



CAMBODIA RESIDENT MISSION

8 April 2020

H.E. Aun Pornmoniroth ✓
Deputy Prime Minister
Minister of Economy and Finance
Street 92, Sangkat Wat Phnom
Khan Daun Penh
Phnom Penh, Cambodia

Dear H.E. Aun Pornmoniroth:

**Subject: Loan Nos. 3311(SF)/8295(SCF) and Grant No. 0454(SCF)-CAM:
Integrated Urban Environmental Management in the Tonle Sap Basin
Project
- Amendments to Loan Agreements and Grant Agreement**

1. We refer to (i) the Loan Agreement (Special Operations) dated 22 December 2015, as amended to date ("ADB Loan Agreement"), between Kingdom of Cambodia ("Borrower") and Asian Development Bank ("ADB"), (ii) the Loan Agreement (ADB Strategic Climate Fund) dated 22 December 2015 ("SCF Loan Agreement") between the Borrower and ADB, acting in its capacity as an implementing entity of the Strategic Climate Fund ("SCF"), and (iii) the Grant Agreement (ADB Strategic Climate Fund) dated 22 December 2015 ("SCF Grant Agreement", and together with the ADB Loan Agreement and the SCF Loan Agreement, the "Agreements") between the Borrower and ADB, acting in its capacity as an implementing entity of the SCF, for the captioned project. All capitalized terms used but not defined herein shall have the meaning given thereto in the Agreements, unless the context requires otherwise.

2. Following discussions with the Borrower, ADB approved on 3 March 2020 and 16 March 2020 changes in the Project concerning Project implementation arrangements. To give effect to the changes, ADB proposes that the Agreements be amended as set out in the appendix hereto.

3. Save and except to the extent set out in the appendix hereto, the Agreements remain unchanged.

4. Pursuant to ADB's Access to Information Policy (2018) ("AIP"), the amendments to the Agreements will be posted on ADB's website within 2 weeks from the date that the amendments become effective, after removing any information that falls within the AIP exceptions as specified by the Borrower.

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ការិយាល័យរដ្ឋបាល ក្រ.ស.បា.ក
មកដល់ថ្ងៃទី 14/04/20 ម៉ោង 17:00
លេខ: 20447
អ្នកទទួល: ល.ប. ប្រតិបត្តិការ
អ្នកប្រគល់: ប្រតិបត្តិការ
បញ្ជូនទៅ: ទទួលបាន

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ទទួលបាន ក.ស.បា.ក
លេខ: 2002/21...21
ថ្ងៃទី: 16/04/20 ម៉ោង
អ្នកប្រគល់:

5. Please indicate the Borrower's concurrence to the amendments set out in the appendix hereto and to the terms of this letter agreement by countersigning each of the two originals of this letter agreement in the space indicated below. Please retain one signed original of this letter agreement for your records and return the other to ADB. The proposed amendments shall take effect on the date of receipt by ADB of a signed original of this letter agreement.

Yours sincerely,

Sunniya Durrani-Jamal
Country Director

A. Accepted and agreed.

B. Confirmed that the amendments to the Agreements do not contain information falling within the AIP exceptions. 

For and on behalf of
KINGDOM OF CAMBODIA

Name: AUN PORN MONIROTH, Ph.D.

Designation: Deputy Prime Minister
Minister of Economy and Finance

Date: 05 JUN 2020

cc: H.E. Vongsey Vissoth, Permanent Secretary of State, MEF
H.E. Hem Vandy, Under Secretary of State, MEF
H.E. Pen Thirong, Director General, GDICDM, MEF
H.E. Chhuon Samrith, Deputy Director General, GDICDM, MEF
Mr. Yi Sokthearith, Director, Department of Multilateral Cooperation, GDICDM, MEF
Mr. Non Wattanak, Deputy Director, Department of Multilateral Cooperation, GDICDM, MEF
Mrs. Veng Youim, Chief, Office of Multilateral Cooperation 1, DMC, GDICDM, MEF
Mr. Vijay Padmanabhan, Director, Southeast Asia Urban Development and Water Division, ADB
Mr. Joonho Hwang, Principal Portfolio Management Specialist, ADB-CARM
Mr. Sokunthea Sok, Sr. Procurement Officer, ADB-CARM
Mr. Shinsuke Kawazu, Principal Counsel, OGC, ADB
Mr. Hyun Chol Park, Senior Financial Control Specialist, CTL-LGD, ADB
Ms. Anne Gin, Procurement Specialist, PFP2, ADB

APPENDIX**Loan Nos. 3311(SF)/8295(SCF) and Grant No. 0454(SCF)-CAM: Integrated Urban Environmental Management in the Tonle Sap Basin Project****Amendments to Loan Agreement (Special Operations)**

1. In Article I, Section 1.02(dd) of the Loan Agreement (Special Operations) shall be deleted and substituted with the following:

"(dd) "Urban Service Unit" or "USU" means each semi-autonomous urban service unit established in the Kampong Chhnang provincial department of public works and transport and the Pursat provincial department of public works and transport, for the sustainable operations and maintenance of urban infrastructure and delivery of reliable urban services in their respective municipality or any successor or alternative institution thereto acceptable to ADB (collectively, "Urban Service Units" or "USUs"); and"

2. In Schedule 3, paragraph 6 shall be deleted in its entirety.
3. The Table in Attachment to Schedule 3 shall be deleted and replaced by the Attachment to this Appendix.
4. In Schedule 4, paragraph 8 shall be deleted in its entirety and the existing paragraphs 9 to 14 shall be renumbered as paragraphs 8 to 13.
5. In Schedule 5, the following shall be inserted after the existing paragraph 3, as new paragraph 4 and the existing paragraph 4 shall be renumbered as paragraph 5:

"4. Before receiving any Environment Sanitation Fee levied, the Borrower shall ensure, and cause the Project Executing Agency to ensure, that the following shall have occurred:

- (a) an operating plan shall have been developed for all assets constructed under the Project showing the entity responsible for the operation of the asset (USU or agreed alternative institution), the service level agreed, the funding requirements and the sources of funding;
- (b) the entities operating the assets constructed under the Project (USU or agreed alternative institution) shall comprise at least 20% women and the committee (or its equivalent) includes provincial governors and representatives from MPWT, Ministry of Economy and Finance and Ministry of Women's Affairs;
- (c) each operating entity (USU or agreed alternative institution) shall approve a business plan for the asset operation, acceptable to MPWT and ADB and commences with the implementation of its three-year rolling business plan with specific mandates, objectives, targets and a more commercial focus; and

APPENDIX

- (d) each operating entity (USU or agreed alternative institution) shall open a special account and publishes annual financial statements covering the asset operation."

6. In Schedule 5, the following shall be inserted after the new paragraph 5, as paragraph 6, and the existing paragraphs 5 to 20 shall be renumbered as paragraphs 7 to 22:

"6. The Borrower shall ensure, and cause the Project Executing Agency to ensure, that each relevant municipality has sufficient resources from all sources, including the Environmental Sanitation Fees and allocations from the provincial budget to allow sustainable operation of the landfill sites, and that each municipality dedicates these resources to the operation of the respective landfill site."

APPENDIX**Amendment to Loan Agreement (ADB Strategic Climate Fund)**

In Attachment to Schedule 3, the footnote to the Table which reads "*** ADB SCF Loan will be front-loaded" shall be deleted and substituted with the following:

"At the request of the Borrower, advance payment for contracts awarded under Category 1 will be charged to the ADB Loan. Subsequent expenditures will be front-loaded to the SCF Loan until the allocated amount is fully utilized; upon full utilization, the remaining expenditures under this specific category will then be charged to the ADB Loan accordingly."

APPENDIX**Amendment to Grant Agreement (ADB Strategic Climate Fund)**

In Attachment to Schedule 1, the footnote to the Table which reads "*** ADB SCF Grant will be front-loaded" shall be deleted and substituted with the following:

"(i) At the request of the Recipient, advance payment for contracts awarded under Subcategory 1A will be charged to the ADB Loan; subsequent expenditures will be front-loaded to the SCF Grant until the allocated amount is fully utilized; upon full utilization, the remaining expenditures under this specific category will then be charged to the ADB Loan accordingly.

(ii) Expenditures under Subcategory 3C will be front-loaded to the SCF Grant until the allocated amount is fully utilized; upon full utilization, the remaining expenditures under this specific category will then be charged to the ADB Loan."

TABLE

ALLOCATION AND WITHDRAWAL OF LOAN PROCEEDS (Integrated Urban Environmental Management in the Tonle Sap Basin)				
Number	Item	Total Amount Allocated for ADB Financing SDR		Percentage and Basis for Withdrawal from the Loan Account
		Category	Subcategory	
1	Works	16,079,000		
1A	Kampong Chhnang Flood Protection		10,087,000	100% of total expenditure claimed* **
1B	Kampong Chhnang Solid Waste Management		308,000	100% of total expenditure claimed*
1C	Pursat Flood Protection		429,000	100% of total expenditure claimed*
1D	Pursat Drainage		3,475,000	100% of total expenditure claimed* ***
1E	Pursat Solid Waste Management		730,000	100% of total expenditure claimed*
1F	Kampong Chhnang Small-scale Infrastructure Development		525,000	80% of total expenditure claimed*
1G	Pursat Small-scale Infrastructure Development		525,000	80% of total expenditure claimed*
2	Equipment	1,184,000		
2A	Kampong Chhnang Solid Waste Management		523,000	100% of total expenditure claimed*
2B	Pursat Solid Waste Management		583,000	100% of total expenditure claimed*
2C	Kampong Chhnang Embankment Manual Equipment for Maintenance		26,000	100% of total expenditure claimed*
2D	Pursat Flood Protection Manual Equipment for Maintenance		26,000	100% of total expenditure claimed*
2E	Pursat Drainage Manual Equipment for Maintenance		26,000	100% of total expenditure claimed*
3	Workshops	422,000		
3A	Project Management and Implementation Support		415,000	100% of total expenditure claimed
3B	Sector Strengthening and Capacity Development		7,000	100% of total expenditure claimed
4	Consulting Services	2,554,000		
4A	Project Management and Implementation Support		2,437,000	100% of total expenditure claimed*

ATTACHMENT

4B	Sector Strengthening and Capacity Development		69,000	100% of total expenditure claimed*
4C	Surveys and Investigations		48,000	100% of total expenditure claimed* ****
5	Incremental Administration	404,000		
5A	Office and Travel Expenses		285,000	100% of total expenditure claimed
5B	Vehicles		108,000	100% of total expenditure claimed*
5C	Equipment		11,000	100% of total expenditure claimed
6	Interest during Implementation	995,000		100% of total amounts due
7	Unallocated	4,744,000		
	Total	26,382,000		

* Exclusive of taxes and duties imposed within the territory of the Borrower.

** At the request of the Borrower, advance payment for contracts awarded will be charged to the Loan. Subsequent expenditures will be front-loaded to the SCF Loan until the allocated amounts are fully utilized; the remaining expenditures under this specific category will then be charged to the Loan.

*** At the request of the Borrower, advance payment for contracts awarded will be charged to the Loan. Subsequent expenditures will be front-loaded to the SCF Grant until the allocated amounts are fully utilized; the remaining expenditures under this specific category will then be charged to the Loan.

**** Expenditures will be front-loaded to the SCF Grant until the allocated amounts are fully utilized; the remaining expenditures under this specific category will then be charged to the Loan.