



THE WORLD BANK

IBRD • IDA | WORLD BANK GROUP

MR. ULRICH ZACHAU
Country Director, South East Asia
(Brunei, Cambodia, Lao PDR, Malaysia, Myanmar, Thailand)
East Asia and Pacific Region

OFFICIAL CR. 5813-KH
DOCUMENTS TF0A3114

August 26, 2016

H.E. Dr. Aun Pornmoniroth
Minister
Ministry of Economy and finance
Phnom Penh, Cambodia

**Re: IDA Credit 5813-KH and MDTF Grant TF0A3114
(Cambodia Health Equity and Quality Improvement Project)
Additional Instructions: Disbursement**

Excellency:

I refer to the Financing Agreement between the Kingdom of Cambodia (“the Recipient”) and the International Development Association (the “Association”) and the Grant Agreement between the Recipient and the Association, acting as administrator of the Multi-Donor Trust Fund for the Cambodia Health Equity and Quality Improvement Project, providing financing for the above-referenced project. The above-referenced agreements (hereinafter collectively referred to as the “Agreements”) provide that the Association may issue additional instructions regarding the withdrawal of the proceeds of IDA Credit 5813 and MDTF Grant TF0A3114 (hereinafter collectively referred to as the “Financing”). This letter (“Disbursement Letter”), as revised from time to time, constitutes the additional instructions.

The attached *World Bank Disbursement Guidelines for Projects*, dated May 1, 2006, (“Disbursement Guidelines”) (Attachment 1), are an integral part of the Disbursement Letter. The manner in which the provisions in the Disbursement Guidelines apply to the Financing is specified below. Sections and subsections in parentheses below refer to the relevant sections and subsections in the Disbursement Guidelines and, unless otherwise defined in this letter, the capitalized terms used have the meanings ascribed to them in the Disbursement Guidelines.

I. Disbursement Arrangements

(i) Disbursement Methods (section 2). The following Disbursement Methods may be used under the Financing:

- Reimbursement
- Advance
- Direct Payment
- Special Commitment

(ii) Disbursement Deadline Date (subsection 3.7). The Disbursement Deadline Date is 4 months after the Closing Date specified in the Agreements. Any changes to this date will be notified by the Association.

(iii) Disbursement Conditions (subsection 3.8). Please refer to the Disbursement Condition(s) in the Agreements.

II. Withdrawal of Financing Proceeds

(i) Authorized Signatures (subsection 3.1).

An authorized signatory letter in the Form attached (Attachment 2) should be furnished to the Association at the address indicated below providing the name(s) and specimen signature(s) of the official(s) authorized to sign Applications:

The World Bank
113 Norodom Boulevard
Phnom Penh, Cambodia

Attention: Inguna Dobraja
Country Manager

(ii) Applications (subsections 3.2 - 3.3). Please provide completed and signed (a) applications for withdrawal, together with supporting documents, and (b) applications for special commitments, together with a copy of the commercial bank letter of credit, to the address indicated below:

The World Bank
26/F One Global Place
5th Avenue corner 26th Street
Bonifacio Global City, Taguig
Philippines

Attention: Loan Department

(iii) Electronic Delivery (subsection 3.4) The Association may permit the Recipient to electronically deliver to the Association Applications (with supporting documents) through the Association's Client Connection, web-based portal. The option to deliver Applications to the Association by electronic means may be effected if: (a) the Recipient has designated in writing, pursuant to the terms of subparagraph (i) of this Section, its officials who are authorized to sign and deliver Applications and to receive secure identification credentials ("SIDC") from the Association for the purpose of delivering such Applications by electronic means; and (b) all such officials designated by the Recipient have registered as users of Client Connection. If the Association agrees, the Association will provide the Recipient with SIDC for the designated officials. Following which, the designated officials may deliver Applications electronically by completing Form 2380, which is accessible through Client Connection (<https://clientconnection.worldbank.org>). The Recipient may continue to exercise the option of preparing and delivering Applications in paper form. The Association reserves the right and may, in its sole discretion, temporarily or permanently disallow the electronic delivery of Applications by the Recipient.

(iv) Terms and Conditions of Use of SIDC to Process Applications. By designating officials to use SIDC and by choosing to deliver the Applications electronically, the Recipient confirms through the authorized signatory letter its agreement to: (a) abide by the *Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation* ("Terms and Conditions of Use of Secure Identification Credentials") provided in Attachment 3; and (b) to cause such official to abide by those terms and conditions.

(v) Minimum Value of Applications (subsection 3.5). The Minimum Value of Applications is USD100,000 equivalent for Reimbursement, Direct Payment and Special Commitment

(vi) Advances (sections 5 and 6).

- **Type of Designated Account (subsection 5.3):** One pooled Designated Account, combined for IDA Credit 5813-KH and MDTF Grant
- **Currency of Designated Account[s] (subsection 5.4):** US Dollars
- **Financial Institution at which the Designated Account[s] Will Be Opened (subsection 5.5):** National Bank of Cambodia
- **Ceiling (subsection 6.1):** forecast for 2 quarters as provided in the quarterly Interim Financial Report, forecast to indicate IDA and TF breakdown

III. Reporting on Use of Financing Proceeds

(i) Supporting Documentation (section 4). Supporting documentation should be provided with each application for withdrawal as set out below:

- **For requests for Reimbursement:**
 - a) For EEP (Part 3.1) of the Project**
 - Interim Unaudited Financial Report in the form attached (Attachment 5);
 - Statement of Summary of Claim of DLI (Attachment 4)
 - b) For Parts 1, 2, 3.2 and 3.3 of the Project**
 - Interim Unaudited Financial Report in the form attached (Attachment 5);
 - List of payments against contracts in the form attached (Attachment 6), together with records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for all contracts subject to the Association's prior review as indicated in the Agreements; and
- **For reporting eligible expenditures paid from the Designated Account (for Parts 1, 2, 3.2 and 3.3 only):**
 - Interim Unaudited Financial Report in the form attached (Attachment 5);
 - List of payments against contracts that are subject to the Association's prior review, in the form attached (Attachment 6); and
 - Pooled Account Reconciliation Statement (Attachment 7)
- **For requests for Direct Payment:** records evidencing eligible expenditures, e.g., copies of receipts, supplier invoices

(ii) Frequency of Reporting Eligible Expenditures Paid from the Designated Account (subsection 6.3): quarterly

IV. Other Disbursement Instructions

(a) The value of each of the DLIs is set out in Schedule 4 of the Financing Agreement.

- (b) The Association's disbursements for the DLI operations of the Project may be made semi-annually on reimbursement basis to accounts designated by the Recipient
- (c) This Disbursement Letter may be subject to revision if disbursements under Part 4 of the Project is triggered.

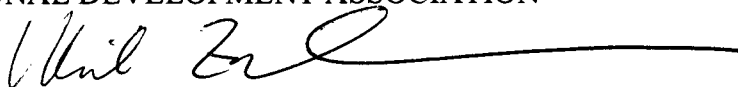
V. Other Important Information

For additional information on disbursement arrangements, please refer to the Disbursement Handbook available on the Association's public website at <https://www.worldbank.org> and its secure website "Client Connection" at <https://clientconnection.worldbank.org>. Print copies are available upon request.

From the Client Connection website, you will be able to prepare and deliver Applications, monitor the near real-time status of the Financing, and retrieve related policy, financial, and procurement information.

If you have any queries in relation to the above, please contact Carmenchu Austriaco, Finance Officer at caustriaco@worldbank.org using the above reference.

Sincerely,
INTERNATIONAL DEVELOPMENT ASSOCIATION



Ulrich Zachau
Country Director, South East Asia
(Brunei, Cambodia, Lao PDR, Malaysia, Myanmar, Thailand)
East Asia and Pacific Region

Attachments

1. *World Bank Disbursement Guidelines for Projects*, dated May 1, 2006
2. Form for Authorized Signatures
3. *Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation*, dated March 1, 2013
4. Form of "Statement of Summary of Claim of DLI"
5. Form of "Interim Unaudited Financial Report"
6. Form of Payments Against Contracts Subject to the Bank's Prior Review
7. Form of "Pooled Designated Account Reconciliation Statement"

Cc with copies: H.E. Mam Bunheng
Minister, Ministry of Health
No 53, Street 281, Sangkat Boeung Kok I
Khan Tuol Kork
Phnom Penh, Cambodia

Form of Authorized Signatory Letter
[Letterhead]
Ministry of Finance
[Street address]
[City] [Country]

[DATE]

The World Bank

Attention: [Inguna Dobraja]

Re: IDA Credit No. 5813- KH and MDTF Grant No. TF0A3114 (Health Equity and Quality Improvement Project)

I refer to the Financing Agreement between the Kingdom of Cambodia (the "Recipient") and the International Development Association (the "Association"), dated _____ and the Multi-Donor Trust Fund Grant Agreement between the Recipient and the Association acting as administrator of the Multi-Donor Trust Fund for the Cambodia Health Equity and Quality Improvement Project, dated _____, all such agreements (hereinafter collectively referred to as the "Agreements") providing the above-mentioned credit and grants (hereinafter collectively referred to as the "Financing"). For the purposes of Section 2.03 of the General Conditions and Section 3.04 (b) of the Standard Conditions as defined in the Agreements, any ¹[one] of the persons whose authenticated specimen signatures appear below is authorized on behalf of the Recipient to sign applications for withdrawal [and applications for a special commitment] under the Financing.

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

⁵[This confirms that the Recipient is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to

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

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

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

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

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

This Authorization replaces and supersedes any Authorization currently in the Association's records with respect to the Agreements.

[Name], [position] Specimen Signature: _____

[Name], [position] Specimen Signature: _____

[Name], [position] Specimen Signature: _____

Yours truly,

/ signed /

[Position]

⁵ Instruction to the Recipient: Add this paragraph if the Recipient wishes to authorize the listed persons to accept Secure Identification Credentials and to deliver Applications by electronic means; if this is not applicable, please delete the paragraph. *Please delete this footnote in final letter that is sent to the Association.*

**Terms and Conditions of Use of Secure Identification Credentials
in connection with Use of Electronic Means
to Process Applications
and Supporting Documentation**

March 1, 2013

The World Bank (Bank)⁶ will provide secure identification credentials (SIDC) to permit the Borrower⁷ to deliver applications for withdrawal and applications for special commitments under the Agreement(s) and supporting documentation (such applications and supporting documentation together referred to in these Terms and Conditions of Use as Applications) to the Bank electronically, on the terms and conditions of use specified herein.

SIDC can be either: (a) hardware-based (Physical Token), or (b) software-based (Soft Token). The Bank reserves the right to determine which type of SIDC is most appropriate.

A. Identification of Users.

1. The Borrower will be required to identify in a completed Authorized Signatory Letter (ASL) duly delivered to and received by the Bank each person who will be authorized to deliver Applications. The Bank will provide SIDC to each person identified in the ASL (Signatory), as provided below. The Borrower shall also immediately notify the Bank if a Signatory is no longer authorized by the Borrower to act as a Signatory.
2. Each Signatory must register as a user on the Bank's Client Connection (CC) website (<https://clientconnection.worldbank.org>) prior to receipt of his/her SIDC. Registration on CC will require that the Signatory establish a CC password (CC Password). The Signatory shall not reveal his/her CC Password to anyone or store or record the CC Password in written or other form. Upon registration as a CC user, the Signatory will be assigned a unique identifying account name.

B. Initialization of SIDC.

1. Prior to initialization of SIDC by a Signatory, the Signatory will acknowledge having read, understood and agreed to be bound by these Terms and Conditions of Use.

⁶ "Bank" includes IBRD and IDA.

⁷ "Borrower" includes the borrower of an IBRD loan, IDA credit, or Project Preparation Facility advance and the recipient of a grant.

2. Where a Physical Token is to be used, promptly upon receipt of the Physical Token, the Signatory will access CC using his/her account name and CC Password and register his/her Physical Token and set a personal identification number (PIN) to be used in connection with the use of his/her Physical Token, after which the Physical Token will be initialized for use by the Signatory exclusively for purposes of delivering Applications. Where a Soft Token is to be used, the Signatory will access CC using his/her account name and CC Password and set a personal identification number (PIN) to be used in connection with the use of his/her Soft Token, after which the Soft Token will be initialized for use by the Signatory exclusively for purposes of delivering Applications. Upon initialization of the SIDC, the Signatory will be a "SIDC User". The Bank will maintain in its database a user account (Account) for each SIDC User for purposes of managing the SIDC of the SIDC User. Neither the Borrower nor the SIDC User will have any access to the Account.
3. Prior to first use of the SIDC by the SIDC User, the Borrower shall ensure that the SIDC User has received training materials provided by the Bank in use of the SIDC.

C. Use of SIDC.

1. Use of the SIDC is strictly limited to use in the delivery of Applications by the SIDC User in the manner prescribed by the Bank in the Agreement(s) and these Terms and Conditions. Any other use of the SIDC is prohibited.
2. The Bank assumes no responsibility or liability whatsoever for any misuse of the SIDC by the SIDC User, other representatives of the Borrower, or third parties.
3. The Borrower undertakes to ensure, and represents and warrants to the Bank (such representation and warranty being expressly relied upon by the Bank in granting SIDC) that each SIDC User understands and will abide by, these Terms and Conditions of Use, including without limitation the following:
 - 4.1. The SIDC User shall not reveal his/her PIN to anyone or store or record the PIN in written or other form.
 - 4.2. The SIDC User shall not allow anyone else to utilize his/her SIDC to deliver an Application to the Bank.
 - 4.3. The SIDC User shall always logout from CC when not using the system. Failure to logout properly can create a route into the system that is unprotected.
4. ***Security***

4.4. If the SIDC User believes a third party has learned his/her PIN or has lost his/her Physical Token he/she shall immediately notify clientconnection@worldbank.org.

4.5. The Borrower shall immediately notify the Bank at clientconnection@worldbank.org of any lost, stolen or compromised SIDC, and take other reasonable steps to ensure such SIDC are disabled immediately.

5. ***Reservation of Right to Disable SIDC***

5.1. The Borrower shall reserve the right to revoke the authorization of a SIDC User to use a SIDC for any reason.

5.2. The Bank reserves the right, in its sole discretion, to temporarily or permanently disable a SIDC, de-activate a SIDC User's Account or both.

6. ***Care of Physical Tokens***

6.1. Physical Tokens will remain the property of the Bank.

6.2. The Bank will physically deliver a Physical Token to each Signatory designated to receive one in a manner to be determined by and satisfactory to the Bank.

6.3. Physical Tokens contain delicate and sophisticated instrumentation and therefore should be handled with due care, and should not be immersed in liquids, exposed to extreme temperatures, crushed or bent. Also, Physical Tokens should be kept more than five (5) cm from devices that generate electromagnetic radiation (EMR), such as mobile phones, phone-enabled PDAs, smart phones and other similar devices. Physical Tokens should be carried and stored separate from any EMR device. At close range (less than 5 cm), these devices can output high levels of EMR that can interfere with the proper operation of electronic equipment, including the Physical Token.

6.4. Without derogating from these Terms and Conditions of Use, other technical instructions on the proper use and care of Physical Tokens are available at <http://www.rsa.com>.

7. ***Replacement***

7.1. Lost, damaged, compromised (in terms of 4.5, above) or destroyed Physical Tokens will be replaced at the expense of the Borrower.

7.2. The Bank reserves the right, in its sole discretion, not to replace any Physical Token in the case of misuse, or not to reactivate a SIDC User's Account.

HEALTH EQUITY AND QUALITY IMPROVEMENT PROJECT (H-EQIP)

Summary of Claim of DLI Value

WA No.: _____
 Years/Period: _____

Component	HEF	EEP	DLI No.	DLI Value in US\$					Total
				Year 0	Year 1	Year 2	Year 3	Year 4	
3.1	HEF		1	800,000	800,000	800,000	800,000	800,000	4,000,000
3.1	HEF		2	400,000	400,000	400,000	400,000	400,000	2,000,000
3.1	HEF		3	400,000	400,000	400,000	400,000	400,000	2,000,000
3.1	HEF		4	500,000	500,000	1,000,000	-	1,000,000	3,000,000
3.1	HEF		5	500,000	500,000	500,000	500,000	-	2,000,000
3.1	HEF		6	400,000	400,000	400,000	400,000	400,000	2,000,000
A) Total DLI value for each year				3,000,000	3,000,000	3,500,000	2,500,000	3,000,000	15,000,000

B) Amount claimed and approved in previous WAs

1									-
2									-
3									-
4									-
5									-
6									-

C) Requested amount in this WA based on DLI verification report dated _____

1	-	-	-	-	-	-	-	-	-
2	-	-	-	-	-	-	-	-	-
3	-	-	-	-	-	-	-	-	-
4	-	-	-	-	-	-	-	-	-
5	-	-	-	-	-	-	-	-	-
6	-	-	-	-	-	-	-	-	-

D) Balance of DLI value for the period _____ (D = A - B - C) 3,000,000.00 3,000,000.00 3,500,000.00 2,500,000.00 3,000,000.00 15,000,000.00

(i): This amount must be equal to the amount recorded in the withdrawal application.

(ii) Amount requested must be less than or equal to the amount of HEF financed by RGC for EEP indicated in IFR 4, which is extracted below:

HEF financed by RGC for period from _____ To _____	
	Amount US\$
1. Total amount of HEF financed by RGC according to agreed share in ADP	0
2. Total amount of HEF financed by RGC for EEP	0
	<u>0</u>

**Ministry of Health
HEALTH EQUITY AND QUALITY IMPROVEMENT PROJECT (H-EQIP)
Interim Unaudited Financial Report**

IFR 1

**Discussion of Program Progress and financial variance analysis
Quarter ended**

HEALTH EQUITY AND QUALITY IMPROVEMENT PROJECT (H-EQIP)
Statement of Receipts and Payments and Fund Balance
 Quarter ended

IFR 2

		Actual			Budget		Variance	
		Current Quarter	Year to date	Cumulative to date	Current Quarter	Year to date	Current Quarter	Year to Date
Receipts								
IDA								
MDTF								
Government fund								
Other receipts								
Total receipts	(a)	-	-	-				
Payments by category								
1. Service Delivery Grants								
2. HEF Grants								
3. EEP								
4. Goods, works, Consultant, operating costs, training								
Goods								
Works								
Services								
Training								
Operating Costs								
5. Emergency expenditures								
Total payments	(b)	-	-	-	-	-	-	-
Excess/(deficit) receipts over payments	c = a - b	-	-	-				
Total opening funds balance	(d)							
Closing funds balance	e=c+d	-	-	-				
Represented by:								
Cash at Bank:								
IDA and MDTF								
RGC								
Advance payments								
IDA and MDTF								
RGC								
Petty Cash								
IDA and MDTF								
RGC								
Total	f	-	-	-				
Check (all should zero)	g = e-f	-	-	-				

Agreed sharing % on expenditures	
	% Amount (US\$)
IDA	
MDTF	
RGC	
Total	100%

HEALTH EQUITY AND QUALITY IMPROVEMENT PROJECT (H-EQIP)
Projected Cash Requirement for the Next Two Quarters

IFR 6

All Sources of Funds

	IDA US\$	MDTF US\$	RGC US\$	Total US\$
Cummulative receipts				
- From funders				
- Other receipts				
Cummulative expenses				
Fund balance (a)				
Projected cash for the next two quarters				
Budget plan for the Quarter xxxx				
1. Service Delivery Grants				
2. HEF Grants				
4. Goods, works, Consultant, operating costs, training				
Budget plan for the Quarter xxxx				
1. Service Delivery Grants				
2. HEF Grants				
4. Goods, works, Consultant, operating costs, training				
Commitment to be paid during the next two quarters				
Sub-total projected cash (b)				
Total funds required for the next two quarters (c = b - a)				
Amount requested; but not yet received at date of bank statement				
WA #.....				
WA #.....				
Sub-total (d)				
Total amount to be requested (e = c - d)				

Attachment 6

List of Payments Made during Reporting Period
Against Contracts Subject to the Association's Prior Review

Contract Number	Supplier	Contract Date	Contract Amount	Date of Association's No-Objection to Contract	Amount Paid to Supplier during Period	Association's Share of Amt Paid to Supplier during Period

--	--	--	--	--	--	--

Attachment 7

IDA XXX & MDTF XXX

Account No. _____

Bank's name _____

	IDA XXX	MDTF XXX	T
1. a. Total Advance by World Bank	\$0.00	\$0.00	
b. Total Advance by World Bank	\$0.00	\$0.00	
Total: Advance by World Bank	\$0.00	\$0.00	\$
2. Less: Total amount recovered by World Bank	\$0.00	\$0.00	
Less: Total amount recovered by World Bank	\$0.00	\$0.00	
Total: Amount recovered by World Bank	\$0.00	\$0.00	\$
3. Total: Present outstanding amount advanced to Designated Account	\$0.00	\$0.00	\$
4. a. Balance of Designated Account per attached Bank statement as of	\$0.00	\$0.00	\$
5. + Total amount claimed in this application .. <i>(appl no.)</i>	\$0.00	\$0.00	\$
6. + Amounts not yet credited to account at date of bank statement from past applications <i>(Enter application numbers below)</i>	\$0.00	\$0.00 (i)	\$
	\$0.00	\$0.00	
	\$0.00	\$0.00	
7. - Interest earned	(\$0.00)	(\$0.00)	\$
8. + Total amount withdrawn and not yet claimed for IDA/MDTF <i>(Enter explanations below)</i>	\$0.00	\$0.00 (ii)	\$
	\$0.00	\$0.00	
	\$0.00	\$0.00	
9. Total Advance accounted for (#s 4 through 8)	\$0.00	\$0.00	\$
10. Difference to be explained	\$0.00	\$0.00	\$
11. Explanation of any difference between the totals appearing on lines 3 and 9 Bank charge			
Total Advanced Accounted For	\$0.00	\$0.00	\$
12. Unclaimed amount without explanation			

Note :

- (i) Withdraw application is created but fund is not credited to the MOH bank account
- (ii) MOH have paid from Designated account but not report in this period due to : Pending treasury certification; pending staff advance liquidations or other reasons

13. _____
Project Director
(Date)