

Joint Partnership Arrangement

Concerning Common Arrangements for Joint Support to the Health Strategic Plan 2008-2015

between

the Royal Government of Cambodia



and

the 2nd Health Sector Support Program
(HSSP2) Partners



JOINT PARTNERSHIP ARRANGEMENT

BETWEEN

THE ROYAL GOVERNMENT OF CAMBODIA

AND

THE SECOND HEALTH SECTOR SUPPORT PROGRAM (HSSP2)

PARTNERS

CONCERNING

COMMON ARRANGEMENTS FOR JOINT SUPPORT TO

THE HEALTH STRATEGIC PLAN 2008-2015

The Royal Government of Cambodia (“RGC”), represented by its Ministry of Health (“MOH”), with The Ministry of Economy and Finance (“MEF”) as a witness, and the undersigned Program Partners, desiring to collaborate on the implementation of the RGC’s Second Health Strategic Plan 2008-15 (“HSP2”) have reached the following understandings:

1. DEFINITIONS

- 1.1 “Annual Operational Plan” or “AOP” means MOH annual activity plan and budget encompassing all activities and all sources of funding, along with specific performance indicators, and which serves as the planning tool for the implementation of Three Year Rolling Plans.
- 1.2 “Consultant Guidelines” means the Guidelines: Selection and Employment of Consultants by World Bank Borrowers” dated May 2004, revised October 2006.
- 1.3 “DBF” means the Department of Budget and Finance of MOH.
- 1.4 “Discrete Account” means an account other than the Pooled Account which is used by a Program Partner to channel its contribution to the cost of the Program.
- 1.5 “Financing Agreement” means the Financing Agreement between RGC and the World Bank governing the World Bank’s contribution to the cost of the Program.
- 1.6 “Fiscal Year” means RGC’s fiscal year beginning January 1 and ending December 31.
- 1.7 “Good Governance Framework” or “GGF” means a framework of measures designed to strengthen key RGC systems and improve transparency and accountability.
- 1.8 “Health Partner” means any bilateral, multilateral or other agency that contributes to the realization of HSP2.
- 1.9 “IFR” means Interim Financial Report.
- 1.10 “Implementing Agency” means any public, private or civil society entity operating under the laws of Cambodia, which receives funds or donations in kind to implement activities under the Program.
- 1.11 “International Procurement Agent” or “IPA” means the procurement firm hired or to be hired by MEF to perform all procurement activities (Goods, Works and Consulting Services) for World Bank-financed projects and any other government-designated procurement.
- 1.12 “JAPR” means Joint Annual Performance Review of the HSP2 taking place in March of each year.
- 1.13 “JPIG” means Joint Partnership Arrangement Development Partners Interface Group, which is the forum for consultation and decision-making among Program Partners on issues arising in the Program.
- 1.14 “JQM” means Joint Quarterly Meeting.
- 1.15 “Non-Pooling Partner” means a Program Partner who contributes to the cost of the Program, using a Discrete Account to channel its funding.

- 1.16 “PMR” means Performance Monitoring Report.
- 1.17 “Pooled Account” means a single non-interest bearing foreign exchange account with the National Bank of Cambodia or a commercial bank, as the case may be, to be managed by MOH, into which contributions to the Program may be deposited to be managed on a joint and common basis.
- 1.18 “Pooling Partner” means a Program Partner who contributes to the cost of the Program, using the Pooled Account to channel its funding.
- 1.19 “Procurement Guidelines” means the Guidelines: Procurement under IBRD Loans and IDA Credits” published by the World Bank in May 2004 and revised in October 2006.
- 1.20 “Program” means the program of support provided by Program Partners in support of HSP2, through the second Health Sector Support Program (HSSP2), using 3YRPs and AOPs under the terms of this Joint Partnership Arrangement.
- 1.21 “Program Partner” means a Pooling or a Non-Pooling Partner who is a party to this Joint Partnership Arrangement.
- 1.22 “Procurement Plan” means a document covering a period of at least 12 months and to be updated from time to time as required to reflect the actual project implementation needs and improvement in institutional capacity, giving details of the various procurement methods or consultant selection methods for all contracts to be financed under the Program, including the need for pre-qualification, estimated costs, prior review requirements, timeframe, and indicating the source of funding (pooled/discrete account).
- 1.23 “Second Health Strategic Plan” or “HSP2” means RGC’s Second Health Strategic Plan 2008-15, a policy framework document that sets out the long-term broad vision guiding the development of the Cambodian health sector, including capacity development and resource allocation.
- 1.24 “Social/Environmental Framework” means the environmental management framework, land acquisition and resettlement framework, and indigenous peoples’ framework as prepared and adopted by RGC, and duly disclosed for purposes of the Program.
- 1.25 “Standard Operating Procedures and Procurement Manual” means the Standard Operating Procedures and Procurement Manual for Externally financed Projects/Programs in Cambodia issued pursuant to RGC’s Sub-decree 14 on Promulgating of the Standard Procedures for Implementing the World Bank and the Asian Development Bank Assisted Programs, dated February 26, 2007, or its revised version issued by the RGC.
- 1.26 “Technical Working Group – Health” or “TWG-H” means the RGC-led mechanism established to facilitate the exchange of information and designed to serve as the forum for policy dialogue between Health Partners and RGC on all matters related to the health sector.
- 1.27 “Three-Year Rolling Plan” or “3YRP” means the MOH medium-term planning framework with a three-year rolling cycle for the health sector, based on the health sector’s financing needs (bottom-up) and projections of resource envelope from all sources (top-down), and designed to facilitate the implementation of HSP2.

2. GENERAL PROVISIONS

- 2.1. The Signatories have committed themselves to the principles of harmonization as reflected in the Declaration by RGC and Development Partners on Enhancing Aid Effectiveness ("the Declaration") and in this Joint Partnership Arrangement, and strive to reach the highest degree of alignment with the budgetary and accountability system and legislation of Cambodia so as to enhance effective implementation and to reduce the administrative burden on RGC.
- 2.2. The Signatories take note of the RGC's commitment to phasing out project salary supplements and introducing a performance-based incentive scheme beginning January 1, 2009 under the respective RGC regulations.
- 2.3. The Signatories note that common arrangements rationalise scarce resources and maximise the efficient use of those resources in investing in the health sector in Cambodia. The Signatories acknowledge that these arrangements require institutional restructuring and strengthening of MOH in planning and budgeting, internal controls, procurement, financial management, reporting, management of human resources, information and communication systems and, together with RGC, are committed to support capacity-building and systems development in these areas.
- 2.4. The Signatories acknowledge the need for clear leadership by MOH in the strategic and policy issues process, as well as the need for effective and reliable partnership between and within MOH and Health Partners
- 2.5. All activities financed from the Pooled Account will be subject to the application of the Good Governance Framework.
- 2.6. The Joint Partnership Arrangement represents common understandings between RGC and other Signatories and is not an international treaty, nor is it intended to be legally enforceable. It is adopted pursuant to and subject to bilateral agreements between RGC and other Signatories for the purpose of financing the Program. Any matter not expressly provided for in this Joint Partnership Arrangement will be governed by the bilateral agreements between RGC and respective Program Partners. In the event of any conflict between the provisions of this Joint Partnership Arrangement and those of the bilateral agreements, the latter will prevail.
- 2.7. The Signatories recall the provisions of Article 25 of the Universal Declaration of Human Rights (attached as Annex 1) , and agree that achievement of the goals and objectives embodied in such provisions represents one of the main purposes of the Joint Partnership Arrangement.

3. GOALS OF THE PROGRAM AND SCOPE OF THE JOINT PARTNERSHIP ARRANGEMENT

- 3.1. The overall goal of the Program is to support RGC in the implementation of HSP2. The aim of HSP2 is to ensure access to equitable, quality health care for all people of Cambodia through targeting resources, especially to the poor and to areas in greatest need.
- 3.2. This Joint Partnership Arrangement sets out the responsibilities of RGC and Program Partners in the implementation of the Program.
- 3.3. This Joint Partnership Arrangement sets forth the terms and procedures for common management arrangements, including planning and budgeting, financing, monitoring, disbursement, reporting and audit, which are detailed in the Operations Manual for the Program.
- 3.4. It is understood that signing of this Joint Partnership Arrangement does not in and of itself prohibit any of the Program Partners from providing separate support to HSP2.

4. RESPONSIBILITIES AND REPRESENTATION OF RGC

- 4.1. MOH has the overall responsibility and accountability for the performance of the sector as a whole, ensuring that all the activities in the sector, including those supported by Program Partners, are consistent with and contribute to the health sector goals and priorities.
- 4.2. MOH, as the executing agency, in collaboration with MEF, and other RGC agencies, will facilitate the successful implementation of the Program. To this end, MOH will:
 - a) Maintain 3YRP and AOP processes as a prerequisite for allocating health sector expenditures and Program activities.
 - b) Ensure that Program resources are reflected in RGC annual plans, and included in the public investment plan and, where appropriate, the national budget.
 - c) Disburse the full amount of counterpart funds approved by parliament for HSP2 in accordance with agreed AOPs and quarterly projections.
 - d) Use the Pooled Account and other Program resources exclusively to cover expenditures falling within the scope of the Program and included in the AOP as approved by the Health Sector Steering Committee, and with due regard to considerations of economy and efficiency.
 - e) Keep full documentation and financial records of expenditures under the Program in accordance with international accounting standards and for a period of four years after the last Fiscal Year's audit of those records and accounts.
 - f) Disclose its contribution of funds for the purpose of the HSP2.
 - g) Comply with commitments to the health sector undertaken in the HSP2 development process.
 - h) Exercise overall responsibility for the policy, planning, administration and implementation of the Program.
 - i) Ensure that technical and financial reporting and procedures are maintained in accordance with the Operations Manual for the Program and all other subsidiary manuals.
 - j) Favorably consider requests for all required permits, including work permits for consultants, import licences and foreign exchange permissions that may be required for implementation of the Program.
 - k) Promptly inform Program Partners of any condition, including theft or misuse of funds, which interferes or threatens to interfere with the successful implementation of the Program and, where appropriate, take remedial measures and apply sanctions.
 - l) Implement the Program in accordance with the Social/Environmental Safeguards Framework.

5. RESPONSIBILITIES AND REPRESENTATION OF PROGRAM PARTNERS

- 5.1. The Program Partners will:
 - a) On an annual basis, as indicated below, inform RGC of the amount of their proposed allocation in support of AOP to ensure the predictability of their support.
 - b) Confirm their final contributions under the bilateral arrangements/agreements between RGC and individual Program Partners.
 - c) Agree on a detailed financing plan identifying activities from the sectoral plan to be funded through Pooled Account contributions, including the respective share of the total annual contribution; activities to be funded through Discrete Account contributions; and the

amount of financing to be channelled through the Pooled Account and/or through Discrete Account(s).

- d) Inform RGC by April of each year of an early indicative amount to be allocated in support of the Program for the following Fiscal Year.
- e) Participate in the joint reviews of sector priorities and performance according to MOH Annual Planning Cycle of planning, budgeting and monitoring.
- f) Minimize, to the extent possible, additional reviews, programming, appraisal, monitoring and evaluations outside the joint review process, and, where such reviews are unavoidable, ensure that they are conducted in such a manner as to minimize the burden on RGC. Terms of reference, timing and members of planned technical missions will be jointly developed and presented to RGC prior to the mission.
- g) Establish working arrangements for the purpose of effective interaction and communication among Program Partners, and between program partners and the RGC and other development partners. These agreed structures, and specific roles and responsibilities, include:
 - i. The Joint Partnership Arrangement Development Partners Interface Group (JPIG). JPIG is the program partner forum for consultation and decision-making on issues arising in the Program. A JPIG Chair will be selected on an annual basis and will be a senior member of one of the Program Partners.
 - ii. Program Communications Facilitator. The facilitator will support the JPIG and the JPIG Chair and facilitate communication among Program Partners. This position will be filled externally through open international recruitment. ,
 - iii. Technical Leads. Technical lead agencies are designated individual Program Partners who will advise Program Partners on issues in a designated technical area(s) and lead in technical interactions in the designated areas with RGC and other development partners. All costs related to the discharge of such delegated responsibilities will be regulated under separate agreement(s) among the Program Partners concerned. Except as otherwise agreed, Discrete Accounts will remain under the responsibility of the relevant Program Partners.

5.2. Program Partners shall not bear any responsibility and/or liability to any third party with regard to the implementation of the Program.

6. DISBURSEMENT OF CONTRIBUTIONS

6.1. The Program resources will be allocated and disbursed through two modalities:

- A Pooled Account for general application of pooled contributions that will support eligible expenditures within HSP2 and approved AOPs.
- Discrete Account(s) that will provide earmarked contributions to specified areas or to activities within HSP2 and approved AOPs.

6.2. A common disbursement mechanism will be decided upon between MOH and Program Partners before the start of the Fiscal Year. It will take into account the national and sector budget and cash flow needs for implementation of the Program. Program Partners will coordinate amongst themselves the timing and amount of their own disbursement contributions in such a way as to ensure that the cash flow needs of RGC and the common disbursement schedule relating to the Program will be covered. The agreed disbursement mechanisms are as described below.

- 6.3. Refined indicative contributions will be pledged annually in September based on 3YRPs and AOPs. Consultations with Program Partners on draft AOPs will be followed by consolidation of the AOPs and the Joint Annual Operation Plan Reviews by the end of September. Contributions by Program Partners and RGC will be confirmed by December. Each year program partners contributing to the pooled account will agree in writing their respective proportional contributions to the pooled account for the subsequent year and inform the MoH accordingly. The contributions of Program Partners are subject to the approval of their respective parliaments, Executive Boards, Headquarters and/or national appropriation rules.
- 6.4. The financial flow, replenishment and disbursement mechanisms for the Program are described and detailed in the relevant FM manual.
- 6.5. Discrete Account contributions will be disbursed and channelled to Implementing Agencies, or used to provide in-kind contributions to the Implementing Agencies, in accordance with the provisions of the bilateral agreements between RGC and the respective Program Partners and will be included in the financial and monitoring reports.
- 6.6. Government counterpart funds will be deposited quarterly into the appropriate bank account. In order to ensure that the counterpart funds are made available on a timely basis, adequate budget allocations will be made in the annual national budget.
- 6.7. The day-to-day management of Program resources provided by RGC and Program Partners is under control of the Program Director.
- 6.8. Funds provided by the Program Partners and RGC for the Program will be used exclusively to finance eligible expenditures within approved AOPs. Eligible and ineligible expenditures will be defined in the Operations Manual for the Program.
- 6.9. The first disbursement of Pooled Account contributions will correspond to the estimated expenditures to be financed out of Pooled Account contributions for the first six months of the Program. Thereafter, MOH will request disbursements from Program Partners on a quarterly basis, in accordance with their bilateral agreements, and agreed AOP and Procurement Plan, and will use the estimated cash requirements presented in the quarterly IFRs as a basis of disbursements and reporting format agreed between RGC and Program Partners. Such disbursements will also take into account the results of performance assessments, verifications of eligibility of expenditures, and the budgetary forecast for the following six months less the cash available in the Pooled Account.
- 6.10. The quarterly IFR will be submitted within 45 days of the end of each quarter. Subsequent replenishment of Pooled Account following the initial deposit will be based on; (i) IFRs; and (ii) the audited report (covering the previous period of the IFRs) to be submitted by MoH not later than 90 days following the quarter to which it relates.
- 6.11. MOH will maintain, or cause to be maintained, a financial management system that will clearly reflect the transactions, resources, expenditures, assets and stores under the Program, and enable MOH to produce timely, understandable, relevant and reliable financial information for planning, implementation and monitoring of progress.
- 6.12. Based on a financial management assessment report of MOH, a Financial Management Improvement Plan ("FMIP") to address weaknesses observed will be formulated and monitored by each supervision mission.
- 6.13. At the close of the Fiscal Year, there can be three types of unspent balances, namely unspent funds from the Pooled Account and Discrete Accounts, respectively, and unspent counterpart

funds. Unspent balances from the Pooled Account and Counterpart funds will be rolled over to form the opening balances for the next Fiscal Year.

- 6.14. Each Program Partner may establish its exact and final financial contribution to the Program upon receipt and approval of the final report and financial accounts of the Program. Funds which remain in the Pooled Account at the end of the Program will be returned to the Program Partners in proportion to their respective contributions.

7. CONSULTATION AND DECISION-MAKING

- 7.1. The overall context for dialogue between RGC and all Health Partners is through the regular Technical Working Group-Health (TWG-H) Meetings.
- 7.2. For purposes of the Program and to ensure proper planning, coordination and implementation of the Program, MOH will convene JQMs to facilitate exchange of information and dialogue among Program Partners and RGC on all matters related to the Program.
- 7.3. JQMs will be convened quarterly (in May, August, November, February), after the quarterly IFR become available.
- 7.4. The JQM will be chaired by Program Director and will include key representatives of MOH and Program Partners. MOH will be responsible for preparation of the agenda. Program Partners may make proposals for items to be included on the agenda and, whenever necessary, call for an interim meeting.
- 7.5. The JQM will review semi-annual PMRs, quarterly IFRs, progress reports, audits and mission findings, endorse AOP requests for funds, review funding release triggers, monitor disbursements and make recommendations on release of Program funds.
- 7.6. The Program Secretariat, whose terms of reference have to be developed, will be responsible for the submission of reports required for the JQM. The reports will be submitted at least two weeks prior to the planned date of the JQM.
- 7.7. The results of each meeting will be recorded in agreed minutes. The agreed minutes will be drafted by MOH, and a copy of the draft transmitted to all Program Partners for their comments within 2 weeks of the meeting. Program Partners will convey their comments to MOH within 5 days of receipt of the draft.
- 7.8. Additional consultation meetings may be requested by MOH and/or [a] Program Partner[s] on any subject relevant to the implementation of the Program or HSP2.
- 7.9. Program Partners commit themselves to cooperate in developing, to the extent possible, a consensus on all relevant Program issues. They will make a particular effort to achieve common positions for the JQM, TWG-H meetings and annual policy dialogue (e.g. JAPR, adaptation of HSP2, etc.) through the JPIG. Program Partners will have equal rights and responsibilities in the JPIG and decision making will be consensus based. Any difference will be addressed through consultations among the Signatories and, if needed, the organization of a high-level meeting to promptly assess the situation and agree on a way forward.
- 7.10. The JPIG Chair will lead the JPIG with support from the Program Communications Facilitator. For program partners, The World Bank Task Team Leader will have responsibility for the operational management of the Pooled Account and communicate directly with RGC while sharing information with the JPIG, and consulting with the JPIG, JPIG Chair, the Facilitator and technical leads as appropriate. In the same manner, a delegated representative of each donor agency maintaining a discrete account will have responsibility for the operational management of their

discrete account, and communicate directly with RGC while sharing information with the JPIG, and consulting with the JPIG, JPIG Chair, the Facilitator and technical leads as appropriate

- 7.11. If a Program Partner invokes remedial measures or, if financing from a Program Partner is no longer available, RGC will promptly review and make necessary revisions to the Program, in consultation with all Program Partners, to ensure that the expenditure framework corresponds to the resources available.
- 7.12. Signatories will cooperate and communicate fully and in a timely manner with each other on all matters relevant to the implementation of the Program and this Joint Partnership Arrangement. Signatories will share all information on aid flows, technical reports and any other relevant documentation/initiative related to the implementation of the Program.

8. PROCUREMENT

- 8.1. Procurement arrangements for goods, works and consultant services financed from the Pooled Account will be carried out in accordance with the Procurement Guidelines, the Consultant Guidelines, the Financing Agreement and the agreed Procurement Plans. Unless otherwise agreed between RGC and the World Bank, all contracts for goods, works and consultant services to be financed from the Pooled Account will be procured through the IPA with exceptions as specified Schedule 2, Section V of the IDA Financing Agreement.
- 8.2. Pooling Partners have agreed that the World Bank will be responsible for undertaking the review of all procurement activities financed from the Pooled Account, including prior and post review of contracts, in accordance with the Procurement Guidelines, the Consultant Guidelines, the Financing Agreement and the agreed Procurement Plans.
- 8.3. In cases of deviations from the Procurement Guidelines or Consultant Guidelines, as determined by the World Bank, the World Bank will advise other Pooling Partners through the JPIG of the particulars of the deviations and proposed remedial measures, giving other Pooling Partners an opportunity to provide their views on the observed deviations and proposed measures. Nothing in this section shall be construed to preclude or interfere with the exercise by any Pooling Partner of its right to take remedial action pursuant to its bilateral agreement or arrangement with RGC.
- 8.4. Contracts for goods, works and consultant services to be financed by Program Partners exclusively from sources other than the Pooled Account will, following their respective bilateral agreements or arrangements with RGC, be procured in accordance with the Standard Operating Procedures and Procurement Manual, and will not be subject to any requirement involving the IPA, or to the Procurement Guidelines or Consultant Guidelines.

9. REPORTING

- 9.1. MOH will provide Program Partners with all information relevant to the implementation of the Program. Reporting will be done on the basis of the performance indicators to be agreed upon.
- 9.2. By October 1 and March 15 each year, MOH will provide to the Program Director, for distribution to all Program Partners, semi-annual PMRs. The PMR will contain information on the implementation of the Program during the previous six months, including problems encountered and actions taken, outputs/achievements, procurement actions, IFRs and status of compliance with the Social/Environmental Safeguards Framework.
- 9.3. The financial reporting should compare costs for actual activities for the current reporting period with the budget for the same period, and in the same currency. The IFR should be

prepared in a form and with a level of detail that permits comparison of the budget with actual progress.

10. REVIEWS AND EVALUATION

- 10.1. It is the intention of Program Partners to align their support with RGC's health sector priorities as outlined in the HSP2 and for that purpose to apply RGC's own planning and review processes.
- 10.2. The review process for the Program will be common to all Program Partners and will be aligned with MOH review processes. MOH and Program Partners will maintain a close dialogue regarding the support and the implementation of the Program. Performance will be measured on the basis of indicators described in the HSP2 Monitoring & Evaluation Framework and the Results Framework laid out in the World Bank Program Appraisal Document.
- 10.3. Joint Annual Performance Reviews, Joint Annual Mid-Term Review of the current Fiscal Year's AOPs and Joint Appraisal of the next Fiscal Year's AOPs will be carried out by MOH and Program Partners. The terms of reference for these review missions will be decided upon jointly by the Signatories. Review missions will be scheduled in such a way as to take account of the national budget process and facilitate policy dialogue, and, to the extent possible, accommodate the decision-making processes of Program Partners. The costs of review and evaluation missions incurred by each participating Program Partner will be borne by the Program Partner.
- 10.4. Signatories will promptly distribute all review and evaluation reports to one another.
- 10.5. Program Partners will, to the extent possible, refrain from conducting unilateral reviews or evaluations of activities supported by the Program. Where necessary for a Program Partner, pursuant to section 5.1 (f) of this Joint Partnership Arrangement, to conduct a unilateral review or evaluation, the Program Partner will, to the extent possible, advise other Program Partners and MOH on terms of reference, composition and scheduling arrangements, and subsequently share the results of the review or evaluation with other Signatories.

11. FINANCIAL AND TECHNICAL AUDITS

- 11.1. MOH and Program Partners have agreed on external financial annual audit arrangements based on mutually agreed terms of reference covering all Program funds available for the implementation of HSP2, irrespective of the source or modality of funding.
- 11.2. External financial audits will be carried out by an independent audit firm in accordance with terms of reference agreed between RGC and Program Partners, and following International Standards on Auditing (ISA). The firm will conduct continuous (quarterly) and a year-end audit on quarterly IFR and annual financial statements of the program, respectively. The audit reports will contain a separate opinion as to whether the financial statements submitted during the quarter / Fiscal Year, together with procedures and internal controls involved in their preparation, can be relied upon to support the transactions and balances of the Pooled Account and other accounts and contributions to RGC through the Program. The audit report and management letter will be submitted to the Program Director by June 15 of the following Fiscal Year. The Program Director will furnish Signatories with copies of the audit report not later than June 30. The audit reports, management letter, and any other relevant related information, will be discussed in JQMs.
- 11.3. An external financial auditing firm acceptable to Program Partners will be appointed by MOH following a competitive selection process in accordance with the Consultant Guidelines. The

selection process will be subject to the World Bank's prior review. The World Bank will keep the Program Partners informed of the progress and outcomes of the selection process.

- 11.4. The costs of the audits will be funded from the Pooled Account.
- 11.5. To strengthen capacity of the Internal Audit Department of MOH, an international advisor will be recruited under terms of reference jointly agreed at the JQM. The costs for the internal audit advisor and capacity building program will be funded from the Pooled Account.
- 11.6. An annual technical audit will be carried out by an independent firm or a team of consultants contracted by MOH under the Pooled Account. The selection of auditors for such audit will be carried out, and its timing determined, in close collaboration with Program Partners. Program Partners will jointly agree on the terms of reference. The selection process will be subject to the World Bank's prior review. Based on the outcome of such audit, Program Partners may jointly agree with RGC on any corrective measures considered necessary.
- 11.7. Program Partners will, to the extent possible, refrain from initiating unilateral audits of Program supported activities. In the event that a Program Partner is required to conduct a special audit as part of its supervision, it will, to the extent possible, advise other Program Partners and MOH. RGC will offer all reasonable support to facilitate such special audit. The cost of such audit will be covered by the initiating Program Partner through separate arrangements.

12. CORRUPTION

- 12.1. RGC will ensure that activities funded through the Pooled Account are carried out in accordance with the provisions of the "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants" dated October 2006.

13. TERRORISM

- 13.1. RGC: (a) will not use Program resources or any part thereof for the purpose of any payment to persons or entities, or for the import of goods, if such payment or import, to RGC's knowledge or belief, is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations, including under the United Nations Security Council Resolution 1373 and related resolutions; and (b) will include a corresponding provision to this effect in any subsidiary agreement that RGC enters into with entities to which RGC makes Program resources available.

14. MODIFICATION, PARTNER ACCESSION AND WITHDRAWAL

- 14.1. The Signatories will annually review and discuss the implementation, application and effectiveness of the procedures outlined in this Joint Partnership Arrangement.
- 14.2. Any differences that may arise in the application of the provisions of this Joint Partnership Arrangement will be addressed through consultations among the Signatories and, if needed, the organization of a high-level meeting to promptly assess the situation and agree on a way forward.
- 14.3. Any modification of the terms and provisions of this Joint Partnership Arrangement will only be approved if agreed in writing by all Signatories.
- 14.4. The Signatories welcome the accession to this Joint Partnership Arrangement of other Program Partners wishing to support HSP2, using common management arrangements.

- 14.5. Upon a new Program Partner's written request and written acceptance of the terms and conditions of this Joint Partnership Arrangement, MOH may, by way of an annex to this Joint Partnership Arrangement, authorise that Program Partner in writing to join as a Signatory. MOH will promptly consult with the other Program Partners and furnish them with a copy of the letter of acceptance.
- 14.6. Any Signatory, following consultation with MOH and other Signatories, may at any time withdraw from or terminate its participation in this Joint Partnership Arrangement by giving not less than three months' notice in writing to MOH, with copy to other Signatories. Any such withdrawal or termination will not have retroactive effect and, in the case of Pooled Account contributions, will not affect contributions already deposited into the Pooled Account.

15. ENTRY INTO EFFECT

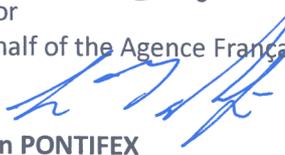
- 15.1. This Joint Partnership Arrangement will enter into effect upon its signature by RGC and two or more Program Partners.

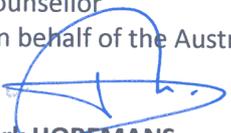
SIGNATORIES TO THE JOINT PARTNERSHIP ARRANGEMENT

15.2. The undersigned RGC and Program Partners, acting through their duly authorised representatives, have signed this Joint Partnership Arrangement:


MAM, Bunheng
Minister
On behalf of the Ministry of Health
Royal Government of Cambodia
Date: 18/12/08


Eric BEUGNOT
Director
On behalf of the Agence Française de Développement
Date: 18/12/08


Lachlan PONTIFEX
Counsellor
On behalf of the Australian Agency for International Development
Date: 18/12/08


Dirk HOREMANS
Health Project Co-Director
On behalf of the Belgian Technical Cooperation
Date: 18/12/08
In Ann Dedemwonele Residant Representative on.


Ruth ANDREYEVA
DFID Cambodia Head of Office
On behalf of the United Kingdom Department for International Development
Date: 18/12/08


Alice LEVISAY
Representative
On behalf of the United Nations Population Fund
Date: 18/12/08


Richard BRIDLE
Representative
On behalf of the United Nations Children's Fund
Date: 18/12/08


Qimiao FAN
Country Manager
On behalf of the World Bank
Date: 18/12/2008


KEAT, Chhon
Deputy Prime Minister and Minister of Economy and Finance
Witness
On behalf of the Ministry of Economy and Finance
Royal Government of Cambodia
Date: 18 DEC 2008

Annex 1: Universal Declaration of Human Rights

Article 25:

1. Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or lack of livelihood in circumstances beyond his control.
2. Motherhood and childhood are entitled to special care and assistance. All children, whether born in or out of wedlock, shall enjoy the same social protection.