

# AGREEMENT

between

**the Government of the Kingdom of Denmark**

and

**the Royal Government of Cambodia**

on

**Development Co-operation**

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## Preamble

The Government of the Kingdom of Denmark, (hereinafter referred to as Denmark), and the Royal Government of Cambodia (hereinafter referred to as Cambodia) wishing to strengthen the legal and institutional framework of their technical as well as Development co-operation have agreed as follows:

## Article I

### Obligations of the Parties

1. Denmark will make available to Cambodia financial assistance, material resources, technical assistance, and training opportunities. Cambodia will ensure the effective utilization of the said assistance and training opportunities.
2. The specific terms and procedures, including the financial and other obligations of the two Parties in regard to specific projects, programmes, and other joint activities under this Agreement (hereinafter referred to as Programmes) will in each case be determined by the Parties in specific agreements (hereinafter referred to as Specific Agreements), with explicit reference to this Agreement.
3. Should there be any discrepancy between this Agreement and the Specific Agreement the latter prevails.
4. In the implementation of this Agreement the Ministry of Foreign Affairs shall be competent to represent Denmark, and the Ministry of Economy and Finance be competent to represent Cambodia (hereinafter referred to as the Competent Authorities).

## Article II

### Executing Agencies

1. For the purposes of this agreement the term “Executing Agencies” means any expatriate public authority and expatriate public or private corporation as well as any organization whether public or private, accepted by the two Governments and contracted by Denmark to implement the specific Agreements referred to in Article I, paragraph 2 above.

2. Denmark will, unless otherwise agreed in the Specific Agreements, pay the fees and costs of the Executing Agencies in accordance with the rules and regulations of the Danish Ministry of Foreign Affairs excluding the costs to be covered by Cambodia as stipulated in paragraph 3 below.

3. The following facilities shall be accorded by Cambodia to the expatriate Executing Agencies:
- a) grant them free of charge and without undue delay all necessary permits and authorizations;
  - b) exempt them from income tax or any other direct tax or charge in respect of any emoluments paid to them from funds or resources outside Cambodia for their services within Cambodia under this Agreement;
  - c) exempt them from duty to submit to the Cambodian authorities any tax or financial declarations required from private persons or corporations in respect of the income earned under this Agreement;
  - d) impose no currency or foreign exchange restrictions on funds remitted to Cambodia by the expatriate Executing Agencies for the implementation of the activities under this Agreement, and facilitate the exchange and the exportation of such funds as well as the opening of bank accounts; and
  - e) exempt them from professional registration and license requirements.

4. In case of the contracting of a local public or private corporation as well as any local organization whether public or private, accepted by the two Governments and contracted by Denmark to implement the Specific Agreements, this corporation or organization will be subject to Cambodian law.

### Article III

#### Personnel

1. Technical assistance provided upon Cambodian request under this Agreement may be in the form of technical assistance personnel (short term or long term assignments) employed by the Ministry of Foreign Affairs or by the Executing Agencies referred to in Article II, paragraph 1 above. The provision of the services of the above-mentioned personnel (hereinafter referred to as the Personnel) is subject to the availability of suitably qualified and experienced persons at the appropriate time.

2. The competent Cambodian authority for each Programme provides in each case the Danish competent authority with a complete job title and description for the Personnel engaged by the Ministry of Foreign Affairs and in other cases, as appropriate, defining the duties of the position to be held and services to be rendered as well as the essential and desirable qualifications of the candidate. It shall be clearly stated in the job description whether the Personnel will undertake operational functions.

3. The Danish competent authority shall provide the competent Cambodian authority for each Programme with information necessary for the appraisal of the candidates for the positions referred to above, such as training and previous professional experience.

4. The competent Cambodian authority for each Programme and the Danish competent authority shall jointly decide to which extent counterparts shall be made available to the Personnel by Cambodia, or whether other measures shall be devised in order to achieve the objectives.

5. In carrying out their assignments the Personnel shall be under the direction of the authorities of Cambodia or other bodies to which they have been assigned and be subject to the laws and regulations of Cambodia unless special exceptions have been granted in the present Agreement or in a Specific Agreement.

6. Cambodia shall ensure that expatriate Personnel and their spouses and dependents enjoy the full protection of the law and further ensure that the expatriate Personnel and their spouses and dependents enjoy privileges no less favourable than those accorded to expatriate Personnel assigned to Cambodia by other countries or international organizations.

7. In the event of arrest or detention for any reason of expatriate Personnel made available by Denmark, or their spouses or dependents, or of criminal proceedings being instituted against such persons, the Royal Danish Embassy is to be notified immediately and shall have the right to visit any detained or arrested person. Such persons shall have the right to be represented by a lawyer assigned by the Embassy or by the person himself in accordance with the laws and regulations of Cambodia.

8. Cambodia shall be responsible for the security of the expatriate Personnel and their spouses and dependents. In the event of a crisis affecting the safety of foreign nationals in Cambodia, Cambodia shall accord repatriation facilities to this Personnel and their spouses and dependents, in accordance with the conditions no less favourable than those accorded to expatriate Personnel assigned to Cambodia by other countries or international organizations and their spouses and dependents.

9. Should a situation or a condition referred to in paragraph 8 above occur, the two Governments shall consult with each other and act in close collaboration to minimize any risk or damage to the expatriate Personnel, their spouses and dependents or damage to the personal effects and the materials, equipment, and vehicles used for the implementation of the Programmes/Projects under this Agreement.

10. Expatriate Personnel acting in accordance with instructions issued by the Royal Danish Embassy in the event of a crisis or taking such precautions as are deemed to be warranted under the circumstances, and thus being restrained from reporting for work, shall not be considered to be in dereliction of duty under the relevant contract.

11. Cambodia shall have the right to request the recall of any member of the Personnel whose work or conduct is deemed unsatisfactory. Before exercising such right Cambodia shall consult with the Royal Danish Embassy.

12. Denmark shall have the right to recall any member of the Personnel at any time. Before exercising such right Denmark shall consult with Cambodia for that purpose as well as on arrangements for securing rapid replacement of such Personnel if Cambodia so requests, unless exceptional circumstances demand that the person be recalled immediately.

13. If agreed upon between the Competent Authorities the Personnel may be transferred from one post or function to another during the period of assignment.

14. Denmark shall cover all fees, salaries, and costs of the Personnel in accordance with the Ministry of Foreign Affairs' rules and regulations, unless covered by Cambodia as stipulated in paragraph 15 below.

15. In respect of the Personnel Cambodia will, unless otherwise agreed, provide office space, secretarial services and other necessary facilities in accordance with conditions accorded to Personnel assigned to Cambodia by other countries or international organisations. Cambodia shall grant leave of absence on account of vacation, sickness, pregnancy, or childbirth in accordance with the respective employment contracts.

16. Cambodia shall undertake that the expatriate Personnel and their spouses and dependents are:  
a) exempted from national service and any other military obligations;

- b) entitled to open bank accounts, exempted from any currency or foreign exchange restrictions imposed on external funds introduced into Cambodia, and allowed to exchange and to export such funds as well as any proceeds of household goods and personal effects imported and/or sold in accordance with the provisions in paragraphs 17 and 18;
- c) exempted from professional registration and license requirements.

17. Cambodia will make provision for the exemption of the expatriate Personnel and their spouses and dependents from:

- a) personal income tax or any other direct tax or charge, including contributions to national social security schemes, in respect of any emoluments paid to them by Denmark for their services in Cambodia under this Agreement;
- b) the duty to submit to Cambodian authorities any tax or financial declarations required from the citizens of Cambodia or aliens residing in Cambodia for the emoluments mentioned above;
- c) all customs duties, taxes, and other related charges imposed on the import and export of new as well as used household goods and personal effects for the normal everyday use of the family, including a motor vehicle for their exclusive use imported by the expatriate Personnel and their spouses and dependents or purchased from a bonded ware-house in Cambodia within 6 months after their arrival in Cambodia, subject to re-export on completion of service or payment of duties and taxes in relation to its market price if sold locally unless to a person entitled to the same privileges.

18. In the event that a motor vehicle referred to above is damaged beyond repair or otherwise lost without neglect on the part of the expatriate Personnel or their spouses and dependents, the exemptions mentioned in that paragraph apply to the importation or purchase of a new motor vehicle irrespective of any time limit.

19. In the event that the expatriate Personnel or their spouses and dependents due to theft or burglary has lost one or more personal items (i.e. TV, video machine, radio, CD-player, record player, tape recorder, computer etc.) and after providing a police report regarding the event, or due to an item has been damaged beyond repair, Cambodia shall allow importation or purchase of new equipment substituting the stolen equipment irrespective of any time limit.

20. Cambodia shall issue without undue delay free multiple entry and exit visas for the expatriate Personnel, spouses and dependents as well as residence permits, work permits and other necessary permits and/or authorizations for the entire duration of the assignment.

21. Cambodia shall render assistance in clearance through customs of effects mentioned under 17 c) and 18 vide Article V.

22. Cambodia shall facilitate the issuance of national driver's licenses to the expatriate Personnel and their spouses and dependents who hold a valid license from Denmark or another country or allow the use of international driver's licenses and furthermore facilitate the registration of vehicles for the personal use of the Expatriate Personnel and their spouses and dependents.

#### Article IV

##### Liability and Indemnification

1. Cambodia shall indemnify Denmark and its Personnel for any loss and any liability arising

from actions or omissions on the part of one or several of the above-mentioned persons within the framework of the activities, actions or operations comprised by or executed pursuant to this Agreement, and causing either death or injury to any third party or damage to any property of third party in so far as such liability for damage is not covered by an insurance in full and shall renounce any right of recourse or procedural steps in connection herewith except in cases of wilful misconduct or gross negligence on the part of one or several of the above-mentioned persons.

2. Provided that Cambodia indemnifies Denmark or one or several of the above-mentioned persons in the case of recourse or any other procedural steps in connection with liability for tort in conformity with paragraph 1 of this Article, Cambodia shall be entitled to exercise and enforce any right of recourse, counterclaim, insurance, indemnity, contribution, or guarantee to which Denmark or the Personnel may have become entitled.

3. Upon request from Cambodia Denmark shall grant the relevant Cambodian authorities appropriate administrative or legal assistance in order to resolve such problems that may arise from the implementation of paragraphs 1 or 2 above.

## Article V

### Material Resources/Commodities

1. For the purpose of this Agreement the term “Commodities” shall mean goods, materials, vehicles, machinery, equipment, spare parts and any other commodities made available by Denmark or Executing Agencies for Programmes/Projects under this Agreement or any other commodities delivered to Cambodia under the Specific Agreements.

2. Denmark will, unless otherwise agreed in the Specific Agreements:

- a) cover the actual costs such as purchase, transport and, as appropriate, insurance connected with each consignment of the Commodities;
- b) be in charge of the delivery of the Commodities to Cambodia;
- c) require that the Executing Agencies notify designated agencies in Cambodia of the estimated date of the arrival of the consignment immediately upon dispatch, and forward shipping documents, invoices, and other related information to them.

3. Cambodia will, unless otherwise agreed in Specific Agreements:

- a) notify Denmark if necessary of the import clearance agents to be used and of the documentation required for customs clearance and inform Denmark of the import and customs clearance procedures applied in Cambodia;
- b) promptly issue, free of charge, the necessary import licenses and other permits on importation of the commodities;
- c) exempt the Commodities from, or bear the costs of all customs duties, taxes and other related charges pertaining to their entry into Cambodia as well as exempt the Commodities from all prohibitions and restrictions on import or export;
- d) ensure swift and safe reception, handling, clearing, forwarding as well as storing and onward transportation of the imported Commodities;
- e) take all appropriate measures and institute any proceedings that may be necessary with regard to claims for loss or damage whether total or partial of any consignment of Commodities and notify Denmark promptly thereafter;
- f) facilitate the registration of motor vehicles brought into Cambodia.

4. The Commodities, including the Programme vehicles, shall become the property of Cambodia at the time to be specified in each Specific Agreement or, by agreement, be subsequently exported. However, the Commodities shall always be at the exclusive disposal of the respective Project,

Programme or other Joint Activity under this Agreement during their implementation.

## Article VI

### Fellowships

1. Fellowships for studies in Denmark or other countries will be available for candidates duly selected and nominated by Cambodia subject to approval by Denmark.
2. Fellowships are granted for specialized studies only to candidates who have completed their basic studies. Study programmes will ordinarily be prepared in English. The candidate might be required to pass a language test.
3. Denmark shall pay:
  - a) The cost of travel from duty station to place of study and return;
  - b) All living costs and tuition fees, books and other tools and personal expenses during the study period.
4. Cambodia shall guarantee that the Fellow will return to his/her former position in Cambodia upon completion of the study programme.
5. Cambodia shall pay the part of the Fellow's salary allowed to him/her under the current regulations to enable him/her to continue to meet his/her financial obligations in Cambodia during the study period.

## Article VII

### Evaluation

For the follow-up and evaluation of the co-operation as well as for the planning of future co-operation the Competent Authorities shall be available to each other for mutual consultation and give each other such information as may be reasonably requested.

## Article VIII

### Settlement of Disputes

1. Any difference or dispute concerning the interpretation or implementation of this Agreement shall be settled by negotiation between the Parties. In case the dispute has not been settled within a time limit of one year the matter may be referred to arbitration by either Party.
2. The arbitration shall operate according to the following rules:
  - a) The number of arbitrators shall amount to a total of three, one designated by each of the Parties, i.e. two, and a third designated by the former two. In case of dispute between the former two arbitrators as to the designation of the latter, the latter will be designated by a neutral institution to be identified by the former two;
  - b) The proceedings to be followed by the court of arbitration shall be decided on by the three arbitrators;
  - c) The arbitral award shall be submitted in written form and must be signed by all three arbitrators;
  - d) The court of arbitration shall determine the distribution of costs relating to the arbitration.

## Article IX

### Amendment

This agreement may be amended or supplemented by mutual consent of the Contracting Parties by exchange of letters.


## Article X

### Entry into force and termination


1. This Agreement shall enter into force on the date of its signature.
2. This Agreement shall remain valid for a period of five years. Its validity shall be automatically extended for successive periods of five years unless terminated by either party giving a six months' written notice to the other Party.
3. This Agreement shall also cover Programmes already initiated at the entry into force of the Agreement.

Done in Phnom Penh, Tuesday, 5 June 2001 in two originals in the English language.


For the Royal Government of Cambodia




Keat Chhoe, MP  
Minister  
Ministry of Economy and Finance



For the Government of the Kingdom of  
Denmark



Niels Kaas Øyrlund  
Ambassador  
Royal Danish Embassy





**ព្រះរាជាណាចក្រកម្ពុជា**

Kingdom of Cambodia

**ជាតិ សាសនា ព្រះមហាក្សត្រ**

Nation Religion King

**រាជរដ្ឋាភិបាលកម្ពុជា**

Royal Government of Cambodia  
N° 37 D.F.P

Phnom Penh, 04 June 2001

**DELEGATION OF FULL POWERS**

- Having seen the Constitution of the Kingdom of Cambodia
- Having seen the Royal Decree No 1198/72 NS on the Composition of the Royal Government of Cambodia dated November 30, 1998
- Having seen the Royal Decree No 02/94 dated 20 June 1994 on the organization and the functioning of the Council of Ministries
- Having seen the Royal Decree No 20/96 dated 30 April 1996 on the organization and the functioning of the Ministries and State Secretaries
- Referring to the request of the Senior Minister, Minister of Economy and Finance and Vice Chairman of the Council for the Development of Cambodia

**THE ROYAL GOVERNMENT OF CAMBODIA**

Delegates herewith full powers to **H.E KEAT CHHON**, Senior Minister, Minister of Economy and Finance and Vice Chairman of the Council for the Development of Cambodia to sign the Agreement on Development Co-operation between the Royal Government of Cambodia and the Government of the Kingdom of Denmark.

In witness whereof the undersigned, the Prime Minister of the Royal Government of Cambodia. with full power duly entrusted to him, have signed this delegation of full powers.



H.E. KEAT CHHON  
Prime Minister