
GRANT NUMBER 0542-CAM(SF)

GRANT AGREEMENT
(Special Operations)

(Tonle Sap Poverty Reduction and Smallholder Development Project – Additional Financing)

between

KINGDOM OF CAMBODIA

and

ASIAN DEVELOPMENT BANK

DATED 9 JANUARY 2018

CAM 41435

GRANT AGREEMENT (Special Operations)

GRANT AGREEMENT dated 9 January 2018 between KINGDOM OF CAMBODIA ("Recipient") and ASIAN DEVELOPMENT BANK ("ADB").

WHEREAS

(A) by a financing agreement dated 27 December 2009 between the Recipient and ADB ("ADB Financing Agreement"), ADB has agreed to provide a concessional loan from ADB's ordinary capital resources in various currencies equivalent to two million one hundred thirty-two thousand Special Drawing Rights (SDR2,132,000) and a grant in an amount of twenty-seven million three hundred thousand Dollars (\$27,300,000), for the purpose of the project described in Schedule 1 to the ADB Financing Agreement;

(B) the Recipient has applied to ADB for a concessional loan from ADB's ordinary capital resources in an amount of forty-five million seven hundred and twenty-five thousand Dollars (\$45,725,000) ("Ordinary Operations [Concessional] Loan") and ADB has agreed to make the Ordinary Operations [Concessional] Loan to the Recipient for the purposes of the project ("Project") described in Schedule 1 to the loan agreement of even date herewith between the Recipient and ADB ("Ordinary Operations [Concessional] Loan Agreement");

(C) the Recipient has also applied to the International Fund for Agricultural Development ("IFAD") for a loan ("IFAD Loan"), to be partially administered by ADB in an amount of ten million Dollars equivalent (\$10,000,000) to assist in financing a part of the Project, pursuant to an agreement to be entered into between the Recipient and IFAD (the "IFAD Financing Agreement");

(D) the Project shall be carried out by the Ministry of Agriculture, Forestry and Fisheries ("MAFF") and the National Committee for Sub-National Democratic Development Secretariat ("NCDDS"), and for this purpose the Recipient shall make available to MAFF and NCDDS the proceeds of the ADF Grant provided herein and the Ordinary Operations [Concessional] Loan upon terms and conditions satisfactory to ADB; and

(E) the Recipient has applied to ADB for a grant for the purposes of the Project and ADB has agreed to make a grant to the Recipient from ADB's Special Funds resources upon the terms and conditions set forth herein;

NOW THEREFORE the parties agree as follows:

ARTICLE I

Grant Regulations; Definitions

Section 1.01. All provisions of ADB's Special Operations Grant Regulations, dated 1 January 2017 ("Grant Regulations"), are hereby made applicable to this Grant Agreement with the same force and effect as if they were fully set forth herein.

Section 1.02. Wherever used in this Grant Agreement, the several terms defined in the Grant Regulations and the Ordinary Operations [Concessional] Loan Agreement have the respective meanings therein set forth unless modified herein or the context otherwise requires.

ARTICLE II

The Grant

Section 2.01. ADB agrees to make available to the Recipient from ADB's Special Funds resources an amount of four million two hundred seventy-five thousand Dollars (\$4,275,000).

ARTICLE III

Use of Proceeds of the Grant

Section 3.01. The Recipient shall cause the proceeds of the Grant to be applied exclusively to the financing of expenditures on the Project in accordance with the provisions of this Grant Agreement and the Ordinary Operations [Concessional] Loan Agreement.

Section 3.02. The proceeds of the Grant shall be allocated and withdrawn in accordance with the provisions of Schedule 1 to this Grant Agreement, as such Schedule may be amended from time to time by agreement between the Recipient and ADB.

Section 3.03. Except as ADB may otherwise agree, the Recipient shall procure, or cause to be procured, the items of expenditure to be financed out of the proceeds of the Grant in accordance with the provisions of Schedule 4 Ordinary Operations [Concessional] Loan Agreement.

Section 3.04. The Grant Closing Date for the purposes of Section 8.02 of the Grant Regulations shall be 31 July 2023 or such other date as may from time to time be agreed between the Recipient and ADB.

ARTICLE IV

Particular Covenants

Section 4.01. In the carrying out of the Project and operation of the Project facilities, the Recipient shall perform, or cause to be performed, all obligations set forth

in this Grant Agreement and Schedule 5 to the Ordinary Operations [Concessional] Loan Agreement.

Section 4.02. The Recipient shall enable ADB's representatives to inspect the Project, the Goods and Works, and any relevant records and documents.

ARTICLE V

Suspension

Section 5.01. The following are specified as additional events for suspension of the right of the Recipient to make withdrawals from the Grant Account for the purposes of Section 8.01(k) of the Grant Regulations:

(a) the Ordinary Operations [Concessional] Loan shall have become liable for suspension or cancellation or shall have become repayable prior to its agreed maturity date; and

(b) the IFAD Loan shall have come liable for suspension or cancellation or shall have become repayable prior to its agreed maturity date.

ARTICLE VI

Effectiveness

Section 6.01. The following are specified as additional conditions to the effectiveness of this Grant Agreement for the purposes of Section 9.01(e) of the Grant Regulations:

(a) the Ordinary Operations [Concessional] Loan Agreement shall have been duly executed and delivered and all conditions precedent to its effectiveness (other than a condition requiring the effectiveness of this Grant Agreement) shall have been fulfilled; and

(b) the IFAD Financing Agreement shall have been duly authorized, executed and delivered on behalf of the Recipient and all conditions precedent to its effectiveness (other than a condition requiring the effectiveness of this Grant Agreement) shall have been fulfilled.

Section 6.02. The following is specified as additional matter, for the purposes of Section 9.02(c) of the Grant Regulations, to be included in the opinion or opinions to be furnished to ADB:

(a) the Ordinary Operations [Concessional] Loan Agreement has been duly authorized or ratified by, and executed and delivered on behalf of the Recipient, and is legally binding upon the Recipient in accordance with its terms; and

(b) the IFAD Financing Agreement has been duly authorized, executed and delivered on behalf of the Recipient, and is legally binding upon the Recipient in accordance with its terms, to the extent applicable.

Section 6.03. A date 90 days after the date of this Grant Agreement is specified for the effectiveness of this Grant Agreement for the purposes of Section 9.04 of the Grant Regulations.

ARTICLE VII

Termination

Section 7.01. The Grant Agreement and all obligations of the parties thereunder shall terminate on a date on which the Ordinary Operations [Concessional] Loan Agreement terminates.

ARTICLE VIII

Miscellaneous

Section 8.01. The Minister of Economy and Finance of the Recipient is designated as representative of the Recipient for the purposes of Section 11.02 of the Grant Regulations.

Section 8.02. The following addresses are specified for the purposes of Section 11.01 of the Grant Regulations:

For the Recipient

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

Facsimile Numbers:

(855-23) 427 798
(855-23) 428 424

For ADB

Asian Development Bank
6 ADB Avenue
Mandaluyong City

1550 Metro Manila
Philippines

Facsimile Numbers:

(632) 636-2444

(632) 636-2231..

IN WITNESS WHEREOF the parties hereto, acting through their representatives thereunto duly authorized, have caused this Grant Agreement to be signed in their respective names as of the day and year first above written and to be delivered at the principal office of ADB.

KINGDOM OF CAMBODIA

By 

H.E. Dr. AUN PORNMONIROTH
Senior Minister
Minister, Ministry of Economy and
Finance

ASIAN DEVELOPMENT BANK

By 

SAMIUELA TUKUAFU
Country Director
Cambodia Resident Mission

SCHEDULE 1

Allocation and Withdrawal of Grant Proceeds

General

1. The table attached to this Schedule sets forth the Categories of items of expenditure to be financed out of the proceeds of the Grant and the allocation of the Grant proceeds to each such Category ("Table"). (Reference to "Category" in this Schedule is to a Category or Subcategory of the Table.)

Basis for Withdrawal from the Grant Account

2. Except as ADB may otherwise agree, the proceeds of the Grant shall be allocated to items of expenditure, and disbursed on the basis of the withdrawal percentage for each item of expenditure, as set forth in the Table.

Reallocation

3. Notwithstanding the allocation of Grant proceeds and the withdrawal percentages set forth in the Table,

- (a) if the amount of the Grant allocated to any Category appears to be insufficient to finance all agreed expenditures in that Category, ADB may, by notice to the Recipient, (i) reallocate to such Category, to the extent required to meet the estimated shortfall, amounts of the Grant which have been allocated to another Category but, in the opinion of ADB, are not needed to meet other expenditures, and (ii) if such reallocation cannot fully meet the estimated shortfall, reduce the withdrawal percentage applicable to such expenditures in order that further withdrawals under such Category may continue until all expenditures thereunder shall have been made; and
- (b) if the amount of the Grant allocated to any Category appears to exceed all agreed expenditures in that Category, ADB may, by notice to the Recipient, reallocate such excess amount to any other Category.

Disbursement Procedures

4. Except as ADB may otherwise agree, the Grant proceeds shall be disbursed in accordance with the Loan Disbursement Handbook.

TABLE

ALLOCATION AND WITHDRAWAL OF GRANT PROCEEDS				
Number	Item	Total Amount Allocated for ADB Financing (\$)		Percentage and Basis for Withdrawal from the Grant Account
		Category	Subcategory	
2	Livelihood Inputs	4,275,000		
2A	Revolving Fund		4,275,000	95% of total expenditure claimed*
	TOTAL	4,275,000		

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