

KINGDOM OF CAMBODIA

NATION RELIGION KING



MINISTRY OF JUSTICE

N° 1530.MOJ.IRDP/18

Asian Development Bank
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1550 Metro Manila, Philippines
Fax: (632) 636 2444

Phnom Penh, August 17, 2018

Legal Opinion

Subject : **Legal Opinion on the Loan Agreements (Ordinary Operations [Concessional] /ADB Green Climate Fund) and Grant Agreement (ADB Green Climate Fund) (Climate-Friendly Agribusiness Value Chains Sector Project) between The Kingdom of Cambodia and the Asian Development Bank dated July 06, 2018.**

References: - ADB Loan No. 3661-CAM (COL)
- ADB Loan No. 8346-CAM (EF)
- ADB Grant No. 0579-CAM (EF)

Dear Sir/Madam,

This Legal Opinion is given in connection with (i) the Loan Agreement (Ordinary Operations [Concessional]) "Loan No. 3661-CAM (COL)" (hereinafter called the "Concessional Loan Agreement"); (ii) the Loan Agreement (ADB Green Climate Fund) "ADB Loan No. 8346-CAM (EF)" (hereinafter called the "GCF Loan Agreement"); and (iii) the Grant Agreement (ADB Green Climate Fund) "Grant No. 0579-CAM (EF)" (hereinafter called the "Grant Agreement") together with the Concessional Loan Agreement and GCF Loan Agreement, called the "Financing Agreements" for the **Climate-Friendly Agribusiness Value Chains Sector Project** entered into between the Asian Development Bank (hereinafter called "ADB") and the Kingdom of Cambodia (hereinafter called "Cambodia") dated July 06, 2018.

I, undersigned, Minister of Justice of the Kingdom of Cambodia, have reviewed each of the following documents:

- (1) The constitution of Kingdom of Cambodia;
- (2) A duly executed copy of the Loan Agreement (Ordinary Operations [Concessional] [Loan No. 3661-CAM (COL)] for the "**Climate-Friendly Agribusiness Value Chains Sector Project**" entered into between the ADB and Cambodia dated July 06, 2018 for loan in an amount of Ninety Million Dollars (\$ **90,000,000**) (hereinafter called the "Loan") to be repaid over the period commencing December 15, 2026 and ending June 15, 2050;
- (3) A duly executed copy of the Loan Agreement (ADB Green Climate Fund) [Loan No. 8346-CAM (EF)] for the "**Climate-Friendly Agribusiness Value Chains Sector Project**" entered into between the ADB and Cambodia dated July 06, 2018 for loan

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in an amount of Ten Million Dollars (**\$10,000,000**) (hereinafter called the “Loan”) to be repaid over the period commencing December 15, 2026 and ending June 15, 2050;

- (4) A duly executed copy of the Grant Agreement (ADB Green Climate Fund) [Grant No. 0579-CAM (EF)] for the “**Climate-Friendly Agribusiness Value Chains Sector Project**”, entered into between the ADB and Cambodia dated July 06, 2018 for a grant in an amount of Thirty Million Dollars (**\$30,000,000**) (hereinafter called the “Grant”);
- (5) The Law on Financial Management for 2018, Chapter 2, Article 7, dated December 09, 2017 enacted by National Assembly and signed by **His Majesty NORODOM SIHAMONI**, King of Cambodia;
- (6) The Delegation of Full Powers No. 26 D.F.P. signed by **Samdech Akka Moha Sena Padei Techo Hun Sen**, Prime Minister of the Kingdom of Cambodia, dated May 08, 2018, authorizing H.E. Dr. AUN Pornmoniroth, Senior Minister, Minister of Economy and Finance to negotiate, sign and deliver the Financing Agreements on behalf of Cambodia;
- (7) The Delegation of Full Powers No. 3828 MEF/GDICDM signed by H.E. Dr. AUN Pornmoniroth, Senior Minister, Minister of Economy and Finance, dated May 08, 2018 authorizing to assign the Government Officials to negotiate the Financing Agreements on behalf of Cambodia.
- (8) All the laws, rules, regulations, and procedures of Cambodia regarding or relating to the signing and delivery of international agreements, and such other documents that I have deemed relevant for the purpose of furnishing this legal opinion.
- (9) The Ordinary Operations (Concessional) Loan Regulations of the Asian Development Bank dated 1 January 2017.
- (10) The Externally Financed Grant Regulations of the Asian Development Bank dated 1 January 2017.

Based on my consideration and review of each of the documents mentioned above, I opine and conclude the following:

Pursuant to Article 90 of the Constitution of the Kingdom of Cambodia, the National Assembly of Cambodia is vested with the constitutional right to authorize borrowing the loan and receiving the grant. By virtue of the Article 7, Chapter 2 of the Law on Financial Management 2018 dated December 09, 2017, the National Assembly of Cambodia authorizes Senior Minister, Minister of Economy and Finance to enter into loan agreement in the amount limited to One Billion Special Drawing Rights (**SDR 1,000,000,000**) for the Year 2018, such Loan to the conditions of repayment and favorable interest.

On the basis of His Royal Decrees dated December 9, 2017 the Law on Financial Management 2018 was promulgated by **His Majesty the King**.

On the basis of the Delegation of Full Powers No. 26 D.F.P. of **Samdech Akka Moha Sena Padei Techo HUN SEN**, the Prime Minister of the Kingdom of Cambodia, dated May 08, 2018, H.E. Dr. AUN Pornmoniroth, Senior Minister, Minister of Economy and Finance, was fully empowered to negotiate, sign and deliver or delegate the authority to negotiate, sign and deliver the Financing Agreements on behalf of Cambodia.



Therefore, on the basis of my foregoing legal review and opinion, and in my capacity as the Minister of Justice of the Kingdom of Cambodia and in accordance with provisions of the Constitution and relevant laws, I hereby opine and conclude that:

- 1) The Loan together with all other borrowings so far this year is within the limit set by the Financial Law for 2018 and the conditions of repayment and the interest rate are considered reasonable as per requirements of the Law on Financial Management 2018.
- 2) Each of the Concessional Loan Agreement and GCF Loan Agreement has been duly authorized, executed and delivered on behalf of Cambodia and is legally binding upon the Kingdom of Cambodia in accordance with its terms and conditions.
- 3) The Grant Agreement has been duly authorized, executed and delivered on behalf of Cambodia and is legally binding upon the Kingdom of Cambodia in accordance with its terms and conditions.
- 4) Cambodia acted in conformity with the requirements of the laws of the Kingdom of Cambodia currently in force in undertaking the financial and other obligations resulting from the terms and conditions of the Financing Agreements. *NS/P*

Yours faithfully



**ANG VONG VATHANA
MINISTER OF JUSTICE**