

Framework Agreement

Between

The Swiss Federal Council

and

The Royal Government of Cambodia

Concerning

Technical, Financial and Economic Cooperation as well as

Humanitarian Assistance

The Swiss Federal Council and the Royal Government of Cambodia (hereafter referred to as "the Parties"),

Intending to reinforce the ties of friendship between the two countries;

Desirous of strengthening these relations and of developing a fruitful humanitarian, technical and financial cooperation between the two countries;

Recognizing that the development of this technical and financial cooperation as well as the humanitarian assistance will contribute to an improvement of social and economic conditions in Cambodia in order to promote sustainable development and poverty reduction and fostering a democratic governance;

Aware that Cambodia is committed to pursue the reforms in order to establish a market economy under democratic conditions;

Have agreed as follows;

Article 1

BASIS OF COOPERATION

Respect of human rights, democratic principles and the rule of law as set out in the International Covenant on Civil and Political Rights are the basis of the internal and external policies of both Parties as well as of the implementation of the present Agreement.

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Article 2

OBJECTIVES

2.1 *The Parties shall promote, within the framework of their respective national legislation, the realization of humanitarian, technical and financial assistance projects in Cambodia. These projects shall contribute to support the reform process in Cambodia and to mitigate the social and economic costs of adjustment. Projects shall also contribute to alleviate hardship of most vulnerable segments of the Cambodian society.*

2.2 *The objective of this Agreement is to establish a framework of rules and procedures for the conduct and implementation of these projects.*

Article 3

DEFINITIONS

For the purpose of this Agreement, unless the context otherwise requires:

(a) The term «SDC» means Swiss Agency for Development and Cooperation (which includes Humanitarian Aid) of the Federal Department of Foreign Affairs of Switzerland.

(b) Specific projects/programs and other joint activities under this Agreement are hereinafter referred to as «projects».

(c) The term «Implementing Agency» means any public authority and public or private juridical body as well as any organisation, whether national, international or multilateral, accepted by both Parties and mandated by Switzerland to implement specific projects referred to in Article 4 below.

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(d) *The term «Commodities» means goods, material, vehicles, machinery, equipment and other commodities made available by Switzerland or the Implementing Agencies for projects under this Agreement or any other commodities delivered to Cambodia under the specific agreements regarding the projects.*

(e) *The term «experts» means people in charge of implementing projects who are not Cambodian citizens, who do not have their permanent residence in Cambodia, and who are not members of SDC.*

Article 4

FORMS OF COOPERATION

Section 1: Forms

4.1 The cooperation can take the form of technical, cultural and scientific cooperation in the field of development; financial and economic cooperation, as well as humanitarian assistance. These forms can take place in parallel or in sequence.

4.2 Such cooperation and/or assistance may be carried out on a bilateral basis or in cooperation with other donors, national, international or multilateral organisations.

Section 2: Technical, cultural and scientific cooperation in the field of development

4.3 Technical cultural and scientific cooperation in the field of development shall be carried out by SDC in form of know-how transfer through training, consulting or other services or in form of the supply of commodities necessary for the successful implementation of the projects.

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4.4 *Technical cultural and scientific cooperation in the field of development can take the following forms:*

- a) *Contributions in the form of grants;*
- b) *Provision of commodities and services;*
- c) *Provision of personnel or local staff;*
- d) *Scholarships for studies or training in Cambodia, in Switzerland or in a third country; or*
- e) *Any other form as mutually agreed by both Parties.*

4.5 *The projects of technical, cultural, and scientific cooperation in the field of development will in priority be focused on supporting sustainable poverty reduction, inclusive development, and strengthening the institutional framework i.e. i) strengthening public administration reforms and social equity; ii) enhancing an environmentally sound management of natural resources; supporting vocational education and training, and/or any other development topic of interest to both Parties.*

Section 3: Financial and economic cooperation

4.6 *Financial and economic cooperation will take the form of financing of commodities and services or contributions to the capital for instance of financial intermediaries. Alternative forms will be considered on a case by case basis.*

4.7 *Financial and economic cooperation will be provided, depending on the case, in the form of grants, loans or any other form as mutually agreed by both Parties.*

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Section 4: Humanitarian Assistance

4.8 Humanitarian Assistance including emergency aid to Cambodia shall be carried out by SDC in form of commodities, services, experts and financial contribution.

4.9 Humanitarian Assistance projects shall target most vulnerable segments of the Cambodian society and shall concurrently contribute to capacity building measures of local and national humanitarian organisations.

4.10 Grants for Humanitarian Assistance will be provided on a case by case basis in response to needs recognised by both Parties among the population affected by natural calamities or man-made disasters.

Article 5

CONDITIONS

5.1 The SDC Office forms an integral part of the Embassy of Switzerland to Cambodia in Bangkok. Cambodia shall undertake the official recognition procedures for the establishment and operation of an SDC Office in Cambodia.

5.2 In order to facilitate the implementation of any projects of cooperation, Cambodia shall exempt all commodities, services, vehicles and material financed on grant basis by Switzerland and equipment temporarily imported for the needs of project implementation within the scope of this Agreement from taxes, VAT, customs duties, dues as well as other obligatory charges and shall authorize their re-exportation under the same conditions.

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5.3 Cambodia shall grant free of charge all permits necessary for the temporary importation of the equipment required to implement the projects within the scope of this Agreement.

5.4 Cambodia agrees that for the payment procedures related to projects of financial assistance, financial agents acting on behalf of the corresponding Cambodia project partners can be designated in agreements between the partners of each project. For payments in local currency (Khmer Riel) counterpart funds, special accounts can be opened with these financial agents in accordance with the Cambodian legislation. The use of these deposited funds will be decided upon between the partners of the project.

5.5 Foreign experts and personnel commissioned for the implementation of the projects within the scope of this Agreement and their families shall be exempted of any income and property taxes as well as any taxation, customs duties, dues, other obligatory charges applicable to any personal belongings. They shall be authorised to freely import and re-export their personal belongings (household goods, car and equipment including professional and personal equipment) at the end of their assignment. Cambodia shall provide free of charge the foreign experts and personnel as well as their families with all residential documents and work-permits which might be legally required.

5.6 Cambodia shall grant the SDC Office and its members, in case they are not citizens of Cambodia, the privileges and immunities as provided in the Vienna Convention on Diplomatic Relations of April 18, 1961.

5.7 Cambodia shall be responsible for the security of the members of the SDC Office, the foreign experts and personnel as well as their families and shall accord them repatriation facilities.



5.8 Cambodia shall within the framework of the national legislation issue free of charge and without delay the entry visas for the category of persons mentioned in article 5.5 and 5.6.

5.9 Cambodia shall assist the foreign experts and personnel to implement their tasks and provide them with all necessary documentation and information.

5.10 Cambodia shall facilitate the procedure related to international transfers of foreign currency initiated by projects and by foreign experts.

5.11 The implementation of these provisions shall be ensured by the Ministry of Foreign Affairs and International Cooperation of the Kingdom of Cambodia.

5.12 The members of SDC Office, foreign experts, personnel and their families sent to Cambodia to implement projects within the scope of this Agreement shall respect the internal laws and regulations of Cambodia and shall not interfere in internal affairs of the country.

Article 6

ANTI-CORRUPTION CLAUSE

The Parties share a common concern in the fight against corruption which jeopardises good governance and the proper use of resources needed for development and, in addition, endangers fair and open competition based on price and quality. They declare, therefore, their intention of combining their efforts to fight corruption and, in particular, declare that any offer, gift, payment, remuneration or benefit of any kind whatsoever are considered as an illegal act or corrupt practice and has not been nor will be made, directly or indirectly to any person whomsoever in view of the award or execution

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of this Agreement. Any act of this kind constitutes sufficient grounds to justify termination of this Agreement, the procurement or resulting award, or for taking any other corrective measures foreseen by applicable law.

Article 7

SCOPE AND APPLICATION

The provisions of this Agreement shall apply to:

a) Projects mutually agreed between the Parties, including respective central, regional and state authorities within the territory of Cambodia;

b) Projects agreed upon between the Parties and organisations or institutions in Cambodia upon which both Parties or their authorised representatives have mutually agreed to apply mutatis mutandis the provisions of this Agreement;

c) National activities resulting from regional development cooperation projects and/or programs financed or co-financed by Switzerland provided that an explicit reference is made to this Agreement;

d) Projects with corporations or institutions of public or private law of either country upon which both Parties or their authorised representatives have mutually agreed to apply mutatis mutandis the provisions of the present Agreement.

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Article 8

COORDINATION AND PROCEDURE

8.1 *Each project shall on the basis of this Agreement be subject to a particular agreement between the partners of the project stipulating and defining in detail the rights and obligations to be borne by each partner of the project.*

8.2 *In order to avoid duplication and overlapping with projects implemented by other donors and to make sure that projects have the greatest possible effect, the Parties shall provide and share any information needed for an effective coordination.*

8.3 *On the Cambodian side, this coordination shall be ensured by the respective and concerned line ministry assigned by Cambodia for a specific project.*

8.4 *On the Swiss side, this coordination shall be ensured by the competent Swiss offices mentioned in the present Agreement. The SDC Office in Phnom Penh shall be the liaison for the Swiss authorities for implementation and monitoring of projects.*

8.5 *The Parties shall keep each other fully informed about the projects undertaken under this Agreement. They shall exchange views at regular intervals at all level on the progress of the projects financed under the present Agreement during implementation.*



Article 9

DURATION

9.1 *This Agreement shall enter into force on the day when both Parties have notified each other that they have complied with the constitutional requirement for the conclusion and entry into force of international agreements.*

The Agreement shall remain in force unless either of the Parties notifies the other in writing at least 6 months in advance about its intention to denounce it.

9.2 *In case of termination, the provisions of this Agreement shall continue to apply to all projects which have been agreed upon prior to termination.*

9.3 *This Agreement is applicable retroactively to the agreements agreed upon between the two Parties concerning/applicable to ongoing projects and/or to those projects under preparation before the entry into force of this Agreement.*

Article 10

MODIFICATION AND DISPUTES

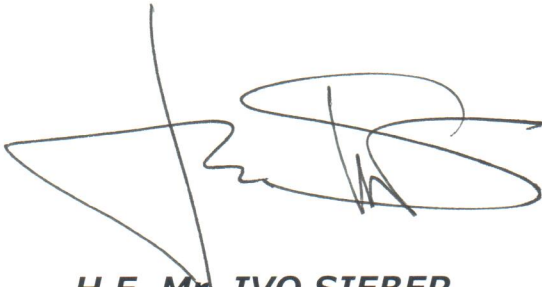
10.1 *Any modification or amendment to the present Agreement shall be made in writing with the consent of both Parties.*

10.2 *Any disputes arising out of the present Agreement shall be settled by diplomatic negotiations.*

Done in Phnom Penh,¹⁵..... March 2016 in three originals in French, Khmer and English languages, all texts being equally authentic. In case of divergence of interpretation, the English text shall prevail.

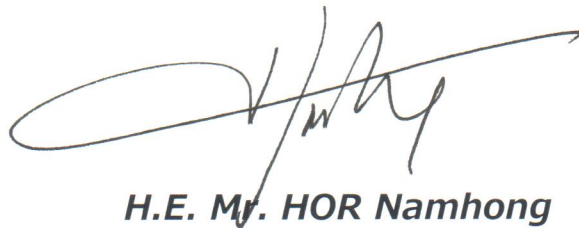
For the Swiss Federal Council

*For the Royal Government
of Cambodia*



H.E. MR. IVO SIEBER

*Ambassador of Switzerland
to the Kingdom of Cambodia*



H.E. Mr. HOR Namhong

*Deputy Prime Minister
Minister of Foreign Affairs
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