financial capacity;

- (d) No bidder shall be rejected on the basis of a comparison with the Recipient's estimate and budget ceiling without the Association's prior concurrence;
- (e) A copy of the minutes of the public bid opening shall be promptly provided to all bidders and to the Association with respect to contracts subject to prior review; and
- (f) Neither shall all bids be rejected nor shall new bids invited without the Association's prior written concurrence.

3. Right to Inspect/Audit

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

4. Publication

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

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each April 1 and October 1, commencing October 1, 2022 to and including April 1, 2054	1.5625%

* 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

Definitions

1. “3S basins” means the sub-basins of the Sesan, Srepok and Sekong rivers of the Mekong.
2. “4P basins” means the Prek Preah, Prek Krieng, Prek Kampi and Prek Te sub-basins of the Mekong.
3. “Annual Work Plans and Budgets” and “AWPB” mean the annual work plan and budget referred to in Section I.C of Schedule 2 to this Agreement; as said plan and budget may be modified from time to time with the prior written no-objection of the Association.
4. “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 and revised in January 2011.
5. “Beneficiary” means the respective eligible household of the CFi which is the recipient of a Livelihood Sub-grant and responsible for the implementation of a Livelihood Sub-project.
6. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
7. “Community Fisheries” and “CFis” mean groups of persons which live in or near a fishing area voluntarily established and taking the initiative to improve their standard of living by using and processing fisheries resources sustainably to contribute to economic and social improvement and poverty alleviation, and “Community Fishery” means any of said Community Fishery.
8. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 and revised in July 2014.
9. “CMU1” means a unit established within the FiA to manage Part 1 of the Project and referred to in Section I.A.3(b) of Schedule 2 to this Agreement.
10. “CNMC” means the Cambodia National Mekong Committee, or any successor thereto.
11. “Commune Development Plans” means, collectively, the plans to promote mainstreaming of fisheries management in the local level development processes including, *inter alia*: development of fishery management plans; identification of

livelihood activities; and identification of priority rural infrastructure needed to support livelihoods.

12. “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 Displaced Persons.
13. “Environmental Code of Practice” or “ECOP” means standardized requirements and practices to be developed in accordance with the provisions of the ESMF, and to be agreed with the Association, setting forth measures to be followed in carrying out civil works activities under the Project to ensure compliance with certain environmental aspects of the Project, as said code of practices may be revised from time to time with the prior written agreement of the Association, and such term includes any annexes or schedules to such code of practices.
14. “Environmental and Social Management Framework” and “ESMF” mean the framework, satisfactory to the Association, dated November 2015, which sets forth the environmental and cultural property protection measures in respect of the Project, as well as administrative and monitoring arrangements to ensure the implementation of said framework; as said framework and any annexes or schedules to such framework, may be revised from time to time with the prior written approval of the Association.
15. “Environmental Management Plan” and “EMP” mean the Recipient’s plan, satisfactory to the Association, dated November 2015, which sets forth mitigation, enhancement, monitoring, and institutional measures, including capacity building through training, to eliminate any adverse environmental impacts of activities to be implemented under Part 1.3(a) the Project, offset them, or reduce them to acceptable levels, or enhance positive impacts, as the same may be modified from time to time with the prior written agreement of the Association, and such term includes any annexes or schedules to such plan.
16. “FiA” means the Fisheries Administration of Cambodia under the MAFF, or any successor thereto
17. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010.
18. “Good Governance Framework” means the Good Governance Framework, satisfactory to the Association, approved by the Recipient on May 2012.

19. “Incremental Operating Costs” means the reasonable costs 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), translation, printing and photocopying expenses, bank charges, publications and advertising expenses, insurance, Project-related meeting expenses, Project-related travel, subsistence and lodging expenses, support staff, and other administrative costs directly related to the Project, but excluding salaries, bonuses, fees and honoraria or equivalent payments of members of the Recipient’s civil service.
20. “Indigenous People” means those social groups in the Recipient’s territory that have a distinct, vulnerable, social and cultural identity, and that possess the following characteristics in varying degrees: (a) self-identification as members of a distinct indigenous cultural group and recognition of this identity by others; (b) collective attachment to geographically distinct habitats or ancestral territories in the Project area and to the natural resources in these habitats and territories; (c) customary cultural, economic, social, or political institutions that are separate from those of the dominant society and culture; and (d) an indigenous language.
21. “Indigenous People Development Plan” and “IPDP” mean any indigenous people development plan to be prepared by the Recipient in accordance with the IPPF, pursuant to Section I.E of Schedule 2 to this Agreement, each such plan in form and substance satisfactory to the Association, setting out the mitigation, enhancement, monitoring, and institutional measures, including capacity building through training, that have been identified by the Recipient to address any adverse effects on Indigenous People under the Project, and ensure culturally appropriate social and economic benefits for Indigenous People under the Project in accordance with the provisions of the Indigenous People Development Framework, as the same may be modified from time to time with the prior written agreement of the Association, and such term includes any annexes or schedules to such plan, and “Indigenous People Development Plans” and “IPDPs” mean, collectively, all such plans.
22. “Indigenous People Planning Framework” and “IPPF” mean the Recipient’s framework, satisfactory to the Association dated May 22, 2014, setting out the, *inter alia*, the principles, standards, processes and tools to be applied to ensure the free, prior and informed consultation of Indigenous Peoples affected by any proposed Project activity, resulting in their broad community support for such activity, including and guidelines and procedures for the preparation of Indigenous People Development Plans, as the same may be modified from time to time with the prior written agreement of the Association, and such term includes any annexes or schedules to such framework.

23. "IWRM" means Integrated Water Resources Management.
24. "Kratie" means the Recipient's province of Kratie, or any successor thereto.
25. "Livelihoods Enhancement Manual" means the manual to be adopted by Recipient, in form and substance acceptable to the Association, setting forth the eligibility criteria, appraisal, approval and administration arrangements and procedures for Livelihood Sub-grants, and terms and conditions of Livelihood Sub-grant Agreements including, *inter alia*, those referred to in Section I.D of Schedule 2.
26. "Livelihood Sub-grant" means a Livelihood Sub-grant made available to a Beneficiary under Part 1.3(b) of the Project and in accordance with the provisions of a Livelihood Sub-grant Agreement, and the term "Livelihood Sub-grants" means, collectively, more than one Livelihood Sub-grant.
27. "Livelihood Sub-grant Agreement" means the agreement to be entered into between the Recipient and the respective Beneficiary for purposes of implementing and financing a Livelihood Sub-project, and the term "Livelihood Sub-grant Agreements" means collectively, all such Livelihood Sub-grant Agreements.
28. "Livelihood Sub-project" means a project to be carried out by a Beneficiary utilizing the proceeds of a Livelihood Sub-grant, all in accordance with the provisions of the Livelihood Enhancement Manual, and the term "Livelihood Sub-projects" means all such Livelihood Sub-projects.
29. "MAFF" means the Recipient's Ministry of Agriculture, Forestry and Fisheries, or any successor thereto.
30. "MEF" means the Recipient's Ministry of Economy and Finance, or any successor thereto.
31. "Mekong" means the Mekong River, and for purposes of prohibiting financing of dam related activities under the Project this term also includes any tributary to the Mekong River.
32. "MOE" means the recipient's Ministry of the Environment, or any successor thereto.
33. "Mondulkiri" means the Recipient's province of Mondulkiri, or any successor thereto.
34. "MOWRAM" means the Recipient's Ministry of Water Resources and Meteorology, or any successor thereto.

35. “MRC” means the Mekong River Commission created under the Agreement on the Cooperation for the Sustainable Development of the Mekong River Basin dated April 5, 1995, or any successor thereto.
36. “National Project Steering Committee” means the committee established in accordance with Section I.A.2 of Schedule 2 to this Agreement.
37. “PDOWRAM” means the Recipient’s Provincial Department of Water Resources and Meteorology under MOWRAM, or any successor thereto.
38. “PMU” means a unit established within the MOWRAM to manage the overall Project implementation and referred to in Section I.A.3(a) of Schedule 2 to this Agreement.
39. “Procedures for Notification, Prior Consultation, and Agreement” means the procedures agreed by the Kingdom of Thailand, the Lao Peoples’ Democratic Republic (Lao PDR), the Kingdom of Cambodia (Cambodia), and the Socialist Republic of Vietnam in 2003.
40. “Processing of a Dam” means the process encompassing studies and reviews which may lead to the realization or construction of a dam in the mainstream of the Mekong.
41. “Procurement Guidelines” means the “Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 and revised in July 2014.
42. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated January 19, 2016, and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
43. “Program” means the program designed to support the MRC and its member countries in maintaining the momentum on the implementation of the 1995 Mekong Agreement which supports a three-tier approach to IWRM involving regional, national and trans-boundary level actions allowing a better integration of MRC activities and tools within national initiatives, and approved by the Recipient, the Lao PDR, the Kingdom of Thailand, the Socialist Republic of Vietnam and the MRC in the Sixteenth Meeting of the MRC Council on November 26, 2009.
44. “Project Operational Manual” means the manual stipulating the procedures for the overall Project implementation, adopted by Recipient on January 15, 2016, in form and substance acceptable to the Association, and referred to in Section I.A.4 of Schedule 2 to this Agreement.

45. “Ratanakiri” means the Recipient’s province of Ratanakiri, or any successor thereto.
46. “Regional Project Steering Committee” or “Regional PSC” means the committee referred to in the Financing Agreement between the Association and the Mekong River Commission, dated April 4, 2012, which steering committee is responsible for providing general technical and policy guidance for the Project at the regional level, as such committee may be reconstituted from time to time with the prior written agreement of the Association.
47. “Resettlement Action Plan” means any resettlement action plan to be prepared by the Recipient in accordance with the RPF, pursuant to Section I.E of Schedule 2 to this Agreement, each such plan in form and substance satisfactory to the Association, setting out the mitigation, enhancement, monitoring, and institutional measures, including capacity building through training, to carry out acquisition of land and other assets, compensation, resettlement, and rehabilitation of Displaced Persons under the Project, in accordance with the provisions of the Resettlement Policy Framework, as the same may be modified from time to time with the prior written agreement of the Association, and such term includes any annexes or schedules to such plan, and “Resettlement Action Plans” and “RAPs” mean, collectively, all such plans.
48. “Resettlement Policy Framework” and “RPF” mean the Recipient’s framework, dated May 22, 2014, satisfactory to the Association and setting out the mitigation, enhancement, monitoring, and institutional measures, including capacity building through training, to carry out acquisition of land and other assets, compensation, resettlement, and rehabilitation of Displaced Persons, procedures for grievance redress mechanisms, and guidelines and procedures for the preparation of Resettlement Action Plans, under the Project, as the same may be modified from time to time with the prior written agreement of the Association, and such term includes any annexes or schedules to such framework.
49. “Safeguard Instruments” means, collectively, the ESMF, the EMP, any ECOP, the RPF, any RAP, the IPPF, and any IPDP.
50. “Stung Treng” means the Recipient’s province of Stung Treng, or any successor thereto.
51. “Training and Workshops” means the reasonable costs incurred by the Recipient for training under the Project and directly attributable to seminars, workshops and study tours, along with travel and subsistence allowances for training participants, course fees, services of trainers, rental of training facilities, preparation, acquisition, distribution and reproduction of training materials, and other activities directly related to course preparation and implementation.