

The DFGG Project
Project Implementation Manual

MINISTRY OF INTERIOR
THE DFGG PROJECT
DRAFT PROJECT IMPLEMENTATION
MANUAL
VOLUME 1 of 2

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ACRONYMS AND ABBREVIATIONS (for Volume 1)

AC	Arbitration Council
ACF	Arbitration Council Foundation
AM	Amplitude Modulation
APR	Annual Progress Report
ARPI	Annual Review of Project Implementation
AusAID	Australian Agency for International Development
AWP	Annual Work Plan
CAR	Council for Administrative Reform
CAS	Country Assistance Strategy
CC	Complaints Committee
CFA	Counterpart Funds Account
CFO	Chief Financial Officer
CHM	Complaints Handling Mechanism (at the PCO)
CHS	Complaints Handling System (for the whole project)
CRDAP	Cambodia Radio Development Assistance Project
CSA	Civil Society Assessment
CSO	Civil Society Organizations
D&D	Decentralization and De-concentration
DP	Development Partner
DPM	Deputy Prime Minister
DFGG	Demand for Good Governance
DM	Development Marketplace
DO	District Ombudsman
DSSC	Departmental Staff Selection Committee
DST	District Support Team
EA	Executing Agency
EMP	Environmental Management Plan
EMR	Electro Magnetic Radiation
ExCom	Executive Committee (of PRDC)
FM	Financial Management
FMDM	Financial Management and Disbursement Manual
FMM	Financial Management Manual
FY	Fiscal Year
GAC	Governance and Accountability
GGF	Good Governance Framework
GGP	Good Governance Plan
GRLC	Governance Resource and Learning Center
GMC	Grant-Making Committee
IA	Implementing Agency
IAU	Internal Audit Unit
IDA	International Development Association
IFR	Interim Financial Report
ILO	International Labor Organization

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INT	Office of Institutional Integrity (World Bank)
IPA	International Procurement Agent
IRC	Incentives and Recruitment Committee
ISA	International Standards of Auditing
KAF	Konrad Adenauer Foundation
M&E	Monitoring and Evaluation
MBPI	Merit Based Pay Initiative
MEF	Ministry of Economy and Finance
MOI	Ministry of Interior
MOLVT	Ministry of Labor and Vocational Training
MONASRI	Ministry of National Assembly – Senate Relations and Inspection
NCDD	National Committee for Management of Decentralization and De-concentration
NCDDS	NCDD Secretariat
NGO	Non-Governmental Organization
NOL	No Objection Letter
NSA	Non-state Actors
OWSO	One Window Service Office
PCG	Project Coordination Group
PCO	Project Coordination Office
PD	Project Director
PECSA	Program to Enhance Capacity in Social Accountability
PIM	Project Implementation Manual
PMG	Priority Mission Group
PMT	Project Management Team
PST	Program Support Team
QPR	Quarterly Progress Report
RGC	Royal Government of Cambodia
RF	Radio Frequency
RFHCD	Radio Frequency Hazard Control Document
RNK	Radio National Kampuchea
RS	Rectangular Strategy
RTO	Research and Training Organization
SI	State Institution
SOE	Statement of Expenses
TA	Technical Assistance
TAF	The Asia Foundation
TBP	Talk Back Program
TOR	Terms of Reference
UNOPS	United Nations Office for Project Services
US	United States
WB	World Bank

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Section I INTRODUCTION

A. What is this Manual about?

A Project Implementation Manual (PIM) is usually required to be prepared and adopted by the project Executing Agency (EA) for guidance of managers, staff, and consultants responsible for implementation of the Project. In a multi-sector and multi-agency project such as the DFGG Project, this PIM describes the common principles, procedures, and organizational responsibilities that apply across all the Implementing Agencies (IAs). This PIM shall be supplemented by IA specific operational manuals and/or project proposals that describe implementation guidelines specific to the IA.

The PIM is prepared based on the following documents (listed in the order of precedence):

- A. Financing Agreement for the Project.
- B. Subsidiary Agreements for the Arbitration Council Foundation (ACF) and the Asia Foundation (TAF).
- C. Project Agreement for the State Institutions
- D. World Bank's Project Appraisal Document (PAD).
- E. Standard Operating Procedures (SOP) of the Royal Government of Cambodia (RGC) and related Financial Management and Procurement Manuals (Sub-Decree No. 14 of 26 February 2007).

B. What this Manual describes?

As indicated above, the PIM is intended to be a guide to all managers, staff, and consultants engaged in implementation of the Project. The PIM provides specific guidance on role and responsibilities of institutions and individuals in carrying out their duties in key areas of project implementation. These key areas include (a) basic project management, (b) institutional responsibilities, (c) fiduciary responsibilities, (d) staff selection and management, (e) results monitoring and evaluation, (f) risk assessment and good governance, (g) environmental and social safeguards, and (h) any other specific reporting requirements imposed by the Bank and RGC policies.

The PIM is organized into *two* volumes:

1) PIM Volume 1 - This includes implementation guidelines (principles, rules, and procedures) to carry out common responsibilities required from all IAs involved in the project and as listed in various legal agreements associated with the project.

2) PIM Volume 2 – The second volume of the PIM will include the following key associated project documents:

- *Project Proposals (PPs) of different subcomponents/components* – these lay out the specific responsibilities of individual IAs for their respective element of the project,
- *Operational Manual (OM) for Component 2 (support to non-state institution)* – this lays out the details of the procedures and responsibilities involved in grant-making to non-state actors under Component 2 of the project

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- *Financial Management and Disbursement Manual (FMDM)* – this is based on the official Financial Management Manual (FMM) contained in the RGC’s SOP, and outlines the specific details (beyond those contained in PIM Volume I) of the financial management and disbursement procedures that are applicable to all IAs under the project
- *World Bank Anti-Corruption Guidelines* – these refer to the standard guidelines to safeguard against corruption in World Bank projects

The focus in PIM Volume 1 is on those areas that are ‘cross-cutting’ in nature, with specific details for different IAs to be found in the PPs in Volume 2. The guidelines given in the PIM Volume 1 are therefore those that apply across all IAs and EA. However, certain exceptions apply to ACF and TAF and these are recorded where appropriate.

Both Volumes of the PIM are meant to be complementary to each other. While individual IAs are expected to take the majority of guidance on their implementation activities and responsibilities from their respective PP, they are obliged to follow all common guidelines specified across IAs in PIM Volume 1 and in the FMDM contained in Volume 2.

C. Who should use this Manual?

The primary users of the PIM would be the Project Directors, Project Managers, technical, financial, operational and administrative staff of EA and IAs. A copy of the PIM should be provided to all long-term national or international consultants engaged in project implementation.

The PIM also clarifies the roles and responsibilities of the Ministry of Economy and Finance (MEF) in relation to project implementation where relevant and should help guide those MEF staff assigned oversight responsibilities of the Project.

Finally, the manual is expected to help the staff of the Project Coordination Office (PCO) to clarify their role and responsibilities vis-à-vis staff of the IAs.

SECTION II ABOUT THE DFGG PROJECT

What is this section?

This section provides a summary of the Demand for Good Governance (DFGG) Project. It states, briefly, the project development objectives and describes the three main project components. Finally, the Overall Results Framework for the Project is given. The section draws on relevant sections of the Bank's PAD. The section is intended to give the users of the PIM a quick overview of the DFGG Project and what kinds of activities it will support. More detailed information is available on the above referred PAD and project proposals of individual component Implementation Agencies given in Volume II of PIM.

A. Project development objective

Development Objective. The DFGG project is a \$20 million equivalent, IDA financed grant being given to the RGC for a four year period with the aim of enhancing the demand for good governance in priority reform areas by strengthening institutions, supporting partnerships, and sharing lessons.

The state and non-state institutions and partnerships supported will be those that promote, mediate, respond to, or monitor for DFGG (see definition of DFGG below).

The four priority reform areas, where DFGG approaches will be supported are those identified in the Governance Pillar of the Bank-RGC Country Assistance Strategy (CAS), namely:

- (a) private sector development,
- (b) natural resource management,
- (c) public financial management, and
- (d) decentralization and citizens' partnerships for better governance.

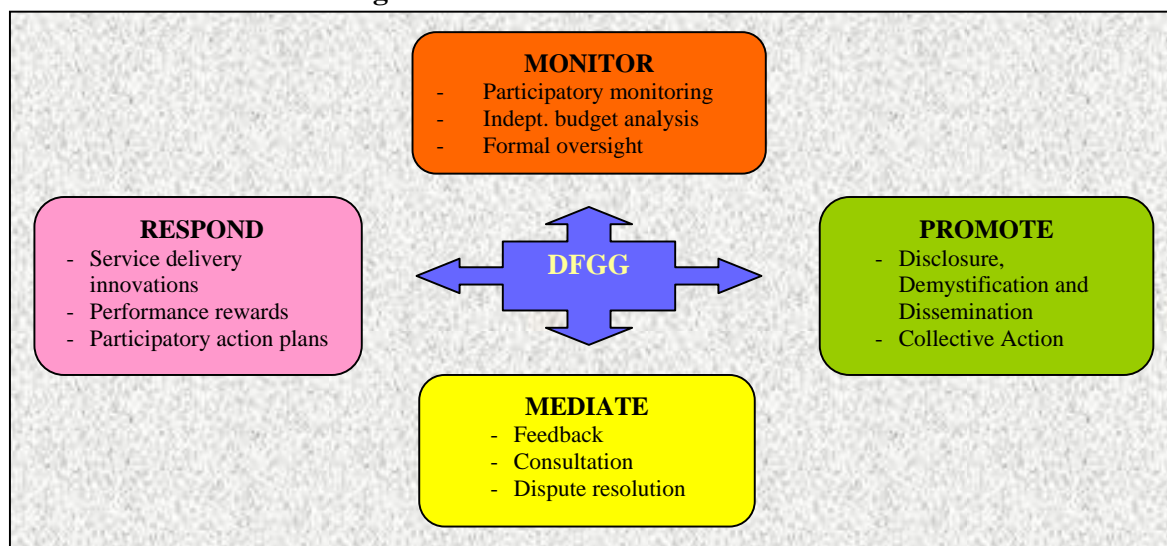
Defining DFGG. Conceptually, DFGG refers to the extent and ability of citizens and other NSAs to enhance their 'voice' and hold the state accountable, making it responsive to their needs. In turn, DFGG enhances the capacity of the state to become more transparent, accountable and responsive to citizens. The strengthening of DFGG can be done in four ways (see figure 1):

- (a) by disclosing, demystifying, and disseminating key information on government policies, programs and budgets to citizens, and enhancing their capacity to act on this information (*i.e.*, **by promoting demand**);
- (b) by creating and strengthening formal and informal avenues of consultation, feedback, and dispute resolution between citizens and public officials (*i.e.*, **by mediating demand**);
- (c) by developing programs and initiatives (mostly) within the state that answer to the demand for services, either through improvements and innovations in service delivery, performance incentives, or joint planning (*i.e.*, **by responding to demand**); and

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- (d) by promoting regular monitoring and oversight of the public sector by independent actors such as the media, civil society and citizens (*i.e.*, **by monitoring to inform demand**), thereby generating key information that feeds back into the process of promoting DFGG and completing as well as continuing the demand cycle.

Figure-1: Four Core Elements of DFGG



B. Project components¹

Overview. The project has three components: (i) Support to State Institutions, (ii) Support to Non-State Institutions, and (iii) Coordination and Learning. In Component 1, four state institutions will improve and scale up programs that promote, mediate, respond to or monitor for DFGG in the priority reform areas of the CAS. In Component 2, non-state actors will develop their own programs in the priority reform areas. Some of these programs will be in partnership with the four state institutions supported in Component 1 (funded through partnership grants); others would be independent of them (funded through thematic grants)². The third component supports overall coordination of the project and promotes learning, awareness raising and capacity building on demand-side approaches. This, in part, is intended to create a “ripple effect” beyond the institutions and programs supported in Components 1 and 2. The three components and their sub-components are described below.³

¹ This section is derived from the PAD for the DFGG project.

² The project includes separate funding channels for state and non-state actors so as to avoid competition for a limited pool of funds.

³ Further details on specific components can be obtained from the PPs of the different IAs and the OM for Component 2 contained in PIM Volume 2.

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Component 1: Support to State Institutions **[Estimated cost US\$ 15.91 million; IDA financing US\$ 10.66 million⁴]**

The project's first component will support four state institutions (SIs) and their programs. These institutions have committed leadership and/or demonstrated success in fulfilling one or more of the DFGG functions (promotion, mediation, response or monitoring). In addition, they are active in the priority reform areas of the CAS. The nature of expected support to the selected institutions will vary, but will generally cover: (a) improving and scaling up the scope and coverage of existing operations; (b) piloting new initiatives; (c) adding communication and partnership programs to support and extend these activities; (d) building capacity through technical assistance (TA) and training; (e) improving facilities, office equipment, supplies, and transportation; (f) providing performance-based salary incentives; (g) supporting M&E and learning activities, (h) implementing fiduciary arrangements; and (i) using other anti-corruption, good governance and risk management measures.

Component 1 will be structured into *four* subcomponents, each corresponding to one of the chosen SIs. The following provides a brief institutional profile, highlighting the ways in which they enhance DFGG in the priority reform areas of the Government's Rectangular Strategy (RS) and the Bank's CAS, and summarizes the activities to be supported by the project (see the individual PPs contained in PIM Volume 2 for more details):

Component 1A: Support to the Arbitration Council (AC) ***{Estimated cost US\$ 2.76 million; IDA financing US\$ 2.34 million⁵}***

The AC is a state institution linked to the Ministry of Labor and Vocational Training (MOLVT). As a quasi-judicial authority, it is mandated to resolve, through voluntary mediation and mandatory arbitration, collective labor disputes which cannot be settled through prior conciliation (undertaken by the MOLVT). Since its establishment in 2003, the AC has provided a fast, transparent, and fair (law-based) service to firms and employees, mainly in the garment sector. The only example of its kind in South East Asia, the AC is a model body that demonstrates the Government's commitment to upholding the International Labor Organization's (ILO) Core Labor Standards and showcases the potential of alternative dispute resolution mechanisms in mediating DFGG. The project will sustain, strengthen, and allow the scale-up of the AC's capacity to effectively mediate and resolve labor disputes. It will improve the institution's research and analytical capacity; provide effective tools and access to specialized TA; expand its services to other geographic and economic sectors (beyond Phnom Penh, and garments); and expand training, outreach and dissemination programs. A further area of focus is the strengthening of the AC's institutional and financial sustainability beyond the project's implementation period. In this way, the subcomponent will contribute to the RS and CAS objective of promoting private sector development by enhancing a credible and fair mechanism for resolving disputes between employers and employees.

⁴ Other sources of financing for this and other components include Government funding, parallel financing from AusAID, and stakeholder contributions (for the Arbitration Council).

⁵ Component 1A will receive US\$ 200,000 in parallel financing support from AusAID to provide the seed funding for operational costs of the Arbitration Council Foundation (ACF), an NGO which will manage the implementation of this subcomponent. See PP for Component 1A in PIM Volume 2 for more details.

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Component 1B: Support to the Ministry of National Assembly-Senate Relations and Inspection (MONASRI)

{Estimated cost US\$ 2.50 million; IDA financing US\$ 2.42 million}

MONASRI is a relatively new ministry that was set up to provide an interface between the executive and legislative arms of the state and provide an oversight function. Its mandate includes law dissemination and complaints handling, but to date it has little capacity or resources for these roles. The project support to MONASRI will focus on these two areas, in particular, with respect to one single piece of legislation – the Land Law, recognized as one of the most relevant for Cambodians and for which there remain persistent problems of enforcement. The project will introduce a new results-oriented and partnership-based way of doing business. Starting with a small number of provinces in Year 1, there will be a gradual scale-up to the nationwide level by Year 4 of the project. Lessons will be learned throughout the implementation period. The component is expected to promote and mediate DFGG by strengthening MONASRI's capacity to inform citizens of their rights under the Land Law and provide an effective channel for complaints and concerns to be expressed, carrying out these functions by establishing and expanding partnerships with other SIs and NSAs. The lessons learned by MONASRI in law dissemination and complaints handling with respect to the Land Law are expected to be mainstreamed by the agency and used for other critical laws in the future. In this way, the subcomponent will contribute to the RS and CAS objectives of improving the management of natural resources and the rule of law.

Component 1C: Support to the One Window Service Office (OWSO) and District Ombudsman (DO) Office

{Estimated cost US\$ 4.76 million; IDA financing US\$ 3.53 million}

The OWSO is a pioneering experiment in providing administrative services to citizens and small businesses under a single roof and in a speedy, transparent, and corruption-free manner. The DO is an avenue for receiving complaints from citizens, the business community and civil society on the performance and conduct of district officials. These institutions respond to and mediate DFGG and have been piloted by the MOI in two provinces in the northwest of the country (*Siem Reap* and *Battambang*). Given the promise and initial success of these pilots, the project will provide support for establishing similar offices in one urban district in each province of the country (except Phnom Penh⁶). Starting with a limited number of provinces in Year 1, the project will gradually scale up to cover all provinces. The phased implementation will enable lessons to be learned in the process. Further, the intention is to significantly improve and strengthen these institutions through capacity building, improved equipment, enhanced competencies, more partnerships (with other SIs and NSAs) and wider outreach. A series of citizens' participation and feedback measures will also accompany the introduction of these district institutions. The subcomponent will help pilot flagship reforms at the district level which will guide the implementation of the recently-adopted Organic Law on Sub-national Democratic Development. In this way, the subcomponent will contribute to the RS and CAS objectives of supporting decentralization and promoting citizen's partnerships for governance.

Component 1D: Support to Radio National of Kampuchea (RNK)

⁶ As the current model may not function in a city the size of Phnom Penh, no OWSO will be set up there. Instead a study into possible OWSO models that could be applied in Phnom Penh will be undertaken in Year 2 of the project.

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{Estimated cost US\$ 5.89 million; IDA financing US\$ 2.38 million}

This component builds on the AusAID-funded Cambodia Radio Development Assistance Project (CRDAP) that introduced the popular ‘Talk Back Program’ (TBP), modelled on radio call-in-shows. The TBP invites senior government officials to share information about their policies, programs and budgets, and provides opportunities for citizens to call in and directly question public officials. The project will expand TBP’s coverage, introduce new feature stories on governance issues, and revamp the newsroom function in RNK, which is the only broadcaster of AM programs in the country covering remote and rural areas. To provide RNK the required editorial freedom, an Editorial Policy and Code of Conduct has been introduced during project preparation. Additionally, through continued AusAID-funded technical assistance, the organizational capacity of RNK will be developed to produce and broadcast quality information services, manage its corporate functions, and develop and initiate a long-term sustainability strategy. These measures will help RNK increase its public interest programming and audience share, and begin its transition into a public radio broadcaster engaged in promoting and mediating DFGG. In this way, the subcomponent will contribute to the RS and CAS objective of promoting citizen’s partnerships for governance by strengthening the media.

Component 2: Support to Non-state Institutions

[Estimated cost US\$ 4.27 million; IDA financing US\$ 4.27 million]

The second component of the project is designed to provide grants and capacity building assistance to non-state actors (NSAs) so as to strengthen their governance-related work.⁷ This will be the first Bank-financed project in Cambodia (and perhaps the first for the Bank overall) to provide such support on a large scale. To ensure its independence, the Government has agreed that this component will be implemented by The Asia Foundation (TAF), a non-state actor with adequate capacity, experience and presence in Cambodia.

Components 2A and 2B: Grant Financing

{Estimated cost US\$ 3.99 million; IDA financing US\$ 3.99 million}

These components will provide funds to various NSAs (such as, national and local NGOs, other grassroots organizations, independent policy and research centers, independent media, professional associations⁸, business associations⁹, and trade unions) to support their proposals for scaling up ongoing or piloting new activities that strengthen DFGG and contribute to specific development or sector objectives (see below). All NSAs receiving grants will be required to commit to a set of *constructive engagement* principles, which are being prepared in consultation with the Government and NSAs and included in the OM for Component 2 in PIM Volume 2.

There will be two categories of grants:

- a) ***Partnership Grants*** *{Estimated cost US\$ 1.03 million; IDA financing US\$ 1.03 million}*
 - Approximately 25 percent of grant funds allocated to this component would go to activities designed and proposed by NSAs but to be implemented in partnership with one or more SIs targeted in Component 1 (see paras 30-33). These grants are intended to promote ways and means for the four SIs and NSAs to work together to extend the reach, scope and effectiveness of their programs including independent monitoring of

⁷ The detailed proposal for this component is included in the project files and available upon request.

⁸ These include national associations for accountants and auditors.

⁹ These include the national chambers of industry and commerce.

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and assessments of the state institutions' activities. Through partnership grants, for example, CSOs might undertake to prepare particular communities or social groups to respond to the feedback opportunities afforded by RNK, or to pioneer new feedback mechanisms that would enhance the effectiveness of the DO in the OWSO.

- b) ***Thematic Grants*** {Estimated cost US\$ 2.96 million; IDA Financing US\$ 2.96 million} - The bulk of the grant funds (about 75 percent) would go to support NSA-led DFGG initiatives in the four priority reform areas of the CAS, which would be independent of the activities of the four SIs to be funded under Component 1. Thematic grants will facilitate mainstreaming of DFGG in the key sectors¹⁰ where governance issues are binding constraints for poverty reduction in Cambodia (see para 18). These are meant to enhance citizens' contributions to governance, promoting innovations in social accountability, strengthening networking, building coalitions and dialogue with state actors, and improving the enabling environment for DFGG. Activities supported by thematic grants might include, for example, monitoring natural resource extraction or revenue flows in several provinces by a network of national NGOs and grassroots organizations, supported by an independent research center; or, campaigning for and contributing to the preparation of a Freedom of Information framework by a coalition of independent media groups.¹¹

Three different sizes of grants will be provided:

1. ***Large grants*** - from US\$ 50,000-150,000 would be provided to support national-level NSAs (e.g. professional associations) and national coalitions reaching to grassroots and province level or offering horizontal linkages between DFGG practitioners.
2. ***Medium-scale grants*** - from US\$ 15,000-50,000 would be provided for supporting the scaling up of pilots, supporting innovations based on social accountability practices that have been proven in other countries, or for strengthening geographic or sector-specific networks.
3. ***Small grants*** - up to US\$ 15,000 would be used for supporting grassroots initiatives or piloting new DFGG ideas.

Two grant-making mechanisms will be used:

- (a) ***Development Marketplace (DM)-like competition***¹². Two high-profile events will be held during the implementation period of the project in which applicants will compete for medium and large grants. The application process will be open to all NSAs, though there will be more rigorous requirements for applicants for larger grants. The events will also serve as learning forums, providing a "trade fair" flavor in which practitioners

¹⁰ These are: private sector development, natural resources management, decentralization and citizens' partnerships, and public financial management.

¹¹ A negative list of items that cannot be funded (e.g., civil works or environmentally hazardous goods) will also be included for both types of grants.

¹² The Development Marketplace will be adapted and renamed for the Cambodian context. It will be given a Khmer brand name that will resonate locally and generate widespread buy-in and interest.

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present displays about their experiences and workshops on matters of governance are held.

- (b) ***Small Grant process.*** There will be a swift, one-stop process for deciding on smaller grants. These are meant to especially support grassroots organizations that may be intimidated by the high-profile process described above, and groups wanting to quickly test a promising approach.

Component 2C: Capacity Building and Learning

{Estimated cost: US\$ 0.28 million; IDA financing US\$ 0.28 million}

Recognizing that capacity building for NSAs is as important as providing funds to them, this component will provide support for building the capacity of NSAs in social accountability, continuing the momentum of the complementary Program to Enhance Capacity in Social Accountability (PECSA) being managed by the World Bank. Capacity building assistance will include help in preparing cost-effective project proposals and viable project implementation strategies, as well as training in fiduciary matters. It will engage skilled evaluators, independent institutions and communication specialists to provide support in its monitoring and evaluation (M&E) activities and in the dissemination of experience. In addition, a multi-stakeholder Grant-Making Committee (GMC) will be formed and given full independence to make funding decisions (see Section III and the OM in PIM Volume 2 for more details on the GMC's roles and responsibilities).

Component 3: Coordination and Learning

[Estimated cost US\$ 2.45 million; IDA financing US\$ 2.42 million]

The diverse themes and multiple institutions involved in the project require a solid system for coordination and oversight of project implementation across the IAs. Further, given the novel nature of the project, an approach of continuous learning and sharing of experience is also proposed. Thus, the third component of the project will have two subcomponents, focusing on coordination and learning respectively.

Component 3A: Coordination of DFGG Project Implementation

{Estimated cost: US\$ 1.52 million; IDA financing US\$ 1.50 million}

This component will support effective implementation of the project overall, ensuring its timely progress and strategic relevance vis-à-vis the evolving Cambodian context. As the project's Executing Agency (EA), the MOI, will have a coordinating role, working closely with the IAs to ensure that the project's overall development objectives are achieved. To this end, it will establish the *Project Coordination Office (PCO)*, the multi-agency *Project Management Team (PMT)*, and the *Project Coordination Group (PCG)* (see Section III for descriptions of these institutions) that will support project implementation in key management areas. The MOI will manage the Annual Work Plan cycle, coordinating preparation and implementation of work programs and budgets. The PCO will serve as the Secretariat of the PCG, promoting information-sharing across IAs and addressing implementation problems as they arise. It will ensure attention to project fiduciary (audit, procurement and financial management), safeguard (environmental and social), and governance (anti-corruption and risk management) issues, providing capacity building assistance to IAs in areas of common interest. It will also serve as principal liaison with the Bank, facilitating project supervision, providing periodic progress

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reports, and organizing an Annual Review of Project Implementation (ARPI). And, as part of its coordination role, the MOI will also be charged with ensuring complementarities and harmonization with other donor programs of relevance, through mechanisms such as the ARPI, the Annual Good Governance Forum, and periodic meetings and assessments.

Component 3B: Learning.

{Estimated cost: US\$ 0.93 million; IDA financing US\$ 0.93 million}

Beyond ensuring effective implementation of the project, this component will seek to support the broader, gradual, and necessarily longer-term process of governance reform in Cambodia by raising awareness of and building capacity in designing and implementing DFGG activities across and beyond the institutions directly supported by Components 1 and 2. By pursuing a proactive posture of dialogue with the IAs and establishing a *Learning and Communication Focus Group (LCFG)* that would identify opportunities for cooperation the subcomponent will promote cross-fertilization and synergies across the IAs. Through an *Awareness Raising and Capacity Building Program*, it will promote learning about and adoption of DFGG approaches and practices, by supporting an Annual Good Governance Forum¹³, workshops and seminars more specifically focused, and study tours. Through a *Communications Program*, it will enhance understanding and visibility of the project, generate interest and support for its programs, track perceptions of their impact, and disseminate information on similar initiatives, through a variety of tools. Both programs will focus particularly on the next generation of potential DFGG champions, as well as the general public. To support content development of the above programs, an action-oriented *Studies Program* will also be carried out, which will include, *inter alia*, assessments of interest in DFGG approaches, identifying and analyzing relevant DFGG lessons, and monitoring and evaluation of project implementation. In the short term (within the project implementation period), the component is expected to motivate and begin to build capacity for a broader group of SIs, so that, in the medium-to-longer term they can better inform and respond to demands, concerns and grievances of Cambodia's citizens. It is expected that by supporting good practice, seeking complementarities and promoting partnerships between the state and civil society where these add value; identifying, analyzing and disseminating lessons learned; and making gradual advances in capacity building both within and beyond the institutions directly involved in project implementation, a "ripple effect" of constructive engagement across state and non-state institutions would be promoted.

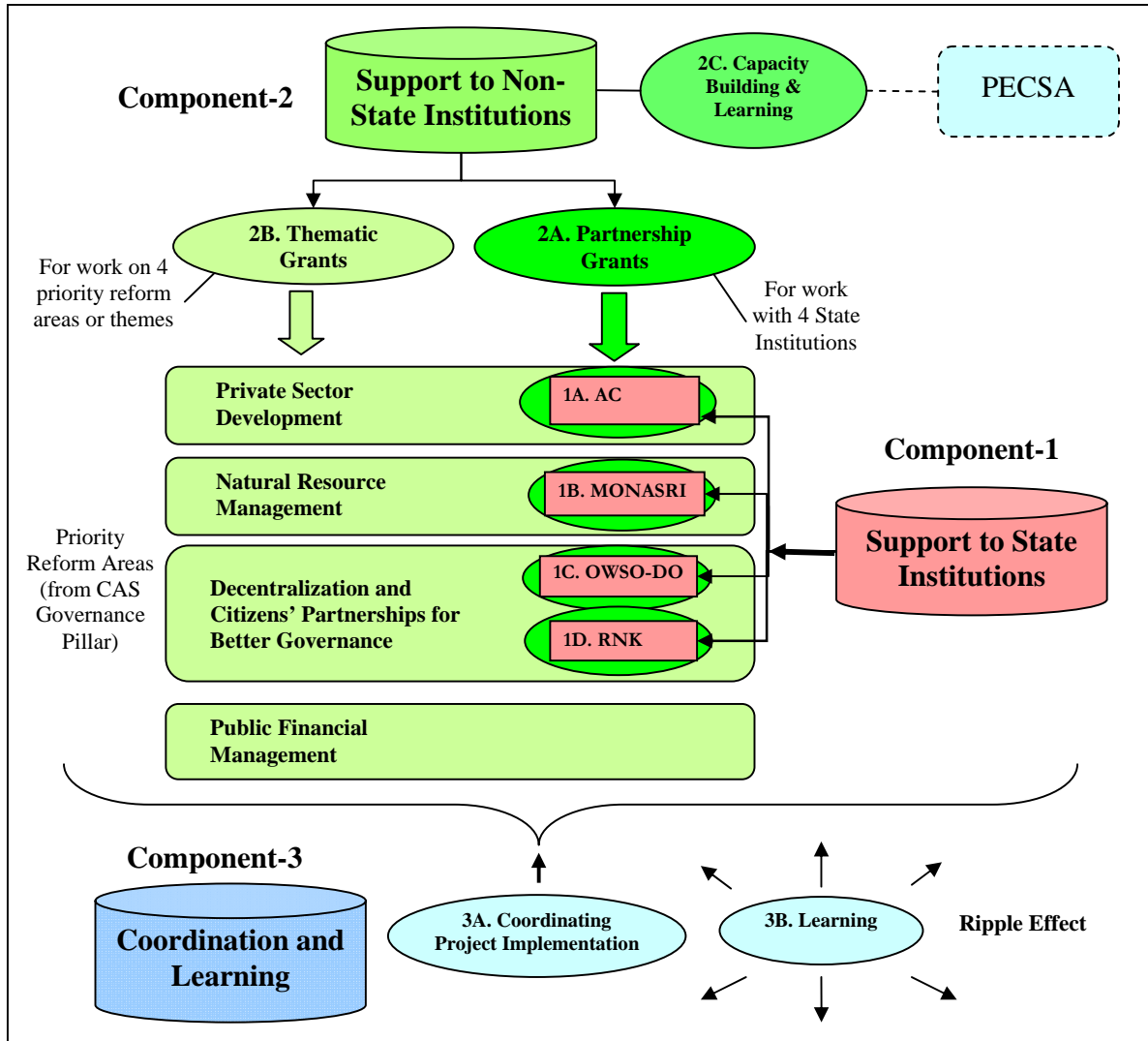
Project Summary. As can be seen from Figure 2 below, the first component's focus is on four specific state institutions and their programs within the priority reform areas of the CAS. The second component broadens the focus by working with a larger set of non-state actors that will both partner with the four specific state institutions (through the partnership grants), as well as work on a wider set of reform areas (through the thematic grants). The third component is the widest in scope, since it will not just coordinate and learn from the activities of the partner state and non-state institutions, but also attempt to extend the effects of the project to other institutions and reformers. Thus, the project's strategy can be seen as both **deepening** (in the four state institutions) and **broadening** (through the non-state actors and the intended "ripple effect")

¹³ The Good Governance Forum would be an annual event to: (i) report on implementation of the project to the general public/interested stakeholders; (ii) showcase and share experiences on demand-side approaches beyond the project, (iii) disseminate DFGG concepts and "how to" tools; and (iv) recognize, reward and link DFGG practitioners.

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demand-side approaches. Through such a strategy, the project, in a modest way, attempts to enhance the use and knowledge of DFGG approaches in Cambodia.

Figure-2: Summary of the Project's Main Elements



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C. Overall Results Framework for the DFGG Project

Reproduced below is the overall Results Framework for the DFGG project (from Annex 3 of the PAD). This presents the main outcome indicators that will be used to capture the extent to which the project had met its development objective. It also lists the ‘intermediate’ outcome indicators that go towards achieving the overall project outcomes.

In the case of the DFGG project, since there are multiple and diverse IAs and project activities involved, the project outcome indicators are derived using the DFGG conceptual framework described earlier (see figure 1). Therefore, the project outcome indicators are categorized in terms of the extent to which the institutions supported by the project – promote, mediate, respond to, or monitor for – DFGG. The intermediate indicators focus on the degree to which the project has strengthened the capacity and effectiveness of the institutions it has supported, the extent to which it has fostered existing and new partnerships between and among SIs and NSAs, and the lessons that have been generated on DFGG through the project’s activities.

For both project and intermediate outcomes, as the project needs to aggregate the results across different and diverse agencies, the indicators used are ‘composite indices’ that aggregate all the relevant IA-level indicators for a particular outcome. The aggregation of results indicators will be done by the PCO based on the individual IA outcome indicators that have been collected for their respective sector and program (see Section VII for more details). For example: the outcome indicator “*Number of disputes and instances of feedback identified and/or mediated through relevant DFGG programs and institutions supported by the project*” will be a composite indicator that the PCO will base on the following:

- i. number of labor dispute cases handled by the AC,
- ii. number of disputes and complaints related to land law implementation received and handled by MONASRI
- iii. number of local disputes or complaints received by the District Ombudsman (DO) across all targeted districts,
- iv. number of requests, complaints or instances of feedback received through the Talk Back Program (TBP) in RNK, and
- v. number of disputes and instances of feedback identified and/or mediated by NSAs through Component 2.

Further, as all IAs are not involved in each DFGG function, there will also be some composite results indicators that only aggregate over a few IAs. For example: the outcome indicator on “*Number of responses by government to demands triggered through relevant DFGG programs and institutions supported by the project*” will be an aggregate of only two sub-indicators:

- i. Number of citizen service delivery requests catered to at OWSOs
- ii. Number of government or policy responses triggered via learning activities (Annual Good Governance Forum, studies, etc.) conducted by the PCO

The formula for aggregation of sub-indicators to form composite indices will be determined once the baseline values and final target values of each have been established. In some cases, aggregation may take the form of a simple sum or average. In others, however, there may be a need for some form of weighting or manipulation to come up with a meaningful composite indicator. A mix of qualitative and quantitative data collection tools will be used to measure the sub-indicators and aggregate indicators in the project.

Table-1: Results Framework for the DFGG Project

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PDO	Project Outcome Indicators	Use of Project Outcome Information
<p>To enhance the demand for good governance (DFGG) in priority reform areas by strengthening institutions¹⁴, supporting partnerships, and sharing lessons.</p>	<ol style="list-style-type: none"> 1. Promoting DFGG in priority reform areas. <ul style="list-style-type: none"> ▪ Level of awareness (as %age) among targeted¹⁵ stakeholders of information disclosed and disseminated through relevant¹⁶ DFGG programs and institutions supported by the project. ▪ %age of informed stakeholders who found this information relevant/useful for improving governance and/or achieved greater understanding/ clarity of issues disseminated. 2. Mediating DFGG in priority reform areas: <ul style="list-style-type: none"> ▪ Number of disputes and instances of citizen’s feedback identified and mediated through relevant DFGG programs and institutions supported by the project. ▪ Percentage of these disputes and instances of citizen’s feedback that are adequately resolved or addressed. 3. Responding to DFGG in priority reform areas: <ul style="list-style-type: none"> ▪ Number of responses by government to demands triggered through relevant DFGG programs and institutions supported by the project. ▪ % of relevant stakeholders satisfied with these responses. 4. Monitoring to inform DFGG in priority reform areas: <ul style="list-style-type: none"> ▪ Number of public sector institutions or activities whose performance is monitored independently through DFGG programs and institutions supported by the project. ▪ % of these institutions or activities that used and acted on information for adjusting their performance and actions 	<p>To evaluate the effectiveness of the project in strengthening demand for good governance (DFGG) in priority reform areas</p> <p>For each responsible agency to assess the performance and effectiveness of DFGG programs supported by the project and use the information to improve project results and build support for DFGG beyond the project</p>
Intermediate Outcomes	Intermediate Outcome Indicators	Use of Intermediate Outcome Monitoring
<p>A. Strengthened capacity and effectiveness of state institutions (SIs) and non state actors (NSAs) to undertake DFGG programs in priority reform areas (All components).</p>	<p>Strengthened Capacity and Effectiveness:</p> <ul style="list-style-type: none"> ▪ Self assessment and expert assessment of increased capacity to undertake DFGG programs by participating SIs and NSAs (% reporting high or increased capacity) ▪ Stakeholder feedback, self assessment, and expert assessment of effectiveness of SI and NSA programs supported by the project (% rating high or increased effectiveness) ▪ Revenues generated by SIs as a percentage of operating 	<p>To monitor progress and evaluate the effectiveness of project support for capacity building and use the information to improve project results.</p> <p>To assess financial sustainability of certain SI programs after the project ends.</p>

¹⁴ Both state and non-state institutions will be supported in the project.

¹⁵ Target groups for dissemination activities will differ across different components/subcomponents.

¹⁶ Not all programs and institutions will perform each DFGG function (i.e., promotion, mediation, etc.)

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	costs (where relevant for financial sustainability).	
B. Partnerships supported between and among state and non-state actors to undertake DFGG activities (All components).	<p>Supporting State & Non-State Partnerships:</p> <ul style="list-style-type: none"> ▪ Number of partnerships between and among SIs and NSAs established or continued under the project. ▪ Self assessment, and expert assessment of effectiveness of these partnerships (% noting high) ▪ Number of new or existing partnerships between and among SIs and NSAs for which the agencies (i) express interest, (ii) make a concrete plan, and (iii) take the first steps to continue partnerships beyond life of the project. 	<p>To monitor progress and performance of project supported partnerships and use the information to improve project results</p> <p>To assess impact of the project in increasing the number, effectiveness and sustainability of SI-NSA partnerships</p>
C. Lessons and experiences with DFGG activities in the project and beyond assessed and communicated to SIs and NSAs within and beyond the project (all components).	<p>Capturing and Sharing Lessons</p> <ul style="list-style-type: none"> ▪ Number of lessons (measured as cases, reports, studies, etc.) of DFGG activities (generated by the project, from other programs in Cambodia, and internationally) that are assessed, documented, disseminated, and used in training and capacity building programs. ▪ % of stakeholders (within and beyond the project) reporting increased access to information on DFGG initiatives ▪ Number of newly created NSA networks, resource centers, or informal coalitions established to share and disseminate lessons of DFGG experience ▪ Self assessment, and expert assessment of increased trust and evidence of constructive engagement between NSAs and government agencies ▪ Number of SIs and NSAs (within and beyond the project) that (i) express interest, (ii) make a concrete plan, and (iii) take the first steps to undertake new or continue existing DFGG activities beyond the life of the project. 	<p>To learn and share lessons and experiences about what works, what does not and why in supporting DFGG activities in Cambodia</p> <p>To assess the impact of the project in increasing awareness and understanding of SIs and NSAs regarding DFGG</p> <p>To assess the impact of the project in changing willingness of SIs and NSAs to undertake DFGG activities beyond the project</p>

More details on the M&E framework for the project are provided in Section VIII below.

SECTION III. INSTITUTIONAL AND IMPLEMENTATION ARRANGEMENTS

What is this section?

This section describes the roles and responsibilities of executive, advisory, and implementing bodies that will be responsible for project implementation. It is based on the Project Financing Agreement, Subsidiary and Project Agreements (for ACF and TAF), PAD, and SOP of the RGC.

In order to ensure smooth and coordinated working of these institutions, avoid duplication of work and unnecessary layering, it is important that all EA and IA staff fully understand the roles and responsibilities of each institution responsible for project implementation. All responsibilities which are not specifically and explicitly designated to an institution, either in this PIM, or in the legal agreements will rest with the IAs and IA Project Directors.

A. Overall Institutional Structure

The DFGG project has been designed in a modular fashion – that is, each subcomponent under the State Institutions Component and Components 2 and 3 will have separate IAs. This has several advantages. First, it allows maximum independence and flexibility for each IA to execute their specific component or subcomponent. Secondly, it reduces the layers of fund flows and with it transaction costs, delays, and potential leakages, albeit requiring an increase in parallel arrangements. Thirdly, a modular design diversifies risks by allowing other parts of the project to move forward even if there are delays or problems with a particular subcomponent. In the worst case, specific subcomponents can be dropped (totally or partly, and possibly replaced with other activities or a corresponding shift in project funds to other subcomponents), without compromising the effectiveness of the rest of the project.

There will thus be a total of **six IAs** in the project:

- (a) Component 1A: Arbitration Council Foundation (ACF)
- (b) Component 1B: Ministry of National Assembly Senate Relations and Inspection (MONASRI)
- (c) Component 1C: Secretariat of the National Committee for Management of De-concentration and Decentralization Reform (NCDDS)¹⁷
- (d) Component 1D: Radio National Kampuchea (RNK)
- (e) Component 2A-C: The Asia Foundation (TAF)
- (f) Component 3A-B: Ministry of Interior (MOI)

While a modular strategy has the above advantages, it also means that there is an enhanced need for coordination and cross-learning so as to ensure adherence to overall project development objectives, facilitate interactions with the Bank, create a synergy between the different elements of the project, and ensure that its impact goes beyond the sum of its parts. The MOI, which has

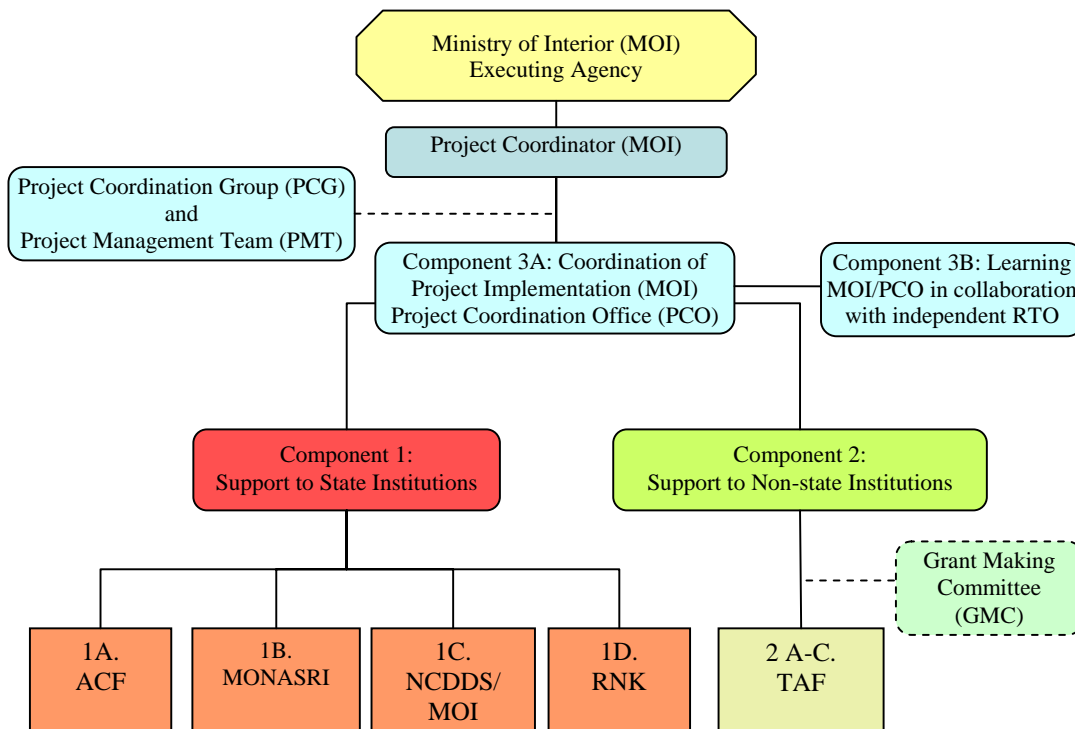
¹⁷ This is housed in the General Department of Local Administration in the MOI.

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coordinated the preparation of the project, has therefore been appointed as the overall Executing Agency (EA) for the project, responsible for overseeing and facilitating its implementation.

A summary of the overall institutional structure for the project is provided in Figure 3 below.

Figure 3: Overall Institutional Structure of the DFGG Project



B. Roles and responsibilities of the MOI (Executing Agency) and the Key Project Coordination Bodies

As mentioned above, the project involves several SIs and a number of NSAs and will thus require a system of strong coordination from the centre to ensure that project implementation proceeds smoothly and the project’s development objectives are achieved. This coordination role will be the responsibility of the MOI as the overall EA for the project.

As EA, the MOI will, *inter alia*, have the following roles responsibilities:

- have specific authority and responsibility to act on behalf of the Government to administer the grant and provide timely management and audit reports to the Bank;
- coordinate the overall implementation of the Project, and facilitate interactions among all IAs, and between these and IDA;

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- facilitate the implementation of all components of the Project in accordance with the Financing Agreement, Subsidiary Agreements, Project Agreements, and Royal Decrees and Sub-Decrees;
- ensure accountability for all financial aspects of the Project, for itself and all other IAs and ensure compliance with all financial covenants and other obligations in the various agreements referred to above;
- interpret requirements of the various agreements with the Bank, MEF and IAs, seeking any amendments in light of project implementation experience, and updating the PIM for any subsequent approved amendments;
- submit to the Bank various reports by dates stipulated in the Financing Agreement and subsidiary agreements;
- propose terms of reference for external audit, seek Bank NOL, and facilitate appointment for independent auditor in consultation with MEF;
- ensure that all Designated Bank accounts agreed for project implementation are established in consultation with MEF and are properly operated;
- ensure that the agreed environmental and safeguard guard policies agreed are implemented;
- ensure that all IAs carry out the provisions of the Bank's Anti-Corruption Guidelines;
- ensure that functioning Complaints Handling System is maintained; and
- act as the focal point for interaction with the Bank and the Bank's visiting Task Teams.

In discharging these functions, the MOI will establish the following key bodies and offices, which will be responsible for overall coordination and management of project implementation:

- a) The Project Coordination Office (PCO)
- b) The Project Coordination Group (PCG)
- c) The Project Management Team (PMT)

The membership, roles and responsibilities of the above bodies are described below.

B.1 Roles and Responsibilities of the Project Coordination Office (PCO)

The PCO will be the primary body that will be established with the MOI to coordinate and manage project implementation PCO. It will be headed by the Project Coordinator, who will be an undersecretary of state level (or above) official appointed to supervise overall project implementation, oversee the work of the PCO, and chair the PCG. The core staff of the PCO will

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consist of a full-time Project Director, Project Manager, and a team of technical staff, drawn from the MOI or other government agencies, with skills and experience in project management, and more specifically in the areas of procurement, financial management, M&E, etc. The PCO will have three small units that will comprise government and contract staff, supported by technical advisers (TA):

(a) *Project Coordination Unit*: The functions of the project coordination unit will include oversight and coordination in planning and budgeting, financial management, internal audit, procurement and asset management, MBPI, PMG, and management of information systems.

(b) *Learning and Communication Unit*: The functions of the learning and communication unit will include guiding and overseeing the preparation and delivery of the annual Awareness Raising and Capacity Building, Communication and Studies Programs. The PCO will monitor implementation of the agreed AWP and will coordinate training and learning activities across the IAs.

(c) *Monitoring and Evaluation Unit*: Assisted by the M&E research firm, the functions of this unit will include managing and supporting the M&E function across all components, developing forms/report formats to collect information on progress and performance, assisting in the development and testing tools/methods for evaluation, training M&E staff from the IAs, compiling and aggregating information from Components 1 and 2, and reporting regularly to the RGC and the Bank.

Role of the PCO: The main role of the PCO is to discharge the core functions of the MOI as EA including to (a) be responsible for overseeing the daily management of the Project; (b) ensure consistency of implementation and interpretation, across all IAs, of the guidelines and procedures set forth in this Manual, including: management of the annual planning cycle, budgeting, MBPI and PMG, procurement planning, financial management, monitoring and evaluation, risk management, and implementation of the Good Governance Framework, and the Anti-Corruption Guidelines; (c) promote donor harmonization; (d) consolidate monitoring and evaluation information produced by the RIAs and PIEs for the PCG; and (e) serve as the secretariat for the PCG and the PMT and as the focal point of contact and dialogue with the World Bank supervision team in all aspects of project implementation. It will provide assistance for IAs to understand the Project requirements and carry them out in accordance with various legal agreements and the PIM. Planning, coordination, M&E, overall fiduciary management, and ensuring harmonization and consistency across the IAs will be its other core functions.

Responsibilities. The PCO's core responsibilities (apart from assisting the MOI implement the mandated EA functions described above) fall within five broad categories described below:

1) *Planning, coordination, and reporting:*

- Ensure that the overall Project is carried out in accordance with guidelines and procedures set forth in this Manual;
- Issue guidelines for the preparation of the Annual Work Plan (AWP) and annual budgets by each of the IAs prior to each reporting cycle;
- Conduct training and planning workshops to assist IAs in preparation of AWP;
- Coordinate review of IA submission of AWP and consolidation for submission to the MEF and the Bank;

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- Issue guidelines and set procedures and forms for Quarterly Progress Reports (QPRs) and the Annual Progress Reports (APRs) prior to reporting cycles;
- Review, consolidate, and analyse progress reports for presentation to the PCG, MEF and the Bank;
- Serve as the focal point for interaction with the Bank, reporting on regular basis, and facilitating the Bank's supervision;
- Provide periodic progress reports and organize Annual Review of Project Implementation (ARPI) with all IAs, focusing on achievement of project objectives and the effectiveness of its programs; and involving external participants as appropriate to ensure inputs from sectors with relevant experience in DFGG approaches;
- Ensure complementarities on harmonization with other government and donor-financed programs of relevance; and
- Plan and implement the Annual Good Governance Forum, starting in 2009, for the state institutions and non-state actors in collaboration with the IAs, to report on progress in implementation of the Project, present lessons learned on good governance, and bring in views from independent experts and experience from other projects.

2) *Fiduciary management and governance oversight of IAs:*

- Institute appropriate procurement and financial management procedures as required in Financing Agreement, MEF approved Manuals, and the FMDM of the DFGG project (contained in PIM Volume 2);
- Review Financial Management Manuals agreed for ACF and TAF, from time to time, to ensure their consistency with overall FMDM;¹⁸
- Issue guidelines for preparation and update of procurement plans and oversee preparation to ensure alignment with agreed AWP and consistency with the Bank procurement guidelines;
- Facilitate communication and coordination of procurement activities with the international procurement agent (IPA) and IAs;
- Provide training on procurement and financial management;
- Ensure that all Designated Accounts agreed for the project are established and maintained using established official procedures and in consultation with the MEF;
- Assist in the preparation of Interim Financial Reports (IFRs) by IAs and oversee their consolidation and presentation to PCG, MEF and the Bank;
- Prepare the annual consolidated project financial statement in accordance with the Financing Agreement for audit;
- Prepare an Annual Internal Audit Plan for PCG review and agreement and carry out audits in accordance with the plan;
- Ensure adherence to the Good Governance Framework (GGF) and IA-specific Good Governance Plans (GGPs);

¹⁸ ACF and TAF will follow the Financial Management Manuals approved by their governing Boards. These manuals were reviewed during project preparation and found consistent with the FMDM of the DFGG project.

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- Provide training and facilitate implementation of the GGP by the IAs and report on compliance;
- Provide training and facilitate implementation of Risk Assessment and Mitigation activities by IAs and report on compliance;
- Manage the DFGG Project Complaints Handling System (see Section V) specifically as it relates to Anti-corruption Guidelines of the Bank.

3) *Ensure harmonization & consistency across IAs:*

- Ensure that IA Project Directors and project teams have delegated authority in accordance with SOP¹⁹;
- Ensure that project teams are established and staff appointed on merit basis and on agreed Terms of Reference (TOR);
- Undertake quality control and checks for possible synergy in carrying out common procedures and reporting across IAs;
- Facilitate cooperation, information sharing, synergies across IAs, and capacity building through a pool of technical assistants in the areas of common interest;²⁰
- Oversee adherence to and compliance with environmental and social safeguard policies; and
- From time to time, carry out training on the PIM, the Government's SOP and related Procurement and Financial Management Manuals to ensure consistent application of policies and procedures.

4) *Consolidating overall Monitoring & Evaluation (M&E) for the project:*

- Support establishment of M&E functions across all IAs and train staff on M&E systems;
- Undertake quality control on M&E systems, processes, and data collection methods being employed by the different IAs;
- Provide advice and technical guidance on development of M&E strategies of the different IAs;
- Design forms/report formats to collect information on progress and performance, assist in the development and testing tools/methods for evaluation;
- Aggregate indicators for the DFGG Project based on information collected from respective IAs and consolidate for reporting to PCG, MEF and the Bank;
- Conduct surveys and assessments of project IA staff, participating NSAs and other stakeholders that requires PCO level management as required in the agreed Results Monitoring Arrangements;
- Host the supervision missions of the Bank; and
- Organize and conduct mid-term and end of project evaluations.

5) *Act as Secretariat to the PCG and PMT:*

- Prepare agenda for meetings and record minutes of PCG and PMT deliberations and document recommendations;

¹⁹ For ACF and TAF such authorities are delegated by their governing bodies.

²⁰ Demand for such TA lies predominantly in four areas: basic concepts, issues, and approaches to strengthening DFGG; basic project management skills; M&E concepts and methodologies; and World Bank-specific project implementation processes and procedures (e.g., procurement, financial management, disbursement).

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- Prepare documents and reports to be submitted to PCG and ensure timely distribution to members of PCG;
- Follow up on PCG decisions by ensuring that they are conveyed to IAs and PCO staff in a clear and concise manner and appropriate actions are taken;
- In consultation with IAs and the Project Management Team (PMT), identify issues that transcend mandates of individual IAs and need to be raised to higher level for decisions and prepare a report on such issues seeking PCG guidance; and
- Prepare and submit project briefs on learning, communications and awareness raising issues, donor coordination, and civil society participation that need to be brought to the PCG's attention.

B.2 Roles and Responsibilities of the Project Coordination Group (PCG)

Membership: The PCG will be a high-level body that will provide oversight to the project and facilitate cooperation among IAs. The PCG will consist of:

- the Project Coordinator and Project Director of the DFGG Project,
- the Project Directors of the five IA Components (ACF, MONASRI, NCDD, RNK, and TAF),
- four representatives of the civil society drawn from the Advisory Committees of each of the four State IAs, and
- one representative each from the oversight ministries - MEF, Ministry of Planning, Council for Administrative Reform (CAR), and the Cambodian Development Council.

The Project Coordinator shall chair the PCG, while the DFGG Project Director will act as the Secretary to the PCG. The PCG, at its discretion, shall invite other project staff to attend meetings as observers. The Deputy Project Director and the thematic Coordinators will participate in meetings, supporting discussions and assisting in the work of the PCG, but will not be formal members. The PECSA Coordinator will also participate as an observer.

Role of PCG: The PCG's core role will be to provide strategic, high-level oversight to the DFGG project and ensure overall implementation progress, based on systematic M&E information produced by the IAs and consolidated by the MOI's PCO. It will provide the authority for key project implementation arrangements (e.g., MBPI, PMG, contracting arrangements, selection of IAs and partners) and review, advise on, and approve annual work plans and budgets proposed by the IAs and consolidated by the PCO. The PCG is expected to identify serious coordination and management issues that transcend the mandate of any one IA, their respective authorities, and the PMT, address problems as they arise, and elevate to the attention of the Minister of the MOI critical issues that transcend the mandate of the IAs and their respective authorities. It will be responsible for advising on and tracking learning and partnerships across SIs and NSAs, and will also follow and ensure appropriate linkages with supply-side initiatives undertaken by the government in sectors not directly involved in the DFGG project.

Frequency of Meetings: The PCG is meant to meet twice yearly or as required by the needs of project implementation. Special meetings or sessions of the PCG may be requested by the MOI

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or the IAs to address specific areas of interest. Other participants may be invited to attend as appropriate to ensure constructive discussion and resolution of the issues at hand.

Responsibilities: The PCG will carry out the following responsibilities:

- a) Appoint (and modify as necessary) the Project Management Team (PMT), as a sub-group of PCG, for regular supervision of Project Implementation and approve PMT's terms of reference;
- b) Review and endorse annual work plans and budgets of each IA and for the Project;
- c) Receive and review quarterly monitoring reports from each IA and for the Project. Recommend actions to address any significant variations from approved plans;
- d) Receive and review monitoring and evaluation reports and monitor progress towards achieving project's development objectives;
- e) Participate in the Annual Project Implementation Review to assess project progress, address specific issues relating to learning and dissemination activities and sharing of best practices, address any systemic or project design issues that arise during implementation and make recommendations for any changes;
- f) Coordinate the work of the Learning and Coordination Focus Group (LCFG) and Research and Training Organisation (RTO) (described below) and ensure that recommendations for research, studies and sharing of lessons and identifying areas for potential expansion of DFGG activities are carried out;
- g) Provide advice and guidance on any other issues referred to it by the PMT, IA Advisory Committees or the Grant Making Committee for Component 2; and
- h) Promote close coordination with other donor-funded activities in DFGG to seek synergies and complementarities.

Conflict of Interest: The PCG members from CSOs that if they agree to that membership their CSO cannot apply for non-state grants, nor be bid for any consulting assignments under the project. This is because there are a number of aspects of the PCG's remit (including appointing members of the PMT, reviewing and endorsing annual work plans and budgets, reviewing monitoring and evaluation reports) which would (i) give NGO members of the PCG insider access to information which they might use to their unfair competitive advantage in bidding for consulting assignments funded by DFGG (ii) give other potential bidders the impression that any procurement procedure in which such an NGO participates would be unfair and biased and; (iii) make it highly likely that, even if such an NGO were to be hired as a consultant, their role in the PCG would compromise their ability to give their Client impartial, objective advice, as required by our Consultant Guidelines.

B.3 Roles and Responsibilities of the Project Management Team (PMT)

Membership. The PMT is a sub-group of the PCG that shall include the following permanent members:

- The DFGG Project Director in the PCO; and

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- Five Project Directors from each of the IAs

The PMT may invite other PCO technical assistance and key staff, and other government and CSO representatives to participate in its activities.. The DFGG Project Director will chair PMT meetings.

Role of the PMT. PMT will meet regularly to facilitate regular cross-component coordination, supervision and monitoring of Project implementation, focus on short-term and overall project progress and performance, project finances, issues/problems arising during implementation and the necessary actions to address them.

Frequency of Meetings. The PMT is expected to meet **monthly** to provide the necessary regular coordination, supervision and monitoring of project implementation among the key day-to-day managers of all three components. Additional meetings if required may be requested by the DFGG Project Director. The agenda of the PMT meetings will be drafted in consultation with M&E officers at the PCO, who will help identify issues associated with progress and performance.

Responsibilities. PMT shall have the following responsibilities:

- a) Advise IAs on any implementation issues/problems that are brought to the attention of PMT, including with respect to achievement of project objectives and plan implementation;
- b) Identify and agree on actions to address emerging issues/problems and, where necessary, will refer major issues of inter-agency cooperation and good governance policy and strategy to the PCG;
- c) Reviews appointment, performance management, and training of staff appointed under MBPI;
- d) Receive advice and recommendations from LCFG and provide guidance to RTO on implementation of recommendations accepted by PMT;
- e) Assist Project Coordinator in the coordination and oversight of GGF and risk assessment and mitigation activities for the Project.
- f) Review project financing and budget issues on a periodic basis
- g) Coordinate the preparation of progress reports and AWP's prior to each reporting cycle

C. Roles and responsibilities of Implementing Agencies (IAs) and related bodies

As described above, the DFGG project has four IAs for Component 1, one IA for Component 2 Support to Non-state Institutions, and the MOI/PCO will act as the IA for Component 3 and the EA for the overall project. The MEF approved SOP has assigned specific roles and responsibilities to Executing Agencies(EAs), Project Teams and officials (Project Director, Project Manager, Chief Financial Officer, Senior Technical Officer et al) responsible for implementation. The SOP does not however define the term "IA" or outline roles for an IA as separate from the EA.

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In the case of the DFGG project, since the project design has emphasized that each IA take full operational and financial responsibility for their respective components, the roles and responsibilities described for EAs in the SOP are applicable to the DFGG project IAs.

In this way, each of the IAs should follow the SOP guidelines for EAs in the implementation and discharge of duties with regards to their respective component. Beyond the implementation of the project activities detailed in their respective PPs, each IA (as in the case of the MOI), will, *inter alia*, also have the following responsibilities:

- (a) have specific authority and responsibility to implement their respective component of the project and provide timely management, audit, and progress reports to the PCO and the Bank;
- (b) facilitate the implementation of their respective component of the Project in accordance with the agreed Project Proposals and specific covenants included in the Financing Agreement and or Subsidiary and Project Agreements and relevant Royal Decrees and Sub-Decrees (if applicable);
- (c) ensure accountability for all financial aspects of their respective component of the Project and ensure compliance with all financial covenants and other obligations in the various agreements referred to above;
- (d) interpret requirements of the applicable covenants and obligations relevant to their respective component in the various legal agreements, seeking any amendments in light of project implementation experience;
- (e) request the PCO and Bank for updating of their respective Project Proposal and relevant portions of the PIM for any subsequent approved amendments;
- (f) submit to the PCO for further submission to the Bank the various progress and financial reports required by the dates stipulated in the Financing Agreement and Subsidiary Agreements (where applicable);
- (g) ensure that the Designated Bank accounts for the implementation of their respective component (where applicable) are established in consultation with the PCO, MEF and are properly operated;
- (h) ensure that the agreed environmental and safeguard guard policies (where relevant) are implemented;
- (i) ensure that the Partnership Plans, included in the IA's Project Proposals, are implemented and updated, if needed, so as to foster partnerships between state institutions and non state actors, and among state institutions themselves and non state actors themselves;
- (j) ensure that the provisions of the Bank's Anti-Corruption Guidelines are followed;
- (k) ensure effective responsiveness to the Complaints Handling System for the project; and
- (l) organize and coordinate the interaction with the Bank and the Bank's visiting Task Teams during supervision for their respective component.

The responsibilities of the MOI, designated as the single project EA, have already been described and will include ensuring that the respective IAs carry out the above roles and responsibilities as well as those defined in the Financing Agreement, Subsidiary Agreement, and Project Agreements.

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In discharging its functions, each IA will appoint a *Project Director* who will be the ultimate authority in the institution responsible and accountable for implementation of their respective components²¹. In addition, each IA under Component 1 shall establish an *Advisory Committee*²² to provide strategic guidance and oversight to their respective project component. **No Advisory Committees will be established for Component 2 and 3.** For The roles and responsibilities of these two bodies are outlined below.

C.1 Roles and Responsibilities of the Project Directors in each IA

Organization. Each IA will establish an office of the Project Director (PD) and appoint a senior officer of the ministry or implementing organization to the position of Project Director. In case of the ACF, the ACF Board of Directors will designate the PD while in the case of TAF, the Country Representative will be the designated PD. At the discretion of the PD, a separate Project Manager may be appointed to assist the PD in the discharge of his/her duties.

The removal from the office of PD should only take place in consultation with EA and MEF and with agreement of the World Bank, except in the case of autonomous non-government agency, such as ACF and TAF, in which case his/her removal should take place in accordance with their respective organisational statutes. When PD is absent from his position for any reason for more than a day then his authority and responsibilities should be delegated to the Project Manager or other senior official directly reporting to PD.

Role of PD. The PDs in each IA will be responsible for the day-to-day implementation management of the project component under his/her mandate. The necessary authority from all Government agencies, including MEF, shall be delegated to the PD to enable him/her to carry out his/her duties and responsibilities. These include authority to spend money, procure goods and services, and manage and administer the overall project component implementation.

Responsibilities. The responsibilities of the PD, (drawn mostly from the MEF's SOP for Externally Financed Projects), are listed below:

- a) Responsible for the management and administration of the project. He/she is the most senior executive in the project management hierarchy. The PD is the IA's representative and is a senior official of the IA, who is appointed purely on merit and is not a political appointee;
- b) Approve and sign contracts and other important project documents with thresholds specified by the EA and MEF;
- c) Approve expenditure within the delegated authority;
- d) Ensure that implementation tasks and responsibilities are carried out on time, within budget, and in accordance with the basic principles of good governance;

²¹ In the case of Component 3, the DFGG Project Director will be responsible for implementation of the overall component, although for sub-component 3 B the MOI/PCO will contract a RTO to implement the bulk of the activities (see below). The DFGG Project Director will oversee the work of the RTO.

²² The Advisory Committees have been varyingly called "Project Coordination Committee", "Technical Advisory Group/Committee" by the individual IAs. See PPs of the IAs in Component 1 in PIM Volume 2 for more details.

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- e) Ensure that the IA coordinates effectively with the EA, MEF and the World Bank in accordance with established guidelines and procedures;
- f) Receive instructions from, and reports directly to the Minister, Secretary of State or similar top-level official in the concerned ministry, except in the case of autonomous non-government agency, such as ACF and TAF, in which case he/she reports to the respective Board of Directors;
- g) Ensure proper financial management of projects and compliance with all financial covenants and other obligations as dictated in the Financing/Subsidiary/Project Agreements;
- h) Ensure that project finances and resources are used for approved project purposes by authorized personnel;
- i) Regularly monitor project performance and initiates actions to address variations to plans;
- j) Periodically assess project risks and propose mitigation plans;
- k) Coordinate the preparation of and ultimately sign off on the APR, AWP, and other progress and financial reports; and
- l) Ensure that agreed Good Governance Plans for the respective IAs are implemented.

C.2 Roles and Responsibilities of the Advisory Committees for each IA

As part of the efforts of the project to promote partnerships across SIs and NSAs and in order to obtain guidance and feedback from key stakeholders throughout the life of the project, a multi-stakeholder Advisory Committee is proposed for each State IA in Component 1. In the case of Component 2, no need for an Advisory Committee is required as the GMC, which itself is an independent multi-stakeholder body, will oversee the grant-making process. For Component 3, the PCG will be the de facto Advisory Committee overall and the LCFG (see description later) will provide strategic advice and guidance to the RTO for Component 3B on Learning. The following provides a generic description of the expected roles and responsibilities of the different Advisory Committees, although these generic principles may be modified or further elaborated upon by individual IAs through their IA specific PPs.

Membership. Each of the four IAs in Component 1 shall establish an Advisory Committee with members drawn from IA senior technical staff (Project Director, Project Manager, Heads of Programs, Finance, and Monitoring & Evaluations departments), representatives of principal stakeholders (e.g. related Ministries, donors, etc.), and civil society representatives closely associated with the IA activities or sector. Given the diverse nature of project IAs, the membership composition and size will differ and change over time. The common features will be inclusion of key IA staff, representatives from other government ministries directly affecting the work of IA, and inclusion of non-government representatives drawn from civil society organizations, employers and employees federation, and concerned NGOs. The PD of the concerned IA will Chair the meetings of their respective Advisory Committee.

Role of Advisory Committee. A multi-stakeholder committee will provide feedback and oversight during implementation of all components other than Component 2. IAs will seek strategic and policy advice from the Advisory Committees to improve the content and direction

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of their programs, improve inter-ministerial coordination²³, and obtain feedback from civil society, NGO, and private sector organizations.

Frequency of Meetings. There is no prescribed frequency for meetings of the Advisory Committees, but it is expected that they will meet at least semi-annually, or as determined appropriate by the respective IA in consultation with the Committee members. The IA will appoint a secretary to the Committee and be responsible for setting the agenda and submitting issues for discussion.

Responsibilities. Advisory Committees are expected provide non-binding recommendations to project IAs to improve DFGG practices, improve partnership between state and non-state institutions, improve transparency and governance of IAs, and stimulate civil society interest and interaction with IA programs in Component 1. As indicated earlier, given the diversity of programs and audiences, it is difficult to develop a generic set of responsibilities for Advisory Committees. Each Advisory Committee will adopt a TOR developed by the IA in consultation with the Bank and the PCO and will review and adjust such TORs as implementation progresses.

In general, the focus of Advisory Committee discussions will be in the following areas;

- a) To review strategy, policies, and programs proposed by IA and advice whether these contribute to achieving the development objectives set by IA under the DFGG Project;
- b) To examine the AWP's proposed by IA and evaluate their effectiveness in achieving DFGG Project objectives in promoting, mediating, responding, and monitoring demand for good governance in priority reform areas;
- c) To review monitoring and evaluation reports produced by M&E Units of IA and advice IA on how to incorporate M&E findings to improve project implementation; and
- d) To carry out consultations with IA targeted groups, public at large, and experts on good governance to seek views and opinions to improve project results and build support to DFGG practices among a wider group of state and non-state institution.

D. Roles and responsibilities of other key component-specific bodies

In addition to the above organizations and agencies, there are three main component-specific bodies involved in the project that merit description here²⁴. These include:

- (i) the RTO (for Component 3B),
- (ii) the LCFG (also related to Component 3B), and
- (iii) the GMC (related to Component 2).

The roles and responsibilities of these bodies are described below.

²³ For example MONASRI needs to coordinate their work with Ministries of Agriculture and Land Management, OWSO with some seven ministries providing services, and AC with Ministry of Labor and so on.

²⁴ Additional details of component-specific bodies and institutional arrangements can be found in the individual PPs for each Component contained in PIM Volume 2.

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D.1 Roles and Responsibilities of the Research and Training Organization (RTO)

1. As described in Section II, Component 3B on Learning aims to support the broader, gradual, and necessarily longer-term process of governance reform in Cambodia by raising awareness of and building capacity in designing and implementing DFGG activities across and beyond the institutions directly supported by Components 1 and 2. Given that DFGG is a new area of engagement for the RGC, and given the capacity constraints that exist in the MOI-PCO, the day-to-day management of the necessary team of TA consultants, delivery of subcomponent 3B, and the creation of the desired “ripple effect” across state (and non-state) institutions would best be achieved within the timeframe of the project (and with least pressure on the MOI team, including its management) by contracting out of this function to a reputable ‘research and training organization’ (RTO). While the details of the outputs and deliverables expected from the RTO would be outlined in the TOR²⁵ and request for proposals for this consulting assignment, a brief description of the RTO’s role and responsibilities that are of relevance to the rest of the project is provided below.

Membership. The RTO is expected to be a institute or CSO with local presence in Cambodia and with strong expertise in public administration/public policy issues. They should be capable of mobilizing the diverse set of substantive skills (including international experts) required to support implementation of subcomponent 3B. At the early stages of the Project, it is expected that RTO will engage a core team of 3 or 4 technical specialists including a Team Leader. As project implementation proceeds the core team of the RTO would be adjusted based on agreed upon needs.

Role of RTO. The RTO will provide services, throughout the period of implementation of the Project, to the Ministry of Interior to assist in the implementation of the Learning and Dissemination of Lessons learned from the DFGG Project, including (a) preparing annual learning, communications and studies programs; (b) designing, organizing and facilitating training and learning events; (c) undertaking specific research tasks including identification, documentation and dissemination of lessons learned through the Project and other relevant experience; and (d) assisting the MOI in supporting the PCG, the PMT, and the LCFG.

Responsibilities. The RTO shall be responsible for the following functions:

- a) Formulate the learning and communication strategy under MOI guidance and prepare annual work plans for implementation of the agreed strategy;
- b) Prepare Annual Work Plans for the three programs under Component 3B;
- c) Establish work plans with the M&E units/staff of each IAs to identify lessons, promoting synergies within SIs and between SIs and NSA, and look for good practices, complementarities, and opportunities for experimentation across IAs and between IAs and NSAs;
- d) Design, organize and facilitate training events, study tours, seminars and workshops on key governance issues, so as to promote a broader network of DFGG stakeholders, including carrying out activities and programs for awareness raising and capacity building among DFGG practitioners within and beyond the Project. This would include training of project

²⁵ A draft TOR for the RTO is given in the PP for Component 3 contained in PIM Volume 2.

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staff and other interested state and, in consultation with TAF, non-state institutions on DFGG practices;

- e) Undertake specific research tasks, including identification, documentation and dissemination of lessons learned through the project and relevant experience elsewhere;
- f) Assist the MOI in supporting the PCG and the Learning and Communications Focus Group (LCFG), act as the Secretariat of the LCFG (see below) and arrange its meetings;
- g) Identify and disseminate lessons generated from the project;
- h) Carry out research and studies on DFGG concepts and practices within Cambodia and international experiences to enhance DFGG tools and methods and support the DFGG project to achieve its development objectives; and
- i) Assist the M&E research firm that is also proposed to be contracted by the PCO in undertaking the reporting and dissemination of results monitoring data emerging from each IA and the project as a whole.

D.2 Roles and Responsibilities of the Learning & Communications Focus Group (LCFG)

Membership. The PCO will establish LCFG, chaired by the Project Coordinator. The core of the LCFG will be drawn from each of the participating institutions, including those implementing Component 2 (TAF) and Component 3 (MOI). The LCFG members from the institutions will be appointed by the IA Project Director from among the agency personnel responsible for M&E, Learning, and Communications activities. There will be a limit of two persons per IA. The DFGG Project Director will appoint a chairperson to lead the group. In addition to the IA core-group, a small number of selected development practitioners will be invited by MOI to participate in the LCFG. A representative of the RTO will also be invited to attend the LCFG meetings.

Role of LCFG. The main role of LCFG is to function as the Advisory Committee for Component 3 B Learning & Communications, and provide inputs and guidance to MOI, PCO PCG, PMT, the Advisory Committees, IAs, and non-state actors on the design and implementation of Component 3B. It will have a significant role to play in formulating the themes, priorities, and activities which would best assist the learning needs of the participating institutions, and of the overall project. The LCFG is expected to function more as a “think tank” and experiment learning and dissemination activities. Therefore, the LCFG members will, from time to time, decide on the agenda that they wish to follow in furthering project objectives in relation to Learning and Communication activities. The RTO will assist the LCFG in formulating their agenda, submit documentation necessary to facilitate discussion, and follow up LCFG decisions.

Frequency of Meetings. The LCFG is expected to meet on a quarterly basis. The RTO will be responsible for arranging the LCFG meetings and providing secretarial services.

Responsibilities. The LCFG is responsible for the following functions:

- a) Review annual work plans for learning and communications activities and advise PMT on their appropriateness;
- b) Assist the PCO in identification, analysis and documentation of project lessons and experiences.

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- c) Identify case studies and lessons arising from (b) above for further research and dissemination;
- d) Conduct workshops and seminars, where appropriate, to discuss lessons from project implementation experiences and findings from research oriented activities;
- e) Advise PMT on appropriate strategies for communicating project lessons;
- f) Advise PMT on progress in implementing annual work plans and research activities;
- g) Advise PMT on promoting DFGG concepts and practices to a wider audience in Cambodia.

D.2 Roles and Responsibilities of the Grant Making Committee (GMC)²⁶

Membership. The GMC will consist of nine to ten members who will be all Cambodian and represent the diversity of Cambodian society. Two government representatives will be appointed by the Deputy Prime Minister H.E. Sar Kheng²⁷. The committee will also include a specialist on each of the DFGG focus areas, such as NRM, public finance, media, decentralization, and labor relations. These individuals will adequately qualified to review the applications, however if the volume or complexity of grants proposals so warrants, the committee can bring in other technical reviewers. Technical reviewers can help the committee review proposals. The GMC will be gender-balanced and include at least three members who are based outside Phnom Penh. The GMC will elect a chair at its first meeting who will preside over meetings but otherwise hold no prerogatives beyond other members. The chair rotates every six months in a sequence determined by the members of the GMC.

Role of GMC. The GMC will be the body that reviews eligible sub-grant requests and selects the non-state actor grantees for Component 2 of the project. This includes both recipients of small grants as well as those who are awarded through the DM-model. A separate and multi-stakeholder GMC arrangement maximizes existing human resources, helps avoid duplication, minimizes program bureaucracy, and cultivates program synergies. Following the DM-model developed in other countries, the grant selection will be independent from the TAF secretariat to ensure the integrity of the process. Further, selection of the grants by recognized Cambodian leaders strengthens the legitimacy of the process.

Frequency of Meetings. The GMC will meet every quarter over the four years to review grants for a day. The meetings prior to the two DM-like competitions may be extended to two days.

Responsibilities. The GMC is responsible for the following functions:

- a) Review project applications of the Small Grants Program on a quarterly basis
- b) Review concept notes and applications for the DM-type competition every two years
- c) Select grantees in support of the principles of DFGG
- d) Interview applicants as necessary
- e) Identify and invite external technical experts to review proposals
- f) Decide which GMC members will interview which DM applicants, and whether it will be necessary to draw in technical reviewers to help with the interviews (this would depend both on the numbers of finalists and the complexity of their proposals)

²⁶ See Operational Manual for Component 2 of the Project (included in Volume 2 of the PIM) for more details.

²⁷ An additional government representative may also be appointed from the MEF.

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- g) Provide feedback to applicants on their proposals
- h) Respond to any grievances by applicants and establish, with the DFGG Project Coordination Office, a formal complaints mechanism
- i) Review its own performance on a regular basis and take necessary steps to ensure that the committee continues to work well
- j) Maintain close communication with TAF
- k) Undertake occasional field visits to gain familiarity with progress.

SECTION IV. FIDUCIARY MANAGEMENT & GOVERNANCE FRAMEWORK

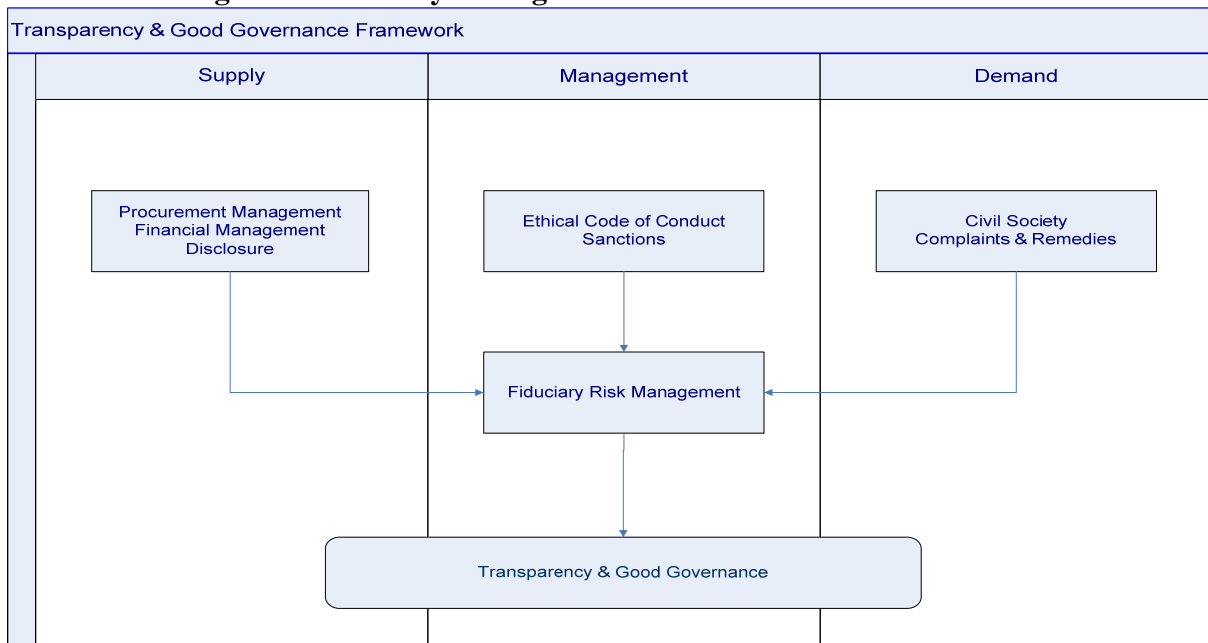
What is this section?

This section describes the various policies and procedures put in place to help managers and staff perform their functions to the high standards of integrity and accountability expected of them. It is intended to provide Project Directors, managers, and staff a guide to their roles and responsibilities. In addition, it aids staff who are responsible for procurement and financial management a guide their central role in good governance of the Project. The section is reference point to more detailed financial management and disbursement manual (FMDM) given in PIM Volume 2.

Where exceptions are noted for ACF and TAF, they are indicated in *italics* in respective paragraphs.

The DFGG Project will be held to higher standards of integrity and accountability given that the Project is aimed at promoting good governance. Ensuring that the Project is free of corruption and mismanagement of resources, accountable to the Government, the World Bank, and the public and other stakeholders is a primary objective of the Fiduciary Management & Governance Framework of the Project. The following figure shows graphically the process described in this section.

Figure 4: Fiduciary Management and Governance Framework



In the subsections that follow the procurement, financial management, good governance, and grievance redress procedures will be described respectively.

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A. PROCUREMENT ARRANGEMENTS

A.1 Procurement policies to be applied

Procurement for the DFGG project will be carried out in accordance with the World Bank's "Guidelines: Procurement under IBRD Loans and IDA Credits" dated May 2004, revised October 2006, and "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" dated May 2004, revised October 2006.

A.2 Procurement Procedures²⁸

Definition: Goods procured under this project would primarily include: office furniture, office equipment (including computer hardware, software, and accessories), audio visual equipment, and vehicles, etc.

Procurement Procedures:

- Goods, other than those under Sub-grants in Component 2, estimated to cost the equivalent of US\$100,000 or more per contract shall be procured through the International Competitive Bidding (ICB) method and the procedures set forth in the Bank's Procurement Guidelines and using the Bank's applicable Standard Bidding Documents.
- Goods, other than those under Sub-grants in Component 2 estimated to cost less than US\$ 100,000 equivalent per contract may be procured through the National Competitive Bidding (NCB) method and the procedures set forth in the *Sub-decree 14 on Promulgating of the Standard Procedure for Implementing the World Bank and the Asian Development Bank Assisted Projects* dated February 26, 2007 and relevant provisions of the *Royal Government of Cambodia Externally Assisted Project Procurement Manual for Goods, Works and Services*, subject to the improvements listed in the Annex to the Financing Agreement.
- Goods, other than those under Sub-grants in Component 2 estimated to cost less than US\$20,000 equivalent per contract may be procured through the Shopping method and the procedures set forth in the aforesaid Sub-decree and Procurement Manual.
- Vehicles estimated to cost less than US\$100,000 equivalent may be procured from UNOPS under the method Procurement from United Nations Agencies.
- Goods under Component 2 estimated to cost the equivalent of US\$150,000 or more per contract shall be procured through the ICB method, less than US\$150,000 per contract through the NCB method, and less than US\$50,000 per contract through the Shopping method, in accordance with the procedures indicated above for each method.

Procurement of Works

Definition: Works procured under this project would include only office renovation and construction for the PCO and the OWSO-DO subcomponents.

Procurement Procedures:

²⁸ The Procurement Arrangements are based on the Financing Agreement and PAD (Annex 8) for the DFGG Project.

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- Works estimated to cost the equivalent of US\$300,000 or more per contract shall be procured through the International Competitive Bidding (ICB) method and the procedures set forth in the Bank's Procurement Guidelines and using the Bank's applicable Standard Bidding Documents.
- Works estimated to cost less than US\$ 300,000 equivalent per contract may be procured through the National Competitive Bidding (NCB) method and the procedures set forth in the aforesaid Sub-decree and Procurement Manual, and subject to the improvements listed in the Annex to the Financing Agreement.
- Works estimated to cost less than US\$40,000 equivalent per contract may be procured through the Shopping method and the procedures set forth in the aforesaid Sub-decree and Procurement Manual.
- Works will not be permissible as a financing category under Component 2 of the Project.

Selection of Consultants

Consultant services include all technical and contractual assistance from individuals, firms, and NGOs/CSO. These services are expected in the following areas: capacity building, baseline assessment, project management, economic value study, monitoring and evaluation, etc.

Procurement Procedures:

- Services (other than those under Sub-grants in Component 2) requiring hiring of firms would generally be procured through Quality-and Cost-based Selection (QCBS) method. However, for assignments estimated to cost less than US\$50,000 equivalent per contract the method Selection Based on Consultants' Qualifications (CQS) may be used, and for external audit assignments the Least Cost Selection Method (LCS) may be used.²⁹
- Services (other than those under Sub-grants in Component 2) for tasks under circumstances which meet the requirements of paragraph 3.10 of the Consultant Guidelines may, with the Bank's prior agreement, be procured through the Single Source Selection method.
- Services (other than those under Sub-grants in Component 2) requiring hiring of individual consultants may be procured in accordance with the provisions of Section V of the Consultant Guidelines, whereas Sole Source Selection of individual consultants may be done only with the Bank's prior agreement and under the circumstances described in paragraph 5.4 of the Consultant Guidelines.
- Shortlists of consultants for consulting services estimated to cost less than US\$100,000 equivalent per contract may be composed entirely of national consultants.
- Consultant services under Sub-grants in Component 2 requiring hiring of firms estimated to cost the equivalent of US\$100,000 or more per contract shall be procured through Quality-and Cost-based Selection (QCBS) method, less than US\$100,000 equivalent per contract through the Selection Based on Consultants' Qualifications (CQS) method.

²⁹ See the "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" dated May 2004, revised October 2006, for descriptions of each of these Procurement methods.

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- Consultant services under Sub-grants in Component 2 requiring hiring of individual consultants may be procured in accordance with the provisions of Section V of the Consultant Guidelines, whereas Sole Source Selection of individual consultants may be done only with the Bank's prior agreement and under the circumstances described in paragraph 5.4 of the Consultant Guidelines.

Sub-Grants under Component 2

Since the sub-grants will be demand driven based on proposals submitted by various non - state institutions (such as national and local NGOs, other grassroots organization, policy and research centres, independent media, professional associations, business associations and trade unions) and the proposals will be evaluated against an established and pre-disclosed technical and qualification criteria, it is not known up front at this time what is the nature and value of the sub-grant and the procurement in such sub-grant. Nevertheless, procurement of goods, works and consultant's service in the sub-grant proposed by the above beneficiary of the sub-grant shall follow the procurement methods and procedures stipulated in the above paragraphs.

Training Workshop and Incremental Operating Costs (IOC)

Definitions: *Training and Workshops* means expenditures for the cost of design and planning and implementation of the trainings, workshops, study tours, seminars, and public service broadcasts, including training materials, facilities, course fees, travel, accommodation, and subsistence for trainees in connection with these events. *IOC* mean reasonable expenditures directly related to the Project incurred by an IA which would not have been incurred absent the Project. This can include expenditures for Project staff and AC arbitrator travel and per diem, office supplies, communications services (including telephone, website hosting, and internet costs), dissemination activities and information campaigns, publication services, translation services, utilities, office rental, maintenance of office equipment, receptionist, housekeeper and driver salaries, fuel and rental costs of vehicles, membership of professional bodies, arbitrator honoraria, honoraria for Advisory Committees and ACF Board of Directors, mobile hearing team costs, accounting software fees, security services, bank charges, but excluding civil service salaries of officials of the Recipient's civil service.

Procurement Procedures: Contracts for training and workshops and related procurement should follow one of the available methods under the Guidelines above. IOC can be incurred on the basis of an annual or semi-annual plan approved in advance for the Project specified procedures for the financial control and approval of training and related expenditures.

IDA Review Requirements

The following contracts will be subject to **prior review** by the Bank:

- (a) the first contract each for goods and works procured under NCB procedures by each Implementing Agency, including recipients of Sub-grants;
- (b) the first contract for goods and works procured under shopping by each Implementing Agency, including recipients of Sub-grants;
- (c) each contract for goods estimated to cost the equivalent of US\$100,000 or more;

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- (d) each contract for works estimated to cost the equivalent of US\$300,000 or more,
- (e) each contract for consultants' services provided by a firm estimated to cost the equivalent of US\$ 100,000 or more,
- (f) each contract for the employment of individual consultants estimated to cost the equivalent of US\$ 50,000 or more, and
- (g) each contract involving Single-Source Selection of firms or Sole Source Selection of individual consultants, irrespective of value.

All other contracts shall be subject to ex-post review by the Bank.

A.3 Procurement Responsibilities

Responsibility of the IAs

The ultimate responsibility for procurement within each IA lies with the Project Director (PD) of that IA. The PD shall appoint at least one *Procurement Officer* for day-to-day management of procurement activities for the concerned IA on his behalf. The Procurement Officer shall be selected under MBPI procedures or when no suitable candidate is available in the IA, a qualified procurement consultant shall be employed. *ACF and TAF will designate a staff member experienced in procurement to be the Procurement Officer or hire consultants if required.*

The following are the key procurement responsibilities expected of the IAs:

- Each IA shall prepare a **Procurement Plan** as part of the Annual Work Plan, which shall be monitored and updated on a periodic basis. For each contract to be financed by the Grant, the different procurement methods or consultant selection methods, the need for prequalification, post-qualification, estimated cost, prior review requirements and time frame are agreed between the IA and the Bank project team in this Procurement Plan. The Procurement Plan will be updated at least annually or as required to reflect the actual project implementation needs and improvements in institutional capacity. A format for the Annual Procurement Plan is given in Attachment 1 to Section V.A (Procurement Form I).
- Each IA shall be responsible for establishing a **Procurement Review Committee (PRC)**, in accordance with the Government's SOP (and associated Procurement Manual), and have the Procurement Plan approved by the PRC. The SOP outline the guidance on membership in the PRC based on the size and nature of the procurement.
- It will be the responsibility of IA to process individual procurement requests to the International Procurement Agent (IPA – see below) or to the Bank directly (in case of procurement excepted from IPA process). The procurement responsibilities of IA will therefore be limited to the following activities:
 - a) preparation and updating of the procurement plans;
 - b) forming a Procurement Review Committee and ensuring obtaining approval from the PRC and the Bank for Procurement Plans and any significant revisions to such plans;
 - c) drafting the technical specifications for the procurement of goods and works, and writing the terms of references for consulting services; and
 - d) contract signing and contract administration.

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- The IAs should further keep a log of all procurements and a record of the timeline for processing of all procurement requests to spot and avoid delays and ensure smooth implementation progress.

In carrying out the above responsibilities, the **Procurement Officer/Coordinator** in each IA will specifically be responsible for:

A. Supporting for Procurement carried out by the International Procurement Agent (IPA)

- As the primary responsibility of procurement will be with the IPA, the Officer/Coordinator's role will primarily be to serve as the Project's focal point for coordination with the IPA.
- To assist the PD in identifying the procurement requirement and provide necessary inputs for the procurement plan to the IPA. The Procurement Plan to be prepared by the IPA will include contract packaging, cost estimates & delivery time (of goods, works and consultant services), procurement methods, WB prior/post review arrangements, and key procurement processing dates until completion of each contract.
- To assist the PD to review and approve the Procurement Plan updated and submitted by the IPA to the EA/IA on quarterly basis.
- To provide procurement requirement/needs and technical inputs to the IPA whenever required during IPA's preparation of Bidding Documents (BD), Shopping Documents or Request for Proposals (RFP) for Consultants' Services.
- Monitoring the procurement process carried out by the IPA.
- During bidding process or preparation of proposals for consulting services, respond to clarifications sought by the prospective bidders or consultants, on procurement or technical inputs, if requested by the IPA.
- During bid evaluation process or review of consultants' proposals, provide technical inputs to the IPA, if requested.
- To participate in finalization of contracts (or negotiations of contract, in case of consultants' services) for the PD's signature (the EA/IA will sign the contract with the successful bidder or the selected consultant).
- To manage the procurement filing/record system in the Project office in a systematic and retrievable manner.
- To provide guidance to involving Ministry staff to enable them to successfully carry out activities relating to procurement (i.e., preparation of technical specifications, among others).
- Coordinate with other units/ministries in DFGG where necessary.
- Other tasks as may be assigned and/ or delegated by the PD.

B. Supporting for Procurement carried out by each IA

- Assist the PD in identifying the procurement requirements and provide necessary inputs for the overall procurement plan, including procurement to be done by the EA/IA and the IPA. The Procurement Plan will include contract packaging, cost estimates & delivery time (of goods, works and consultant services), procurement methods, WB prior/post review arrangements, and key procurement processing dates until completion of each contract;
- Prepare the project's necessary procurement documentation for goods and works including the preparation of Invitation for Bid advertisements, bidding/Request for Quotation documents, organizing and conducting bid openings, evaluation reports, obtaining the

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necessary clearances (from the Procurement Review Committee (PRC) and No Objection Letters from the IDA where required, arranging for the contract signing, and distribution to appropriate authorities;

- Prepare procurement documentation for consultant services including the preparation of requests for Expressions of interest (EOI) advertisements, evaluation of EOIs and short-listing, liaising with technical teams on the preparation of terms of reference, preparation of request for proposal documents, proposal evaluations, preparation of draft contracts, obtaining the necessary clearances from the PRC and the IDA where required, assisting in contract negotiations, arranging for the contract signing, and distribution to appropriate authorities;
- Ensure that all procurement is carried out in accordance with the agreed procedures, including the Financing Agreement; the World Bank/IDA Procurement and Consultants Guidelines; Government SOP and Procurement Manual for Externally Assisted Program/Project, as applicable;
- Monitor the timeliness of the procurement and delivery of goods, works, and services in accordance with the approved Procurement Plan and the Project Implementation Action Plan;
- Ensure that an effective filing/record keeping system is established for the procurement to be done by MONASRI-DFGG. Maintain a contracts register with updated key procurement information of all contracts procured under the Project.
- Review the existing procurement system of the EA/IA, identifying gaps and shortcoming, and recommending specific improvements for increasing efficiency, transparency and accountability in the administration, management and monitoring of the procurement within the Project to enable procurement to be carried out effectively.
- Develop and conduct a procurement training program for relevant government staff of the departments under the EA/IA.

Responsibility of the IPA

The MEF has appointed an International Procurement Agent (IPA) to carry out all procurement on behalf of EA/IAs, with the exception of those specifically agreed to by the Bank and the RGC in the Financing Agreement for the project. These exempted items include:

- (i) Procurement from United Nations Agencies,
- (ii) Hiring of NGO
- (iii) Single-Source Selection of consulting firms,
- (iv) Selection of all Individual Consultants including Sole Source Selection,
- (v) Procurement of goods estimated to cost less than USD50,000
- (vi) Procurement of works estimated to cost less than USD100,000
- (vii) hiring by the ACF of experts on a short-term notice for emergency/urgent labor disputes, contract
- (viii) for ACF's financial auditor which is to be undertaken by ACF's Board of Directors, and
- (ix) all procurement under Component 2 of the project.

Given the above, it should be clear that the bulk of the procurements undertaken under the project will be carried out through the IPA. Thus, the procurement responsibility after the preparation of the Procurement Plan all the way to the stage of contract signing will be in the hands of the IPA. The IPA will be responsible for (a) seeking the "No Objection Letter" (NOL)

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from the Bank for procurement actions requiring IDA prior review, (b) drafting the Bidding Documents for works and goods or Expression of Interest (EOI) or Request for Proposals (RFP) for consulting services, (c) evaluation of bids or proposals received, (d) negotiations of contracts for consulting services, and (e) recommendation for award of contracts.

Responsibility of the EA

Apart from its role as IA for Component 3, the MOI, in its capacity as EA for the project shall be responsible for:

- reviewing and consolidating the Procurement Plan for the project as a whole (based on the submissions by and consultation with each IA) and seeking IDA no objection letter (NOL) for the procurement plan including all contract packages to be procured by the EA/IA themselves and forwarding the procurement plan, including the packages to be procured by the IPA, to the IPA for seeking IDA no objection letter (NOL).
- conducting quarterly updates of the procurement plans with IAs and advice IPA on all revisions;

(along with the IAs) maintain procurement records, supporting documentation and reporting (see more details below).

A.4 Reporting Requirements for Procurement

The Project Directors and procurement officers of the IAs shall maintain all procurement information, from planning to contract awards and subsequent performance of contracts. As procurement plans can change quite often, either by delay or advance procurement, and consequent effect on project implementation, the Project Director is expected to review monthly the progress of procurement actions against plans.

The **quarterly procurement monitoring reports** that are required to be submitted to PCO, MEF, and the World Bank as **part of the Quarterly Progress Report** include the following procurement reports³⁰:

- a) Physical progress report by Civil Works
- b) List of Contracts
- c) Procurement Monitoring Report - Goods
- d) Procurement Monitoring Report - Consulting Firm
- e) Procurement Monitoring Report - Individual Consultant

Formats for the above Reports are given at the end of this sub-section.

All IAs are responsible for preparing the following reports **30 calendar days** after the quarter ends. PCO is responsible for preparing Consolidated Reports and submitting to MEF and the Bank **45 calendar days** after the quarter ends.

At the end of each year of project implementation a new annual **procurement plan** for the subsequent year should be prepared/updated by each IA and included as part of the Annual Work Plan for the IA, by September 30th of each year, starting in 2009.

³⁰ See also the FMDM - Section 11 – contained in PIM Volume 2.

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Attachment 1 to Section V.A:

PROCUREMENT: Template for IA and Project Procurement Plans

Project Name: Cambodia – Demand for Good Governance (DFGG) Project

Implementing Agency: *(Insert name of IA)*

Period - From : *(Insert Month, Day, Year)* **To:** *(Insert Month, Day, Year)*

Project Director: _____ *(Insert name)*

Procurement Officer: _____ *(Insert name)*

I. Civil Works										
Contract Package No.	Description of Contract Package	Total Estimated Cost (USD)	Method of Procurement (ICB/NCB/ Shopping etc.)	Domestic Preference (for ICB only) Yes/No	Review by Bank (Prior/Post)	Procuring Agency's Name	Estimated Date of Invitation for Bids	Estimated Contract Signing Date	Estimated Contract End Date	Comments
1										
2										
3										
TOTAL										

II. Goods										
Contract Package No.	Description of Contract Package	Total Estimated Cost (USD)	Method of Procurement (ICB/NCB/ Shopping etc.)	Domestic Preference (for ICB only) Yes/No	Review by Bank (Prior/Post)	Procuring Agency's Name	Estimated Date of Invitation for Bids	Estimated Contract Signing Date	Estimated Contract End Date	Comments
1										
2										
3										
TOTAL										

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III. Consulting Services

Contract Package No.	Description of Contract Package	Total Estimated Cost(USD)	Selection Method	Review by Bank (Prior / Post)	Estimated Date of Invitation for Proposal/CVs	Estimated Signing Date of Contract	Expected Completion Date of Contract	Procuring Agency	Comments
1									
2									
3									
TOTAL									

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Attachment 2 to Section V.A:

PROCUREMENT: Template for Physical Progress Report by Civil Works

Cambodia: Demand for Good Governance Project
Physical Progress Report by Civil Works
For the quarter ended mm/dd/yy
(In US Dollar)

Contract/Work Progress – [Name of the IA]

Component/Activity No.	Project Component Output	Original Plan to Completion		Progress to date		Cost to date as a % of Planned Total Cost	Comments
		Cost in US\$	Completion Date	Cost in US\$	Physical Progress		
Civil works							
		-					
		-					

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Attachment 3 to Section V.A:

PROCUREMENT: Template for List of Contracts

Cambodia: Demand for Good Governance Project
Contract Monitoring Report
 For the quarter ended
 mm/dd/yy

List of Contracts

Contract		Contract Description	Supplier	Contract Value		Advance	Progress of Works	Recovery on advance	Retention Money	Balance to be Paid	Amount Paid			Unpaid
No.	Date			Curr.	Amount						% IDA	% Other	Total	

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Attachment 4 to Section V.A:

PROCUREMENT: Template for Procurement Monitoring Report (Goods)

Cambodia: Demand for Good Governance Project
Procurement Monitoring Report - Goods
For the quarter ended
mm/dd/yy

No.	Description of Goods	Contract Ref: No.	Prior (P) or Post Review (PR)	Procurement Method	Bidding Documents (BD) and Bidding Process						Bid Evaluation/contract award recommendation		Contract				
					IPA sent draft BD to PRC for approval (Date.)	Approval to Draft BD by PRC (Date)	IPA sent Draft BD to the Bank's NOL (Date)	No object to the Draft BD by the Bank (Date)	Bid invitation issued (Date)	Bid Opened (Date)	IPA sent evaluation report/award recommendation to the Bank (Date)	No objection to evaluation report/award recommendation by the bank (date)	Project signed Contract with the contractor (Date)	Contractor's Name	Contract Amount	Completion date	
1	Planned																
	Actual																
2	Planned																
	Actual																
3	Planned																
	Actual																

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Attachment 5 to Section V.A:

PROCUREMENT: Template for Procurement Monitoring Report (Consulting Firms)

Cambodia: Demand for Good Governance
Project
Procurement Monitoring Report - Consulting Firms
For the quarter ended mm/dd/yy

No.	Description of Services	Contract Ref. No.	Prior (P) or Post Review (PR)	Procurement Method	Short list and Draft Requirement for Proposal (RFP)								Technical Evaluation		Final (Technical-Financial) Evaluation		Contract							
					IPA sent Short list to the Bank (Date)	No objection to the Short List by the Bank (Date)	IPA sent Draft RFP to PRC (Date)	Approve to draft RFP by PRC (date)	IPA sent draft RFP to the Bank (date)	No object to Draft RFP by the Bank (date)	IPA issued RFPs (date)	IPA received proposal from firms (date)	IPA sent Tech. evaluation report to the Bank (date)	No objection to Tech. evaluation report by the Bank (date)	IPA open Financial Proposal publicity (date)	IPA completes final evaluation	PRC and IPA negotiate contract with consultant	IPA sent draft contract and final evaluation report to the Bank (date)	No objection to Draft Contract by the Bank (date)	Project signed contract with consultant	IPA sent signed contract to the Bank (date)	Contractor's name	Contract value (US\$)	Contract/ delivery Completion date
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
1	Planned																							
	Actual																							
2	Planned																							
	Actual																							
3	Planned																							
	Actual																							

Please also insert the column for TOR/EOI (please follow the sample table provided in the government procurement manual)

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Attachment 6 to Section V.A:

PROCUREMENT: Template for Procurement Monitoring Report (Individual Consultants)

Cambodia: Demand for Good Governance Project
Procurement Monitoring Report - Individual Consultants
For the quarter ended
mm/dd/yy

No.	Description of Services	Contract Ref: No.	Prior (P) or Post Review (PR)	Procurement Method	TOR/ EOI						Evaluation		Contract							
					IPA sent TOR and EOI advertisement to PRC (date)	Approval to TOR and EOI advertisement by PRC (Date)	IPA sent TOR and EOI advertisement to the Bank (date)	No objection to TOR and EOI advertisement by the Bank	Advertisement by IPA (date)	Submission of EOI date	IPA sent evaluation report to the Bank (date)	No objection to evaluation report (date)	PRC and IPA negotiate contract with consultant	IPA sent draft contract to the Bank (date)	No objection to the Draft Contract by the Bank (date)	Project signed contract with consultant (date)	IPA sent segned contract to the Bank (date)	Consultant's Name	Contract value (US\$)	Contract/ delivery Completion date
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
1	Planned																			
	Actual																			
2	Planned																			
	Actual																			
3	Planned																			
	Actual																			

Attachment 7 to Section V.A

National Competitive Bidding Procedures

The procedure to be followed for National Competitive Bidding shall be those set forth in the *Sub-decree 14 on Promulgating of the Standard Procedure for Implementing the World Bank and the Asian Development Bank Assisted Projects* dated February 26, 2007 and relevant provisions of the *Royal Government of Cambodia Externally Assisted Project Procurement Manual for Goods, Works and Services* with modifications set forth below in order to ensure economy, efficiency and transparency and broad consistency with the provisions of Section I of the of the *Guidelines for Procurement under IBRD Loans and IDA Credits* published by the Association in May 2004 and revised in October 2006 (the Guidelines) as required by paragraph 3.3 and 3.4 of the Guidelines.

Eligibility

- The eligibility of bidders shall be as defined under Section I of the Guidelines; accordingly, no bidder or potential bidder shall be declared ineligible for contracts financed by the Association for reasons other than those provided in Section I of the Guidelines.
- Foreign bidders shall not be asked or required to form joint ventures with national bidders in order to submit a bid.
- Bidders located in the same province or city as the procuring entity shall not be given preference over bidders located outside that city or province.

Qualification Criteria

- The assessment of the qualification of a bidder shall be conducted separately from the technical and commercial evaluation of the bid and in strict adherence to the qualification criteria that shall be clearly specified in the bidding documents.
- Such assessment shall only take into account a bidder's capacity and resources to perform the contract, specifically its experience and past performance on similar contracts, capabilities with respect to personnel, equipment and construction and manufacturing facilities, and financial capacity.

Bid Submission, Bid Opening and Bid Evaluation

- The evaluation of a bid shall be made in strict adherence to the criteria that shall be clearly specified in the bidding documents and quantified in monetary terms for evaluation criteria other than price; merit points shall not be used in bid evaluation.
- No bidder shall be rejected on the basis of a comparison with the Borrower's estimate and budget ceiling without the Association's prior concurrence.
- A copy of the minutes of the public bid opening shall be promptly provided to all bidders and to the Association with respect to contracts subject to prior review.

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- Neither shall all bids be rejected nor shall new bids invited without Association's prior written concurrence.

Complaints by Bidders and Handling of Complaints

- The Borrower shall implement the complaint handling mechanism in accordance with Section 7 of the above mentioned Procurement Manual.

Fraud and Corruption

- The Association shall declare a firm or individual ineligible, either indefinitely or for a stated period, to be awarded a contract financed by the Association, if it at any time determines that the firm or individual has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for, or in executing, a contract financed by the Association.

Right to Inspect/Audit

- Each bidding document and contract financed from the proceeds of a Credit shall include a provision requiring bidders, suppliers, contractors and subcontractors to permit the Association, at its request, to inspect their accounts and records relating to the bid submission and performance of the contract and to have said accounts and records audited by auditors appointed by the Association.
- The deliberate and material violation by a bidder, supplier, contractor or subcontractor of such provision may amount to obstructive practice.

B. FINANCIAL MANAGEMENT & DISBURSEMENT PROCEDURES

B.1 Financial Management Policies to be applied

The FM arrangements of the state IAs (viz., NCDDS, MOI, RNK and MONASRI) will be based on the **RGC Standard Operating Procedures (SOP)** issued by Sub-Decree No. 14 in February, 2007 and the **RGC Financial Management Manual (FMM) for externally financed projects**, which were issued in September, 2005. The FMM sets out general principles on planning, budgeting, accounting, reporting, and auditing of externally funded projects.

A separate **Financial Management and Disbursement Manual (FMDM)** for the DFGG Project has also been prepared and is included in PIM Volume II. The FMDM incorporates the provisions of the MEF/FMM and also provide procedures applicable to specific circumstances of the Project.

The FMDM provides guidance on all areas of financial management from financial policies and standards, budgeting, financial accounting systems and procedures, financial reporting and audit. The FMDM will apply both to state and non-state components and includes a sample chart of accounts for reference. *ACF and TAF shall follow their own Board approved financial management manuals which were reviewed during project preparation and found to be consistent with FMDM.*

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The FMDM is an integral part of this PIM and should be read in conjunction with the Financing Agreement, the Bank's PAD, the Bank's Disbursement Letter, and any other guidelines and procedures issued by the MEF or the Bank. The managers and financial staff of the IAs are therefore required to fully familiarize themselves with the FMDM and have all concerned staff trained in its application. The Project Financial Officer of each IA is the principal custodian of the manual and takes primary responsibility to ensure that all financial staff are trained and understand the policies and procedures described in the FMDM.

B.2 Financial Management (FM) Responsibilities

Responsibility of the EA

As EA, the MOI (PCO) has the primary responsibility for (a) ensuring that sound financial management practices are followed by all IAs of the project, (b) maintaining records and accounts in accordance with internationally accepted accounting standards, (c) requiring timely financial reporting by the IAs to reflect the operations of the Project and its financial condition, and (d) ensure that internal and independent external audits are carried out on time and in accordance with internationally accepted auditing principles.

The EA will carry out these functions by establishing financial policies and procedures, training staff, requiring quarterly interim financial reports to be submitted to IDA with 45 days after the end of each quarter, and requiring the PCO/Internal Auditor to carry out internal audits. In addition, EA will prepare the consolidated annual financial statements, have them audited by the auditor, and submitted to IDA no later than six months after the end of each fiscal year.

In terms of institutional arrangements within the MOI, the Project Coordinator and Project Director will have oversight responsibility and will delegate day-to-day FM authority to a *FM Advisor* to be appointed at the PCO. The FM Advisor's duties would be to train and supervise all IA FM and accounting staff, provide guidance to IA Project Financial Officers for effective management of project finances and assist the Project Coordinator in monitoring the financial progress of the Project. He would also assist the IA managers in periodic evaluation of risks and monitoring of the implementation of their Good Governance Plans (see next subsection).

Responsibility of the IAs

Project Director: The Project Directors of IAs shall be the responsible authority for the FM of their respective components. Specifically, their responsibilities in this regard will include:

- 1) Maintaining a sound internal control environment: (i) establish ethical standards and a code of conduct and ensure that they are understood and followed by staff; (ii) ensure compliance with laws, regulations, and provisions of the Financing and Subsidiary Agreements; (iii) safeguard assets and ensure that accounting records are maintained; and (iv) continuously assess financial risks and take risk mitigation actions;
- 2) Appointing or designating a *Project Financial Officer* with delegated authority on all FM matters;
- 3) Appointing an adequate number of FM staff and ensuring segregation of duties to make concealment of any dishonesty or irregularities is possible only by collusion of two or more parties;

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- 4) Promoting disclosure of financial information; and
- 5) Promoting open communication including reporting of any activities of fraud, corruption or mismanagement by staff or contractors/suppliers.

Project Financial Officer: The Project Financial Officer (PFO) of each IA (with the support of the appointed FM staff) is responsible for day-to-day financial management that includes maintaining bank accounts, authorization and payment of expenditures, accurate recording of all transactions, and preparing timely monthly accounts and reconciliations. The PFOs other specific duties include:

- a) Establishes and maintains project accounts (accounting and financial management systems and records) in compliance with the procedures and guidelines outlined in the *Financial Management and Disbursement Manual* and ensure compliance of all financial obligations with RGC and IDA requirements.
- b) Ensure that all payments are properly authorized, supported by proper documentation, and done in accordance with the agreed procedures and on a timely basis.
- c) Monitoring project funds and ensuring timely fund flows and project liquidity at all times.
- d) Preparing the **Quarterly Interim Financial Reports (IFRs)** - this includes several forms, the templates of which are attached to this sub-section.
- e) Preparing the **Withdrawal Applications** in accordance with the Disbursement Letter of IDA for withdrawal of funds from the IDA Grant. In this regard, the CFO shall prepare supporting Statement of Expenditures and other documents for submission with the Withdrawal Applications.

B. 3 Disbursement Procedures

Disbursement procedures for the project are set forth in the Financing Agreement and IDA Disbursement letter and in the *World Bank Disbursement Guidelines for Projects*, dated May 1, 2006. These procedures must be strictly followed in withdrawing funds from the IDA grant for purposes of project expenditures. The IA Project Financial Officers are responsible for following the procedures specified in this section. Detailed procedures are given in FMDM Section II in PIM Volume 2.

For all IAs, *except for TAF and the ACF*, a **Designated Account (DA)** shall be opened to hold IDA funds advanced. The account will be opened at a commercial bank as instructed by MEF. Only IDA funds are deposited to the DA and only IDA eligible expenditure is paid out of the DA. There shall be **at least two authorized signatories for each DA** as specified below:

- MONASRI – the Project Director or his delegates and the Deputy Director of Finance or his delegates;
- NCDDES (OWSO) – the Project Director or his delegates and the head of the Department of Economic Planning and Finance or his delegates.
- RNK – the General Director or his delegates and the Director of Finance and Administration Department or his delegates.
- MOI (PCO) - the Project Coordinator or his delegates and the Project Director or his delegates.

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If government counter-part funds are received for project purposes, a separate government counter-part fund bank account should be opened at National Bank of Cambodia to deposit those funds. Government funds should be paid and accounted for separately. However, the authorization and payment procedures are the same as given in the FMDM.

Summary of steps for Disbursement of Funds for IAs with a DA:

1. At the start of the Project (that is when project becomes effective) each IA with a DA shall apply for an initial deposit by submitting a Withdrawal Application (WA). The amount of the initial deposit and ceiling for each DA as noted in the negotiated Disbursement Letter is **US\$100,000**. Once deposited, IAs are authorized to make payments from the DA for approved project expenditures.
2. IAs may request replenishment of the DA on a *monthly* basis or when the balance is drawn down by 20% of the initial deposit to ensure the liquidity of fund. However, there is no minimum size for the replenishment application; the DA should be replenished at least every quarter to avoid the inactive status. IAs shall prepare the replenishment WA, attach a bank statement and a bank reconciliation and submit it to the MEF, who is authorized to sign all WAs.
3. WAs for replenishment shall be supported by Statement of Expenditures (SOE). SOEs are explained below.

Other Disbursement Methods

There are two other methods of requesting payments from the IDA account. These are briefly stated below:

- i. ***Reimbursement.*** If eligible expenditures are paid from an account other than the DA or from an IA's own funds or other government funds, then the IA can apply to reimburse for that expenditure. Such IAs shall prepare a WA with all supporting documents (contracts, copy of supplier invoice, evidence of payment e.g. certified receipt) and submit to MEF for signature, and then submit to IDA for reimbursement.
- ii. ***Direct Payment.*** A direct payment from WB Grant Account to a supplier can be made if the payment amount is more than the minimum withdrawal application size specified in the Disbursement Letter (viz. **US\$ 20,000**). IA shall prepare a WA with all supporting documents and submit to MEF for signature.

The project expenditures incurred by both the ACF and TAF shall be based on the reimbursement method described above. Both ACF and TAF will prepare WAs following the SOE procedures discussed below and submit to MEF for signature and submission to IDA. Reimbursement of expenditures will be made direct to the ACF and TAF Bank accounts.

Use of Statement of Expenditures (SOE)

Statement of Expenditure can be used for reimbursement of expenditures or for reporting eligible expenditures from DAs. Expenditures expected to be disbursed on the basis of SOEs are as follows:

- (a) works contracts costing less than US\$100,000 equivalent each;
- (b) goods contracts costing less than US\$100,000 equivalent each;
- (c) services of consultant firms costing less than US\$100,000 equivalent each;
- (d) services of individual consultant costing less than US\$50,000 equivalent each;

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- (e) sub-project grant disbursements;
- (f) training and workshop expenses;
- (g) ACF operating costs;
- (h) incremental operating costs;
- (i) MPBI payments;
- (j) PMG payments; and
- (k) TAF management costs.

Disbursement of any other expenditure exceeding the above limits will be made against submission of full documentation (copies of receipts, supplier invoices and signed contracts).

All withdrawal application should include a list of payments (see attached template) against contracts that are subject to IDA prior review and included in the WA.

The documentation supporting SOE disbursements should be retained by each IA during the life of the project and until the later of: (i) one year after the receipt of the audit report for the last year in which the last disbursement would be made; and (ii) two years after the Closing Date. These documents should be made available for review by the auditors and IDA supervision missions.

B.4 Accounting Arrangements

The CFOs of each IA will also act as Project Accountants and are responsible for maintaining records and accounts in accordance with sound accounting practices to reflect their operations and financial condition. Accounting policies will be in accordance with *International Accounting Standard (IAS)* applicable for project accounting. For purpose of preparing and consolidating the project financial statements for the entire project at the end of the year, the Cash basis of accounting will be used by each IA in preparing its financial accounting books. Other accounting policies and procedures for the DFGG Project are given in FMDM.

As TAF and ACF will be pre-financing their activities, they will follow their existing accounting procedures as laid out in their FM systems which have been reviewed by the PCO and found to be consistent with FMDM of the DFGG Project.

The accounting transactions must be posted in a computerized accounting system daily and the following reports produced at the end of each month:

- (i) Trial Balance
- (ii) General Ledger (G/L)
- (iii) Income and Expenditure Report
- (iv) Balance Sheet
- (v) Reconciliation of Bank Statements with the G/L balances
- (vi) Reconciliation of Cash Advance Register with G/L balances
- (vii) Reconciliation of Petty Cash Advance Book with G/L balances.

The above reports and reconciliations should be signed by the PFO and submitted to the Project Director for approval in each IA. Approved financial statements should be filed and be available for internal and external auditors and PCO financial staff.

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For TAF and ACF who will be pre-financing project related expenditures, a register of expenditures by the main disbursement and Component categories shall be maintained. The classification of the expenditures in the Register shall be based on a chart of accounts classification.

At the end of each month, the Interim Financial Reports shall be produced from the accounting system and submitted to IDA within 45 days after the end of each quarter.

At the end of the financial year, the PCO Financial Advisor shall be responsible for preparing consolidated financial statements for the DFGG Project from the 4th quarter of the IFRs received from each IA.

B.5 FM Planning & Reporting

The Project Directors of IAs, with the assistance of the Chief Financial Officer shall prepare the following reports by the dates specified:

- a) **Annual Budget** – Each IA should prepare an Annual Budget for the following year by **August 31st** of the preceding year. The Annual Budget would form part of the Annual Work Plan and would provide a revised indication of the expected cost expenditures that would be incurred over the coming 12 months of project implementation for the concerned component/subcomponent. The Annual Budgets should use the same formats as the project cost tables included in the PP for the component/subcomponent to ensure consistency and allow ease of comparison. The PCO will prepare the consolidated Annual Budget for the project as a whole by **September 30th** of the preceding year for submission to the Bank for review. The Annual Budgets for the following year should be finalized and approved by **December 30th** of each year by the PCO and each IA. **Quarterly Interim Financial Reports (IFRs)** – The IFRs will form part of the Quarterly Progress Reports. It should be prepared **within 45 days of the end of each Calendar Quarter** and will include the following reports (templates for Sections I & II of a consolidated IFR are attached to this subsection; templates for Section III are attached to chapter on Procurement Arrangements):

Section I: Project Progress Report

- ✓ Discussion of Project Progress Report

Section II: Financial Reports

- ✓ Project Balance Sheet
- ✓ Source and Uses of Funds Statement
- ✓ Uses of Funds by Category and by Source of Funds
- ✓ Uses of Funds by Project Activity

Section III: Physical Progress, Contract Management and Procurement

- ✓ Physical Progress Report by Civil Work (for OWSO only)
- ✓ Contract Monitoring Report
- ✓ Procurement Monitoring Report

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c). **Annual Financial Reports** – The annual financial report will be prepared by the PCO by consolidating all the financial reports from all IAs. The consolidation is not required to be done by the system, but can be simply done on Excel worksheet as the accounting formats of all IAs may not be compatible to facilitate consolidation electronically. This will form part of the Annual Progress Report (APR) that will be prepared by each IA **by February 28th** of each year for the year that has been completed, and then consolidated by the PCO **by March 30th** of the same year.

B.6 Audit arrangements

Internal Audit

To carry out internal audits within the project, an Internal Audit Unit (IAU) is proposed to be set up within the PCO. The unit will be staffed with an experienced Internal Auditor and two assistants. The internal auditors will be responsible for systematic and periodic review of all project operations, accounting processes, internal control procedures and cash management for each IA.

The Internal Auditors shall be guided by generally accepted international standards for the professional practice of internal auditing in carrying out their duties. Such standards require that internal auditors have the following attributes:

- Should be independent and objective in performing their work.
- Should have an impartial, unbiased attitude and avoid conflict of interest.
- Should perform their duties with proficiency and due professional care.

The Internal auditor shall prepare an annual audit plan have it agreed with DFGG management. The annual audit plan should be based on the risk management and governance action plans of each DFGG component and the Project as a whole. The work of each internal audit assignment should be carried out in accordance with accepted performance standards. Each activity should evaluate and contribute to the improvement of risk management, control, and governance processes using a systematic and a disciplined approach. The Project Coordinator shall ensure that IAU is provided with adequate resources to carry out the agreed audit plan.

At the commencement of each assignment, the internal auditor shall agree on a terms of reference for the audit (internal audit plan) with the manager of the activity to be audited. The internal audit plan shall state the objectives of the audit, the objective and controls of systems to be audited, the scope and approach of the audit and timing. The plan should first be discussed with the IA Project Director and following incorporating their observations and comments be submitted to the Project Coordinator.

After commencing the audit, the IAU shall report periodically (quarterly) to the PCG and Project Coordinator on the progress of audit activity, performance relative to agreed plans and any significant changes required to planned activities.

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If in the course of an audit, any evidence of suspected fraud or corruption is discovered, the auditor shall immediately inform the Project Coordinator and the Project Director of the IA audited. The Project Coordinator and the IA Project Director shall decide whether a specialist investigator needs to be called in based on the auditor's findings and the materiality of the suspected event.

At the end of each assignment, the internal auditor shall prepare a report outlining its main findings and conclusions and documenting information to support the conclusions. The draft report should be issued within one month of completing the field work. The draft report should be first discussed with the audit client to obtain their comments. The final report shall be submitted to the Project Coordinator with copy to the IA management of the DFGG component audited within two weeks of receiving comments from audit client. The audit findings will then be provided to IDA.

The Program Coordinator shall follow up audit findings and recommendations with concerned managers and agree on a time-bound action plan to implement audit recommendations. It will be the responsibility of Project Management of each IA to implement the recommendations of an audit assignment. The Internal Audit Unit (IAU) should establish a follow-up process to monitor and ensure that management actions have been effectively implemented.

The IAU should aim to carry out at least two audit activities in a year for each sub-component of DFGG. *In case of Component 2, the audit should focus on the TAF compliance with the grant management process agreed for the project.*

The IAU is responsible for custody and safe retention of all records relating the audit until one year after the receipt of the last audit report.

External Audit

The Audit Law of Cambodia assigns the function of external audit to the National Audit Authority (NAA), which is an independent body reporting to the National Assembly. However, as identified in the 2003 IFAPER, the NAA is a new organization with weak capacity. Therefore, an independent external annual audit of the project financial statements is required.

The project financial statements will therefore be audited annually in accordance with International Standard on Auditing (ISA) by independent auditors. The external auditors should be appointed prior to the first audit period to allow the auditor able to submit the audit report within the due date. The audited financial statements will be submitted to IDA within six months after the end of each fiscal year.

There would be **two separate external audits**. The first audit would be coordinated by the PCO and cover all the IAs, except for the ACF for Project related funds. A second audit would be undertaken separately by the ACF as part of their regular annual auditing requirements. This would cover all expenses of the ACF, including non-Project funds.

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Each external auditor is required to issue a single opinion covering project accounts, the usage of statement of expenditures, and the management of designated accounts. In addition, a management letter outlining any internal control weaknesses will also be issued by the external auditor together with the audit reports.

Attachment 1 to Section B.5:

Cambodia: Demand for Good Governance Project
Component: xx (To indicate only the implemented component only)
Interim Financial Reports (IFRs)
For the quarter ended mm/dd/yy

Report 1

FM: Template for Discussion of Project Progress

Project Progress

*(narrative discussion of implementation progress in each project component
as
compared to projected outputs in each component)*

Procurement Status

(descriptive summary of procurement status and implementation problems)

IFR and Variance Analysis

(narrative discussion of project progress in monetary term and variance analysis)

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Attachment 2 to Section B.5:

Cambodia: Demand for Good Governance Project
Component: xx (To indicate only the implemented component only)

FM: Template for Project Balance Sheet

AS OF mm/dd/yy

Report 2

ASSETS		<u>09/2008</u>
Cash		
	DA - IDA	xx
	Bank - AusAud	xx
	Bank - Other Donors	xx
	Counterpart Funds Account	xx
	Advance	xx
	Petty Cash	xx
		xx
	Cumulative Project Expenditures	
	Civil Work (OWSO Office construction and renovation)	xx
	Goods	xx
	Consultants' Services	xx
	Training/Workshops	xx
	ACF Operating Costs	xx
	Incremental Operating Costs	xx
	Sub-Grants	xx
	MBPI	xx
	PMG	xx
		xx
	TOTAL ASSETS	xx
	FUNDS	
	Sources of IDA Financing	xx
	Sources of AusAID Financing	xx
	Sources of RGC Financing	xx
	Sources of Other Donors	xx
	TOTAL FUNDS	xx

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Attachment 3 to Section B.5:

FM: Template for Sources and Uses of Funds by Category (part of consolidated IFR*)

*The IFRs for each IA will have the same format but only the portion related to its component will be presented

Cambodia: Demand for Good Governance Project												
Component: xx (To indicate only the implemented component only)												
Sources and Uses of Funds by Category												
For the quarter ended mm/dd/yy												
										Report 3		
			<i>Actual</i>			<i>Budget</i>			<i>Variance</i>			
Component B			Current Quarter	Year to Date	Cumulative to Date	Current Quarter	Year to Date	Cumulative to Date	Current Quarter	Year to Date	Cumulative to Date	PAD
Opening Balance												
DA - IDA												
Bank - AusAID												
Bank - Other Donors												
Counterpart Funds Account												
Advance												
Petty Cash												
Total												
Add	Sources:											
Receipt of Funds												
- From IDA											20,000,000	
- From AusAID											3,621,210	
- From other donors											217,605	
- From Government											1,438,728	
- Other Income (document bidding fees..., etc.)												
Total Funds Received											25,277,543	

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Attachment 4 to Section B.5:

FM: Template for Uses of Funds by Category and by Source of Funds (part of consolidated IFR*)

*The IFRs for each IA will have the same format but only the portion related to its component will be presented

Cambodia: Demand for Good Governance Project

Component: xx (To indicate only the implemented component only)

Uses of Funds by Category and by Source of Funds

For the quarter ended mm/dd/yy

Report 3.1

	Current Quarter				Year to date				Cumulative to date			
	IDA Grant	AusAID	RGC	Total	IDA Grant	AusAID	RGC	Total	IDA Grant	AusAID	RGC	Total
<u>Payment by category</u>												
Works												
Goods												
Consulting												
Training												
ACF Operating Costs												
Incremental Operating Costs												
Sub-Grants												
MBPI												
PMG												
Total Payments												

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Attachment 5 to Section B.5:

FM: Template for Uses of Funds by Project Activity (part of IFR*)

**The IFRs for each IA will have the same format but only the portion related to its component will be presented

Cambodia: Demand for Good Governance Project											
Component: xx (To indicate only the implemented component only)											
Use of Funds by Project Activity											
For the quarter ended mm/dd/yy										Report 4	
Project Component		Actual			Budget			Variance			PAD
		Current Quarter	Year to Date	Cumulative to Date	Current Quarter	Year to Date	Cumulative to Date	Current Quarter	Year to Date	Cumulative to Date	
1A	Support to the Arbitration Council (AC)										
a	AC Institutional Integrity and Sustainability									\$ 169,410	
b	Labor Dispute Solution									\$ 999,536	
c	Partnerships and Stakeholders Outreach and Training									\$ 467,770	
d	General Operations and Project Management									\$ 1,122,574	
	TOTAL									\$ 2,759,290	
1B	Support to the MONASRI										
a	Law Dissemination and Complaints Handling									\$ 1,418,499	
b	Capacity Building and Project Management									\$ 594,286	
c	MBPI/PMG									\$ 490,080	
	TOTAL									\$ 2,502,865	
1C	Support to OWSO-DO										
a	Expansion and Strengthening of OWSO to Other Districts									\$ 2,365,039	

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b	Expansion and Strengthening the Capacity of the DO										\$ 18,788
c	Implementing New Forms of Citizens Participation and Outreach										\$ 304,600
d	M&E and Learning										\$ 125,500
e	Project Management										\$ 582,560
f	MBPI/PMG										\$ 1,365,228
	TOTAL										\$ 4,761,715
1D	Support to RNK										
a	Content Development										\$ 2,228,930
b	Institutional Strengthening										\$ 3,136,840
c	MBPI/PMG										\$ 522,864
	TOTAL										\$ 5,888,634
2	Support to Non-state Institutions										
a	Partnership Grants										\$ 1,033,694
b	Thematic Grants										\$ 2,974,892
c	Capacity Building, M&E and Learning										\$ 266,413
	TOTAL										\$ 4,274,999
3A	Coordination and Learning										
a	Project Coordination										\$ 1,519,604
b	Learning and Communication										\$ 932,052
	TOTAL										\$ 2,451,656
	PPF1+PPF2										\$ 1,646,640
	Unallocated										\$ 991,743
	Total Project Expenditure										\$ 25,277,542

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Attachment 6 to Section B.5:

DISBURSEMENT: Template for Statement of Expenditures (SOE)



THE WORLD BANK
 1818 H Street, N.W., Washington, DC 20433 U.S.A.
**APPLICATION FOR WITHDRAWAL
 STATEMENT OF EXPENSES (SOE)
 CONTRACT DETAIL**
Read instructions on reverse

Date _____ Application No. _____ Summary Sheet No. _____
 Category or Sub-Project No. _____ IBRD Loan, IDA Credit or Cofinancier Ref. No. _____

Item No.	Name and Address of Contractors/Suppliers	Contract or Purchase Order No. & Date (or other ref.)	Brief Description of Goods, Works, or Services	Currency and Total Amount of Contract	Total Amount of Invoices Covered by Application (net of retention)	Elig. %	Invoice Amount Eligible for Financing	Amount Paid from Special Account (if any)	Remarks	Date of Payment
TOTALS										

Supporting documents for this SOE retained at _____ (insert location)

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Attachment 7 to Section B.5:

DISBURSEMENT: Template for Payments Made against Contracts Subject to the Association’s Prior Review

**Payments Made during Reporting Period
Against Contracts Subject to the Association’s Prior Review**

Contract Number	Supplier	Contract Date	Contract Amount	Date of WB’s Non Objection to Contract	Amount Paid to Supplier during Period	WB’s Share of Amt Paid to Supplier during Period
------------------------	-----------------	----------------------	------------------------	---	--	---

C. GOOD GOVERNANCE FRAMEWORK (GGF)

C.1 Background and Objectives

The GGF is a recent introduction to the World Bank project portfolio in Cambodia. The process aims to supplement the traditional supply side interventions (such as procurement, financial management) with demand side (such as role of civil society, complaints and grievance mechanisms) to enhance project transparency and accountability in the implementation of World Bank projects. Given the purpose and focus of the DFGG project, it will be held to a high standard of integrity and accountability by local stakeholders and the international community alike. Therefore, every effort must be made to ensure transparency and accountability in project management, and measures need to be put in place to prevent, detect and control any misuse of project resources. This makes the GGF particularly important for this project.

The GGF itself is essentially a matrix that summarizes the range of enhanced procurement, financial management, public participation, transparency, third party verification and other measures which will be applied to projects to reduce and mitigate risks. The general GGF measures are derived from country and sectoral experience with corruption and other aspects of governance. In addition to providing a mechanism to assess the sum of actions being taken, the GGF provides a tool for strengthening supervision and evaluation by both the Government and the Bank of the key activities required to prevent corruption and misuse of project resources. This supervision and evaluation component also provides the Government with the opportunity to test the effectiveness of the GGF measures for eventual incorporation into strengthened country systems.

The GGF matrix which is attached to this subsection is formatted around *eight* categories, namely: (1) Procurement; (2) Financial Management; (3) Disclosure; (4) Civil Society Role; (5) Complaints and Remedies; (6) Code of Ethical Conduct; (7) Sanctions; and (8) Project Specific Elements. The matrix also outlines salient risks that are common to most, if not all, IAs and to the project as a whole.

Given the multiple IAs in the DFGG project, the same template based on the above eight categories has been adopted to prepare a similar '**Good Governance Plan**' (GGP) for each IA. This adds another layer of safeguards for ensuring open and clean management of all activities related to the Project.³¹

As successful achievement of good governance environment largely depends on project leaders, staff and all other external participants (contractors, suppliers, consultants etc.), the overall project GGF and the IA GGPs have each been adopted and signed by their respective PD and senior management level officials in the concerned agencies. They are therefore legally binding documents. In addition an ethical code of conduct has been prepared for staff working on the DFGG project (attachment 2 to this subsection) which also needs to be adopted and adhered to. It is essential that all actors involved in project implementation understand the behaviour expected of them, agree voluntarily to follow the expected standards behaviour by signing the ethical code of conduct, and agree to fully cooperate with investigation in case of allegations of breach of conduct.

³¹ The individual GGPs for each IA are available in the IA Project Proposals included in PIM Volume 2.

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C.2 Implementation Responsibilities

The GGF is meant to be a living document that is used as much for monitoring, planning, and strategy as it is for ensuring compliance. This is why the last column of the GGF/GGP includes targets and monitoring indicators that will form the basis for testing the degree to which the GGF and the individual IA GGPs are being effectively implemented.

GGF Implementation

The primary responsibility for implementation and monitoring of the overall project GGF lies with the individual Project Coordinator and PCO Project Director. The Project Coordinator shall not only oversee the overall Project GGF, but also monitor implementation of the IA GGPs. Likewise each IA Project Director needs to ensure implementation of the overall GGF as applicable to his/her own agency.

The Project Coordinator shall consult with the PMT and seek advice from PCG, if necessary, in ensuring that the GGP for each IA and GGF for the Project as a whole is duly implemented. The PCO will assign a staff member, who is independent of the PCO finance and procurement functions, to be responsible for coordinating the GGF activities for the Project.

The PCO shall arrange that the following documents are submitted for Project Coordinator and PMT review:

- a) *Annual GGF Plan* to be submitted at the beginning of each year for review of PMT. The annual plan should update the GGF plans, discuss any emerging issues, and seek guidance from PMT on addressing these issues.
- b) *A semi-annual progress report* on implementation of the overall GGF. The semi-annual review should focus on actions taken under each of the identified categories, role of civil society in project implementation, the number of grants approved under component 2 for CSO partnership with SIs and their outcome, number of complaints received through grievance and remedies mechanisms and actions taken on complaints, and observations on implementation of IA GGPs.
- c) *Internal audit reports* on any specific investigations carried out in the period under review.

GGP Implementation

Each IA Project Director will be responsible for implementation and monitoring of the GGP for their agency. Each Project Director will therefore designate a staff member, who is independent of the finance and procurement units, to be the coordinator for GGP activities.

Under the direction of the GGP coordinator, the following documents will be submitted to the Project Director of each IA:

- a) *Annual GGP update* based on the previous year's implantation experience and addressing any issues and problems.

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- b) *A semi-annual monitoring report* demonstrating plans, the actions undertaken, their costs, and results.
- c) Identification of areas for investigation or for referring to internal audit.

Training related to GGF/GGPs

Given its recent introduction, there is limited experience in the process as well as limited capacities and expertise in implementation of GGF/GGPs. Continuous learning and training program will be therefore be instituted to learn by experience of the DFGG Project as well as other projects and improve the quality and implementation of GGF/GGPs.

In this regard, the PCO will organize the following activities to support this process:

- a) *An annual workshop* with all IA managers, representatives of CSOs associated with GGF/TTGPs, key staff responsible for GGF in MEF and other project executing ministries, and staff of the World Bank.
- b) *Training sessions* for DFGG staff and CSO staff engaged in DFGG project activities through the Component 3B on Learning.

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Attachment 1 to Section V.C:

GGF: Good Governance Framework for the Overall DFGG Project

	Issue	Action to Mitigate Risk	Responsibility	Target/Monitoring
1	Element 1: Procurement			
1a	Reduce potential irregularities.	<p>Unless otherwise agreed between the RGC and the IDA, the RGC shall use the services of an International Procurement Agent (IPA) engaged by MEF under TOR satisfactory to IDA for all procurement under all components of the Project, with the following exceptions, which shall be carried out by the respective component IA:</p> <p>1. procurement under all components (i) through direct contracting, (ii) from UN agencies, (iii) by single source, and (iv) by sole source selection; and</p> <p>2. procurement financed by sources other than IDA, including RGC and all bilateral donors.</p> <p>For procurement undertaken by the IPA, each component IA shall prepare technical specifications for goods and works and TOR for consultants and hand over to the IPA, who shall prepare bidding documents and RFPs, call and evaluate bids and recommend award, all in accordance with the WB's Procurement and Consultant Guidelines and the Procurement Provisions of the Financing Agreement, including the use under NCB and Shopping methods of the RGC's Externally Assisted Procurement Manual for Goods, Works and Services (SOP/PM), mandated by MEF Sub-Decree No. 14 dated February 26, 2007.</p>	<p>MEF – IPA commenced work in December 2007.</p> <p>Component IAs.</p> <p>Component IAs.</p> <p>Component IAs.</p> <p>Included in IPA's TOR.</p>	<p>All component IAs to agree IPA's role by negotiations. To be reflected in the Financing Agreement.</p> <p>IDA to monitor through supervision missions and prior and post reviews.</p> <p>IDA to monitor through supervision missions and prior and post reviews.</p> <p>IDA to monitor through supervision missions and prior and post reviews.</p> <p>Supervision of IPA by the RGC's Inter-Ministerial Procurement Committee (IPC). IDA monitoring of IPA's work through quarterly review meetings and prior and post reviews.</p>
1b	Ensure adequate procurement capacity of each component IA.	IDA has reviewed the procurement capacity of each IA and action plans are developed to address capacity issues.	Component IAs with IDA NOL (see IA-specific GGFs).	Agree action plans at appraisal. Implementation of action plans including recruitment of staff by advance action, with staff in place at project commencement.
1c	Avoid risk of	Each IA to prepare realistic annual Procurement Plan	Component IAs with IDA	Agree first 18-month Plan at appraisal.

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	inadequate or delayed Procurement Plans.	based on its Annual Work Plan and Budget. Procurement Plans for the first eighteen months of project implementation have already been developed.	NOL (see IA-specific GGFs). PCO to coordinate.	PCO to submit preliminary updated estimates to MEF and IDA annually in June (for MEF budget estimates), preliminary updated plans by September, and final updated plan by December. PCO to monitor. IDA to verify through prior and post reviews.
1d	Informal payments by contractors, suppliers and consultants.	All contractors, suppliers and consultants – firms or individuals, national and international – bidding for contracts under the project shall sign the Declaration on Ethical Conduct and Fraud and Corruption in the SOP/PM. Amend item 5 of the Declaration to read: “In connection with this procurement exercise and any contract that is awarded to us as a result thereof, no payments have been made or will be made by us, our associates, agents, shareholders, partners or their relatives or associates to any of the staff, associates, consultants, employees or relatives of such who are involved with the procurement process, contract implementation, and the issuance of progress payments on behalf of the purchaser, client or employer.” Amended Declaration to be included in all bidding documents, requests for proposals (RFPs), and contracts.	IPA through MEF instruction.	
2	Element 2: Financial Management			
2a	Strengthen internal controls.	All component IAs to follow SOP/FMM procedures, mandated by Sub-Decree No. 14 dated February 26, 2007, supplemented by a project-specific Financial Management and Disbursement Manual (FMDM) currently at draft stage.	PCO to complete FMDM acceptable to DFGG project Coordinator and obtain IDA NOL. Each component IA Chief Financial Officers to ensure compliance.	Draft FMDM agreed by negotiations and final version to be completed during DFGG pre-implementation stage. ³² Reflect use of SOP/FMM and FMDM in Financing Agreement. IDA to verify compliance during supervision missions. PCO Internal Audit Unit to carry out spot checks on compliance.

³² The DFGG pre-implementation stage is currently scheduled to run from May to December 2008.

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2b Strengthen financial management capacity.	<p>PCO will recruit a qualified accountant as Financial Management Adviser for the whole Project, and a Project Accountant and two accounting officers for duties within the PCO, all under TOR acceptable to the IDA.</p> <p>Each IA to implement the detailed action plans (including training and recruitment of staff) which have been developed to address issues identified through the financial management capacity assessment carried out during project preparation.</p>	PCO with IDA NOL.	Agree TOR at appraisal. Recruit by October 2008.
		<p>See component specific GGFs.</p>	
2c Ensure uniform Project accounting and readiness of proprietary software.	<p>PCO will ensure that each component IA establishes a uniform Project accounting system with a common chart of accounts, using a proprietary software package satisfactory to the IDA.</p>	PCO with IDA NOL.	<p>Agree proprietary package by October 2008. PCO to install by effectiveness. IDA to monitor correct use during FM supervision missions.</p>
2d Ensure comprehensive FM reporting.	<p>All component IAs will utilize a template for interim FM reporting which has been developed and will be agreed.</p> <p>Reports to be submitted to IDA quarterly not more than 45 days after the end of the reporting period.</p>	<p>PCO and all component IAs.</p>	<p>Agree template by negotiations.</p>
2e Ensure effective internal audit in all component IAs.	<p>An Internal Audit Unit comprising an experienced internal auditor and two assistants will be established in the PCO and be responsible for internal audit of all Project components, including the provincial activities of component IAs.</p>	<p>PCO will prepare TOR for Internal Audit Unit with IDA NOL. PCO will</p>	<p>PCO to monitor FM reports by component IAs for compliance with agreed template and submission deadlines. TOR to be agreed by October 2008. Auditors in place by January 2009.</p>

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			recruit auditors.	
2f	Annual external audit of whole Project.	An independent auditor acceptable to IDA will be appointed to carry out an annual audit of project financial statements and effectiveness of internal controls, in accordance with TOR satisfactory to IDA.	PCO to prepare TOR and obtain IDA NOL. IPA to recruit external auditor.	Agree TOR by June 2009. Appointment in time for first annual audit, first quarter 2010.
2g	Minimize cash transactions.	All progress payments to contractors, suppliers and consultants – firms, individuals, national and international – to be made by check or transfer to bank accounts. Retain evidence for audit and IDA supervision missions. Petty cash transactions to be limited to amounts less than US\$500 equivalent.	Each component IA Chief Financial Officer.	PCO to monitor all other component agencies and report quarterly to MOI. IDA to monitor during supervision missions.
2h	Avoid inconsistency in allowances paid to Government staff attending training, workshops and study tours	Adopt MEF Decision Letter No. 2000 of April 23, 2007, for DSA rates for in-country travel. For international travel, some of the DSA rates specified in Anukret 10 of April 12, 2004 are position-based and/or higher than UN norms and are not acceptable to IDA for application on IDA-financed projects.	MEF/IDA to discuss and agree standard DSA for international travel, after which MEF to advise MOI. PCO to ensure compliance of all component IAs.	International DSA rates to be agreed by October 2008. Until then, IAs may use IDA rates for overseas travel. IDA to monitor SOEs with withdrawal applications.
2i	Planning of training, workshops and study tours.	Each component IA will establish an Annual Training and Workshop Plan in accordance with its approved Project Proposal. The Plan should include: <ol style="list-style-type: none"> 1. Detailed costs estimates. 2. Eligibility rules for attending training, workshops and study tours. Attendees must: <ul style="list-style-type: none"> • be engaged in work relevant to the training; • be competent in the language used; • after return, report on and share their experiences for the benefit of the project. 3. Evidence that training, workshops, study tours and other similar activities: <ul style="list-style-type: none"> • are in line with project aims and objectives • meet identified needs within the subcomponent plans 	The PCO will coordinate component IA Plans and submit to IDA for NOL. PCO and project agencies to follow Working Group guidelines when issued (see below).	NOL in March and submission to MEF in June (for MEF initial round of budget submissions). IDA to verify through its membership of Working Group.

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	<ul style="list-style-type: none"> • have budget in line with planned expenditure. 		
	<p>Cost guidelines to be established for selected training/workshop activities:</p> <ul style="list-style-type: none"> • venue rental with refreshments/meals • sound and projection equipment hire • stationery/hand-outs • project-specific training and workshop materials • simultaneous translators • photocopying, reproduction, translation 	Working Group comprising MEF, IAs of all projects and IDA.	Establish Working group by August 2008. Agree guidelines and issue directive to all IDA-funded projects by end-December 2008.
	<p>Define evidence to be submitted by attendees for reimbursement of expenses which may include:</p> <ul style="list-style-type: none"> • proof of attendance for period claimed with signed statement by the workshop, training or study tour organizer or host; • proof of travel by air – ticket stubs, travel agent’s receipt, airline boarding passes • receipted hotel bills (for proof of stay); • receipts for incidental traveling expenses; • receipted invoices for venue rental, food and beverage, sound/projection equipment, hire of simultaneous translator, stationery and handouts, use of photocopying facilities. 	Working Group to define evidence and include in directive. PCO to ensure compliance of component IAs.	Directive issued by December 2008. IDA to monitor SOEs with withdrawal applications.
	<p>Reimburse against receipts except where covered by fixed allowances in MEF’s letter No. 2000. Evidence of payment to be kept for attendees’ per diem and allowances.</p>	Each component IA Chief Financial Officer.	PCO to monitor compliance. IDA to monitor SOEs with withdrawal applications and verify during supervision missions.
2j	<p>Avoid delayed or non-existent reconciliation of advances for operating costs and expenses.</p> <p>Each component IA will maintain an advance register, vehicle logbook and fuel register. Advances for operating costs and expenses to offices, individuals or groups involved in project activities to be reconciled within two weeks of the end of each month. No further advance to be paid to an office, individual or group until its previous advance is reconciled and cleared against documentary evidence.</p>	Each component IA Chief Financial Officer.	PCO to monitor compliance. IDA to verify during supervision missions.
2k	<p>Adoption of the MBPI and PMG for</p> <p>MEF and MOI agree that the State component IAs will adopt the MBPI and PMG systems of salary incentives.</p>	PCO to complete the	Manual and cost sharing to be approved during negotiations. PCO to monitor

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State implemented components.

The MBPI and PMG will be implemented strictly according to the MBPI and the PMG Manuals to be prepared for the Project.

MBPI and PMG Manuals, application including cost sharing basis, for MEF and IDA approval.

3 Element 3 : Disclosure

3a Minimize conflict of interest among project staff.

Project staff to disclose private and public affiliations or personal interest before becoming involved in any project-related transaction or contract award decision.

Project managers of all component IAs to ask for and retain written disclosure.

PCO to monitor. IDA to verify during supervision missions.

3b Enhance transparency through greater public disclosure of project information.

Component IAs to disclose information on their individual websites in accordance with guidelines set forth in their Communications Plans, with hard copies available at component IA offices for public inspection on request. As a minimum, disclosed information is expected to include:

- project name, objectives, original and revised amount, sources of funding, effectiveness date, original closing date, revised closing date, number of extensions, name and address of implementing agency, name of Project Director with contact information, name of WB TTL and contact information in the MEF-WB unit and WB Office in Cambodia
- IA project proposals agreed at appraisal
- Annual Work Program and Procurement Plan, identifying contracts to be procured in next 12 months, nature of each contract, location, method of procurement, means of advertisement, bidding period, location where bidding documents and RFPs can be inspected, expected date of availability, and cost of bidding documents
- consultant long and short lists
- bidding documents and RFP's to be available for inspection
- bid closing dates, names of bidders and their bid prices

PCO to coordinate lists of information to be disclosed by each component IA and agree with IDA.

By Negotiations. PCO to monitor progress during reviews.

Each component IA responsible for disclosure of information concerning its component. IPA will disclose procurement information.

Biannually. PCO to monitor compliance and IDA to verify during supervision missions.

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	at opening		
	<ul style="list-style-type: none"> • list and details of contracts awarded, names of losing bidders and, if their bid prices were lower than the winning bidder, the reason for their rejection • project progress reports, detailing project components, percentage completion, data on performance indicators, and planned and actual disbursements by subcomponent • annual financial statements and audit opinion • other specific reports prepared by the project • complaints and remedies and mechanism • code of ethical conduct 		
3c	Enhance Project visibility through the media.	PCO will establish the Learning and Communications Working Group to advise on learning, dissemination and communication activities for the Project.	PCO.
		Component IAs and the PCO to implement the project’s Communications Strategy so as to raise public awareness on governance issues, report on Project activities, help protect reform leaders and their civil society partners from reprisals and backlash, and manage negative publicity and scandals.	Component IAs and the PCO.
			Learning and Communications Working Group established during DFGG pre-implementation stage.
			Continuously after Project commencement. PCO to monitor progress. IDA to verify implementation during supervision missions.
4	Element 4: Civil Society Role		
4a	Greater involvement with CSOs.	All component IAs to implement their Partnership Plans included in the PIM, which will include the involvement of CSO(s) in selected aspects of project implementation and invitation to observe selected events.	PIM to be cleared by MOI and subject to NOL from IDA.
		All major CSO involvement to be recorded in Project progress reports.	PCO to coordinate with all State component IAs on reporting.
			Agree PIM during DFGG pre-implementation stage.
			PCO to monitor CSO involvement in State components. IDA to verify during supervision missions.
5	Element 5: Complaints (Grievances) and Remedies Mechanism		
5a	Introduce a formal complaints/grievances and remedies mechanism covering all components of the project.	The PIM will include a project-wide complaints and remedies mechanism for all components, including sub-procedures specific to particular components as necessary.	PCO with IDA NOL to PIM.
		Complaints procedures regarding procurement to follow	Agree PIM during DFGG pre-implementation stage. PCO to monitor adoption of complaints and remedies mechanism. IDA to verify during supervision missions.
			IDA to monitor during prior or post

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		process set out in SOP/PM	IPA/PCO.	reviews.
5b	Support the formal complaints mechanism with establishment of help lines and feedback channels.	PCO will establish informal advice- and information-giving mechanisms, as well as consultative meetings, dialogues and workshops, allowing for informal feedback to be provided, in a format and manner appropriate to the needs of the broad stakeholder of Project initiatives (especially those potentially affected by the project's initiatives).	PCO in consultation with component IAs to prepare mechanisms and include in the PIM.	Agree PIM during DFGG pre-implementation stage. PCO to monitor usage of help line and feedback channels. IDA to verify adoption during supervision missions.
6	Element 6: Code of Ethical Conduct			
6a	No overall Code of Conduct for civil servants. ³³	Each component IA to design Code for its project staff, including contracted staff, to sign individually. Government agencies may incorporate material from the Civil Service Statute of 1994.	Each component IA to design its Code.	Design and furnish copies to IDA during DFGG pre-implementation stage. PCO to monitor adoption. IDA to verify adoption during supervision missions.
7	Element 7: Sanctions			
7a	Reinforce Code of Conduct with sanctions for fraudulent and corrupt activity by staff of project agencies, contractors, suppliers and consultants.	Each component IA to identify and apply to project staff sanctions available under current law of Cambodia and its own regulations. Sanctions against contractors, suppliers and consultants will be those defined in Section 3 of the SOP/PM. IDA to apply sanctions available in its general and project-specific legal agreements, including the WB Group's Anti-Corruption Guidelines (ACG) and Sanctions Regime introduced in October 2006 and as may be updated subsequently.	Each component IA to identify and disseminate with Code of Ethical Conduct. IDA to provide copies of its ACG and Sanctions Regime to PCO and all IAs.	Define and furnish copy to IDA during DFGG pre-implementation stage. PCO to monitor application and IDA to verify during supervision missions. Copy of ACG and Sanctions Regime provided to PCO during appraisal. IDA may apply sanctions whenever evidence is found.
8	Element 8: Project Specific Elements			
8a	Verification and technical audit to prevent capture of Project resources for non-intended recipients or for personal benefit of individuals or groups	The PCO will recruit a team of independent technical audit consultants, both international and national, to carry out intermittent audit of all activities of the Project. The focus will be on due diligence to verify that goods, works and services being financed by the IDA Grant are in place in the specified quantity and acceptable quality, counterpart resources are in place, and that outputs of all activities are in line with Project design.	PCO will prepare TOR and obtain IDA NOL. IPA will recruit the technical audit consultants with IDA NOL during recruitment process.	During DFGG pre-implementation stage. Consultants in place by June 2009.

³³ See Code of Conduct as Attachment 2 to this Subsection.

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	with vested interests.			
8b	Use the GGF as a management tool with regular reviews and updates by mutual agreement.	PCO with senior management of component IAs to conduct quarterly reviews of the GGF and any other fiduciary risks, identify early warning signs and mitigation measures, and propose updates of the GGF as necessary for the IDA's consideration, to ensure that effective and adequate controls are in place.	PCO and all IAs.	PCO to report to the Government's ACWG and IDA within two weeks of each quarterly review.
		The PCO, with assistance from the Project Preparation Team will design and deliver training in risk management and anti-corruption, through workshops for all Project staff of all levels in component IAs financed under the supplemental PPF.	PCO and Project Preparation Team with IDA guidance and overview.	Training workshops to take place during DFGG pre-implementation stage when IA implementation teams are in place.
8c	Promote synergy, cross-learning and constructive competition among components of the Project.	PCO to arrange quarterly workshops among component IAs to share experience of problems encountered by them, and effectiveness of solutions applied. The workshops would also enhance healthy competition among IAs in promoting effective project management and innovation in good governance.	PCO and all component IAs.	Quarterly. PCO to report on workshops to MOI and all component IAs, with copy to IDA, not later than two weeks after each workshop.
8d	Strengthen oversight, monitoring and feedback on Project initiatives through demand-side social accountability.	Supplement the enhanced CSO role (item 4a) by engaging citizens and the media to monitor and provide feedback on the outputs and outcomes of project activities and organizing internships, dialogue, training workshops and focus events to reach out to NGOs, CSOs and other civic groups to publicize the Project's work. An example would be to organize a high profile nation-wide essay contest and art competition for youths on International Anti-Corruption Day (December 9) to solicit vision and ideas for the future.	All IAs to organize working groups and design activity plans, with PCO coordination.	IAs to draft plans during DFGG pre-implementation stage. PCO to furnish copies to IDA. PCO to monitor implementation.

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Attachment 1 to Section V.C:

GGF: Proposed Code of Conduct for Employees, Consultants, and Associates involved with the DFGG Project

All employees, associates and consultants of the project will undertake to do the following:

1. Act with honesty and integrity, avoiding actual or apparent conflicts of interest in one's personal and professional relationships, not allowing one's private interest to influence, or appear to influence, the impartial and objective performance of official duties.
2. Respect the laws of the Kingdom of Cambodia, comply with all rules and regulations of the Royal Government of Cambodia, and adhere to the relevant guidelines of the World Bank.
3. Decline or reject any gift, bribe or favour that may influence the exercise of official authority, performance of duty or judgment, except in the case of conventional hospitality or minor gifts with an estimated value of less than US\$10.
4. Not to use official authority and power of the office for one's own personal benefit or misuse one's official position to influence any person or organization for private purpose.
5. Act in good faith, diligence, and accountability in the discharge of one's official responsibilities, and not compromise one's independent judgment.
6. Exercise responsible use, control, and stewardship over all public finances, assets, facilities, services and resources and not use them for private purposes except when permission is lawfully given.
7. Resist the temptation of nepotism and favouritism in one's duties, including misusing one's official power and resources to benefit private interests including those of the family, close relatives, friends and persons or organizations with whom one has had business or political relations.
8. Strive to engage the public, external partners and constituencies with openness and transparency, and at the same time respect the confidentiality of information acquired in the course of one's work, except when legally or professionally obligated to disclose.
9. Proactively promote and be an example of ethical behaviour among one's peers, in the workplace, and in the community.
10. If one is aware of any evidence or suspicion of breaches of this Code, to report such concerns to the relevant authorities.

D. Complaints Handling System

D.1 Introduction

Since the DFGG project aims to assist the RGC reform process by encouraging and enabling demand-side citizen involvement in governance and social accountability processes, as well as building the capacity of participating SIs to better respond to demand-side concerns, it is especially important that the design of all project components incorporate mechanisms and processes to address complaints that may arise in the course of project implementation, as a result of their activities or omissions therein.

The DFGG Project, although time-bound, will therefore establish a Complaints Handling System (CHS) that will receive and act upon complaints from citizens or organizations in relation to any occurrences for which the DFGG Project is directly responsible (or believed to be responsible), and which are perceived by the aggrieved party to have involved corrupt, illegal, unjust, or unfair activities, omissions, or behavior.

The CHS will consist of mechanisms and procedures at *two levels*: (i) the various IAs; and (ii) a Complaints Handling Mechanism (CHM) which will involve the PMT and, as need, the PCG, and will be supported through the MOI's PCO. These are briefly described below.

What constitutes a 'complaint'?

For the purposes of the DFGG Project, a complaint is a notification (in written, verbal or electronic form) regarding project activities and/or conduct of staff, consultants, partners and/or sub-contractors of the six IAs, directly or indirectly supporting the project or associated with its implementation, which the complainant believes is wrong, either under the law or on the grounds of unacceptable behavior.

The complainant(s) need not be personally aggrieved or impacted, and may be acting merely in accordance with a sense of civic duty in bringing an occurrence to the attention of project authorities.

All complaints, whether notified by persons who feel personally aggrieved or acting out of a sense of civic duty, will be acknowledged and acted upon by project authorities.

D.2 CHS at the IA level

As such, most of the IAs already have some form of complaints handling already existent – e.g. the AC already has standard procedures and guidelines to handle complaints and related questions with regards to labor disputes that are registered with it. Similarly, MONASRI has a complaints handling department, and the NCDDES shall be using the office of the District

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Ombudsman as a means to receive citizen grievances at the local level. The CHS for the DFGG project will aim to build on and strengthen these existing mechanisms.

At the level of an individual IA, it is envisaged that complaints may fall under one of three situations:

- (i) the complaint refers to outputs, activities and processes that fall under the IA's mandate – at first instance, these should be handled by the relevant IA, where it is assumed that an understanding of the concerns raised and options for addressing them will be greatest;
- (ii) the complaint refers to an issue outside the mandate and scope of work of the IA – these should be channeled to the appropriate agency; and
- (iii) the submission is not a complaint but, in effect, a request for information or clarification – the required information or clarification, if within the scope of the IA, will be provided directly or will be channeled to the appropriate agency, if needed.

In support of this approach, each IA should have a clearly **designated focal point**, who will receive, screen, and route the submission as appropriate – whether to be handled within the IA, through its internal mechanism, or forwarded elsewhere. If resolution of the complaint through the IA's internal mechanism is not achieved, the complaint will be referred to the MOI.

D.3 The Complaints Handling Mechanism (CHM) at the MOI

Apart from the individual IA complaints mechanisms, a stand alone Complaints Handling Mechanism (CHM) will be established at the MOI. The MOI's CHM may receive submissions directly from stakeholders, through the DFGG website, and in written or verbal form (if a phone hotline is established); it may also receive complaints forwarded by the IAs, as noted above. As in the case of the IAs, the CHM will require the screening of submissions for appropriate handling.

The CHM will directly focus on and seek to resolve those complaints (and requests for information or clarification) that pertain to outputs, activities and processes undertaken by the DFGG Project, i.e., those which (i) are described in this PIM; (ii) are funded through the DFGG Project (including counterpart funds); and (iii) are carried out by staff or consultants of the six IAs, or by their partners and sub-contractors, directly or indirectly supporting the project.

It is envisaged that such cases would fall under (but are not limited to) the following categories:

- (i) request for information, comment or suggestion, e.g., request for clarification as to the delay in reimbursing expenses of participants in a given training event;
- (ii) violation of rights or non-performance of obligations, e.g., complaint by consultant or firm whose contract is suspended as a result of presumed poor performance or non-delivery of agreed-upon outputs;
- (iii) grievances or offenses involving a violation of law, e.g., allegations of corruption; and

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- (iv) complaints against project staff, members of project committees, consultants, and sub-contractors involved in project implementation, e.g., allegation of bias in the awards of the GMC for Component 2.

Examples of activities or events which the CHM at the MOI will not address would be:

- opinions given by callers to the RNK talk-back program;
- awards regarding labor disputes issued by the Arbitration Council;
- application of laws which are under the purview of MONASRI;
- the types and extent of services provided by the One Window Service Office;
- the results of social accountability audits carried out by an NSA grant recipient; and
- opinions about government programs outside the mandate of the DFGG Project, voiced by participants in learning and communication activities conducted under Component 3B.

In the event that complaints are received concerning such activities, these will be acknowledged and then passed on to the relevant agency for appropriate handling.

Institutional Arrangements for the CHM at the MOI

The CHM at the MOI will not require an additional institutional structure but will draw on existing resources through the following:

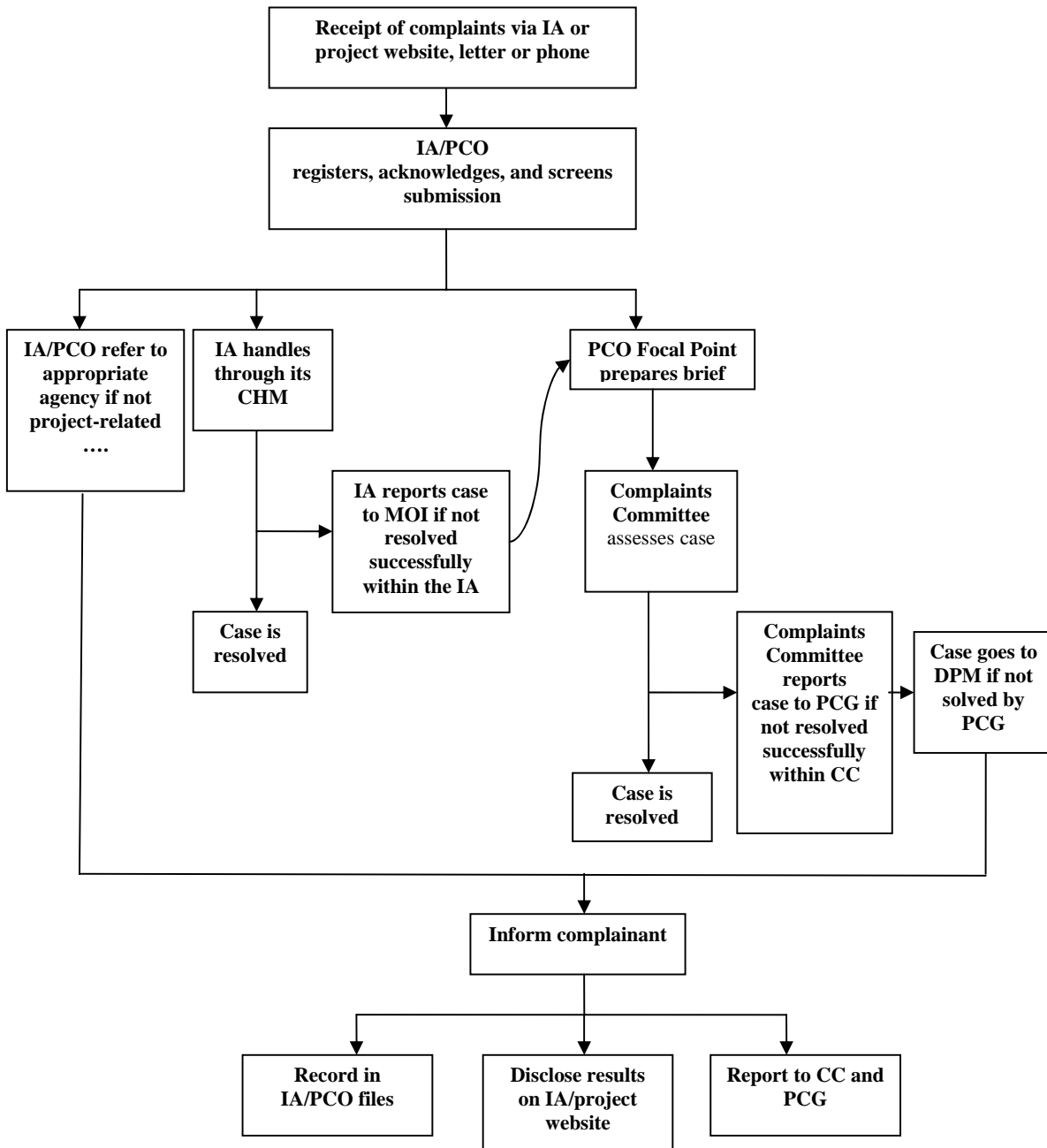
- (i) ***Complaints Committee***: To ensure fairness, oversee due diligence, and coordinate as needed across IAs in the handling of complaints, a Complaints Committee (CC) will be constituted. The CC will have a maximum of six members, the core of which will be drawn from the PMT (the DFGG Project Director and two other Project Directors from the IAs¹). The CC will also include the PCO Internal Auditor. In addition, to ensure neutrality, the committee will include, one or two respected representatives of the non-state sector, to be nominated by the GMC of Component 2 or from within the Advisory Committees of the various components and subcomponents. A representative from the RTO (to be engaged to facilitate implementation of Component 3B) will also be invited to participate as an observer. The Project Director will chair the Committee meetings.
- (ii) ***PCO support***: Overall responsibility for managing the CHM at the MOI will be held by the Project Director. A staff of the MOI's PCO will be appointed as the focal point for undertaking the day-to-day tasks associated with the various steps of the process described below. It is anticipated that staff from the MOI Inspection Unit may join the PCO to undertake these support tasks.

¹ These may be selected to serve on the Committee for a given period of time (e.g., one year) or on an ad-hoc basis, depending on the nature of the case brought before the Committee.

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Figure 1 below summarizes the key features of the CHS of the DFGG Project, differentiating between the mechanisms that are foreseen within each IA and that which would become available at the MOI through its PCO.

Figure 5: Key Features of the DFGG Project Complaints Handling System



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D.3 Key Principles of the CHS

The principles upon which the DFGG CHS will be founded are:

- *Accessibility:* There will be alternative entry points to access the CHS. Complaints may be submitted through any of the IAs or to the MOI PCO. Complaints may be submitted in writing, by phone, or through the DFGG Project website. Complaints may be made by or on behalf of an individual, a community, or an organization. Individual communities and citizens may submit complaints either directly, or through a proxy organization, such as a NGO or trade union. The CHS, its structure and processes will be kept simple so as to be easily understood by all citizens and stakeholders.
- *Outreach:* Information about the CHS, and the alternative ways to access it, will be posted on the DFGG Project website, and will be presented and explained during DFGG Project orientation activities. Project publications, especially those targeting citizens, communities, and NSAs, will contain key information detailing the alternative channels for submitting complaints and explaining the process involved.
- *Neutrality:* To ensure fairness in the handling of complaints, a *Complaints Committee* (CC) will be established. The core of the CC will be drawn from the PMT, but will also include a respected and neutral representative of the non-state sector and a representative from the Research and Training Organization engaged to facilitate implementation of Subcomponent 3B (see Institutional Arrangements below). Committee members will absent themselves from committee business in the event that they or their agency are the subject of a complaint.
- *Responsiveness:* Receipt of all submissions will be acknowledged by the IA and by the PCO (as appropriate) within five working days. Consideration of valid complaints by the Complaints Committee will occur within 30 working days, giving time for collection and examination of evidence if required. Additional time may be required for negotiation with aggrieved parties, but resolution should not exceed 45 working days.
- *Openness and transparency:* The project will keep a record of all complaints submitted, including their outcomes, and details of time taken to consider and resolve the complaints. A regularly up-dated summary of this record will be posted on the DFGG Project website, and will be available to stakeholders and the media.
- *Anonymity and confidentiality:* Citizens submitting complaints may request anonymity, in which case their names will not be made public through the website or released to the media. Confidentiality will also be observed during the period in which the Complaints Committee is considering a case (e.g., the source and any person, company or entity accused of wrongdoing should be protected).
- *Flexibility:* The overall DFGG Project CHS and the CHM at the MOI more specifically, will remain flexible in order to ensure alignment with the evolving mechanisms and processes within the other participating IAs, and to be able to incorporate the lessons and experience that will be made available in the course of project implementation. To this end, the overall CHS and the CHM at the MOI will be subject to stakeholder review at least annually.

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D.4 Key Steps and Processes for Handling Complaints in the CHM

The following is a summary of the key steps and processes for handling complaints at the CHM that will be established at the MOI:

- 1) *Receipt, registration, and acknowledgement of submissions:* In all cases, acknowledgement should be provided to the complainant within five working days.
- 2) *Screening of submissions:* Complaints which are not related to an area of DFGG Project responsibility will be forwarded to the relevant authority. All other submissions will be sent to the CC for consideration.
- 3) *Preparation of the case brief:* For all cases which are to be sent to the CC, the PCO focal point will prepare a brief report summarizing the origin and nature of the complaint, the proposed action to be taken, and the scope of the response to be provided. This report will be presented to the CC, along with the original complaint.
- 4) *Informing the World Bank:* In cases where a complaint might, if substantiated, involve a breach of the IDA legal agreements, the Bank's Task Team Leader must be notified immediately and be kept informed of the investigation process and its outcome.
- 5) *Assessment:* Reports on complaints will be reviewed by the CC, observing the principles of neutrality and responsiveness indicated above.
 - Initially, the Committee should consider all complaints **within 10 working days of receipt** of the brief. The Committee will preferably consider cases when it comes together for the monthly PMT meetings. However special meetings should be convened to consider cases where the nature of the complaint requires urgent action.
 - Where appropriate, the Committee may order further investigations and will designate one Committee member to oversee them. The PCO focal point may be called upon to obtain additional information on the case. The CC may also request that the RTO assist in further investigation and analysis of the case.
 - Persons, companies or entities accused of wrongdoing must be given a fair opportunity to present their side of the case.
 - The aim should be to have sufficient facts for **adjudication within 15 working days** after the case is presented to the Committee.
 - In cases where investigations are complex and unavoidably take longer, the complainant should be notified of progress at two-week intervals.
 - Deliberations of the CC will be by consensus.
- 6) *Response:* A formal response to the complainant will be issued in all cases, informing (i) whether the case was brought before the CC or was forwarded to another agency (and explaining why); (ii) what the outcome of the CC's deliberations were; and (iii) what follow-up actions are to be carried out.
- 7) *Disclosure:* Public disclosure (e.g. on the DFGG Project website) of the complaint, results of the assessment, and follow-up actions recommended by the Committee should be made once the Committee decision is reached, observing, however, the principle of anonymity and confidentiality as may be requested or required under certain cases.

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8) *Record-keeping:* The PCO focal point will keep records of the cases received, where and when they were routed, and the outcomes of the resolution process. For each case, all notes, memos and letters relating to a complaint and its investigation, must be maintained for review for a minimum of two years after the completion of the project. A summary report of the activities of the DFGG Complaints Committee, listing all complaints, responses, and processing times, will be submitted to each meeting of the Project Coordination Group. In addition, the PCO should maintain a **Complaints Book** (or computer file) which should include for all complaints the following:

- reference number,
- date and time of receipt,
- mode of receipt,
- person receiving;
- complainant’s name and contact details (these should be recorded and cross-referenced in separate book/file, to protect source);
- details of complaint;
- date first considered and further investigations ordered;
- summary of investigation findings;
- date of final consideration, decision reached, agreed action;
- date of notifying complainant and other concerned parties of decision and remedial action;
- date of follow-up to check that remedial action has been taken; and
- date of case closure

The Table below summarizes the roles and responsibilities of the MOI and the Complaints Committee in the DFGG CHM.

DFGG CHM: Roles and Responsibilities of the MOI and the Complaints Committee

<p>MOI PCO Project Coordinator</p> <ul style="list-style-type: none"> • provides oversight of day-to-day processes <p>MOI PCO Focal Point</p> <ul style="list-style-type: none"> • receives • registers • screens • prepares brief • records discussion • informs of results • provides reports for PMT and PCG <p>MOI Inspection Unit</p> <ul style="list-style-type: none"> • provides support to Focal Point 	<p>DFGG Complaints Committee composed of:</p> <ul style="list-style-type: none"> • DFGG Project Director • 2 IA Project Directors • MOI Internal Auditor • 1 or 2 representatives of civil society <p>Roles</p> <ul style="list-style-type: none"> • assesses/resolves cases • refers cases, if not successfully resolved to PCG 	<p>PCG/DPM</p> <ul style="list-style-type: none"> • consider/resolve appeals
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D.5 Right of Appeal and Alternative Mechanisms

In the event that a positive resolution of a complaint cannot be reached within 45 working days and no explanation is provided by the PCO as to why further time is needed to adequately consider the case, or if the aggrieved party is unsatisfied with a decision of the Complaints Committee, the matter may be referred to the next meeting of the PCG for consideration. If the PCG cannot resolve the issue, the PCG will refer the matter to the Minister of Interior for resolution.

In addition, incidents of corruption in relation to the use of DFGG Project funds, including unsound procurement activities, or improper use of equipment procured or purchased with DFGG funds, by staff appointed to the DFGG Project, by official partners of the participating IAs, by sub-contractors, or by NSA grant recipients, can also be channeled to the Government's Anti-Corruption Working Group established in MONASRI. At any time, a complainant retains the right to utilize the Cambodian court system.

The complainant may also utilize the complaints and remedies mechanism of the World Bank. Cases of fraud and corruption should be directed to the Office of Integrity (INT) of the WB.

E. RISK ASSESSMENT & MITIGATION

E.1 The Risk Management Process

Given the innovativeness of the DFGG project, the multiple IAs involved, and the sensitive topic of governance that it is focusing on, the project carries with it several risks that could adversely affect its implementation and the achievement of its development objectives. Senior Management of each IA and the PCO, therefore, have to remain very cognizant and vigilant about the key risks that they are likely to encounter and devise mechanisms to mitigate these as early as possible.

Given this, risk management is defined as the systematic identification of potential events that prevent or obstruct attainment of an entity objectives and taking measures to minimize the impact of those events. A disciplined approach to risk management, with the involvement of all high level project managers, will enable DFGG project managers to (a) deal effectively with potential future effect that creates uncertainty and (b) respond in a manner that reduces negative outcomes on project implementation.

The risk management process involves the following six steps:

- (i) ***Event identification*** requires that the management considers the risks identified at project preparation and further reviews any other incidents that may affect successful project implementation.
- (ii) ***Risk assessment*** involves reviewing the identified events from the perspectives of likelihood of the event occurring and the impact of the event on achieving project objectives. This process should assist managers to understand those events that may have the most adverse impact on project implementation
- (iii) ***Risk response*** is a process by which the management evaluate and adopt mitigation measures. This should also involve assessment of costs versus benefits of the proposed measures and degree to which the response will reduce impact and/or likelihood of risk events.
- (iv) ***Control activities*** are the policies and procedures in place to ensure that risk mitigation measures agreed are implemented.
- (v) ***Information & communication*** activities ensure that all staff are familiar with risks identified and mitigation measures and plans. This helps in successful implementation of risk responses.
- (vi) ***Monitoring*** helps determine the effectiveness of the processes, technologies and personnel executing risk management. To the extent, monitoring should be in-built to on-going monitoring activities, operational, procurement and financial. Where required, separate evaluations of the risk management process could be carried out to address any special identified problems.

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E.2 Risk Management Matrix for the Overall Project

For the DFGG project risks are identified at **two levels**: the sub-component level and at the project level. Therefore a separate risk assessment has been carried out for the overall project, and for each IA for their respective component/subcomponent. These are summarized in a series of ‘risk management matrices’ (see attachment 1 to this sub-section for the template).

Reproduced below is the risk management matrix for the overall project, which summarizes the project level risks identified during project preparation and proposed risk mitigation measures. The risk management matrices for the IAs are given in individual project proposals, which are included in PIM Volume 2.

Overall Risk Management Matrix for the Project

Risks	Risk Mitigation Measures	Risk Rating	Implementation Guidelines
To project development objective			
1. Political will to support the project will not be sustained.	By engaging with existing institutions and scaling up their on-going programs the project has ensured that there is a degree of ownership for the program from the start. It has been endorsed by the Prime Minister and the ranking Deputy Prime Minister. It fits Government policies described in the RS and the NSDP. The risk that current political will may waver due to change in champions and/or subversion by public officials who resist enhanced accountability cannot be eliminated. However, the project includes several measures to mitigate this risk: (i) Emphasis on constructive engagement across state and non-state actors, and on partnerships and networks, will generate support and likely pressure for continued implementation of DFGG approaches from multiple sources -- within Government and civil society. (ii) Champions in the Government and civil society (including leadership of the IAs and members of the PCG and GMC) will be encouraged to advocate for DFGG and the benefits it can bring Cambodia. (iii) Special attention will be paid to building the capacity and confidence of mid-level bureaucrats so that they continue to implement DFGG programs, even if there are changes at the top. (iv) Support for the MBPI and PMG systems will provide a salary incentive for government staff to sustain implementation. Additional incentives will be explored through the judicious use of study tours, overseas training and other carefully designed measures. (v) The communication program, which will disseminate results and showcase performance, will provide reputational incentives for the state institutions and actors to stay engaged. (vi) A consistent donor message, generated through the coordination process, will be shared with the Government on the importance of demand-side approaches to governance. (vii) Finally, the project team will continue to carry out the informal political economy assessment that it has undertaken regularly during project preparation to anticipate and address political uncertainties.	S	Vigilant identification of any adverse publicity and counter through communications and dissemination program. Wide dissemination of good practices among politicians, civil society, donors and GG practitioners. Staff training and capacity building of mid-level staff.
2. Complexity in project	The complexity is inherent in the ambitious development objectives proposed and in the strategy to include both state and	S	Annual Implementation

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<p>design and multiplicity of actors involved will lead to poor management, implementation and coordination.</p>	<p>non-state institutions. Risks are being mitigated by: (i) Selecting existing institutions and ongoing programs with some degree of proven capacity and experience to deliver project activities; (ii) Having them take a leading role in the intense and high-quality project preparation, with support from external consultants and the Bank where needed, to build ownership and understanding. (iii) Promoting learning by and capacity building of the SIs through a PPF Advance which supports pre-implementation activities. (iv) Simplifying the design of individual subcomponent programs to match IA capacities, by dropping activities and/or phasing and sequencing implementation. (v) Simplifying the design of the overall project by dropping entire subcomponents (vi) Allocating significant project funds to institutional strengthening and capacity building. (vii) Preparing time-bound implementation and procurement plans for the first 18 months for each component and subcomponent, with clear benchmarks and responsibilities. (viii) Building in regular monitoring and oversight, through the PCO and PCG and in each component and subcomponent, to ensure that management and progress of IA programs is on track. (ix) Using a flexible and gradual implementation approach that allows progressive adjustments to design based on lessons of implementation. (x) Adopting a modular project structure, so that each IA has independence to move ahead with their programs even if others are falling behind. (xi) Finally, a much greater than normal supervision effort on the part of the Bank is proposed to track progress and advise on adjustments in a timely manner.</p>		<p>Progress workshops to review performance on each component/sub-component and identify risks and propose actions. Focus group discussions and M&E surveys to provide feedback. Mid-term review to evaluate project design and propose actions</p>
<p>3. Project life of four years is too short to achieve desired results.</p>	<p>As all SI subcomponents build on existing programs or activities, so the majority of project-supported activities are ongoing for some time. In the case of Component 2, as many of the grants will be for short-term initiatives, results are expected within the project implementation period. There is also scope for repeater grants. Further, the two-year project preparation process includes an eleven-month period of activities funded through a PPF Advance that gives a head-start to the work that would have been done in the first year of implementation. Taking this into account, the project implementation period can be considered to be effectively about five years. Finally, it is accepted upfront that the project's intended outcomes will be delivered over a longer horizon, and there is a commitment from the Bank to support DFGG approaches as a long-term strategy. It is expected that important lessons can be learned about supporting DFGG during the implementation period of the project that can feed into future initiatives.</p>	<p>M</p>	<p>Ensure project implementation according to plans through control activities and monitoring activities to be undertaken by Project Directors and PCG</p>
<p>4. Partnerships and initiatives supported by the project will not be sustained and will not create the envisaged 'ripple effect' on other agencies and</p>	<p>In Cambodia, a culture of SIs and NSAs working together, and the kinds of innovations being tried in the project are not the norm. The risk of these partnerships breaking down and initiatives being dropped after the project closes are substantial. Risk mitigation measures are as follows: (i) The emphasis on a strong coordination, learning, and communication program that is included in each component (and is the prime objective of Component 3B) is expected to generate strong momentum for continuation of DFGG initiatives beyond the project implementation period. (ii) Component 3 is also expected to showcase the supported IAs and their programs thus "inspiring"</p>	<p>M</p>	<p>Information and communication activities to support addressing identified risks. A local partner research and training organization to assist project</p>

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reformers.	others to replicate DFGG activities. (iii) Component 2 and PECSA explicitly support networking and coalition building of NSAs. (iv) The project design stresses capacity building of SIs and NSAs aimed at longer-term institutional change and partnerships. (v) Finally, the project recognizes, rewards and links ‘good people doing good things’ on DFGG in Cambodia, who would be expected to keep these activities and partnerships going after the project.		learning and dissemination.
To component results			
1. Capacity of state institutions is too weak to deliver on planned programs.	Since most of the IAs selected in the project are building on their existing programs, there is already in place some degree of proven capacity and experience to deliver on the project activities. Key challenges lie however in scaling up programs. In addition, except the MOI, the other IAs have not implemented a Bank-financed project before. Risk mitigation measures are as follows: (i) A strong TA and capacity building program has been built into the project design. (ii) The pre-implementation period is being used to help prepare and train the IAs, and put in place systems, aiming to ensure a smooth and rapid transition to implementation after project effectiveness. (iii) During implementation, Annual Work Plans, with clear benchmarks, will be prepared, and a heavy investment will be made in M&E and learning lessons to make implementation more effective. (iv) An active communication campaign and a number of consultation mechanisms will assist IAs to listen and learn from different stakeholders and to enhance capacity based on feedback. (v) Finally, the modular structure of the project will allow scope for reallocating funds if performance of a specific institution falls short.	M	Identification of risks through staff surveys, training needs assessments, and training seminars and workshops. Staff performance appraisal process allows managers to be involved in developing mitigation strategies and action plans
2. Limited capacity of the MOI to coordinate IAs and lead the learning program.	Although the MOI has previous experience in implementing Bank-financed projects, cross-institutional coordination, involving various ministries and in close partnership with NSAs, will be a challenge. In addition, the learning program, critical to the creation of a “ripple effect” and to the ultimate success of the project, is a new area of engagement for the MOI. To address the risks posed by these challenges, the following measures have been taken: (i) Strategic use of the authority of the Minister of the MOI, who is also the ranking Deputy Prime Minister, to ensure that the IAs deliver on their promises and performance and the MOI can effectively play its coordination role. (ii) Simplification of project design, avoiding dispersion and focusing the scope on activities that can be shown to add value. (iii) Adoption of a gradual approach to implementation of the learning program, with a strong M&E element and a thorough mid-term review built in, as the basis for adjusting design of Component 3B as needed. (iv) Outsourcing the delivery of a significant set of activities to the RTO while ensuring capacity building for MOI staff and retaining the necessary responsibility for implementation with the PCO. (v) Capacity building for the MOI team during the project preparation period through the PPF Advance. (vi) Finally, the modular structure of the project in part avoids the danger of the whole project becoming hostage to capacity constraints within the MOI. While this is true for Component 3B, it represents a greater risk in the case of Component 3A, where the MOI has mandatory responsibilities as the project’s EA.	S	Performance standards established for MOI in key project coordination and monitoring areas. PMT through quarterly progress reports control and monitor risks.
3. Corruption	The systemic nature of corruption and the culture of patronage		Implementation of

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<p>and/or use of project resources for patronage purposes.</p>	<p>that exists in Cambodia is an obvious risk to project components. While the project will benefit from the Bank’s portfolio-wide activities for strengthening anti-corruption efforts, several risk mitigation measures are being specifically highlighted in the project: (i) The project has prepared a ‘<i>Good Governance Framework</i>’ with comprehensive and detailed measures to promote transparency and anti-corruption for each of its components and subcomponents (see Section V.C above). The framework outlines several actions – such as, disclosure of key project documents and budgets, establishment of an independent grievance redress mechanism, citizen feedback, third-party monitoring, formal audits, and targeted communication and outreach. (ii) An <i>International Procurement Agent</i> (IPA) has been deployed by the Government to handle procurement of all Bank projects and this will be the mechanism used for this project as well. Use of the IPA will eliminate a great deal of potential for corruption and leakage of project funds. (iii) To avoid patronage in deployment of project staff, the MBPI manual being developed has clear and objective guidelines on recruitment, award of incentives and evaluation of performance. (iv) All staff working on the project, as well as the higher leadership of the IAs, will sign a <i>Code of Ethical Conduct</i> prior to effectiveness of the project. (v) All staff and senior leadership working on the project will be provided training and capacity building programs on Ethics and Good Governance. (vi) Controls on “soft” (mainly SOE-based) expenditures will be sharpened; (vii) Experience from other projects in EAP suggests that significant risks can be mitigated if the designs include a modular implementation structure which minimizes interdependence of components and subcomponents. This allows the project to stop working with specific institutions and programs where there are problems of capture and mismanagement, without unfairly punishing others. (viii) Specific legal safeguards will be designed into the overall legal agreement for the project and the project agreements with each IA to ensure proper use of project funds. (ix) Finally, aggressive monitoring and supervision are proposed in the project to ensure the mitigation measures are implemented in a quality manner.</p>		<p>GGF and TGGPs. Involvement of civil society through seminars and workshops. Annual Good Governance Forum Project Directors review performance of staff in understanding ethical code of conduct and abiding. Effective use of complaints handling system to identify risks and propose mitigation measures. Internal Audit Unit’s workplan to include evaluation of risk identification and control measures</p>
<p>4. Capture or subversion of the grant – making process to NSAs by political elites and powerful interests.</p>	<p>The credibility and integrity of the grant-making process in Component 2 is critical to its success. However, since this is the first time the Government will be sponsoring this kind of NSA-managed initiative focused exclusively on DFGG issues, there is a high risk of attempts towards political subversion of the process. Risk mitigation measures are as follows: (i) TAF, which is the IA for this component, has a strong track record of professionalism and integrity in grant-making in Cambodia and elsewhere in Asia. It is well-respected by the Government and is expected to maintain close contact with key officials to anticipate and address concerns. (ii) Grant-making will be undertaken based on clear and rigorous criteria and procedures. The Government is helping to craft these criteria and procedures and has agreed to abide by the rules of the game. There is high-level MOI commitment to ensure independence and integrity of the grant-making process, and, as the EA, it will be expected to mediate if there is undue pressure from other SIs. (iii) Grant-making will emphasize the</p>	<p>S</p>	<p>PCG to ensure independence and integrity of GMC. Public disclosure of all grant approvals and completed results to be carried out. Full report to Annual Good Governance Forum.</p>

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	<p>principle of “constructive engagement” between the SIs and the grantees, so this will help reduce the need for the Government to intervene in the process; (iv) A transparently and carefully chosen multi-stakeholder GMC will make grant selection, based on clear and rigorous criteria and procedures. The GMC members will sign a <i>Code of Conduct</i> to ensure independence and integrity. They will be required to avoid any situation of potential conflict of interest in their capacity of reviewing grant applicants. (v) A strong communication and outreach campaign will accompany the grant-making including the DM-like competition (which itself will be a public event). The transparency of the process is expected to reduce interference and capture. (vi) There will be active involvement of third party NSAs in oversight and reporting results, which will help identify capture or subversion of the grant-making process. (vii) An independent grievance redress mechanism will be established in Component 3A (Coordination) to receive and act on any complaints of wrong doing. (viii) Finally, the Bank will closely supervise the grant-making and will intervene, as appropriate, to ensure integrity of the process.</p>		
<p>5. Politically sensitive activities get funded through Component 2 grants, creating controversy and conflict with Government.</p>	<p>As the NSA grants will be ‘demand-driven’, there is substantial risk that the activities supported could be politically sensitive or motivated. To minimize this, the principle of ‘<i>constructive engagement</i>’ is central to Component 2. This will be defined in a transparent manner in the grant application guidelines and criteria, which are being prepared with inputs from the Government. The partnership grants are also expected to create precedents for NSAs and SIs collaboration, which will build trust. A negative list of items that cannot be funded (e.g., civil works or environmentally hazardous goods) will be included. Additionally, the GMC and TAF will conduct a due diligence of potential grantees prior to being awarded grants, in order to assess, <i>inter alia</i>, the sensitivity and motivations behind their proposals. Where required, TAF, helped by carefully chosen local interlocutors, will undertake sensitization and diplomacy exercises with both NSAs and SIs to avoid potential conflicts arising from the initiatives funded through the component. Finally, the Bank will continue to support an enabling environment for constructive engagement between the state sector and civil society by brokering forums for Government-civil society dialogue on governance issues and complementary work through other planned and ongoing initiatives (see para 14).</p>	<p>M</p>	<p>PCG reviews grant eligibility criteria annually Information and communications programs to showcase constructive engagement of CSO/government partnership. A separate risk management exercise undertaken for Component 2 with independent third party participation (see Component 2 Project Proposal)</p>

Rating: N- Negligible Risk, L-Low Risk, M- Medium Risk, S-Substantial Risk, and H-High Risk

E.3 Implementation arrangements and update of Risk Management Matrices

The project level risk management is the responsibility of the Project Coordinator assisted by the Project Management Team and PCO. The Project Directors of IAs are responsible for managing risks at the sub-component level. In order that the risk management process is uniformly followed throughout the DFGG project, each IA shall appoint either the Project Director or the Project Manager as the coordinator for risk management. In addition, all key managers need to participate in the risk management exercise.

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The monitoring, review, and update of the risk management matrix will be done **semi-annually**. Each IA under the direction of the Project Director shall carry out a review and update of risks facing the project in these semi-annual reviews. These reviews shall focus on the occurrence of previously identified risks and the effectiveness of mitigation measures.

The key output of the review should be an **updated risk management matrix** in which:

- a) the list of potential risks has been updated (risks no longer relevant should be reviewed and the new risks that have emerged should be added);
- b) the risk scores for each risk have been updated to reflect their current impact and probability of occurrence;
- c) the set of mitigation measures being adopted for each of these risks has been updated or revised based on implementation; and
- d) the monitoring indicators and deadlines have been updated (and any delays have been factored in).

The IA Project Director, at his/her discretion, may also request the DFGG Internal Auditor carry out a review of the process and its effectiveness if required.

At the PCO level, the whole of the PCG will be involved in a *risk management workshop* to be conducted semi-annually. The semi-annual review at the end of each project year, will involve the participation of PMT, senior managers of IAs, and CSO partners associated with individual IAs and the Project.

In between these reviews, the PCO shall organize *training workshops* to train managers and key staff on risk management principles. During the course of these workshops, each IA shall review and update their risk profiles and proposed mitigation measures.

At the *mid-term review* of the project, a workshop should be organized with all DFGG managers, principal stakeholders including the World Bank to review project risks and evaluate risk mitigation measures undertaken and their effectiveness. A special review shall be undertaken as part of the mid-term review to assess any damages to the Project reputation as well as successful mitigation of risks faced. The mid-term review shall also specifically evaluate the main risks identified during the project preparation and listed above with a view to re-designing the project implementation.

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Attachment 1 to Section V.E:

RISK: Template for Risk Management Matrix to be completed by each IA

This Risk Management Matrix is a management tool to be used by the senior managers of the organizations to discuss key areas of concerns (especially where the Risk Magnitude is rated High or Moderate) during project preparation and at the start of project implementation. Due to the changing circumstances, the risk plan and matrix need to be updated every 6 months.

Formula for Risk Score: Magnitude = Impact x Likelihood³⁵.

Consequence: 5=very serious, 4=serious, 3=moderate, 2=minor, 1=insignificant

Likelihood: 5=very high, 4=high, 3=medium, 2=low, 1=very low

Magnitude Rating: 6 or less is low risk (L), 8 – 12 is moderate risk (M) and 14 – 20 is high risk (H), and any score above 20 is a top risk (T) requiring immediate attention.

Risk Description	Risk Impact	Risk Magnitude	Mitigation Strategy	Action Agents	Progress Status (Give details of tasks completed)	Remaining Action (Give resource requirements and timelines)
		Impact: Likelihood: Magnitude:				
		Impact: Likelihood: Magnitude:				
		Impact: Likelihood: Magnitude:				

³⁵ In Column 3 of the Risk Management Matrix, the rating of the Risk is by a simple formula: Magnitude = Impact x Likelihood. Impact and Likelihood are rated on a scale of 1 to 5. For instance, if the Impact is assessed to be 5 and the Likelihood is rated 3, then the Risk Score is 3 x 5 = 15.

SECTION V. ENVIRONMENTAL AND SOCIAL SAFEGUARDS

What is this section?

This section describes the safeguards framework, including various guidelines, policies, and procedures that need to be adhered to under the DFGG project. It is based on the legal covenants laid out in the Financing Agreement as well as the Safeguards Annex (Annex 10) in the PAD for the DFGG project. As not all IAs have concerns with respect to safeguards, parts of this section may not be applicable to them. Nonetheless, it is expected that all Project Directors, managers, and staff on the project acquire a basic understanding of the Government and Bank environmental and social safeguards policies so as to ensure appropriate compliance during implementation.

The World Bank's environmental and social safeguards policies are meant to prevent and mitigate any undue harm that may occur to people and to the environment during the course of the implementation of a development project. In the case of the DFGG project, two cases require the application of adequate measures for mitigation of environmental and/or social impacts – (a) minor civil works required under Component 1C and under Component 3, and (b) the repair and/or potential relocation of RNK's transmitter under Component 1D. Additionally, as there are at least two components in the Project (Component 1B and 1C) where national communications and/or radio programming campaigns will be undertaken, special measures with regards to targeting vulnerable groups (such as indigenous people and ethnic minorities) need to be followed. Each of these cases is described below.

A. Environmental Safeguards Guidelines for Small Civil Works

A.1 Nature of Expected Civil Works

The DFGG project will be undertaking small scale civil works and construction activities in two scenarios: Component 1C: construction and/or renovation of the OWSO-DO Offices and Component 3: similar small civil works for setting up and renovating the PCO and the proposed Governance Resource and Learning Center (GRLC) within it.

Under Component 1C, the civil works will involve the construction of new office buildings or renovation of existing government office buildings to set up the OWSO and DO offices in 21 urban and one rural district across the country (one for each province). These are expected to be small one to two-storey buildings with office space to accommodate approximately 15-20 persons. Likewise, the civil works in Component 3 will involve renovating the existing offices within the MOI building complex in Phnom Penh, with the possibility of new construction for setting up the proposed GRLC. In both cases, the **land used for these civil works will be existing public/government land** and therefore no private land acquisition or involuntary resettlement is foreseen.

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A.2 Purpose of these Guidelines

Given the nature and small scale of the proposed civil works under the project, a formal environmental assessment report was not considered necessary. However, as in most cases the construction/renovation activities are going to be undertaken in urban areas there are likely to be some concerns relating to inconvenience or nuisance to surrounding areas during construction which will require careful construction planning and management. Therefore, for the purpose of enhancing environment friendly measures and mitigating any adverse impacts caused by the construction activities, these *Environmental Safeguard Guidelines* for small civil works funded under this project have been prepared and shall be implemented by the concerned implementing agencies (IAs) – the District Support Team (DST) of the NCDDS for Component 1C and by the PCO in MOI for Component 3.

The Environmental Safeguard Guidelines for Small Civil Works aim to establish some simple rules, procedures and institutional arrangements to be utilized under the DFGG project with regard to identification, monitoring and mitigation of possible adverse environmental impacts with respect to small civil work activities undertaken in the DFGG project. The responsible IAs are expected to follow these procedures and keep the records and documentation for later supervision.

These Guidelines are drawn from and aligned with the overarching guidelines on safeguards with regards to construction and civil works as laid out in the “**Commune/Sangkat Fund Project Implementation Manual (C/S Fund PIM)**” that has also been used by the Bank’s Rural Infrastructure and Local Governance (RILG) project. The current version of the C/S Fund PIM has been endorsed by the Royal Government of Cambodia (RGC) through “Decision No. 024 SSR / NCSC” of the NCDD³⁶ dated May 20, 2005. The Guidelines are also consistent with the requirements of the Bank Environmental Safeguards Operational Policy (O.P.4.01).

It should be noted, however, that these Guidelines are meant to be a ‘dynamic’ document, i.e., it is expected that they will be reviewed and modified as required, ideally during each Annual Review of Project Implementation (ARPI), to ensure that they are continually improved and continue to maintain relevance.

A.3 Three-Step Procedures to be Followed

The concerned IAs are expected to carry out the following simple three-step procedures in undertaking any civil works under the DFGG project. These three steps involve conducting a site environmental safeguard impacts analysis, performing a checklist of some environment friendly construction design criteria, and establishing a standardized environmental management plan (EMP). They are described in more detail below.

Step 1: Preparation of ‘Construction Site Checklist’ to identify Key Environmental Safeguard Issues

As a first step prior to construction/renovation, the concerned IA must develop and complete a simple *Construction Site Checklist* to determine possible environmental impacts/nuisance for

³⁶ Formerly known as the National Committee to Support the Commune/Sangkat (NCSC).

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every civil work proposal. The Construction Site Checklist aims to identify and prepare for any environmental safeguards issues incurred by the construction and/or renovation. The checklist will screen out and ensure the site for the civil works has appropriate conditions and characteristics of environmental, architectural, and cultural value and physical land use. In case any potential adverse environmental impacts are identified then they will require input into the EMP (step 3 below).

A sample of the Construction Site Checklist is provided in Attachment 1 to this sub-section. This should be completed by the **designated Technical Officer** in charge of managing civil works in the concerned IA.

Following the completion of this Construction Site Checklist and after approval from the Project Directors of the concerned IAs, the process for preparing adequate bidding documents to process the civil works would commence. The procurement procedures for undertaking the civil works have been described earlier in this PIM and also in the Procurement Annex of the Project Appraisal Document (PAD) of the DFGG project and in the Procurement Plans for Component 1C and 3 contained in their PPs in PIM Volume 2.

Step 2: Preparation of Checklist on Environmentally Friendly Construction Design Criteria to be Used

The second step in the environmental safeguards procedures for the civil works would involve completion of a checklist of some specific design criteria to be adopted in the process of construction and/or renovation by the chosen contractors. These design criteria involve certain environmentally friendly/enhancing elements that would avoid or minimize incurrence of adverse environmental impacts. These design criteria include ensuring of appropriate ventilation, lighting and sanitation facilities, as well as recommendations on use of environmentally friendly materials. It is not expected that all of these design criteria would be adopted in each case, but the effort should be to adapt as many as possible in the engineering and architectural design of the proposed civil works.

This checklist should be completed by the proposed contractors to confirm the use of the environment enhancing design criteria during construction/renovation of the proposed offices. A sample of the Checklist on Environmentally Friendly Design Criteria is provided in Attachment 2 to this subsection.

Step 3: Preparation of a Standardized Environmental Management Plan (EMP)

After completing the construction site and environment-friendly design criteria screening using the above checklist formats, the last step in the environmental safeguards procedures would be the development of a simple EMP that should be treated as environmental specifications for construction.

As the small-scale construction activities envisaged might cause impacts and nuisance to nearby surroundings, they need to be avoided or mitigated through application of good engineering practices and strict environmental safeguards measures including use of environment-friendly

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construction materials and equipments, waste management techniques especially for construction dust and debris, noise control, site management, safety controls, provision of clean water and sanitation facilities etc.

A sample EMP table covering potential adverse environmental problems and corresponding mitigation measures is provided in Attachment 3 to this subsection. It is expected that all Contractors working on civil works under Component 1C and 3 will adhere to this as part of the bidding specifications and the Contractor's Work Plan. This EMP should include the environmental safeguards issues that may occur during construction and solutions or what the contractor must do to solve these problems and should draw on the two checklists developed under Steps 1 and 2.

All these measures **should be included in bidding document and contractor's work plan** as part of the specifications for construction that will be followed to address any potential environmental safeguard concerns.

A.4 Institutional Arrangements

As noted above, each concerned IA (i.e. the DST and the PCO) should appoint a **Designated Technical Officer** who will manage the proposed civil works under their respective components. Separately a **designated Safeguards Officer** should be appointed in each IA who will be responsible for scrutinizing the environmental safeguards issues involved in each civil works project. The ultimate responsibility for approvals and ensuring adherence to these Environmental Safeguards Guidelines lies with the Project Directors in the concerned IAs.

A summary of the institutional arrangements for following the above procedures is given below:

1. Construction Site Checklist: The designated technical officer(s) in DST/PCO are responsible for completing and sending results of the environmental safeguards issues screening done in the Construction Site Checklist with explaining his or her recommendation to DST/PCO Project Director for review and endorsement. The final review and clearance should be performed by the DST/PCO Project Directors in consultation with the designated Safeguards Officer(s).

2. Checklist for Environmentally Friendly Design Criteria: The designated Safeguard Officer(s) from DST/PCO should complete the Environmentally Friendly Design Criteria checklist in collaboration with the chosen contractors for each piece of civil works. These design criteria should be reviewed and cleared with the DST/PCO Project Directors and should form part of the bidding documents and Contractor Work Plan.

3. EMP Development and Clearance: The designated Safeguards officer(s) and technical officer(s) are jointly responsible for ensuring which elements of the sample EMP provided above apply in specific civil works projects. They should analyze and make a summary of the findings from the Construction Site and Design Criteria checklists above and provide their recommendation on any of a few simple bases:

- The construction will not have any unacceptable impact on the environment;
- The construction design should be changed to avoid unacceptable impact on the environment;

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- The construction should not be implemented, because the impact on the environment will be bigger than the benefit from the project.

Oversight and final clearance for the EMP will be provided by the DST/ PCO Project Directors for Components 1C and 3 respectively. The EMP will then become part of the Contractor Work Plan and shall be referred to in their contracts for each piece of civil works.

A.5 Monitoring, Supervision and Reporting

The selected contractor(s) must submit their completed work plans to the DST and PCO prior to initiating their contract for each piece of civil works. The Contractor's Workplan should have incorporated the agreed Environmentally Friend Design Criteria being used as well as the agreed EMP described above, clearly listing:

- (a) environmental problems that may occur during construction; and
- (b) solutions or what the contractor must do to solve these problems

The designated Technical Officer(s) and Safeguards Officer(s) will help the Contractor and DST/PCO to make the workplan. The DST/PCO Project Directors must approve the work plan before signing the contract.

The designated Technical Officer(s) and Safeguards Officer(s) are responsible for supervising the adherence to the agreed EMP by the selected contractors in each civil works project through periodic audits. The designated Technical Officer(s) and Safeguards Officer(s) should update/improve the site and construction design criteria checklists and EMP table above on annual basis (or even semester period) basing on experience and findings from the project implementation and supervision. They should present these for approval during the Annual Review of Project Implementation.

Environmental Safeguards Specialist(s) in the Bank will separately review adherence to the Environmental Safeguards guidelines in the civil works projects during their annual supervision mission. All records of the above Environmental Safeguards procedures, including the relevant checklists and EMPs, shall be kept by the concerned IA for review during these supervision missions.

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Attachment 1 to Section VI.A:

SAFEGUARDS: Sample Format for Construction Site Checklist (Checklist 1)

General Information				
Name of Project	<i>Name of site for office rehabilitation/construction</i>			
Name of engineer/ technical officer	<i>Person(s) who conducted the studies</i>			
Date of Site Study Completed	<i>The date on which the on site studies were completed.</i>			
Information Source	<i>Name and contact of person(s) interviewed/met</i>			
Proposed Output	<i>Office rehabilitation or new office construction</i>			
Environmental Issues	Ye s	N o	Unknow n	Remark/Recommend ed Action
1. Adequacy of space for construction				
2. Adequacy of access to the construction				
3. Adequacy of space to build/expand the building space in the future				
4. Freeness from squatters or titling conflict with local residents				
5. Potential interruption or limitation of access to dwelling or business on the site				
6. Potential impact to high architectural or cultural value on the site or within the immediate vicinity				
7. Potential deterioration of urban quality and/ property value in the immediate vicinity. <i>(For urban setting)</i>				
8. Interruption or limitation of access to sidewalks, power and telephone lines, water and sewerage, sanitation system, and other environmental services.				
9. Encroachment/reduction of gardens or green areas.				
10. Land used is Public/Government Owned*				
11. Resettlement of families or businesses due to land use for construction				
12. Flood on the site in the wet season <i>(write down how deep and how long it usually floods on the site)</i>				
Others (describe)				

Summary of Overall Assessment: *Prepare a short summary of an overall assessment based on the site screening results above. What recommendation/suggestion is made on the specific civil works project?*

*Note that **no buildings or construction can be undertaken on land that is privately owned or on which there is any form of land dispute.** If the Construction Site Checklist reveals this then an alternative site will have to be considered by the concerned IA.

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Attachment 2 to Section VI.A:

**SAFEGUARDS: Sample Format for Checklist on Environmentally Friendly Design
Criteria (Checklist 2)**

General Information				
Name of Project	<i>Name of site for office rehabilitation/construction</i>			
Name of engineer/ technical officer	<i>Person(s) who conducted the studies</i>			
Date of Site Study Completed	<i>The date on which the on site studies were completed.</i>			
Information Source	<i>Name and contact of person(s) contacted</i>			
Proposed Output	<i>Office rehabilitation or new office construction</i>			
Design Criteria	Yes	No	Unknown	Remark
1. Maximizing the blending of architectural design to important cultural site next or nearby to the site.				
2. Maximizing natural light in order to minimize artificial light needs.				
3. Maximizing natural ventilation systems, minimizing the necessities of air conditioning				
4. Maximizing rain water storage for the irrigation of gardens and green zones in the office (where applicable)				
5. Promoting the usage of environment-friendly materials (avoid asbestos and other hazardous or toxic materials)				
6. Planting of native species in gardens and green areas in the offices (where applicable)				
7. Stabilization of slopes using vegetative measures (where required)				
Others (describe)				

Summary of Overall Assessment: *Prepare a short summary of an overall assessment based on the design criteria screening results above. What recommendation/suggestion is made to the project?*

The above checklist should be provided to the Technical Officer in the concerned IA for review and subsequently to the Project Director of the concerned IA for approval.

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Attachment 3 to Section VI.A:

SAFEGUARDS: Sample Format for Environmental Management Plan for Small Civil Works

Phase	Issue	Measure
Site Screening	<u>Adequate space and access</u> - possible interruption within its vicinity; other issues captured in Construction Site Checklist.	The selection should avoid sensitive environment and land issues which may be caused by the construction and/or renovation; other measures recommended in the Construction Site Checklist should be adopted.
Design	<u>Drawing and planning</u> the construction of towers by adapting to adjoining physical landscape and minimizing possible environmental issues; other environmentally friendly design features identified in Step-2.	Adversely Environmental Minimization Measures should be introduced in the construction design; other environment enhancing design criteria identified in Step-2 as feasible to be incorporated
Construction	<u>Dust</u> : Dust, debris, and particulate materials from the construction will blow to surrounding structures and/ causing nuisance to surrounding families and businesses, especially to vulnerable people (children, elders).	The contractor will spray water to reduce the dust when the weather is dry and periodically clean stagnant debris.
	<u>Noise</u> : Noise from the construction machinery and equipment will disturb to others especially in areas with hospitals, homes for the elderly, and schools.	Contractor will use environment-friendly construction materials and equipments and limit construction hours to minimize possible disturbance to local livelihood. Contractor will fence off Construction site to reduce any possible annoyance to neighbors.
	<u>Construction wastes</u> : the adequate disposal of waste materials and hazardous materials (fibro-cement, fuel, oil, cement etc).	Contractor will reduce waste generation whenever feasible. Contractor should separate hazardous wastes from other wastes and handle them according to established environmental guidelines. Contractor should separate recyclable wastes from non-recyclable ones. All wastes should be properly handled. Any illegal waste dumping or burning will be prohibited.
	<u>Disturbance</u> : Nearby offices and residents will be disturbed by prolonged construction.	The contractor will perform construction activities within appropriate time frame which does not disturb work of officers or living of local residents.
	<u>Sanitation</u> : Sanitation for the workers at the construction site is inadequate leading to unclean working environment.	The contractor will provide temporary sanitation for the workers.
	<u>Contamination</u> : Contamination of water supply or source within the vicinity of the site is caused by the construction activities.	The contractor will implement necessary measures to prevent possible contamination to water supply or source in the surrounding area.
	<u>Pedestrian security and traffic congestion</u> : Construction site may cause safety concern for pedestrians, especially for school children, during construction. Similarly, traffic congestion during construction may be caused due to the increase of heavy traffic (of the	The contractor will fence of the site for general safety measures; traffic re-routing (if required) should be appropriately managed and planned for.

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	construction itself and from traffic detours) in high traffic avenues and exit ramps.	
	<u>Interruption of services:</u> Water, electricity, telephone, and bus routes may be interrupted during construction.	The contractor will implement necessary measures to prevent any interruption to access to public services.
	<u>Informing the public:</u> People would need to know about construction and work schedules, interruption of services, or traffic.	The contractor will put signboard summarizing the construction activities and schedule for completion of tasks.
Post-Construction	<u>Site Clearing:</u> Cleaning the site after construction and disposing wastes properly so that they are not dangerous to the environment.	The contractor will clean the site carefully and remove all waste materials as spelled out in the construction bidding.
Others	<u>Other identified environmental safeguard issues.</u>	

B. Environmental Safeguards Guidelines for RNK Subcomponent

B.1 Nature of Safeguard Issue

During project preparation, a technical assessment of the RNK transmission system was undertaken jointly by RNK and AusAID-supported engineers and revealed that (i) the existing 200 kW transmitter was operating at only 20-30 percent of its rated capacity; and (ii) repairs were the least-cost option to increase its power output, so as to allow better coverage in remote areas in the country. RNK requested financing of about US\$ 290,000 for repair (and purchase of spare parts) of the main (200 kW) transmitter and a standby (25 kW) transmitter. The study also recommended that a due diligence analysis be undertaken to: (i) determine whether the increase in output could be done within the internationally recognized general public safety limits for radio frequency electromagnetic radiation (EMR);³⁷ and (ii) assess whether, and what, measures would be necessary to ensure safety of workers and nearby residents at the current site.

Following the study's recommendations, RNK (with AusAID funding) carried out two technical assessments which were subsequently evaluated by an independent review funded by the Bank.³⁸ The conclusion was that the EMR emissions from the RNK transmission tower, at its current and increased capacity, *are within internationally accepted general public safety levels*. Based on a modelling exercise, it was further concluded that scaling up from the measurements taken on the ground, transmission at 500 kW output level was possible (and would be the maximum admissible output level) without imposing health risks to households living in the vicinity.

B.2 Safeguard Measures Required

Despite the findings of the due diligence studies on the RNK transmitter, it was recommended that a set of preventive safety and security measures in relation to the EMR emissions from the transmitter need to be undertaken by RNK as part of the implementation of the DFGG project. These include the following:

1. RNK will undertake a number of measures to improve general public and workers safety at the site by:
 - a. Installing and maintaining a person resistant fence to contain the "No Go" areas around the mast and ACU structure. The extent of the fence must be based on the fields documented for maximum transmitter power that the site will transmit;
 - b. Installing "Radio Frequency (RF) Hazard" warning signs on the site compound fences, the above recommended mast compound fence, and all the gates in the transmitter complex;
 - c. Installing "Do not climb" warning signs at the base of the structure; and
 - d. Installing "No Unauthorized Access" signs on the site compound fences and gates.

³⁷ As specified in the *International Commission on Non-Ionizing Radiation Protection (ICNIRP) Guidelines: Guidelines for limiting exposure to time-varying electric, magnetic, and electromagnetic fields* (up to 300 Ghz). Health Phys., 98:494-522, 1998.

³⁸ A summary of their findings can be found in Annex 10 of the PAD for the DFGG Project.

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2. In the case of the repair and operation of the existing RNK transmitter on the current site, RNK shall disclose to the public the detailed mitigation plans at the current site; and
3. In the case of the repair and operation of the existing RNK transmitter on the current site, RNK shall carry out public consultations before implementation of mitigation measures at the site.

In addition, building on the assessments undertaken during preparation, RNK is required to prepare an **Environmental Management Plan (EMP)** to ensure the application of sound environmental and social safeguard practices and standards, should there be a need to further repair the RNK transmitter in the future, which could potentially raise safety and health concerns relating to EMR levels. The negotiated Financing Agreement includes standard requirements for implementation of such an EMP and a scope of such an EMP would be similar to what has been outlined in Annex 10 of the DFGG PAD. Other guidelines on the preparation of an EMP can be found on the World Bank website under Safeguards. The final EMP would need to be cleared by the Bank and would subsequently be appended to PIM Volume 2.

B.3 In Case of Relocation of RNK Broadcasting Complex

Even though it has been confirmed that the transmission power levels can be increased at the current site without health risks to workers and households in the vicinity, it is possible that the RNK may still decide to relocate the transmitter complex for a number of reasons in the future. Specifically, given the rapid urban growth in the vicinity of the transmission site, it has been the intention of the Minister of Information and RNK management to eventually relocate the transmission complex to a new site away from populated areas.

An EMP will also be required in this potential scenario. Such an EMP would outline the set of activities meant to ensure that potential environmental and social issues that might arise at a new site are identified and adequately addressed. In principle, the EMP in this case would cover the following:

- (a) Analysis of alternatives: site identification and initial scoping of technical aspects, environmental and social issues and potential mitigation measures;
- (b) Detailed feasibility study, covering technical aspects and environmental and social issues as needed; including scope of programs, timeline, budget, institutional responsibilities for all activities required and for implementing, monitoring and evaluating such a program; and
- (c) Consultations (depending on the nature of environmental and social issues).

Further details and specific legal covenants in this situation are again provided in the negotiated Financing Agreement and in Annex 10 of the PAD for the DFGG project.

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B.4 Radio Frequency Hazard Control Document (RFHCD)

A Radio Frequency Hazard Control Document (RFHCD) was prepared by the technical consultants as part of the due diligence studies conducted on the RNK transmitter complex during project preparation. The RFHCD contains information and procedures for controlling the risk of potential hazards (e.g. tissue heating, electro stimulation, shocks and burns) for people and workers exposed to RF electromagnetic fields surrounding the RNK transmitter site. This includes a description of the RF resources at the site, RF safety procedures, standards and methodology to be used to assess the site, and drawings on areas which need to have restricted access around the site.

It is expected that all RNK managers and staff working with/around the site should be aware of its contents. Further, **all occupationally exposed workers on this site must familiarize themselves with the entire contents of the RFHCD before commencing work on the site.** They must then adhere to the RF safety procedures described in this document.

A copy of the RFHCD should also be kept permanently at the transmitter site.

C. Special Communication Measures for Indigenous People

The DFGG project does not specifically target indigenous people or ethnic minorities in any of its components/subcomponents, and is therefore not expected to cause environmental and social impacts on these groups. The land law dissemination campaign in Component 1B and the radio programs in Component ID are expected to target a national audience, however, and therefore would cover indigenous people among the potential audience. Therefore, these IAs are expected to undertake special measures to *design culturally appropriate communication mechanisms* to target segments like indigenous people as well as other vulnerable groups like youth and women, when appropriate.

In addition, all IAs are required to promptly notify the Bank of any currently not foreseen instances of environmental and social impacts on ethnic minorities and indigenous peoples that may arise during project implementation and which would merit actions on their part to avert, mitigate or compensate such impacts.

SECTION VI. PROJECT IMPLEMENTATION PLAN

What is this section?

This section summarizes the project implementation plan for (PIP) the overall project and reproduces the PIPs for the first 12-18 months for each the IAs as contained in their PPs in PIM Volume 2. Its purpose is to provide each of the IA Project Directors and staff a summary of the main activities and key milestones that will be undertaken by each IA. In addition it summarizes the project-wide milestones that will affect all IAs

The Project Implementation Plan (PIP) summarizes the main activities and key milestones that will be undertaken under each component/subcomponent of the project over a certain time period. It is meant to act as a road map as well as a monitoring tool that can be used to plan ahead and ensure the project implementation is proceeding on track.

Each IA has therefore prepared a detailed PIP for the first 12-18 months of project preparation and included these in their PPs that are part of PIM Volume 2. These have been reproduced over here in one place so as to allow the IAs to compare their plans and see if there are possibilities for cross-learning and synergy in activities (e.g. seminars, workshops, and studies).

In addition, a summary PIP for the project as a whole is produced below which outlines major activities that will affect the whole project.

It is expected that the PIP will be reviewed regularly and a new PIP for each project year shall be prepared as part of the AWP process.

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A. Project Implementation Plan of each IA

A.1 PIP of Component 1A (Support to the AC) for Year 1

Account Code	Description	Organised By	Pre-implementation												Project Effectiveness																																			
			Month 1				Month 2				Month 3				Month 4				Month 5				Month 6				Month 7				Month 8				Month 9				Month 10				Month 11				Month 12			
			W1	W2	W3	W4	W1	W2	W3	W4	W1	W2	W3	W4	W1	W2	W3	W4	W1	W2	W3	W4	W1	W2	W3	W4	W1	W2	W3	W4	W1	W2	W3	W4	W1	W2	W3	W4	W1	W2	W3	W4	W1	W2	W3	W4				
Component 1: Institutional Integrity and Sustainability																																																		
1.1	Selection/recruitment of arbitrators																																																	
	Recruitment of the arbitrators	MT																																																
	Appointment of the arbitrators	MT																																																
1.2	Arbitration Council governance																																																	
	ACF Board of Directors	ED																																																
	Representatives of the Arbitration Council (RAC)	ED																																																
	Regular Arbitrators Meeting (RAM)	LST & CT																																																
	Arbitrators' retreat	CT																																																
1.3	Sustainability																																																	
	Study on economic value of AC	MT																																																
	Sustainability study	MT																																																
	Sustainability and fundraising consultant	MT																																																
Component 2: Labour Dispute Resolution																																																		
2.1	Resolution of Labour Dispute Cases																																																	
	Hearing labour disputes	AC																																																
	SAC administrative support to Arbitration Panels	SAC																																																
	ACF legal support to Arbitration Panels	LST																																																
2.2	Capacity building of AC/F and SAC																																																	
	Development of legal tools and systems																																																	
	Development of legal tools/systems	LST																																																
	Benchbooks	LST																																																
	AC bulletin	CT																																																
	Continued professional dev. programs for arbitrators																																																	
	AC capacity building	CT & LST																																																
	Foreign trainer visits	CT & LST																																																
	Training & exchange visits & international conferences	CT																																																
	SAC Capacity building																																																	
	Training courses	MT																																																
	Trainer from overseas	MT																																																
	ACF Capacity building																																																	
	Training courses	CT																																																
	Overseas training courses for ACF staff	CT																																																
	ACF retreat	CT																																																
2.3	Expansion of AC services																																																	
	Study on demand for AC services in different areas	MT																																																
	Mobile teams at regional, provincial levels	MT																																																

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Account Code	Description	Organised By	Pre-implementation												Project Effectiveness																																			
			Month 1				Month 2				Month 3				Month 4				Month 5				Month 6				Month 7				Month 8				Month 9				Month 10				Month 11				Month 12			
			W1	W2	W3	W4	W1	W2	W3	W4	W1	W2	W3	W4	W1	W2	W3	W4	W1	W2	W3	W4	W1	W2	W3	W4	W1	W2	W3	W4	W1	W2	W3	W4	W1	W2	W3	W4	W1	W2	W3	W4	W1	W2	W3	W4				
Component 4: General Operation and Project Management																																																		
4.1	Salaries for admin and support staff	FA																																																
	Recruitment of new hires	MT																																																
4.2	Benefits	FA																																																
4.3	Office																																																	
	Preparation for office move	FA																																																
	Office move	FA																																																
	Office space	FA																																																
4.4	Supplies	FA																																																
4.5	Equipments																																																	
	Computer desktop	FA																																																
	Computer laptop	FA																																																
	Printer Color Laser Jet	FA																																																
	Scanner	FA																																																
	Digital camera	FA																																																
	Television	FA																																																
	DVD player	FA																																																
	Voice recorder	FA																																																
	Video camera	FA																																																
	Photocopy machine digital	FA																																																
	Office desk	FA																																																
	Meeting table	FA																																																
	Working chair	FA																																																
	Office chair	FA																																																
	Filing cabinet	FA																																																
	Telephone set	FA																																																
	Network cable cat6	FA																																																
	Other asset purchases	FA																																																
4.6	Communication and postage	FA																																																
4.7	Vehicle and transportation	FA																																																
	Car/Van purchase	FA																																																
	Motorbike purchase	FA																																																
4.8	Contractual services																																																	
	Translation fees	FA																																																
	Technical Assistance Consultants	MT																																																
	Annual fees for accounting software	FA																																																
	Equipment maintenance and repairing	FA																																																
	Security guards	FA																																																
	Bank charges	FA																																																
4.9	Project monitoring and evaluation																																																	
	Baseline study	ED																																																
	M&E activities	ED																																																

Note:

- MT: Management Team
- ED: Executive Director
- DED: Deputy Executive Director
- LST: Legal Support Team
- CT: Communication and Training Team
- FA: Finance and Administration Team
- SAC: Secretariat of the Arbitration Council
- AC: Arbitration Council



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A.2 PIP of Component 1B (Support to MONASRI) for Year 1

Key Activities	Description of Activity	Key person/ unit responsible	Pre-implementation Phase (Jan-April 2009)				Remarks
			1	2	3	4	
I. LD & CH							
1. Website Establishment							
	Designate staff for web	MONASRI					
	Select web developer	MONASRI					
	Review of literature	MONASRI					
	Content development	Developer, <i>ITA</i> ³⁹ and MONASRI					
	Website established	Developer					
	Digital depository	MONASRI					
5. Organization and Staffing Plan							
	O&S including MBPI&PMG plan developed	MONASRI AND PCO					
	Core staff identified and assigned to specific roles	MONASRI					
6. Financial Management System							
	Plan developed	MONASRI					
	Identify staff	MONASRI					
	Train staff	MOI					
	System in place	MOI					
7. Staff Learning Plan							
	Hiring ITA	MONASRI thru IPA					
	Design training need assessment	MONASRI and <i>ITA</i>					
	Capacity building and training Plan	ITA-MONASRI					
	Strategic communication	<i>ITA</i>					
	Financial management	MOI					
	Seminar on land law	law professor+ <i>LLE</i>					Done
	English	Contractor					
	M&E training	MOI, <i>CSO</i> , <i>ITA1</i>					
	Seminar on working with <i>CSO</i>	MONASRI + <i>ITA1</i>					
	Workshop on Governance and transparency	MOI and <i>ITA1</i>					
	Seminar on risk management	MOI and <i>ITA1</i>					

³⁹ Communications Advisor

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Key Activities	Description of Activity	Key person/ unit responsible	First Year 2009 (May-December 09)								Remarks	
			5	6	7	8	9	10	11	12		
I. LD & CH												
<i>1. Consulting Services</i>												
	Hiring national expert in land law	MONASRI										
3. IEC Materials and Media Product		LD and CH										
<i>Publishing of communication materials</i>	Develop key message	NLE, ITA, LD senior associate and associate										
	Seek comment on key messages	NLE, ITA, LD senior associate and associate										
	Finalize key messages	NLE, ITA, LD senior associate and associate										
	Contacting printing house	Procurement officer										
	Singing contract	PM and printing firm										
	Finish printing	printing house										
<i>b. Mobile Video</i>												
	Contract NGO	Procurement officer										
	Drama production	NGO										
	Buy equipment	Procurement Officer										
	Implementing the drama	Mobile Video Team										
<i>c. National PSAs</i>												
	Contract NGO	Procurement and Public relations manager										
	Develop storylines	NGO										
	Develop storyboards	NGO										
	Production of DVD	NGO										
	Negotiation with TVK for air time	ITA and Public relations manager										
	Airing of PSA	TVK and MONASRI										
	Feedback	M and E										
d. Print Media												
	Feature articles in newspapers	Media relation officer and RNK										
	Media consultation	Media relation officer										
e. National Radio & TV												
RNK-Talkback Radio	Negotiation with RNK	ITA and Public Relation Manager										
	Contact speakers	Public Relation Officer										
	Broadcast	RNK										
	Feedback	M&E										

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Key Activities	Description of Activity	Key person/ unit responsible	First Year 2009 (May-December 09)								Remarks		
			5	6	7	8	9	10	11	12			
TVK-Roundtable Discussion	Negotiation with TVK	ITA and Public Relation Manager	■	■									
	Contact speakers	Public Relation Officer			■								
	Broadcast	TVK				■	■	■	■	■	■		
	Feedback	M and E										■	
f. Website													
	Staff assigned	MONASRI	■										
	New content	Website Officer		■	■	■	■	■	■	■	■	■	
	Maintenance	Website Officer	■	■	■	■	■	■	■	■	■	■	
4. District Public Forum													
	Study relevant laws, decrees and Prakas	LD Nation & Province level	■	■									
	Contact provincial authorities	LD Province level			■								
	Set up time and location	LD Nation & Province level				■							
	Determine the number of participants	LD Nation & Province level					■						
	Inform MoI at all level	LD National and provincial level					■						
	Invite citizens to participate	LD Province level					■						
	Invite relevant ministries and NGOs	LD Nation and Province level					■						
	Prepare opening and closing remarks	LD Nation level					■						
	Set up mission group	LD Nation & Province level						■					
	Dissemination	LD Nation & Province level							■	■	■	■	
5. Partnership													
	Working with partners	LD Nation & Province level	■	■	■	■	■	■	■	■	■	■	
	Workshops	LD Nation & Province level											
	i. Consultative workshop	LD Nation & Province level				■	■						
	ii. Provincial workshop	LD Province level	■		■	■							
	iii. Lessons learned workshop	LD Nation level										■	
6. Complaints Handling													
	Review ToR for the study	CH Nation & Province level	■										
	Hiring of ITA	MONASRI		■	■	■	■						
	Research-review of literature	ITA, CH Nation & Province level		■									
	Study	ITA, CH Nation & Province level			■	■							
	Report	ITA, CH Nation & Province level				■	■						
	Dissemination of information	ITA, CH Nation & Province level							■				

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Key Activities	Description of Activity	Key person/ unit responsible	First Year 2009 (May-December 09)												Remarks
			5	6	7	8	9	10	11	12					
7. Monitoring and Evaluation															
	National Baseline study conducted	ITA, TF and CSO													
	Project evaluation conducted and reported	M&E staff and CSO													
	Study on complaints handling mechanisms completed	ITA, CH and CSO													
	Website operating	Website officer													
	Financial system in use	MONASRI													
	Basic monitoring system in use	ITA and M&E													
	Final project evaluation study completed	MONASRI, MOI, CSO and WB													
	Annual plan workshop completed	MONASRI													
8. Organization and Staffing Structure															
	Staff assigned	MONASRI													
	MBPI&PMG system in place	MONASRI, MOI, CAR and MEF													
9. Financial Management System															
	Improve financial system in operation	MOI													
	Procurement guidelines followed	Procurement staff													
II. CAPACITY BUILDING															
10. Training															
	i. Public speaking and media relations	Contractor													
	ii. Financial management	MOI													
	iii. Project management	MOI													
	iv. Procurement	MOI													
	v. Building partnership	MOI													
	vi. M&E	MOI													
	vii. Land Law Workshop	MONASRI													
	viii. Risk management	MOI													
	viii. Governance and social accountability	MOI													
	x. Ethics and corruption	MOI													
	xi. English	Contractor													
	xii. Website writing	LD													
	xiii. Strategic communication –Refresher Course)	Contractor													
	xiii. Strategy and good practice in complaints resolution	Contractor													

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A.3 PIP of Component 1C (Support to OWSO-DO) for Year 1

No.	Activity	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Notes
1	Review and approve by inter-ministrial TAG, NCDD: Prakas on establishment, structure, roles/ responsibilities and functions of OWSOs and DOs													
2	Recruitment of additional staffs													
3	Translate OWSO-DO proposal into Khmer													
4	Website and logo of OWSO preparation and design													
5	Standard format discussed and agreed by TAG													
6	Review and design OWSO building plan													
7	Baseline study (procurement and completion)													
8	Procurement and construction/renovation of OWSO/DO started and completed													
9	Inaugurate OWSO/DOs and fully functions													
10	Recruitment and Contracting staff to work at PST and ExCom													
11	Select and appoint staff/officials for OWSO													
12	Contracts between NCDDS and ExCom signed and effective													
13	Procurement : 2 Vehicles													
14	Procurement : 27 motorcycles													
15	Review the existing facilities and provide office facilities equipment, furniture and operational support for DST													
16	Review the existing facilities and provide office facilities equipment, furniture and operational support for old and new OWSO/DO													
17	Procurement : 53 desktops and other equipments			Some										
18	Facilitate the survey for updating roles and functions delegated by technical ministries													

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19	Roles and functions delegated by technical ministries approved																
20	Design and review the new election system for the DO																
21	Training on DO election procedures																
22	Election of DOs for 7 new provinces																
23	Prepare and testing training manual for OWSO staff at district level																
24	Approve training manual for OWSO staff at district level																
25	Training and facilitate the Technical Training to OWSO staff																
26	Facilitate the Study tours to BAT and SRP																
27	Facilitate the Internship for OWSO chief and DO for 5 days																
28	Regular meeting																
29	Short video																
30	DST monitors project implementation and backstopping regularly																Eps. New OWSO
31	Produce posters, leaflets, stickers																
32	Conduct dissemination campaign to raise the public awareness about OWSO/DOs																9 times for 9 districts
33	Study on potential OWSO model for Phnom Penh																
34	Study on potential OWSO model for Rural Districts																
35	Facilitate the organizing public forum in the districts																9 times for 9 districts
36	Organizing of Semi-Annual Public forum																
37	National workshop																
38	Collect data for OWSO/DO website																
39	Radio Talkback Program																Partner with RNK
40	Staff development																

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A.4 PIP of Component 1D (Support to RNK) for years 1

Key Activities	Descriptions	Key person/unit responsible	Year 1 (Mar - Dec 2009)									
			3	4	5	6	7	8	9	10	11	12
1. Content Development												
Training needs assessment	Assessment of training requirements for News Services Department (News, TBP, Feature), and Battambang (BB) PIS TBP	CDA; News Services Department	X	X								
Training and support plan	Develop detailed program training and support plan; deliver training (both RNK staff, CDA staff and external contracted experts)	CDA and Director of News Serv. Dep.		X	X							
Program schedule published	Detailed program schedule is published and accessible by the public	Programming Office			X							
1.1 Talkback Program												
Increase to 5 one hour programs per week	Increased to 5 one hour programs. The programs are relayed by 5 PIS FM radio stations.	Directors of News Services & PIS			X							
Repeats of 5 one hour programs per week	Programs to be repeated on RNK within 24 hours	Programming Office			X							
1.2 News Services												
Studio refurbishment for news broadcast	Studios to be modified for news production and reading purposes	Newsroom Office; CDA			X							
Training	Develop a plan, incorporating training on program production and editorial direction			X	X							
4 news bulletins per day	Newsroom to start with 4 quality news bulletins per day following 4 months of training					X						
6 news bulletins per day	News bulletins increased to 6 per day										X	

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Key Activities	Descriptions	Key person/unit responsible	Year 1 (Mar - Dec 2009)									
			3	4	5	6	7	8	9	10	11	12
1.3 Feature Programs												
One program per week day	Program to start with one 10 minute per weekday	TBP Office; CDA				X						
Two programs per week day	Program to increase to two per weekday								X			
Weekend wrap-ups (30 minutes)	Best selection of 5 weekday programs				X							
Weekend wrap-ups (1 hour)	Best selection of 10 weekday programs								X			
1.4 Battambang PIS*												
Training of Battambang PIS	Development of training plan and training in editorial policy, program production, equipment usage and using recording software	TL, CDA, PC, Director of Battambang PIS			X	X						
Equipment installation at BB PIS	Installation of equipment for training of PIS program producers		X	X								
1.5 Policy Environment												
Editorial Policies published	Editorial policies is published and available for the public	Newsroom Office; CDA			X							
AC Meetings	Quarterly meetings of the AC	RNK Director General; AC members; PC	X			X			X			X
Develop TOR for content analysis and tender for external compliance monitoring	Finalise TOR; advertise; interview; agree on methodology; prepare contract.	Project Coordinator; CDA; RNK								X		
Program content compliance monitoring (random)	External agencies assess if RNK's program content adheres to the editorial policy.	Independent external agency and AC										X
2. Institutional Strengthening												
Institutional Capacity Building	Assessment, capacity diagnostic, capacity building plan, recruitment of staff.	ODA and HR and Administration Office	X	X	X							

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Key Activities	Descriptions	Key person/unit responsible	Year 1 (Mar - Dec 2009)									
			3	4	5	6	7	8	9	10	11	12
2.1 Human Resources and Administration												
Organisational restructure, TOR for all positions developed and approved	Finalise new organisational chart and staff numbers for each unit.	ODA; HR Consultant and HR Manager			X	X						
Recruitment of national HR Consultant	Recruit a national consultant	ODA; and HR Manager			X							
Staff engagement for DFGG	Recruitment of 61 staff at RNK and MOInf	Recruitment Committee and ODA		X								
Staff satisfaction survey	Annual staff satisfaction survey undertaken, results shared throughout organisation and senior management response developed and action taken	PC; HR and Administration office; Director General										X
RNK Annual Report published	Annual report highlighting major reforms, key operations, caller statistics and audited financial statement.	PC; Director of Admin. And Finance Department										X
Newsletter	Create an internal newsletter about all aspects of the project - first in print form with electronic availability on the website	Marketing and Business Office						X		X		X
2.2 Research, Networking & Partnerships												
Partnership strategy and agreements	Preparation of partnership plan, signing of at least 2 partnership agreements with one state and one non-state institutions.	Networking and Partnerships Office		X								
Listener groups	Listener groups formed; provide feedback; feedback relayed to relevant section of RNK; RNK responds to feedback.	Research and Community Office; Listeners					X	X				
Workshop with CSOs	Annual workshop	NPO; PC									X	

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Key Activities	Descriptions	Key person/unit responsible	Year 1 (Mar - Dec 2009)											
			3	4	5	6	7	8	9	10	11	12		
PIS Workshop	Annual workshop to promote strategic links	NPO; PIS; Director General; TL												X
Website Development	Installation of computer network system and Internet	NPO; PC; IT.		X	X									
Publicity materials	Production and distribution of quality T-shirts, posters, and leaflets to be disseminated	Marketing and Business Office; Marketing Specialist								X	X			
Advertisements	Advertisements on TV, billboards and trade publications and other print media	Marketing and Business Office								X	X			
Media Gathering	Media outlets are invited to attend a gathering to publicise RNK reform	Programming and Liaison Dep.; PC									X			
2.3 Marketing and Business														
Recruitment of Marketing Consultant	Recruit a national consultant	HR Office and ODA			X									
Marketing and business development plan	Develop a plan that addresses a relationship strategy with its audience	Marketing Consultant; RNK Marketing Manager; ABC Project Coordinator							X					
Media engagement	Engage all media, esp. national TV, to cover RNK at all stages	Marketing and Business Office						X	X					
Training	Training of RNK staff in media liaison and communication skills	Marketing Consultant; Marketing Office						X						
2.4 Financial Support														
Recruitment of National Financial Consultant	Recruit a national consultant	Finance & HR Managers and ODA			X									

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Key Activities	Descriptions	Key person/unit responsible	Year 1 (Mar - Dec 2009)										
			3	4	5	6	7	8	9	10	11	12	
Financial management system instituted	Accounting and finance system to be put in place at RNK	Financial Consultant Office of Financial Management; World Bank		X	X								
Training and support	Training to be provided at the start and during Project implementation				X	X							
Internal audit arrangements	Internal audit function to be established to undertake internal auditing.							X					
External audit	Independent auditor to be appointed.												X
2.5 Physical Asset Management													
Recruitment of Physical Asset Management Consultant and Procurement Consultant	Recruit national consultants	ODA and HR Manager			X								
Training	Training to be conducted by a local consultant	Consultant and Physical Asset Management Office				X							
Develop physical assets management plan and system	Methods, procedures and tools in place to ensure compliance of physical assets management					X	X						
Baseline asset assessment	Asset assessment undertaken and results analysed					X							
Asset audit	Audit of all physical assets (six monthly)	Physical Asset Management Office										X	
Procurement request	Submission of procurement request for Office equipment and supplies to PCO of MOI	RNK; PCO of MOI			X	X							
2.6 Transmission													
Transmission Refurbishment	Transmitters repair (200kw & 25kw) and antenna adjustment	External contractor; Technical Dep.			X	X	X	X					
Training and support	On the job training and coaching in transmission assessment and repairs	ABC Technical Adviser								X			
Signal assessment	Annual assessment and report of signal coverage	Transmission Office										X	

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Key Activities	Descriptions	Key person/unit responsible	Year 1 (Mar - Dec 2009)									
			3	4	5	6	7	8	9	10	11	12
2.7 RNK Management												
Project Orientation for all staff	Project orientation; Q&A etc	Director General				X	X					
English classes (ongoing)	Director General and a Senior Manager to attend English classes at ACE	Director General and ODA			X							
Annual Planning Retreat	ABC Project Staff, RNK Senior Management, AusAID and WB Reps.	ABC & RNK										
Annual Work Plan	Reports to donors and public									X		
2.8 MBPI												
Review of job descriptions	Job descriptions for each position to be enhanced	RNK; ODA						X	X	X		
MBPI & PMG manuals and MOU	RNK submits and signs MOU with MEF and CAR	RNK; PCO/MOI			X	X						
2.9 Monitoring & Evaluation												
Monitoring and Evaluation	Identify monitoring tools, train and support RNK staff, collate and analyses information.	HR and Admin. Office; HR Consultant and ODA			X	X						
Completion of Baseline study	Establish baseline data of RNK's program content and institution	PC; Programming and Liaison Dep.; Research Agency	X									
Results Framework	Final target values to be updated in Results Framework	PC; Programming and Liaison Dep.	X	X								
Program content analysis	FGDs to assess increased awareness or understanding of issues programs	CDA; News Serv Dept. ; CSOs/NGOs									X	
Audience research	Qualitative and quantitative research (all contracted out to expert research company)										X	X

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A.5 PIP of Component 2 (Support to Non-State Institutions) for Year 1 and 2

NSAC Activities	Pre-Impl			Year 1 of Project												Year 2 of Project						
	1	2	3	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	
Pre-Implementation																						
Activity 1.1 Develop Management Tools																						
Activity 1.2 Consultations with Sector Specialists																						
Activity 1.3 Consultations with SIs																						
Activity 1.4 Desk Study on Governance																						
Activity 1.5 Civil Society Mapping Study																						
Subcomponent 1 & 2																						
Activity 2.1 Formation and Facilitation of GMC																						
Activity 2.2 Organize and Facilitate the DM																						
Activity 2.3 Facilitate Awareness and Promote Learning																						
Activity 2.4 Facilitate the Application Process																						
Activity 2.5 Under Take Due-Diligence																						
Component 3																						
Activity 3.1 Organize and Facilitate Capacity Building for NSAS																						
Activity 3.2 Organize Field Visits																						
Activity 3.3 Undertake Due Diligence																						
Activity 3.4 Random Spot Checking of Grantees																						
Activity 3.5 Internal Review of Grantee Reports																						
Activity 3.6 Mid-point and End of Project Assessment																						

SECTION VII. MONITORING & EVALUATION AND PROGRESS REPORTS

What is this section?

The purpose of results monitoring and evaluation (M&E) is to capture quantitative and qualitative measures to assess whether the development objectives of the Project are achieved. The DFGG Project consist of programs in very different sectors and therefore, to assess overall project success, a complex set of M&E indicators at component/sub-component levels and a methodology for aggregation have been developed. This section provides guidelines for IAs on conducting their M&E activities; explain their links to the aggregate project level M&E indicators, and the role of PCO in aggregating, where applicable, the M&E results. The section also describes the various reporting requirements for internal and external users of the Project information and the proposed formats for these reports.

A. Features of the M&E System proposed for the Project

Each IA will have its own M&E set up

As described in Section III on institutional arrangements, each agency being supported under the DFGG project is being treated as a separate IA. As each of these IAs are implementing very different programs in different sectors, the M&E of each component and subcomponent will be managed independently by the concerned IA and a significant allocation of funding (between 3-5%) has been dedicated towards this activity in each case.

Each IA has also therefore developed its own Results Framework with separate performance and outcome indicators relevant to its particular program, which is available in their respective PPs (see PIM Volume 2).

IAs will monitor two levels of indicators

The indicators included in the IA results frameworks can be divided into two groups:

- (i) those that will be used for aggregating overall project results (core indicators); and
- (ii) those indicators that will be used by IA management for internal use.

In both cases, however, the indicators are meant to be relevant to their own activities and programs so that each IA Results Framework is internally self-sufficient.

Aggregation will be done using the DFGG Framework

Given that each of the individual IAs will be monitoring indicators relevant to their own program, there remains a challenge in aggregating results at the project level. For this purpose, the project is relying upon a conceptual framework for DFGG (see attachment 1 to this Subsection) that has guided the project's design. As discussed briefly in Section II, this framework identifies *four* elements or processes that strengthen DFGG – promotion, mediation, response, and monitoring of demand.

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As each institution and program supported under the project is in some way performing one or more of these four functions, the project-level outcome indicators have also been formulated around this framework. In this way, even though the project is dealing with diverse sectors and institutions, there is a common framework around which aggregate results can be measured. This is the underlying logic of the results framework for the overall project presented in Section II.

Aggregate Results will be “Composite Indices”

The use of a common framework to aggregate results across the different elements of the project requires that the project-level outcome indicators will in most cases take the form of *composite indicators* that aggregate all the relevant IA-level indicators for a particular outcome. So while at the level of IA each IA, the set of monitoring indicators identified are specific to the IA’s work, when aggregated together they will provide a summary picture of the project’s result in affecting one or more of the elements of DFGG.

For example: the outcome indicator “*Number of disputes and instances of feedback identified and/or mediated through relevant DFGG programs and institutions supported by the project*” recorded in the Results Framework from Section II, will be a composite indicator that the PCO will base on the following:

- i. number of labor dispute cases handled by the Arbitration Council (AC),
- ii. number of disputes and complaints related to land law implementation received and handled by the Ministry of National Assembly Senate Relations and Inspection (MONASRI)
- iii. number of local disputes or complaints received by the District Ombudsman (DO) across all targeted districts,
- iv. number of requests, complaints or instances of feedback received through the Talk Back Program (TBP) in Radio National Kampuchea (RNK), and
- v. number of disputes and instances of feedback identified and/or mediated by NSAs through Component 2.

Given that the scope of the different programs is quite diverse, the scale of the sub-indicators above would be very different as well, e.g., while the number of labor disputes handled by AC would be in the hundreds, there will be far fewer disputes and complaints received by the DO (given past experience). Therefore, changes in the sub-indicator would be captured through *percentage differences* over time. This way the first-order scale effects of the sub-indicator would be accounted for.

Note: As all IAs are not involved in each DFGG function, there will also be *some composite results indicators that only aggregate over a few IAs*. For example: the outcome indicator on “*Number of responses by government to demands triggered through relevant DFGG programs and institutions supported by the project*” will be an aggregate of only two sub-indicators:

- a. Number of citizen service delivery requests catered to at OWSOs
- b. Number of government or policy responses triggered via learning activities (Annual Good Governance Forum, studies, etc.) conducted by the PCO

Weighting for ‘Composite’ Indices

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The formula for aggregation of sub-indicators to form composite indices will be determined by the PCO with the help of the M&E firm that it will hire once the baseline values and final target values of each have been established. In some cases, aggregation may take the form of a simple sum or average. In others, however, there may be a need for some form of weighting or manipulation to come up with a meaningful composite indicator.

For instance, scale problems may continue to remain despite using percentage changes to monitor change, if the baseline value for these indicators is very low. A case in point would be the DO and OWSO where the simple expansion of these offices to new districts will create such enormous percentage increases in indicators like ‘number of disputes’ or ‘number of citizen service requests’ that other sub-indicators would be ‘crowded out’. In situations like this, weighting options would have to be used for constructing meaningful composite indices, e.g.: (a) dividing by number of districts for OWSO-DO sub-indicators; (b) capturing percentage achievement of pre-determined target values across indicators; (c) using baseline scale factors for ‘correcting’ percentage change values; or (d) some other appropriate weighting scheme.⁴⁰ In either case, however, the composite indices would be recorded along with each sub-indicator so that there is no loss of underlying information and complete transparency with regards to its construction.

The weighting scheme that will be used for recording aggregate performance will be reviewed annually and reported transparently in the Annual Progress Reports so that these can be easily understood by internal and external stakeholders.

The PCO will monitor 4 levels of indicators

The M&E indicators for the Project as whole will be maintained by the PCO. The indicators will fall into the following *four categories*;

- a) *Composite Indicators* for the DFGG Project, which as described above will be collected by the PCO from the IAs and consolidated for reporting;
- b) *Aggregate Indicators* that the PCO will collect at the overall Project level.
- c) *Sub-indicators* that the PCO is responsible as IA for Component 3b (Learning); and
- d) *Internal Progress Monitoring Indicators for which PCO is responsible as EA* for the DFGG Project under sub-component 3a.

In addition to the above, EA and IAs are responsible for monitoring financial and physical of progress of the Project through a variety of reports. The main procurement and financial reports were discussed under Section V sub-sections A and B.

Attachment 1 to Section VIII.A:

⁴⁰ Beyond ensuring ‘numerical’ equivalence between sub-indicators (which is a problem of scale as described above in the case of the OWSO-DO), there is also an issue of ensuring ‘subjective’ equivalence between sub-indicators. For instance, the PCO may want to scale a major policy change triggered by the project at a higher level than smaller responses made to demands from the project. Again, the decisions on appropriate weighting for situations like this will have to be made on a case-to-case basis.

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M&E: DFGG Conceptual Framework

What is DFGG?

The starting point in developing a program to support DFGG is to be clear upfront about what the term means. Conceptually, ‘DFGG’ refers to *the extent and ability of citizens, civil society organizations, and other non-state actors to hold the state accountable and to make it responsive to their needs*. And in turn, this DFGG *enhances the capacity of the state to become transparent, accountable, and participatory in order to respond to these demands*.⁴¹

Given this conceptualization of DFGG, *operationally the project approaches strengthening of DFGG as a process, which has four key elements:*

1. ***Promotion of Demand*** – The ability of citizens, civil society, and other non-state actors to demand better governance depends on their access to information, and the degree to which they can act effectively on this information. Thus, DFGG depends on (a) *disclosure of information* - the level of transparency of the government (regarding budgets, expenditures, programs, etc.), (b) *demystification of information* - strengthening the level of awareness and understanding of citizens (on laws, rights, budgets, policies, etc.), and (c) *dissemination of information*– spreading information (related to governance issues, processes, finances, laws, etc) to the ordinary public. In promoting demand, these three “Ds” should be followed by a “C” - *collective action* – i.e., mobilizing broader action and advocacy around this information. Accordingly, initiatives such as freedom of information, awareness campaigns, rights education, and media programs that ‘promote’ demand are the first element of DFGG.
2. ***Mediation of Demand*** – While mobilizing demand through advocacy and information dissemination are important, these pressures only become ‘effective’ through mediation and institutionalized feedback to the state. Thus, strengthening DFGG also involves (a) creation and strengthening of avenues for *feedback* of citizens and civil society to public officials, (b) encouraging *consultation* of these actors in decision making and public actions of executive agencies, as well as (c) formal and informal mechanisms for *dispute resolution* through initiatives such as interface meetings between citizens and public officials, grievance redress mechanisms, and ombudsman’s offices.
3. ***Response to Demand*** – After mediation comes response, without which demand alone would remain powerless and non-credible and result in unmet expectations. Thus, institutionalizing DFGG includes developing programs and initiatives *within the executive* that respond to demand either through (a) *innovations in service delivery*, (b) response based *performance incentives*, or (c) *participatory action planning*.
4. ***Monitoring to Inform Demand*** – Finally, the last element of increasing DFGG is the process of regular monitoring and oversight of the public sector by non-executive actors such as the parliament, the media, and civil society. This could take the form of (a) *participatory monitoring* (using citizen feedback surveys of government performance, social audits, media investigations, etc.), (b) *independent budget and policy analysis*, and (c) *formal oversight* mechanisms (parliamentary

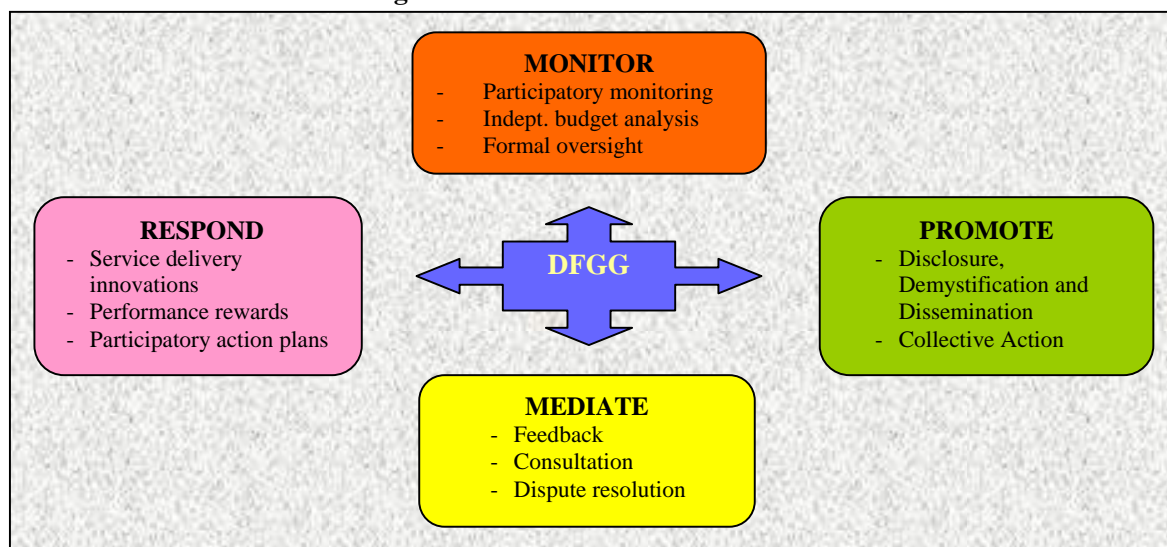
⁴¹ Drawing an analogy to the idea of ‘demand’ in the field of economics is enlightening here. In economics, the demand for a good or commodity is not just a simple want or desire for that good – it is a want backed by the ability to pay for it. It is only that affordability that makes the demand effective. Similarly, DFGG is not just about wanting’ better governance. It becomes ‘demand’ for good governance only when that want is backed by an ability to realize it – that is when citizens are truly empowered. The four elements of DFGG enumerated above are thus ways in which the ‘wants’ for good governance can be translated into effective ‘demands’ for good governance.

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committees, vigilance commissions, etc.). These generate key information for the executive, civil society, and ordinary citizens which feeds back into the process of promoting DFGG – thus completing as well as continuing the cycle (Figure 1).

Figure 6: Four Core Elements of DFGG



The above operational interpretation of what DFGG entails, explains why the project is targeting support to institutions that perform one (or more⁴²) of the above functions – promotion, mediation, response, or monitoring for DFGG. These four elements of strengthening DFGG can also be seen as ‘building blocks’ that are required on the demand side to complement efforts towards governance reform on the supply side in any particular context.

It is also important to note here that the above definition of DFGG has a key implication – it means that *the institutions that strengthen DFGG can be both government institutions and non-state ones*. It is commonly understood how non-state institutions can promote, mediate, respond to or monitor DFGG. However, a state-run broadcasting corporation involved with disseminating information about public programs and budgets, and providing feedback of citizens to public officials is also clearly promoting demand. Likewise, ombudsman offices, vigilance commissions and grievance redress mechanisms in line agencies are also mediating demand. Moreover, the response function of DFGG is something that is most often only provided through the state executive. What matters for strengthening DFGG under this project is therefore *what an institution does rather than where it is situated*.

⁴² A given institution can actually serve more than one (even all four) of the elements of DFGG, although in practice most institutions would have a core competency in one particular area.

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B. Responsibilities of the IAs

In order to carry out their M&E activities, each IA will establish an M&E Unit with adequate staff. The M&E unit shall have primary responsibility for progress monitoring and reporting and data collection, recording and analysis for results monitoring indicators.

As several IAs do not have experienced staff in M&E, these units shall be supported by consultants as appropriate. In addition, PCO will provide training and capacity building on M&E through the RTO and M&E firm.

While details have been specified in their respective PPs, the generic tasks that the IAs are expected to undertake as part of their M&E functions are:

- (a) Each IA needs to complete its baseline surveys and assessments and establish its M&E systems by June 30th 2009.
- (b) Follow up surveys and assessments shall be done at agreed intervals, mid-term review, and at end of Project evaluation (see subsection on data collection below). It shall be the responsibility of the IA M&E units to design these surveys and commission them at agreed times. The PCO will provide support where necessary.
- (c) IAs are expected to develop a data base or Management of Information Systems (MIS), using computerized systems, to record, analyse, and report data. To the extent possible, PCO will help develop a central system to record the sub-indicators that need to be aggregated in a consistent manner across all IAS.
- (d) IAs shall include, in their annual work plans, the various M&E activities (surveys, focus group discussions, citizen assessments etc.), and have them agreed with the PCO.
- (e) In addition, to the above, IA shall establish procedures for collecting those indicators as identified as required for assessment IAs own management of program implementation (see data collection subsection below).

Beyond their own efforts, regular management, oversight, and assessment meetings within each IA and through the PMT and PCG have been planned to take stock of the M&E findings and incorporate them into action plans and decision making.

C. Responsibilities of the PCO

The PCO shall establish a M&E Unit with responsibility for further developing the M&E system, designing appropriate methodologies for data collection, analysis and recording, initiating base line surveys, and providing capacity building support to IAs. The PCO M&E Unit will be supported by an M&E research firm and the RTO to be engaged for the duration of the Project implementation period.

The specific duties of the M&E Unit will include:

- (a) During the pre-implementation period, the PCO M&E Unit shall work on further development of the composite indicators and the constituent sub-indicators and

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determining methodologies for collecting the basic data and their aggregation. During this work, the M&E Unit shall agree on various instruments to be used for collecting basic data for each indicator and the methodology for calculating the composites. This work will be carried out in close collaboration with IAs and in consultation with the World Bank.

- (b) The M&E unit shall also devise instruments and methodologies for collecting aggregate indicators for which PCO is responsible.
- (c) M&E unit shall conduct initial and follow up training of all M&E staff of IAs.
- (d) At the end of each quarter, and at the end of each year, M&E unit shall be responsible for collecting the sub-indicator data from the IAs and preparing the overall reports and analysis of the indicators.
- (e) M&E unit shall also ensure that in addition to the quantitative data, qualitative assessments are carried out at the Project level as well as component/sub-component levels.
- (f) In addition the PCO in MOI will organize an Annual Review of Project Implementation and take decisions regarding design and implementation modalities based on monitoring indicators.
- (g) Finally, in line with the knowledge sharing goals of the project, the PCO will be expected to disseminate the results from the various M&E activities widely. All progress reports (QPR, AWP, and APR) will be placed online through the respective IA's website and through the PCO.

D. Detailed Results Framework and Data Collection Arrangements

In Section II the overall Results Framework for the project was presented. The indicators reported in that were the 'aggregate' and 'composite' indicators for project results as described above. These are composed of several 'sub-indicators' which are to be drawn from each of the IAs or collected by the PCO.

The table in Attachment 2 to this subsection, outlines the detailed results framework, which decomposes the composite indicators into their respective sub-indicators. The arrangements for data collection, responsible agencies, and the frequency of reporting are also listed.

Mix of Quantitative and Qualitative Instruments

Note that the M&E strategies for capturing the outcomes and results indicators for the project and its components involve the use of a diverse mix of both quantitative and qualitative tools. These include the use of instruments such as citizen's report cards, scorecards, focus group discussions, 'most significant change' surveys, audience polls and phone surveys, case studies and special assessments. In most cases, while quantitative indicators will be used for process, input, and output monitoring, the measurement of outcomes and results will be done through perception or qualitative indicators (even if quantified through scoring). This is necessitated by the fact that many of the outcome indicators that capture the results of DFGG activities tend to be qualitative in nature.

Emphasis on Independent Evaluation

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Given the varying internal M&E capacities of the IAs and the PCO, and recognizing the need to have independent evaluations of performance and impact as a basic building block of a DFGG approach, the project is also emphasizing external or ‘third-party’ monitoring by competent national research institutes and CSOs. This includes the conduct of baseline, mid-term and/or end-term evaluations for the AC, MONASRI and OWSO-DO subcomponents, an annual audience share and listeners’ perception survey for RNK, and an annual stakeholder performance scorecard and biannual expert audit for the AC under Component 1. For Component 2, TAF will contract an independent NGO to conduct random checks on grant recipients and a Cambodian think tank to undertake a survey of the component and assess particular grants at mid-term and end of the project. For capturing the ‘ripple effect’ and ‘learning’ objectives under Component 3, the PCO will contract an independent CSO to undertake an informal annual survey of targeted stakeholders in both the state and non-state sectors. This will measure their awareness and understanding of DFGG and changing perceptions regarding the levels of constructive engagement between citizens and the state.

Specific Evaluation Case Studies

Finally, beyond the regular M&E and independent evaluation systems described above, there will also be specific evaluation case studies to capture the financial consequences of project-funded initiatives. For instance, certain NSA initiatives related to public expenditure tracking or budget analysis may lead to savings of public resources. However, as the project does not know in advance whether such initiatives will emerge through the demand-driven grant procedures in Component 2, specific targets and indicators cannot be pre-determined for them in the results matrix. Instead, Component 2B and 3B include a budget for conducting specific case studies of the impact of such initiatives which will form part of the final supervision and evaluation records for the project. Additionally, studies on the economic value of the functioning of the AC (in terms of savings from industrial strikes avoided) and of the reduced financial costs of receiving administrative services through the OWSO will also be undertaken as part of the M&E activities of Component 1A and 1C respectively (for details see the respective PPs included in PIM Volume 2). Component 3B also includes resources for other studies that may be required to better understand the relative effectiveness and impact of the DFGG programs undertaken.

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Attachment 1 to Section VIII.D:

M&E: Detailed Results Framework and Data Collection Arrangements

The following table, reproduced from Annex 3 of the DFGG PAD, provides the detailed results framework for the project and lists all the core performance and progress indicators, their target values, the frequency with which they should be reported, and the agency responsible for data collection. The table is split between Project Outcome indicators (related to the DFGG framework) and Intermediate indicators (related to strengthening institutions, promoting partnerships, and sharing lessons as listed in the development objective of the project).

Indicators	Baseline	Target Values				Data Collection and Reporting		
		YR1	YR2	YR3	YR4	Frequency and Reports	Data Collection Instruments	Responsibility for Data Collection
Project Outcome Indicators⁴³								
1. Promoting DFGG in priority reform areas.								
<u>Composite:</u> Level of awareness (as %age) among targeted stakeholders of information disclosed and disseminated through relevant DFGG programs and institutions supported by the project.	To be calculated after sub-indicator baselines complete	TBD	TBD	TBD	TBD	Annual; recorded in Annual Report	Aggregated from sub-indicators using appropriate weighting scheme to be decided after baselines are complete.	PCO in MOI ⁴⁴
<u>Sub-indicators:</u> - % of union and employer organization leaders and representatives aware of the AC and labor arbitration process via AC outreach	To be calculated in pre-impl. period	-	10% increase	-	10% increase	Bi-annual; recorded in relevant Annual Report	Baseline, Mid-Term and End Term focus group discussions (FGDs) and key informant interviews (KIIs) with sample (selected randomly proportional to 'size' ⁴⁵ of sector) of union &	ACF through contracted consultants/NGO /research agency/firm (with option of conducting simultaneously

⁴³ In the table above 'composite' indicators refer to project-level indicators that are obtained through some weighted average of IA level sub-indicators. 'Aggregate' indicators on the other hand refer to project-level indicators that are obtained/measured directly and are not composed of sub-indicators. Sub-indicators themselves are IA-specific indicators derived from their respective results frameworks.

⁴⁴ For each of the composite indicators, the PCO will be responsible for aggregating results provided by the IAs using an appropriate weighting scheme, providing quality control, and producing an analytical summary of the results.

⁴⁵ Sector size can be measured through different indices like number of firms, size of revenue, number of employees, etc...

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Indicators	Baseline	Target Values				Data Collection and Reporting		
		YR1	YR2	YR3	YR4	Frequency and Reports	Data Collection Instruments	Responsibility for Data Collection
							employer group leaders and representatives. Alternatively, a sample survey with a standard questionnaire could be administered workers and employers in different workplaces, which will be chosen to represent the distribution of targeted sectors ⁴⁶	with PCO)
- % of people aware of land law and their rights under the law through MONASRI dissemination campaign in targeted districts and at the national level ⁴⁷	To be calculated for a new set of districts each year ⁴⁸ starting in pre-impl. Period	20% increase in LD targeted districts	20% increase in LD targeted districts ⁴⁹	20% increase in LD targeted districts	20% increase in LD targeted districts	Annual; recorded in Annual Report	Household (HH) survey and FGDs with separate groups of targeted citizens in sample of 8 districts per year	MONASRI through contracted consultants/NGO /research agency/firm
- % of citizens aware of local administration and services, and existence of OWSO, and DO (once established) in targeted districts	To be calculated in Yr 1				30% increase	Baseline and end-term; recorded in relevant Annual Report	Baseline and end surveys in a sample of targeted districts	NCDDS through contracted consultants/NGO /research

⁴⁶ Sector size can be measured through different indices like number of firms, size of revenue, number of employees, etc...

⁴⁷ The Law Dissemination campaign will be both at the targeted districts level (more intense interactive campaign) and at the national level using mass media. The baseline study for the national level will be done only once and no later than June 30th, 2009. The impact evaluation methodology that is being designed will provide further details of the methodology and arrangements for the national baseline and subsequent annual evaluation studies. Note also that this sub-indicator is likely to itself be a composite indicator summarizing the responses on different questions related to 'awareness' of the Land Law in the different surveys.

⁴⁸ The sampling for the MONASRI surveys will follow a 'step' methodology – that is, in the baseline during pre-implementation 8 districts will be covered, which will be the targets of LD in Yr1. In Yr 1, the survey will sample 4 of these districts to capture before-after change, and another 4 out of the 8 districts that will be targeted for LD in Yr 2, and so on. In the final year, the 8 districts will cover 4 from the Yr 4 LD and 4 more spread from all previous districts to see whether awareness levels have changed over time. For assessing the outcomes of the national level LD campaigns, a separate assessment methodology will be devised during the pre-implementation phase.

⁴⁹ Increase will only be tracked for those districts where LD was actually undertaken. For others the actual awareness levels will be obtained, but would not be part of the target calculation. The target values will be revised based on the baseline values each year.

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Indicators	Baseline	Target Values				Data Collection and Reporting		
		YR1	YR2	YR3	YR4	Frequency and Reports	Data Collection Instruments	Responsibility for Data Collection
- % of RNK listeners who claim they learned more about governance issues through RNK programs supported by the DFGG project (TBP, news and feature programs)	To be calculated in pre-impl. period	10% increase	10% increase	10% increase	10% increase	Annual; recorded in Annual Report	Annual standardized Audience Research Survey (national)	agency/firm RNK through contracted consultants/NGO /research agency/firm
- Average % awareness of disseminated information among relevant stakeholders in areas covered by awareness and disclosure campaigns of relevant NSAs supported by the DM ⁵⁰	N.A.	-	TBD ⁵¹	10% increase	10% increase	Annual; recorded in Annual Report	Annual NSA progress reports with methodology guidance from TAF M&E unit. Compiled by TAF with possibility of weighting. ⁵²	NSAs supported through DM
- % of stakeholders (within and beyond the project) reporting awareness of DFGG principles and approaches through PCO learning activities	0	40%	50%	60%	70%	Annual; recorded in Annual Report	Annual informal survey of project stakeholders from SIs and NSAs using simple scoring/rating questionnaire	PCO in MOI through contracted consultants/NGO /research agency/firm
<u>Composite:</u> Percentage of informed stakeholders who have found this information relevant/useful for improving governance and/or had understanding/clarity of issues disseminated.	To be calculated after sub-indicator baselines complete	TBD	TBD	TBD	TBD	Annual; recorded in Annual Report	Aggregated from sub-indicators using appropriate weighting scheme to be decided after baselines are complete.	PCO in MOI
<u>Sub-indicators:</u>								

⁵⁰ The PDO outcome indicators for promotion and monitoring under Component 2 will be tracked for NSAs receiving grants from the Development Marketplace-like competition. For small grants, which are more in the nature of grassroots initiative, outcome monitoring will be done through individual case studies of a random sample of these during the mid-term and end-term evaluations by the independent think tank to be contracted by TAF. If possible, for Yr2 and Yr4 the results from these case studies will be incorporated in the overall outcome indicators for the component.

⁵¹ As this will be determined through the baseline values.

⁵² As the NSA initiatives supported through the DM will in themselves be quite diverse, the NSA component sub-indicator that will be reported to the PCO will itself be a composite indicator that would likely require some form of weighting by TAF (to cover both scale and subjective differences across initiatives).

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Indicators	Baseline	Target Values				Data Collection and Reporting		
		YR1	YR2	YR3	YR4	Frequency and Reports	Data Collection Instruments	Responsibility for Data Collection
- Level of understanding (as % scoring high on rating scale) of labor arbitration process among union and employer organization leaders and representatives	To be calculated in pre-impl. period	-	5% increase	-	5% increase	Bi-annual; recorded in relevant Annual Report	Focus Group Discussions (FGDs) and/or key informant interviews (KIIs) with sample (selected randomly proportional to 'size' of sector) of union & employer groups	ACF
- % of people in targeted districts, and at the national level, covered by MONASRI land law dissemination who find information useful and who used the information ⁵³ .	To be calculated for new set of districts each year	5% increase in LD targeted districts	5% increase in LD targeted districts	5% increase in LD targeted districts	5% increase in LD targeted districts	Annual; recorded in Annual Report	Household (HH) survey and FGDs with separate groups of targeted citizens in sample of 8 districts per year	MONASRI through contracted consultants/NGO /research agency/firm
- % of citizen and business representatives reporting high value/relevance of information on local administration, OWSO, and DO shared through people's participation measures in targeted districts	To be calculated in pre-impl. period ⁵⁴	5% increase	5% increase	5% increase	5% increase	Annual; recorded in Annual Report	FGDs and KIIs with citizen and business representatives undertaken at the conclusion of annual citizen forum in each targeted district	NCDDS through the NGO hosting the Annual Citizen Forums
- % of RNK listeners providing a high score on usefulness of information disseminated through RNK programs	To be calculated in pre-impl. period	5% increase	5% increase	5% increase	5% increase	Annual; recorded in Annual Report	Annual standardized Audience Research Survey (national)	RNK through contracted consultants/NGO /research agency/firm
- Average % of relevant stakeholders rating relevant NSA awareness and disclosure campaigns as relevant for their context	To be calculated in YR 1	-	5% increase	5% increase	5% increase	Annual; recorded in Annual Report	Annual NSA progress reports with methodology guidance from TAF M&E unit. Compiled by TAF with possibility of weighting.	NSAs supported through DM
- % of stakeholders (within and beyond the project) who indicate greater clarity, understanding, and ability to apply different	0	40%	50%	60%	70%	Annual; recorded in Annual Report	Annual informal survey of project stakeholders from SIs and NSAs using	PCO in MOI through contracted

⁵³ This refers to what the target audience does (changes its behavior) with the information being disseminated. The impact evaluation methodology note being prepared will outline how this information is to be captured.

⁵⁴ This will only be done for the two districts where OWSO and DO offices exist in the pre-implementation period.

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Indicators	Baseline	Target Values				Data Collection and Reporting		
		YR1	YR2	YR3	YR4	Frequency and Reports	Data Collection Instruments	Responsibility for Data Collection
DFGG principles and approaches shared through PCO learning activities							simple scoring/rating questionnaire	consultants/NGO /research agency/firm
2. Mediating DFGG in priority reform areas.								
<u>Composite:</u> Number of disputes and instances of feedback identified and mediated through relevant DFGG programs and institutions supported by the project.	To be calculated after sub-indicator baselines complete	TBD	TBD	TBD	TBD	Annual; recorded in Annual Report along with sub-indicators	Aggregated from sub-indicators using appropriate weighting scheme to be decided after baselines are complete. ⁵⁵	PCO in MOI
<u>Sub-indicators:</u>								
- number of labor dispute cases handled by the AC	148	5% increase	10% increase	10% increase	10% increase	Quarterly collection and reporting	ACF case log and database	ACF
- number of land disputes and complaints received and handled by MONASRI	To be calculated in Yr 1 ⁵⁶	-	10% increase	10% increase	10% increase	Quarterly collection and reporting	Complaints database in enhanced system	MONASRI
- number of local disputes or complaints received and mediated by DOs across all target districts	2 over 2 districts	10 over 9 districts	30 over 17 districts	45 over 24 districts	90 over 24 districts	Annual; recorded in Annual Report	DO records and independent audit by CSO	NCDDS through contracted consultants/NGO /research agency/firm RNK
- number of requests, complaints, and instances of feedback received on the Talk Back Program in RNK	To be calculated for 2008 ⁵⁷	10% increase	10% increase	10% increase	10% increase	Quarterly collection and reporting	RNK records for each TBP	
- Number of disputes and instances of feedback identified and mediated by relevant NSAs supported through the DM.	To be calculated in YR 1	-	TBD	10% increase	10% increase	Annual; recorded in Annual Report	Annual NSA progress reports with methodology guidance from TAF M&E unit. Compiled by TAF with possibility of	TAF and NSA grant recipients

⁵⁵ For number of disputes received by the DO, the aggregation will likely require the PCO to divide this by number of DO offices so that the scale differences are normalized.

⁵⁶ Efforts to enhance the complaints handling function of MONASRI will only start from Yr 2 after a study to inform these efforts is undertaken in Yr 1.

⁵⁷ RNK does not currently compile this data.

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Indicators	Baseline	Target Values				Data Collection and Reporting		
		YR1	YR2	YR3	YR4	Frequency and Reports	Data Collection Instruments	Responsibility for Data Collection
Composite: Percentage of these disputes or instances of feedback that are adequately resolved or addressed	To be calculated in YR 1	-	TBD	TBD	TBD	Annual; recorded in Annual Report	weighting. Aggregated from sub-indicators using appropriate weighting scheme to be decided after baselines are complete	PCO in MOI
Sub-indicators: - % of labor dispute cases successfully resolved through AC process ⁵⁸	68% (TBC) for Garments and PNH; Baseline for others TBC	Actual Value ⁵⁹	Actual Value	Actual Value	Actual Value	Annual; recorded in Annual Report	ACF case log and database	ACF
- % of disputes and complaints resolved directly by MONASRI or by relevant Ministry to which they were forwarded	To be calculated in YR 1	-	3% increase	3% increase	3% increase	Annual; recorded in Annual Report	Complaints database in enhanced system	MONASRI
- % of local disputes or complaints successfully resolved by DOs across all target districts (where possible/feasible)	0%	Increase (target 20%)	25% increase (target 25%)	20% increase (target 30%)	33% increase (target 40%)	As above	DO records and independent audit by local CSO	NCDDS through contracted consultants/NGO /research agency/firm RNK
- % of listener satisfaction with verbal replies by RNK's guests to requests made by citizens on TBP	To be calculated in the baseline study	3% increase	3% increase	3% increase	3% increase	Annual; recorded in Annual Report	Instant sample survey of callers on TBP who raised these demands on air	

⁵⁸ This sub-indicator will be disaggregated by sector and region, since at present almost 95% of AC cases come from Garments firms in Phnom Penh and the likely success rate will be lower for the new sectors that the AC would handle after its expansion.

⁵⁹ As the 'successful' resolution of AC cases lies beyond the direct accountability of the AC or ACF, no target values have been set for this sub-indicator as it would not correctly assess AC's 'performance' despite being an important result indicator for the project. Therefore, only actual values would be tracked.

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Indicators	Baseline	Target Values				Data Collection and Reporting		
		YR1	YR2	YR3	YR4	Frequency and Reports	Data Collection Instruments	Responsibility for Data Collection
- % of disputes and instances of feedback identified and mediated by relevant NSAs supported through the DM that were satisfactorily responded to 3. Responding to DFGG in priority reform areas.	To be calculated in YR 1	-	3% increase	3% increase	3% increase	As above	NSA recording and reporting to TAF; Compiled by TAF with possibility of weighting.	TAF and NSA grant recipients
<u>Composite:</u> Number of responses by government to demands triggered through relevant DFGG programs and institutions supported by the project <u>Sub-indicators:</u> - Number of citizen service delivery transactions completed in OWSOs across targeted districts - Number of government or policy responses triggered via learning activities (Annual Good Governance Forum, studies, etc.) conducted by the PCO	To be calculated after baselines available 6000 transactions over 2 districts ⁶¹ To be calculated in YR 1	TBD 60% increase (target 9,600 over 9 dist.) ⁶² Actual Value	TBD 50% increase (target 14,400 over 17 dist.) Actual Value	TBD 35% increase (target 19,440 across 24 dist.) Actual Value	TBD 10% increase (target 21,385 over 24 dist.) Actual Value	Annual; recorded in Annual Report along with sub-indicators Annual compilation from OWSO reports Annual; recorded in Annual Report	Aggregated from sub-indicators using appropriate weighting scheme to be decided after baselines are complete. ⁶⁰ OWSO records; aggregated by DST Follow-up of investigation of recommendations/action plans developed as part of the Annual Good Governance Forums conducted by PCO	PCO in MOI NCDDS (DST) PCO in MOI through contracted consultants/NGO /research agency/firm
<u>Composite:</u> Percentage of relevant stakeholders satisfied with these responses	To be calculated after baselines available	TBD	TBD	TBD	TBD	Compiled annually; part of annual report	Aggregated from sub-indicators using appropriate weighting scheme to be decided after	PCO in MOI

⁶⁰ Weighting down of the OWSO transactions would be required here to normalize the scale differences.

⁶¹ This represent the rounded off value of total transactions in Siem Reap (4673) and Battambang (1235) OWSOs in 2007.

⁶² The target values are rounded off figures derived from an assumption of 500 transactions/OWSO for newly created OWSO offices, and a 10% increase in number of transactions in existing OWSOs per year. The lower target for new OWSOs is due to (a) fact that the existing OWSOs are in relatively big cities by Cambodian standards, and (b) the Siem Reap and Battambang OWSOs have been operational for about 3 years and therefore most citizens are well aware of their existence.

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Indicators	Baseline	Target Values				Data Collection and Reporting		
		YR1	YR2	YR3	YR4	Frequency and Reports	Data Collection Instruments	Responsibility for Data Collection
							baselines are complete.	
<u>Sub-indicators:</u>								
- % of clients satisfied with quality of services provided at OWSOs across targeted districts	To be calculated in YR 1 ⁶³	-	5% increase	5% increase	5% increase	Annual; recorded in Annual Report	Annual OWSO exit surveys and baseline and end term evaluation studies (in form of citizen report cards)	NCDDS through contracted consultants/NGO /research agency/firm
- % of relevant stakeholders satisfied by government or policy responses triggered via learning activities conducted by the PCO	To be calculated in YR 1	-	3% increase	3% increase	3% increase	Annual; recorded in Annual Report	Follow-up of recommendations/action plans developed as part of the Annual Good Governance Forums conducted by PCO	PCO in MOI through contracted consultants/NGO /research agency/firm
4. Monitoring to inform DFGG in priority reform areas:								
<u>Composite:</u> Number of public sector institutions or activities whose performance is monitored independently through DFGG programs supported by the project.	1	5	9	13	17	Annual; recorded in Annual Report	Sum of sub-indicators	PCO in MOI
<u>Sub-indicators:</u> - Number of state institutions supported by the project (from Component 1 and 3) that undertake independent monitoring through NSAs ⁶⁴	1	5	5	5	5	Annual; recorded in Annual Report	Through Annual Work Plans and tracking/ verification of implementation progress of SIs and PCO	PCO in MOI

⁶³ The pre-implementation phase baseline will, however, measure the satisfaction rate among citizens in districts without OWSOs for services that *will* be provided by the OWSO once it is set up.

⁶⁴ As described in paragraph 5 above, since each of the SIs has been encouraged to introduce independent monitoring by CSOs for their programs, this indicators will take a value of 5 from year 1 and stay at that during the course of the project.

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Indicators	Baseline	Target Values				Data Collection and Reporting		
		YR1	YR2	YR3	YR4	Frequency and Reports	Data Collection Instruments	Responsibility for Data Collection
- Number of public sector institutions monitored through NSA initiatives supported under Component 2	To be calculated in YR 1	-	4	8	12	Annual; recorded in Annual Report	From database of grant recipients. Compiled by TAF with possibility of weighting.	TAF
<u>Composite:</u> Percentage of these institutions or activities that used and acted upon information for adjusting their performance and actions	TBD	TBD	TBD	TBD	TBD	Annual; recorded in Annual Report	Weighted average of sub-indicators	PCO in MOI ⁶⁵
<u>Sub-indicators:</u> - Percentage of state institutions supported by the project (from Component 1 and 3) that use independent monitoring through NSAs to take management and/or corrective actions ⁶⁶	20%	100%	100%	100%	100%	Annual; recorded in Annual Report	Through Annual Work Plans and tracking / verification of implementation progress of SIs and PCO	PCO in MOI
- Percentage of public sector institutions and activities that use the independent NSA monitoring data to take strategic management and/or corrective actions	To be calculated in YR 1	-	15%	25%	33%	Annual; recorded in Annual Report	From database of grant recipients, who will assess whether corrective actions were taken. ⁶⁷ Compiled by TAF with possibility of weighting.	TAF
Intermediate Outcome Indicators								
1. Strengthened Capacity and Effectiveness								

⁶⁵ Verification of these response actions will be undertaken by the PCO as part of the Annual Progress Reviews.

⁶⁶ Again, given that the design of the SI subcomponents and component 3 explicitly involves use of this independent monitoring for strategic decision making, this indicator will take a value of 100% from year 1 and stay at that during the course of the project.

⁶⁷ Additionally, specific case studies will be undertaken as stand-alone exercises in cases where the financial impact of these NSA monitoring initiatives can be assessed.

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Indicators	Baseline	Target Values				Data Collection and Reporting		
		YR1	YR2	YR3	YR4	Frequency and Reports	Data Collection Instruments	Responsibility for Data Collection
Composite: Self assessment and expert assessment of increased capacity to undertake DFGG programs by participating SIs and NSAs (% reporting high or increased capacity ⁶⁸)	To be calculated in pre-impl. period	-	TBD	-	TBD	Bi-annual; recorded in applicable Annual Report	Aggregated from sub-indicators using appropriate weighting scheme to be decided after baselines are complete.	PCO in MOI
Sub-indicators:								
- % of AC, SAC, and ACF staff that report an increased understanding and institutional capacity to perform their respective roles in the labor arbitration and dispute resolution processes	To be calculated in pre-impl. period	-	70%	-	80%	Bi-annual; recorded in Annual Report	Sample survey of AC, ACF, and SAC staff and ratings from KIIs and FGDs	PCO in MOI through contracted consultants/NGO /research agency/firm ⁶⁹
- % of MONASRI staff that report an increased understanding and institutional capacity to undertake law dissemination and complaints handling functions	To be calculated in pre-impl. Period	-	70%		80%	Bi-annual; recorded in Annual Report	Sample survey of MONASRI staff and ratings from KIIs and FGDs	PCO in MOI through contracted consultants/NGO /research agency/firm
- % of DST, OWSO and DO office staff that report an increased understanding and institutional capacity to undertake their functions	To be calculated in pre-impl. period	-	60% for new districts	-	80%	Bi-annual; recorded in Annual Report	Sample survey of DST, OWSO, and DO office staff and ratings from KIIs and FGDs	PCO in MOI through contracted consultants/NGO /research agency/firm
% of staff of RNK that report an increased understanding and institutional capacity to undertake DFGG programs (TBP, features, and newsroom) ⁷⁰	To be calculated pre-impl. period	-	70%	-	80%	Bi-annual; recorded in Annual Report	Sample survey of RNK staff and ratings from KIIs and FGDs	PCO in MOI through contracted consultants/NGO /research

⁶⁸ The internal assessments are meant to capture ‘increased’ capacity (a ‘flow’ or ‘change’ variable), while the expert/external assessments would capture ‘high’ capacity (a ‘stock’ or ‘current value’ variable). The reason for this is to ensure that one gets a meaningful measure of the change in capacity, which for the internal (staff) assessment is better captured by looking at a flow variable as it is likely that staff may simply record a very high self-assessment of capacity each year, but when asked to compare over time the response could be more accurate. For external stakeholders on the other hand one can capture this by looking at the stock variable itself.

⁶⁹ The firm will work in consultation with the ACF, who will advice and agree on the evaluation tools, methodology, questionnaires, etc.

⁷⁰ This includes: staff perception ratings/scores on RNK management decisions, organisational culture and change management.

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Indicators	Baseline	Target Values				Data Collection and Reporting		
		YR1	YR2	YR3	YR4	Frequency and Reports	Data Collection Instruments	Responsibility for Data Collection
- % of union and employer group representatives that report a high confidence in institutional capacity of the AC to undertake labor dispute resolution	To be calculated pre-impl. period	-	10% increase	-	10% increase	Bi-annual; recorded in applicable Annual Report	FGDs and KIIs of union and employer group representatives and leaders to be guided by ACF recommendations	agency/firm PCO in MOI through contracted consultants/NGO /research agency/firm
- % of targeted experts that report a high institutional capacity of the MONASRI to undertake LD and CH functions	To be calculated pre-impl. period	-	40%	-	60%	Bi-annual; recorded in applicable Annual Report	Sample survey of noted law dissemination, land and complaints handling experts, donors (e.g., GTZ, UNDP), NGOs (e.g., PACT, CLEC, etc.) and complementary agencies (e.g., MLUPC, MOJ) and ratings from KIIs & FGDs	PCO in MOI through contracted consultants/NGO /research agency/firm
- % of targeted experts that report a high institutional capacity of the OWSO and DO office to undertake their respective functions	To be calculated pre-impl. period	-	40%	-	60%	Bi-annual; recorded in applicable Annual Report	Sample survey of D&D experts, donors (e.g., GTZ, UNCDF, DFID, etc.) and NSAs using KIIs and FGDs.	PCO in MOI through contracted consultants/NGO /research agency/firm
% of targeted media, development and governance experts that report a high institutional capacity in RNK to undertake DFGG programs	To be calculated in pre-imp. period	-	10% increase	-	10% increase	Bi-annual; recorded in Annual Report	Sample survey of noted sector experts, donors, and complementary agencies and ratings from KIIs and FGDs	PCO in MOI through contracted consultants/NGO /research agency/firm

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Indicators	Baseline	Target Values				Data Collection and Reporting		
		YR1	YR2	YR3	YR4	Frequency and Reports	Data Collection Instruments	Responsibility for Data Collection
(Average) % of NSAs supported from Component 2 that report a high (based on rating scale) achievement of their capacity targets for undertaking their specific DFGG programs and activities ⁷¹	To be calculated in YR 1	-	50%	55%	60%	Annual; recorded in Annual Report	Annual NSA self assessment questionnaire on the degree to which they have achieved their intended capacity goals. To be reported in NSA annual progress reports and compiled by TAF.	NSAs supported under Component 2 with guidance from TAF.
Expert assessment of % of NSAs supported from Component 2 that have increased awareness and capacity to undertake DFGG programs and activities	To be calculated in YR 2	-	40%	-	50%	Bi-annual; recorded in applicable Annual Report	Mid-term and end-term FGDs and KIIs with <u>sample</u> of NSA grantees by independent think tank to assess their capacity and awareness. They will also conduct self assessment questionnaire to check divergence with self reporting.	TAF through contracted consultants/NGO /research agency/firm
- % of PCO staff that report an increased understanding and institutional capacity to undertake DFGG programs and learning activities	To be calculated in YR 2	-	70%	-	80%	Bi-annual; recorded in applicable Annual Report	Sample survey of PCO staff and ratings from KIIs and FGDs	PCO in MOI through contracted consultants/NGO /research agency/firm
- % of targeted experts that report a high institutional capacity in PCO to undertake DFGG programs and learning activities	To be calculated in YR 2	-	40%	-	60%	Bi-annual; recorded in applicable Annual Report	Sample survey of noted sector experts, donors, and complementary agencies and ratings from KIIs and FGDs	PCO in MOI through contracted consultants/NGO /research agency/firm
<u>Composite</u> : Stakeholder feedback, self assessment, and expert assessment of effectiveness of SI and NSA programs supported by the project (% rating high or increased	To be calculated in YR 2	-	TBD	-	TBD	Bi-annual; recorded in applicable Annual Report	Aggregated from sub-indicators using appropriate weighting scheme to be decided after	PCO in MOI

⁷¹ Again as the supported programs and activities of NSAs are likely to be quite different the capacity question has to be asked relative to their specific context. The averaging will be a ‘simple average’.

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Indicators	Baseline	Target Values				Data Collection and Reporting		
		YR1	YR2	YR3	YR4	Frequency and Reports	Data Collection Instruments	Responsibility for Data Collection
effectiveness) ⁷² <u>Sub-indicators:</u> % of AC, SAC, and ACF staff that report an increased effectiveness of the AC process % of union and employer group representatives and other stakeholders that report a high confidence in the independence, credibility and effectiveness of the AC	To be calculated in pre-impl. Period To be calculated in pre-impl. Period	- -	70% 40%	- -	80% 60%	Bi-annual; recorded in applicable Annual Report Bi-annual; recorded in applicable Annual Report	baselines are complete. Sample survey of AC, ACF, and SAC staff and ratings from KIIs and FGDs FGDs and KIIs of union and employer group representatives, leaders and possibly other stakeholders	PCO in MOI through contracted consultants/NGO /research agency/firm PCO in MOI through contracted consultants/NGO /research agency/firm
Expert rating (%) of quality of awards given by the AC % of MONASRI staff that report an increased effectiveness of their LD and CH functions % of targeted experts in sectors that report a high effectiveness of the DFGG programs undertaken by MONASRI	To be calculated in pre-impl. period To be calculated in pre-impl. Period To be calculated in pre-impl. period	- - -	60% 70% 40%	- - -	75% 80% 60%	Bi-annual; recorded in applicable Annual Report Bi-annual; recorded in Annual Report Bi-annual; recorded in applicable Annual Report	Bi-annual audit by experts for a sample of AC awards Sample survey of MONASRI staff and ratings from KIIs and FGDs Sample survey of noted law dissemination, land and complaints handling experts, donors (e.g., GTZ, UNDP), NGOs (e.g., PACT, CLEC, etc.) and complementary agencies (e.g., MLUPC, MOJ) and ratings from	Independent experts contracted via ACF PCO in MOI through contracted consultants/NGO /research agency/firm PCO in MOI through contracted consultants/NGO /research agency/firm

⁷² Here again, the internal assessments (except for Component 2) will look at the ‘increased’ effectiveness, while the external assessments (expert and stakeholder) look at a ‘high’ effectiveness. This is done to capture actual change in effectiveness more meaningfully.

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Indicators	Baseline	Target Values				Data Collection and Reporting		
		YR1	YR2	YR3	YR4	Frequency and Reports	Data Collection Instruments	Responsibility for Data Collection
% of citizens in targeted districts and other experts giving a high rating on the quality of MONASRI's law dissemination and complaints handling functions	To be calculated in Yr 1	-	40%	50%	60%	Annual; recorded in Annual Report	KIIs & FGDs Household (HH) survey and FGDs with separate groups of targeted citizens in sample of 8 districts per year	MONASRI through contracted consultants/NGO /research agency/firm
% of OWSO and DO office staff that report an increased effectiveness of their offices	To be calculated in pre-impl. Period	-	60% for new districts	-	80%	Bi-annual; recorded in applicable Annual Report	Sample survey of DST, OWSO, and DO office staff and ratings from KIIs and FGDs	PCO in MOI through contracted consultants/NGO /research agency/firm
% of targeted experts reporting a high effectiveness of the OWSO and DO offices	To be calculated in Yr2	-	40%	-	60%	Bi-annual; recorded in applicable Annual Report	Sample survey of D&D experts, donors (e.g., GTZ, UNCDF, DFID, etc.) and NSAs using KIIs and FGDs.	PCO in MOI through contracted consultants/NGO /research agency/firm
- % of citizens in targeted districts giving high satisfaction rating on quality and performance of the OWSO and DO offices	To be calculated in Yr 1	-	5% increase for existing offices	5% increase for existing offices	5% increase	Annual; recorded in applicable Annual Report	Annual OWSO exit surveys and baseline and end term evaluation studies (in form of citizen report cards)	NCDDS through contracted consultants/NGO /research agency/firm
% of staff of RNK that report an increased effectiveness of their DFGG programs (TBP, features, and newsroom)	To be calculated in pre-impl. period	-	70%	-	80%	Bi-annual; recorded in applicable Annual Report	Sample survey of RNK staff and ratings from KIIs and FGDs	PCO in MOI through contracted consultants/NGO /research agency/firm
% of targeted media, development and governance experts that report a high effectiveness of the DFGG programs RNK undertakes	To be calculated in pre-impl. period	-	10% increase	-	10% increase	Bi-annual; recorded in applicable Annual Report	Sample survey of noted media and radio experts, donors, and complementary agencies through ratings from KIIs	PCO in MOI through contracted consultants/NGO /research

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Indicators	Baseline	Target Values				Data Collection and Reporting		
		YR1	YR2	YR3	YR4	Frequency and Reports	Data Collection Instruments	Responsibility for Data Collection
<p>% of RNK listeners and other stakeholders⁷³ providing a high score on balance, neutrality, credibility and overall quality of RNK programs⁷⁴</p> <p>(Average) % of NSAs supported from Component 2 that report an a high (based on rating scale) achievement of their grant objectives</p>	<p>To be calculated in pre-impl. period</p> <p>To be calculated in Yr 1</p>	<p>10% increase</p> <p>-</p>	<p>10% increase</p> <p>50%</p>	<p>10% increase</p> <p>55%</p>	<p>10% increase</p> <p>60%</p>	<p>Annually compiled; in Annual Report</p> <p>Annual; recorded in Annual Report</p>	<p>and FGDs</p> <p>Targeted FGDs and KIIs with separate listener groups using scoring questionnaire and sample survey of noted sector experts</p> <p>Annual NSA self assessment questionnaire with question on progress towards achieving grant objectives with reasons. To be reported in NSA annual progress reports and compiled by TAF</p>	<p>agency/firm</p> <p>RNK through contracted consultants/NGO /research agency/firm</p> <p>NSAs supported under Component 2 with guidance from TAF.</p>
<p>Expert assessment of % of NSAs supported from Component 2 who have a high (based on rating scale) achievement of their grant objectives</p>	<p>To be calculated in Yr 2</p>	<p>-</p>	<p>40%</p>	<p>-</p>	<p>50%</p>	<p>Bi-annual; recorded in applicable Annual Report</p>	<p>Mid-term and end-term FGDs and KIIs with <u>sample</u> of NSA grantees by independent think tank to assess the achievement of their grant objectives. They will also conduct self assessment questionnaire in NSA to check divergence with self reporting and where relevant a survey of target constituencies to be reached by the initiative for obtaining outside stakeholder feedback.</p>	<p>TAF through contracted consultants/NGO /research agency/firm</p>

⁷³ This includes external targeted media, development and governance experts.

⁷⁴ This indicator refers solely to programs supported by the DFGG project, i.e., TBP, news and feature programs.

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Indicators	Baseline	Target Values				Data Collection and Reporting		
		YR1	YR2	YR3	YR4	Frequency and Reports	Data Collection Instruments	Responsibility for Data Collection
% of staff of PCO that report an increased effectiveness of their DFGG programs and learning activities	To be calculated in Yr2	-	60%	-	75%	Bi-annual; recorded in applicable Annual Report	Sample survey of PCO staff and ratings from KIIs and FGDs	PCO in MOI through contracted consultants/NGO
- % of targeted experts that report a high effectiveness in PCO to undertake DFGG programs and learning activities	To be calculated in Yr 2	-	40%	-	60%	Bi-annual; recorded in applicable Annual Report	Sample survey of noted sector experts, donors, and complementary agencies and ratings from KIIs and FGDs	/research agency/firm PCO in MOI through contracted consultants/NGO
- % of relevant stakeholders (including PCG, Learning Task Force, SIs, etc.) giving a high rating on the effectiveness of the PCO's learning and coordination activities	To be calculated in Yr 2	-	50%	-	70%	Bi-annual; recorded in applicable Annual Report	Mid-term and end-term targeted survey, KIIs, and FGDs of PCG, SI staff, outside experts, and other stakeholders relevant to PCO learning activities	/research agency/firm PCO in MOI through contracted consultants/NGO
<u>Composite:</u> Revenues generated by SIs as a proportion of operating costs (where relevant for financial sustainability).	To be calculated in Yr 1	-	23% avg.	30% avg.	33% avg.	Annual; recorded in Annual Report	Average of sub-indicators	PCO in MOI
<u>Sub-indicators:</u>								
- Revenue generated through tri-partite contributions by AC as % of operating costs	0	2.5%	5%	10%	15%	Annual; recorded in Annual Report	ACF financial records	ACF
- Average cost recovery ratio (in %) of OWSOs (i.e., service fee revenue as proportion of operating costs)	50%	50%	60%	70%	80%	Annual; recorded in Annual Report	OWSO financial records; compiled by DST	NCDDES (DST)
- Revenue generated and retained ⁷⁵ by RNK as a % of operating costs	To be calculated in Yr 1	-	5%	10%	15%	Annual; recorded in Annual Report	RNK financial records	RNK
2. Supporting State & Non-state partnerships								

⁷⁵ The indicator relating to revenue retention will remain included provided that the agreement regarding the revenue retention is reached with MEF. If not, then simple revenue generation will be tracked as a measure of 'potential' financial sustainability of the RNK.

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Indicators	Baseline	Target Values				Data Collection and Reporting		
		YR1	YR2	YR3	YR4	Frequency and Reports	Data Collection Instruments	Responsibility for Data Collection
<p><u>Composite:</u> Number of ‘partnerships’⁷⁶ between and among SIs and NSAs established or continued under the project.</p> <p><u>Sub-indicators:</u></p> <p>- Number of ‘partnerships’ between and among SIs and NSAs established under the project that involve significant commercial relationship (e.g., consulting contract).</p> <p>- Number of ‘partnerships’ between and among SIs and NSAs established under the project without significant commercial relationship.</p>	TBC	TBD	TBD	TBD	TBD	Annual; recorded in Annual Report	Compiled from IA progress reports after assessing validity of ‘partnership’ relation.	PCO in MOI
	0	Actual Value	Actual Value	Actual Value	Actual Value	Annual; recorded in Annual Report	Aggregated (weighted sum) from IA progress reports after assessing validity of ‘partnership’ relation.	PCO in MOI
	0	Actual Value	Actual Value	Actual Value	Actual Value	Annual; recorded in Annual Report	Compiled from IA progress reports after assessing validity of ‘partnership’ relation.	PCO in MOI
<p><u>Composite:</u> Self assessment, and expert assessment of effectiveness of these partnerships (% noting high)</p> <p><u>Sub-indicators:</u></p> <p>- % of representatives and staff in partnering agencies rating high effectiveness of the partnerships established under project</p>	To be calculated in Yr 2	-	50%	-	70%	Bi-annual; recorded in applicable Annual Report	Aggregated from sub-indicators using appropriate weighting scheme to be decided after baselines are complete.	PCO in MOI
	To be calculated in Yr 2	-	50%	-	70%	Bi-annual; recorded in applicable Annual Report	Mid-term and end-term targeted survey, KIIs, and FGDs of staff and leaders/management of involved institutions.	PCO in MOI through contracted consultants/NGO /research agency/firm

⁷⁶ The project will use the following definition for partnerships - "A partnership is a collaborative relationship between entities to work toward shared objectives through a mutually agreed division of labor". Strictly, by this definition pure commercial relationships should not be regarded as partnerships. Recognizing, however, that in the specific context of the project and given the lack of such relationships between SIs and NSAs in Cambodia, some direct commercial relationships (e.g., the hiring of a legal awareness NSA by MONASRI to assist in its LD function) that reflect elements of ‘partnership’ will be separately tracked as well. The total number of partnerships will be the sum of these two forms of relationships. The PCO will make a case-by-case determination of whether a particular relationship should be categorized as a partnership or not.

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Indicators	Baseline	Target Values				Data Collection and Reporting		
		YR1	YR2	YR3	YR4	Frequency and Reports	Data Collection Instruments	Responsibility for Data Collection
- % of relevant external experts rating high effectiveness of the partnerships established under project	To be calculated in Yr 2	-	50%	-	70%	Bi-annual; recorded in applicable Annual Report	Mid-term and end-term targeted survey, KIIs, and FGDs of relevant experts and external stakeholders on these partnerships	PCO in MOI through contracted consultants/NGO
<u>Aggregate:</u> Number of new or existing partnerships between and among SIs and NSAs for which the agencies (i) express interest, (ii) make a concrete plan, and (iii) take the first steps to continue partnerships beyond life of the project.	To be calculated in Yr 4	-	-	-	20	One-off; recorded in Final Completion Report for project	Final IA Annual Progress Reports backed with evidence such as MOUs, meeting minutes, etc.	agency/firm PCO in MOI through contracted consultants/NGO /research agency/firm
3. Capturing and Sharing Lessons <u>Composite:</u> Number of lessons (measured as cases, studies, reports, etc) of DFGG activities (generated from the project, from other programs in Cambodia, and international) that are assessed, documented, disseminated, and used in training and capacity building programs	0	TBD	TBD	TBD	TBD	Annual; recorded in Annual Report	Sum of sub-indicators with weighting (if required)	PCO in MOI
<u>Sub-indicators:</u> - Number of lessons (cases, reports, studies) and experiences from within the project that are assessed, documented, disseminated, and used in training and capacity building programs	0	0	2	5	10	Annual; recorded in Annual Report	Project records and learning database; Learning Task Force will validate quality	PCO in MOI through contracted consultants/NGO /research agency/firm
- Number of lessons (cases, reports, studies) drawn from other DFGG activities in Cambodia that are assessed, documented, disseminated, and used in training and capacity building programs in the project	0	TBD	TBD	TBD	TBD	Annual; recorded in Annual Report	Project records and learning database; Learning Task Force will validate quality	PCO in MOI through contracted consultants/NGO /research agency/firm
- Number of lessons (cases, reports, studies) drawn from international DFGG experience that are assessed, documented, disseminated, and used in training and capacity building programs in the project	0	TBD	TBD	TBD	TBD	Annual; recorded in Annual Report	Project records and learning database; Learning Task Force will validate quality	PCO in MOI through contracted consultants/NGO /research agency/firm

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Indicators	Baseline	Target Values				Data Collection and Reporting		
		YR1	YR2	YR3	YR4	Frequency and Reports	Data Collection Instruments	Responsibility for Data Collection
<p><u>Aggregate</u>: % of stakeholders (within and beyond the project) reporting increased access to information on DFGG initiatives</p>	0	30%	40%	50%	60%	Annual; recorded in Annual Report	Annual survey, FGDs and KIIs with relevant project stakeholders from SIs and NSAs using simple scoring/rating questionnaire	PCO in MOI through contracted consultants/NGO /research agency/firm
<p><u>Aggregate</u>: Number of newly created NSA networks, resource centers, or informal coalitions established to share and disseminate lessons of DFGG experience</p>	To be calculated in Yr 1	-	TBD	TBD	TBD	Annual; recorded in Annual Report	TAF assessment	TAF
<p><u>Composite</u>: Self assessment, and expert assessment of increased trust and evidence of constructive engagement between NSA and government agencies</p>	To be calculated in Yr 2	-	50%	-	70%	Bi-annual; recorded in applicable Annual Report	Aggregated from sub-indicators using appropriate weighting scheme to be decided after baselines are complete.	PCO in MOI
<p><u>Sub-indicators</u>:</p> <p>- % of representatives and staff in SIs and NSAs supported by project noting increased trust and evidence of constructive engagement between NSA and government agencies</p>	To be calculated in Yr 2	-	50%	-	70%	Bi-annual; recorded in applicable Annual Report	Mid-term and end-term targeted survey, KIIs, and FGDs of staff and leaders/ management of involved institutions.	PCO in MOI through contracted consultants/NGO /research agency/firm
<p>- % of relevant external experts noting increased trust and evidence of constructive engagement between NSA and government agencies</p>	To be calculated in Yr 2	-	50%	-	70%	Bi-annual; recorded in applicable Annual Report	Mid-term and end-term targeted survey, KIIs, and FGDs of relevant experts and selected external stakeholders	PCO in MOI through contracted consultants/NGO /research agency/firm
<p><u>Aggregate</u>: Number of SIs and NSAs within and beyond the project that (i) express interest, (ii) make a concrete plan, and (iii) take the first steps to undertake new or continue existing DFGG activities beyond the life of the project.</p>	To be calculated in Yr 4	-	-	-	20	One-off; recorded in Final Completion Report for project	Final IA Annual Progress Reports; backed with evidence such as MOUs, meeting minutes, etc.	PCO in MOI

E. Overall Progress Reporting Requirements

E.1 Main Progress Reports

The main progress reports expected from each IA and the PCO are the following:

1. Annual Work Plan (AWP). Each IA will produce a detailed AWP. These plans will form the framework against which to monitor progress and performance, and evaluate outcomes. They will be carefully developed with the key stakeholders and implementing officers, and should be realistic. The AWP will comprise a summary of activities to be undertaken, and will include a procurement plan, an implementation schedule, a resources schedule, and cost schedule for the next calendar year of project implementation. Specific teams within each IA will have primary responsibility for preparing AWP by August 31 of the year preceding the budget year, which the PCO will consolidate by 30th September of each year, starting in 2009. By December 30 of each year, starting in 2009, the IAs will adopt the AWP, approved by the PCG and the Bank, for the next calendar year.
2. Quarterly Progress Report (QPR): The QPR will consist of the two main sections: (I) narrative Progress Report prepared by Project Director; and (II) the attached IFR. The first section should provide concise and factual information on progress and performance against plans and budgets, and present provisional results of the key indicators. Divergences from the AWP will be highlighted and briefly explained, and any emerging or recurrent issues and problems will be noted, and actions taken or recommended will be indicated. Performance indicators and milestones will be compiled and summarised. The report will also provide a summary of project expenditure in the quarter and cumulative expenditure to date (against budget) as recorded in the Interim Financial Report (IFR). QPRs will be compiled by each IA using the staff or TA consultants that relate to finance, procurement and contract administration. QPRs will be collected by the PCO and submitted to the Bank, with an introductory section for the overall project, not later than forty five days after the end of the period covered by such report.
3. Annual Progress Report (APR): Following the end of each project year, an APR will be prepared by each IA and for the project as a whole. The APR will collate and summarise the information on all performance indicators and milestones relevant to the IA. The report will also provide information on the outcome indicators described in the results framework and findings from evaluation studies for each IA. Progress of key activities against plan will be presented, including associated issues and problems, and actions and recommendations. A summary of annual expenditure against budget and the progress of procurement against the procurement plan will be included. The risk assessment matrix will be reviewed and changes to the communications and partnerships strategies described. The AWP for the upcoming year will be attached to the report of each IA. The PCO will compile the APRs of the various IAs and submit these to the Bank no later than March 30th of each year, starting in 2009.
4. Mid-Term Progress Report: The PCO, in collaboration with the IAs, will organize a mid-term progress review, and prepare the Mid-Term Progress Report (MTPR) at the end of the second year of project implementation (but no later than 30th June 2011). It will reflect the accumulated progress indicators and data on the agreed M&E frameworks and will form the basis for the Mid-Term Review (MTR) for the project. The MTPR will be a critical document

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to assess the results of the project and reflect upon whether any changes in the project design or implementation arrangements are required to ensure greater effectiveness.

5. Final Evaluation Report: The Final Evaluation Report will be prepared by the PCO, in collaboration with the individual IAs, at the end of the 4th year of project implementation (but no later than June 30th 2013) for discussion with the IDA. It will be based on the findings of the end-term reviews and evaluations of the project components and subcomponents, and should reflect lessons regarding project design and results that will be useful for future DFGG operations.

Each of the above reports will be posted on the websites of each IA to ensure full transparency and disclosure. In addition to the above, each IA will also be preparing financial and audit reports, which would be compiled for the project as a whole by the PCO.

The proposed formats for the AWP, QPR (which will include the IFR), and the APR are attached to this subsection. The formats for the Mid-Term Progress Report and Final Evaluation Report will be determined closer to their due dates.

The following table summarizes the overall reporting requirements of both the IAs and the PCO and the deadlines by which these need to be submitted.

Report	Due date and frequency	Responsible for preparation
Annual Work Plan and Budget for each IA	By August 31 of the year preceding the budget year	IA Finance Unit IA M&E Unit
Consolidated Annual Work Plan and Budget	By September 30 of year preceding the budget year	PCO Finance Unit PCO M&E Unit
Adoption of the Final Annual Work Plan and Budgets for DFGG Project & each IA (previously approved by the PCG and Bank)	December 30 of the year preceding budget year	IAs
Quarterly Progress Report and Interim Financial Reports (IFRs) for IAs and DFGG	No later than 45 days after end of each calendar quarter (IFRs very soon after end of each quarter)	IA Finance Unit IA Procurement Officer IA M&E Unit PCO
Annual Progress Report for IAs and DFGG	March 30 of the year following the reporting year	IA Finance Unit IA M&E Unit PCO
Mid-term Progress Report	By June 30 th , 2011; one-off	PCO with support from IAs
Final Evaluation Report	By June 30 th , 2013; one-off	PCO with support from IAs

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E.2 Annual Review of Project Implementation (ARPI)

In addition to the above, the PCO will be organizing an Annual Review of Project Implementation (ARPI) by April 30th of each year, starting in 2009. The discussions and analysis of the above reports will be done in the corresponding ARPI that will be organized by the PCO and PCG.

The ARPI will be a thorough review of each Component and subcomponent's design and will focus on achievement of project objectives and the effectiveness of its programs with a view to solving outstanding concerns and/or modifying project design or implementation modalities as required. It will also involve external participants as appropriate to ensure inputs from sectors with relevant experience in DFGG approaches.

A short workshop report from the ARPI will be prepared by the PCO soon after the event.

ANNEX 1: Staff Selection and Management MBPI & PMG Schemes

Staff Selection and Management MBPI & PMG Schemes

What is this annex 1?

This annex describes the policies and procedures to be followed by all *State* IAs (MOI/PCO, MONASRI, RNK, NCDD/OWSO) in implementation and management of the Merit Based Performance Incentive (MBPI) and the Priority Mission Group (PMG) schemes for civil servant staff engaged in the DFGG Project. The guidelines in this section are meant to inform the managers and personnel department staff of their responsibilities in terms of developing job descriptions, developing staff plans for the respective IAs, advertising and recruiting staff, performance appraisal, training and capacity building and a sanctions policy in case of breach of conduct by managers or staff.

This section, including all related forms, does not apply to the ACF or TAF as staff as they are not civil servants. Instead, ACF and TAF staff will be bound by personnel policies and procedures approved by their Governing Boards.

The guidelines provided for MBPI are based on the Sub-Decree No 29 of April 2, 2008 issued by the Prime Minister on the government policy on MBPI. The guidelines for PMG are based on Sub-Decree No 83 of August 13, 2002. (Being revised and the new Sub-Decree will be issued)

Reproduced below is the entire official MBPI and PMG Implementation Guides as prepared by CAR – MEF and what while each state IA should refer to these general guidelines, the specific modalities to be followed should be those in the MOU that will be signed with MEF and CAR.

Annex 1.1 Staff Selection and Management MBPI

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A. What is an MBPI Scheme?

A Merit Based Performance Incentive (MBPI) scheme is a mechanism designed to support the implementation of the core strategic development priorities of government ministries and institutions. It provides a financial incentive to a limited number of civil servants who are responsible for management of and provision of technical skills in the implementation of the core strategic development priorities.

Each MBPI scheme will target one or more specific strategic development priorities, and the performance of the MBPI scheme will be evaluated based on the achievement of these strategic development priorities. The performance of civil servants participating in the MBPI scheme will be evaluated based on their achievement of objectives and targets derived from the specific strategic development priorities.

A MBPI scheme is not intended as an instrument to support institutional reform or remuneration policy reform. Schemes will be fixed-term to support the implementation of the specific strategic development priorities and will then cease.

The establishment of an MBPI scheme may be initiated by a government ministry or institution to:

- Support the achievement of specific strategic development priorities identified through its strategic planning and review activities;
- Replacing an existing development partner salary supplementation scheme that is not consistent with Sub-decree 29 (see MBPI Annex E)

It is important that

- the proposal can be demonstrated to be in support of a specific strategic development priority[s];
- the proposal is supported by the Minister and relevant senior staff within the ministry or institution; and that
- there is commitment to financial and other support from a development partner[s] prior to finalization of the business case.

It is the responsibility of the Ministry, with the assistance of the development partner[s], to design the MBPI scheme. The MBPI scheme design will be tailored to meet the needs of the Ministry, and must be approved by the Minister prior to submission to the Committee on Performance & Accountability (see MBPI Scheme Establishment Process below).

B. MBPI Scheme Establishment Process

A working group would usually be established within the government ministry or institution to manage the MBPI Scheme Establishment Process, including MBPI scheme design, preparation of necessary documentation and provision of support in the MBPI scheme implementation. This working group would typically include representatives from key departments (Finance, Personnel, Planning, and technical representatives) and be led by a senior manager responsible for the MBPI scheme. The working group may be utilized in the establishment of future MBPI or PMG scheme within the Ministry.

B.1 Development Business Case

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The first step in the establishment of an MBPI scheme is a short submission to the Committee on Performance & Accountability for "in principle" approval of the scheme. This will include a Letter of Request for approval to proceed with the design of an MBPI scheme, and a supporting business case providing justification of the need for the MBPI scheme.

The "Business Case" should include:

- a description of the core strategic development priority[s] that the Ministry or Institution is pursuing and that the MBPI is intended to support (accompanied by the ministry or sector strategic plan where available),
- the Ministry's function[s] (relating to the core strategic development priority[s] that will be incentivized by the MBPI scheme,
- the estimated cost of the salary supplement to the government and development partner[s], and
- a statement of financial and other support available or committed by development partner[s] for the MBPI scheme.

B.2 Seek Approval in Principle

Once the letter of Request and Business Case have been prepared, they are submitted to CAR and MEF through P&A committee, which will review and consult with applicant to advise the two ministers. Further information may be requested before the Committee makes a decision on whether to approve the MBPI scheme "in principle".

B.3 Define MBPI organization, structure and Processes

Upon approval in principle, the Ministry may proceed with design of the MBPI scheme. The working group in consultation with senior Ministry staff will be responsible for designing the required system and processes, including:

- MBPI positions and organization structures, including position description;
- recruitment selection and appointment processes, including personal services contract templates;
- a performance management and accountability system;
- control systems, including for management of non-performing staff, misconduct reporting and sanctions and attendance monitoring;
- monitoring, evaluation and reporting system;
- financial management processes, and
- an implementation plan.

The identification of MBPI positions and organization structures requires a logical process that ensures that all positions can be justified in terms of their contribution to the management and technical support of the specific strategic development priority[s]. The ministry or institution will be required to design a process appropriate to their specific needs. An example of one such approach can be found as attachment two to this document.

B.4 Development Framework Documents

The MBPI scheme design will be detailed in a series of framework documents to be submitted for final approval to proceed with MBPI scheme implementation.

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The core document is a Memorandum of Understanding (MoU) between the interested parties, being the Ministry or Institution, the development partner[s] supporting the MBPI scheme and the Council of Ministers. The MoU sets out the commitment of the parties to the MBPI scheme and specifically details:

- the number of nature of positions to be covered by the MBPI and their organization structure;
- the financial costs and arrangements and funding mechanisms; and
- the monitoring and evaluation processes and reporting requirements.

The MoU will be supported by the following document:

- The MBPI Operational Manual, which detail the design and implementation arrangements of the MBPI scheme (see C of this section); and
- The MBPI Performance Management & Accountability System Manual, Which details the system to be used for establishment of targets, work plans and performance indicators, for managing the performance of staff and for identifying capacity development needs

B.5 Seek Approval for Framework Documents

These framework documents are submitted to CAR and MEF for consideration of the scheme design. The Committee on Performance and Accountability will assess the submission, and then invite ministry representatives to a meeting to address the submission. Further information may be requested before the Committee makes a decision on whether to provide the MBPI framework documents. Upon approval, all interested parties will sign the MoU.

B.6 Hold Recruitment & Selection

The Ministry may now commence recruitment and selection of staff to identify the proposed appointee for each of the MBPI positions. This will proceed according to the process agreed with the Committee on Performance and Accountability a part of the design approval.

B.7 Seek Approval of Appointments

Once recruitment and section has been completed, the Ministry submits the final appointment recommendation to the Committee on Performance and Accountability for approval. The Committee will audit the recruitment and selection process to ensure transparency and merit based appointment and give approval.

B.8 Issue Ministerial Parkas

Once approval of appointment has been given by the Committee on Performance and Accountability, a Ministerial Prakas is drafted to confirm the appointment of the successful candidates.

B.9 Develop Personal Service Contracts

After the Minister has signed and disseminated the Ministerial Prakas, a performance agreement will be developed with each successful candidate, and they will then sign a

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personal service contract that detail the term and conditions of their appointment to the MBPI position.

B.10 Full MBPI Scheme Implementation

The final step is the full implementation of the MBPI scheme. This will involve

- the implementation of systems relating to PMAS, monitoring & evaluation, reporting, financial management, and attendance, and the training of staff in the use of the system as required;
- communication of relevant policies and processes to MBPI staff, including those relating to condition of appointment, misconduct reporting and related sanctions; and;
- commencement of activities to achieve the objectives and targets agreed in performance agreements.

C. MBPI Operation Manual Guide

This MBPI Operational Manual guide is intended for ministries and institutions to use to develop an operational manual for their MBPI scheme. The operational manual is intended to present the systems and processes that will be used in the operation of the MBPI, including:

- recruitment selection and appointment of staff to MBPI positions;
- terms and conditions of their appointment;
- transitional arrangements;
- remuneration;
- performance management and accountability;
- management of non-performance, and
- management of non-selected staff.

The MBPI operational manual forms part of the detailed submission to CAR and MEF, along with the MBPI Memorandum of Understanding and PMAS Manual, for final approval of the Ministry MBPI scheme (see MBPI scheme Establishment Process, part B above). Any significant deviations from the principles and procedures outlined in this guide will need to be specifically justified as part of the submission.

Guide to this Guide

- Boxed content provides guidelines on the development of the MBPI Operational Manual and identifies and consideration that should be made.
- Text provides generic example of the type of content that may be included. This may be varied by the Ministry to reflect the particular MBPI scheme.

The sections and content on the following pages are proposed as a model for the MBPI operational Manual.

D. MBPI Scheme Summary

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This section will provide a summary of the proposed ministry MBPI scheme as detailed in the business case approved by CAR and MEF as part of the in principle approval (see Article 13 of Sub-Decree 29). This section will provide:

- a description of the core strategic development priority[s] that the Ministry or Institution is pursuing and that the MBPI is intended to support (accompanied by the ministry or sector strategic plan where available).
- the Ministry's priority function[s] (relating to the core strategic development priority that will be incentivized by the MBPI scheme.
- the number location and level of position that are covered by the MBPI scheme.
- scheme implementation arrangements
- any other relevant information regarding the scheme

E. Eligibility and Participation

E.1 Eligibility

Approved MBPI scheme will apply to positions responsible for management and specialized technical support of strategic development priorities.

It is assumed that staff currently employed by the department/Ministry is likely to have the skills and knowledge required to perform within these MBPI positions, and as current employees will be given first priority in appointment to positions within the MBPI structure.

Current staff will therefore have first opportunity to secure positions within the scheme, See also Annex B, selection 4 regarding reconfirmation.

Applications will be considered for the scheme based on the following priorities:

- **First Priority:** Incumbent (where the position is substantially similar to an existing position)
- **Second Priority:** Permanent Ministry/Institution staff
- **Third Priority:** Cambodian Civil Service staff, including non- permanent civil service staff

If the position is new or differs from an existing position, the position will be advertised within the Ministry. If no suitable candidates applies from the Second Priority category and capacity development is not practical, then positions will be advertised for Third Priority candidates.

All applications will be assessed against the competency profile provided in the position description, which will include the following selection criteria:

- Job – relevant experience;
- Job- specific skill and acknowledge;
- Relevant professional vocational and educational qualification; and
- Training related specifically to the position requirements

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The competency profile will define the minimum essential selection criteria for the position, and many also provide desirable experience, skills, knowledge, qualifications or training. Where an internal (first or second priority) candidate fulfils the essential selection criteria but not the desirable criteria, they will be appointed to the position and provide with training and development to develop the desirable criteria. Desirable criteria will be used to differentiate between candidates that fulfill the essential criteria.

E.2 Participation

Only staff that meets the minimum essential selection criteria for each position covered by the scheme will be eligible to participate in the scheme. If no candidates meet the minimum essential selection criteria for a position, that position may either be:

- reviewed to consider appropriate changes to the duties and requirements of the position,
- left vacant until a suitable candidate is available. In this case, the candidate that most closely matches the minimum essential selection criteria may be targeted for development into the position and appropriate training and support offered to assist in fulfilling the minimum essential selection criteria. Upon fulfilment of the minimum essential selection criteria, they may be appointed into the MBPI position, or
- Where a position is a key- position, a suitable person may be contracted into the positions to enable ongoing operations.

Continued participation in the scheme will be dependant upon demonstrating satisfactory performance against objectives determined as part of the performance management and accountability system.

F. Terms and Conditions of Appointment

The purpose of the scheme is to ensure that all staff under the MBPI Scheme devote all of their work time to ministry duties and to the achievement of targets related to the specific strategic development priorities.

Selected staff will be appointed to the MBPI initially for a period of number of years. Upon selection, they will enter into a personal service contract with the Ministry. The conditions of appointment are set out in this personal services contract which will be signed by both parties. The personal services contract (see MBPI Annex A) set out obligations to work productively under performance management and accountability system and prohibits:

- Work in non-government sectors and in private practice which may cause a conflict of interest with ministerial responsibilities or which prevents the full discharge of work responsibilities;
- Receipt of any salary supplement payments or allowances from any donor funding programmes; and
- Receipt of payments of any kind as compliments or presents.

Staff who is not selected for positions covered by the scheme will not be eligible to receive any salary supplement payments or allowances from the scheme.

G. Recruitment and Selection Process

G.1 Position Descriptions

A written position description will be developed for each position. These position descriptions form part of the personal service contract and are the key reference in the recruitment and selection processes.

A proposed MBPI position description template is attached in MBPI Annex D.

G.2 Appointment Committee

The appointment Committee may be the same as that used in the establishment of other MBPI or PMG schemes within the Ministry or institution.

Recruitment Committee membership should include:

- Staff with the authority to make employment recommendations to the Minister
- Staff with the responsibility for the performance of functions covered by the scheme and
- An independent member to ensure objective and transparent decision making (see section G.4)

The Ministry will establish a “Appointment Committee” to oversee the initial MBPI recruitment process and to manage the appointment process. The Committee will consist of:

- Secretary of State (Chair)
- Directors General
- Other senior Ministry staff
- Representative of the Personnel Department (Committee Secretary)
- Independent member
- Representative from CAR to ensure the independence and integrity of the recruitment and assessment process.

The Committee will ensure that a rigorous and transparent recruitment and selection process is established and followed in order to:

- Mitigate any claims of unfairness during the selection process,
- Minimize the alienation of unsuccessful staff applicants, and
- Provide the Ministry with the most capable and committed staff to carry out the core functions of each position.

The Committee will also be responsible for considering the identified preferred candidates for each position to:

- Ensure effective allocation of staff across MBPI teams, and
- Address any situation where one candidate has been successful in their application for more than one position.

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G.3 Selection Panel

The Appointment Committee may establish a selection panel or panel to conduct selection activities, including short listing, interviews and testing. The selection panel [s] would make recommendations to the Appointment Committee of the preferred candidate for each position.

G.4 External Support

The *Ministry's* personnel section has primary responsibility for the management and administration of recruitment and selection the MBPI positions. Given likely timeframes, workloads and the requirements of development partners, the Ministry may choose to engage technical assistance from an external agency or consultant to support these processes.

The external agency or consultant may provide technical assistance in:

- the development of recruitment and selection processes,
- screening short listing and selection activities (as part of the Appointment Committee,
- general administrative support including recruitment management of applications, arrangement of selection activities and communication of outcomes.

G.5 MBPI Staff Selection Process

All recruitment and selection must be competitive, merit-based and transparent to ensure that best available candidate is appointed to each position. Below is an example of such an approach

G.5.1. Applications

A tailored made application form will be designed to ensure that applicants provide all the relevant information and to provide equal opportunity for the candidates. The Department of Personnel with the technical support from the external consultant is responsible for position advertisement (first internal advertisement within the Ministry), distribution of standard application forms and receipt of the application forms from the applicants.

G.5.2 Screening

Screening is the process of analyzing all applications to remove those that do not meet minimum essential selection criteria and thus are not valid. Minimum essential selection criteria are defined in the position description prior to the start of the selection process and usually presented to potential applications as part of the recruitment campaign to provide guidance on their suitability for the position.

Minimum essential selection criteria are the minimum level of demonstrable skills and ability that a person must have to be able to do the position, and often include:

- Demonstrated knowledge;
- Area (s) of experience;
- Years of experience;
- Academic qualification (s);
- Language proficiency
- Computer Application skills

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Screening for the MBPI position selection will be conducted by a panel comprising of the relevant Director and the Director of the Department of Personnel with the support of the external consultant.

G.5.3 Short Listing

This is the process of analyzing all valid applications to determine the leading candidates by comparing the experience and abilities of each applicant using an objective assessment process. Applicants will be compared on essential and desirable selection criteria contained in the position description.

In order to minimize time and resource requirements, a specified number of candidates will be chosen to participate in the final selection process for each available position. Short listing will be unnecessary if there are fewer valid applicants than the number of places available in the final selection process.

The short listing process will be conducted by a panel comprising Directors General with the support of the external consultant. Using rigorous short listing, they will determine the leading applicants for each position and forward these applicants to the selection panel for the final selection process.

G.5.4 Automatic Appointment

Where a short-listed candidate is the incumbent in a position that is substantially similar to an MBPI position, that candidate will be considered for automatic appointment into the position without having to participate in a competitive recruitment process, as long as the candidate can demonstrate that he/she meets the minimum essential selection criteria for the position

Position may be filled through two approaches:

1: Automatic appointment

Where on MBPI, position is the same as or substantially similar to an existing position, and where the incumbent meets the minimum essential selection criteria, the incumbent may be automatically appointed without having to participate in a competitive selection process. Automatic appointments would normally be identified during short-listing.

2. Competitive selection

Where a position is new or has been changed and/or where an incumbent does not meet the minimum essential selection criteria or chooses not to apply the position will be filled using a competitive selection process.

G.5.5 Selection Panel

The appointment Committee will appoint a selection panel for each department. This will consist of the relevant Director General, the Department Director (and the Bureau Chief if a general staff position) and an independent member. The selection panel will receive all the short listed applications and will conduct the final selection process to determine the preferred candidates. The panel will use interview as the primary method of selection and the interview will be conducted by the selection panel using a standard and structured by the questionnaire adapted minimally for each position. Ability testing may also be carried out for some technical positions such as accounting, communications and IT positions. The list of preferred candidates will be then submitted to the Appointment Committee for appointment to the MBPI positions.

G.5.6 Employment Record/ Reference Checks

Employment Record / Reference Checking is the process of verifying information received and conclusion drawn during the selection process. This is usually done to validate a selection decision, but can also be used to differentiate between top candidates as part of the final decision-making process.

The most common approach is to ask written or oral questions of designated “referees”, usually previous managers or colleagues, but this may also be done by checking employment records (applicable for internal applicants) or other sources of information. If used as part of the final decision-making process, care must be taken to remain aware of potential referee bias if asking for opinions.

Reference checking will be used to validate selection decisions made by the selection panels. Checks of employment information held by the Personnel Department to confirm previous employment will also be carried out, and reference checks may be done with previous and current managers to confirm abilities and experience.

G.5.7 Recruitment from other Departments/ Ministries

If a candidate from another department or Ministry wishes to apply for an MBPI position, approval must be sought from the candidate's director prior to application.

In deciding whether to make an external candidate available for selection the candidate’s director may consider factors including:

- the impact on the unit of the loss of the candidate skills and experience.
- the candidate career development aspirations and opportunities and
- the opportunity for downsizing of the unit.

The candidate is selected; there may be justification for backfilling of the position. The Department Director with vacancy may make submissions to the Department of Personnel to justify filling the vacancy position.

G.5.8 Appointment Process

Once the department selection panel has identified a preference candidate, they will make a recommendation to the Appointment Committee. The Appointment Committee is then responsible for consolidating and checking all the recommendations to ensure that all positions are filled, that there is an equitable distribution of high calibre and developing to more than one position.

The Appointment Committee then sends the appointment recommendation summation to the Minister for approval.

After approval by the Minister, the Appointment Committee is responsible for producing personal service contracts for each successful candidate and coordinating the signing of contracts. The Directors General will sign the personal service contracts with the appointees in their Directorate. (See MBPI Annex A)

Once a personal service contract has been signed, it will be forwarded to the Department of Personnel who will make any necessary adjustments to files and records and forward details

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of the appointments to the Budget Department and may other relevant agencies accounting to normal procedures.

G.5.9 Levels of Authority

Entity	Level of Authority
Minister	Approve final appointments
Directors General	Participate in short listing of candidates. Sign service contracts with successful candidates for each MBPI position
Department Director	Sign performance agreement with successful candidates for each MBPI position
Appointment Committee	Approve recommendation of Selection Panel and forward to Minister
Selection Panel	Identify preferred candidate for each MBPI position and forward recommendation to appointment Committee
External Recruitment Consultant	Assist the Department of Personnel in screening and short candidates to provide most suitable candidates to selection panel, and participation in the selection process with the selection panel

G.6 Replacement of Staff Leaving MBPI Scheme

If a staff member leaves the MBPI scheme at any time after the initial appointment process, the Appointment Committee shall be convened to fill the vacancy using the agreed recruitment and selection process.

H. Remuneration System

H.1 MBPI Incentive Rates

MBPI incentive rates will be consistent with those specified in Article 6 of Sub-Decree 29 on the Implementation of Merit-Based Performance incentives.

H.2 Calculation of Monthly Remuneration

MBPI incentive rates will be paid to each participant in the scheme in addition to their existing base salary and all other approved government allowances in accordance with the rates in Sub-Decree 29. Participants in the scheme will receive one monthly payments combining government salary, allowances, and the MBPI incentive rates applicable to their rank. Monthly payments will be by direct payment to participant's bank accounts through the payroll utilizing the government's nominated bank.

H.3 Progression/ Performance Payments

There will be no annual increments to MBPI incentive rates other than those determined through the annual review of MBPI incentive rates detailed in Sub-Decree 29.

I. Performance Management and Accountability System

The design and operation of the PMAS is detailed in a separate manual. This section should provide an overview of the PMAS and its relation to the MBPI scheme.

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The Ministry's Performance Management and accountability system (PMAS) will be used as a means of reaching agreement with staff on their required work activities and outputs, of making periodic assessments of their performance and of identifying capacity development needs to enable more effective performance. The key focus will be on:

- Identification and approval of objectives,
- Development and review of work plans,
- Conduct of annual performance evaluations; and
- Identification of capacity development needs.

The effective operation of the PMAS is the responsibility of all managers throughout the Ministry. The primary responsibility of managers and team leaders is to manage their team's activities to achieve the team's objective. Therefore, the team's objective are also the manager's/team leader's objectives, and the PMAS a tool for managing the team's activities towards achievement of the objectives.

J. Control Systems

J.1 Attendance System

An attendance monitoring system will be developed implemented within the relevant departments. This system needs to be auditable and linked to the leave administration system.

An attendance system will be developed for the staff under the MBPI scheme to verify attendance at work as agrees in the personal service contracts. The system will require staff to gain authorization for all planned leave and sign-off of any unplanned leave from their supervisor. At the end of the month, the staff member will submit an attendance register to their supervisor for approval. Upon approval, all leave forms and attendance registers will be submitted to the personnel section for checking and filing.

Attendance and leave planning will be one of the agenda items for the monthly departmental meeting to ensure availability of staff for planned activities.

Leave entitlements will remain consistent with those provided in the Common Statute of the Civil Service.

J.2 Management of Non- Performing Staff:

Where a staff member is not performing to a satisfactory standard as measured by the PMAS, there is a need to provide support in the form of training, development and encouragement to assist them to reach the required standard.

If they are still unable to reach the required standard to the support provided, then there is a need to remove them from the MBPI position and redeploy them elsewhere in the Ministry.

In addition to the identification of development needs, PMAS performance monitoring and evaluation also allows for the timely identification of unsatisfactory performance and for appropriate response through the identification and delivery of development needs and

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required support, if a staff member shows consistent unsatisfactory performance over a period of time despite the provision of appropriation training and support, they will be discharged from the MBPI position, will be redeployed within the Ministry and will be entitled only to Government salary and normal allowances.

In the case of serious contravention of the conditions of appointment, the policies and processes outlined in Annex **B** and **C** will be invoked.

K. Misconduct Reporting Process and Sanction Policy

The purpose of this section is to provide a sound compliance reporting mechanism and an appropriate sanction policy consistent with existing Cambodia legal framework.

It is the responsibility of each manager to monitor the behaviour of their staff, and to take action to ensure that their behaviour meets the required standards as defined in the personal service contract. There is also an obligation on all staff to report any misconduct or potential misconduct that they become aware of.

The process detailed in MBPI Annex B shall be used for monitoring and reporting of misconduct (or potential misconduct) by MBPI recipients.

The Sanction Policy detailed in Attachment 10 will be applied to any staff member found to have acted contrary to the standards defined in personal service contract.

L. Transitional Arrangements

Ministries should be mindful of the transitional arrangement required to address the phasing out of existing salary supplementation practices and the introduction of MBPI incentive as MBPI staff are not permitted receive salary supplements from any other source.

Transitional arrangement may also be required to address the transfer of functions and duties from non-appointed to appointed MBPI staff.

M. Management of Non-Selection Staff

It is unlikely that an MBPI scheme will apply to all staff of a Ministry. The Ministry will continue to manage staffs who are not appointed to an MBPI position in accordance with civil service regulations and within the policy framework set down by CAR and MEF.

The Ministry or institution may also consider the establishments of further MBPI or PMG schemes to support the strategic development or operational activities of these staff.

Staff members that are not appointed to MBPI positions will be retained in their current unit to perform clearly defined duties and responsibilities that fall outside the scope of the MBPI. They will have access to training and capacity development programmes provided by their ministry to support their continued development and enhance their eligibility for participation in future MBPI or PMG schemes.

MBPI Annex A: Personal Service Contract

1. APPOINTMENT

The Ministry of Ministry name (hereafter called as “the Ministry”) hereby appoints

Name

Address

Civil Servant Number (hereafter called as “the appointee”)

To the position of position name in the Department of

Department name

The position holder is part of the team name

Team//Bureau and reports to supervisor. The position is based in location

2. DURATION OF CONTRACT:

This appointment is effective from date and shall remain valid until expiry date or until superseded by another contract. However, the appointment shall be reviewed annually and may be terminated earlier according to conditions detailed in clause 8.

3. RESPONSIBILITIES:

The appointee is responsible for

- all functions associated with the position as defined in the attached position description; and
- achievement of the performance objective as agreed in the attached performance agreement.

4. CONDITIONS OF APPOINTMENT

The appointee will demonstrate a commitment to the values, ethics and discipline of the Public Administration of the Royal Government of Cambodia, and will abide by all terms and conditions of their employment with the Royal Government of Cambodia and as defined in the attached MBPI conditions of appointment document.

5. REMUERATION:

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The appointee will receive the normal government salary and allowances, together, with a merit-based performance incentive of US \$..... for each month that he/she holds the above position.

This contract comes into force on the ___ day of _____.
20xx and remains valid until the _____ day of _____ 20xx.

Signed _____ (Project Director)

I have read and understood the terms and conditions of my appointment and confirm my acceptance of the terms and conditions of this contract.

Signed _____ (Appointee)
Date:

PERSONAL SERVICE CONTRACT ATTACHMENT
MBPI CONDITIONS OF APPOINTMENT

The following are the conditions of appointment under the MBPI scheme.

1. HOUSE OF WORK:

The appointee's hours of work shall be a minimum of 7.5 hours per day, from Monday to Friday, except for official government holidays. The appointee is expected to be available at their work base during these hours. The appointee will be required to work any reasonable additional hours which are necessary to perform his/her duties and the appointee shall not be entitled to any additional payment for hours worked in excess of the normal working hours.

2. ABSENCE:

Any planned absence will be with the express written permission of the Director or Director General. Any unplanned absence for sickness or other reasons must be communicated to the line manager as soon as possible.

3. OTHER REMUNERATION:

The appointee shall not accept remuneration from any other source during the term of this contract without the prior written permission from the Director General. This includes remuneration generated from personal or family business, "Supplementary salary" from a donor supported programmed, consultancy or any other form of employment or engagement. The appointee shall not accept any gifts or other inducements offered in connection with the employment at the Ministry.

4. CONFLICT OF INTEREST:

The appointee declares that, in accepting this personal service contract, they do not create a conflict of interest with any existing appointments, roles or activities, and that during the term of their appointment the appointee will not accept any appointment or role or engage in any activity that creates a conflict of interest with their ministerial responsibilities. The appointee shall notify the Ministry immediately of any actual or potential conflict of interest and shall address the conflict of interest so as to be able to satisfactorily demonstrate to the Director General that the conflict of interest has been removed.

Examples of conflict or potential conflicts of interest include:

- A procurement officer who owns an importing company that has supplied the Ministry in the past or who import goods that the Ministry is likely to procure.
- A person engaged in pharmacy regulatory activity whose wife manages a pharmacy

5. PERFORMANCE MANAGEMENT:

This section will detail the contractual requirements of the Ministry/institutes PMAS including requirements for agreement of review of objectives, monitoring and evaluation. The section will refer to the Ministry/Agency's PMAS manual.

6. DISCIPLINARY PROCESS:

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If the appointee does not abide by the terms and conditions of their employment with the Ministry or of this contract, or does not meet the performance targets agreed in the attached performance agreement, they may be subjected to the disciplinary process as detailed in the Ministry's PMAS manual, which may result in the appointee is removed from the MBPI position. If as a result of disciplinary action the appointee is removed from the MBPI position, he/she shall return to their normal duties within the Ministry and revert to the normal government salary and allowances.

7. RIGHT OF APPEAL:

If the appointee is not satisfied with the decision made as a part of this contract, they may appeal through the appropriate channels using the process detailed in the Ministry's PMAS manual.

MBPI Annex B: Misconduct Reporting Process

1. REPORTING

Any staff member (either MBPI recipient or non-recipient) who observes or becomes aware of any misconduct by an MBPI recipient(s) is obliged to report this to an appropriate manager. An appropriate manager is a manager of sufficient seniority to be able to initiate the appropriate action and to whom the staff member is entitled to anonymity upon request in any actions taken as a result of their reporting.

The manager will review and, if in agreement that that allegation relates to a material breach of their conditions of appointment, he/she will report the matter directly to the Performance Review Committee. Should the manager decide that the information provided does not constitute a material breach of their conditions of appointment; he/she should communicate this, with reasons, to the reporting staff member.

Failure by staff of Directors to report any misconduct of which they have knowledge will result in the application of an appropriate sanction, as stipulated in the Sanction Policy in MBPI Annex C. Reporting of allegations in bad faith or for malicious reasons will also result in the application of an appropriate sanction.

2. INVESTIGATION

Once notified, the Performance Review Committee will consult with the responsible Director, Department of Personnel to the Internal Audit Department to identify evidence relevant to the allegations.

In the event that sufficient evidence exists to suggest that there has been an violation, then:

- If the violation appears to be minor, the Performance Review Committee will request the Department of Personal to issue a warning to the concerned individuals. The warning will state that any further misconduct will result in the concerned individuals being investigated.
- If the violation appears to be significant or complex, an investigation committee should be immediately set up. The committee shall be led by a deputy director and include a representative from Department of Personnel, and a representative from the Department[s] involved. When such an investigation is instituted the individuals concerned will immediately be suspended from the MPBI pending the outcome of the investigation.

Upon conclusion of the investigation, the investigating committee shall prepare a written report, including its findings and conclusions, and forward it to the Performance Review Committee. Except in the case of extremely complex investigations, as agreed with the chairman, the committee will report its findings within 14 days.

3. OUTCOME

The Performance Review Committee will consider the findings and conclusions of the investigation and make a final decision on whether there has been an violation, the nature of that violation, and the appropriate sanction, if any, to be applied (refer to the Sanction Policy, Annex 10). The final decision will be communicated in writing to all parties concerned.

In the event that consultations or investigations reveal evidence of bad faith or reporting for malicious reasons on the part of the reporting staff member(s), then the Chairman will recommend immediate application of the sanction policy.

Statistics on the number of reports, warning and investigations and their outcomes will reported to the Minister on a quarterly basis.

MBPI Annex C: Sanction Policy

The main objective of this policy is to discourage MBPI recipients from being involved in misconduct or actions contrary to the conditions of appointment, either intentionally or unintentionally. If a case of misconduct is found and confirmed by the Performance Review Committee, the following sanctions may be recommended to the Minister.

Type	Example	Sanction
Level 1 Sanction	Where an MBPI recipient unintentionally or carelessly engages in misconduct	Written warning
Level 2 Sanction	Where an MBPI recipient repeatedly engages in misconduct	Suspension from the BMPI scheme for a specified period of time
Level 3 Sanction	Where an MBPI recipient engages in serious misconduct	Removal from the MBPI scheme

Examples of conduct contrary to the conditions include, but are not limited to:

- Sharing MBPI among MBPI recipients and non-recipients.
- Making or receiving a bribe for nomination to an MBPI position.
- Asking for or receiving a bribe when checking attendance, etc.
- Any falsification of documentation of records relation to the MPBI scheme.
- Undertaking paid work or operating a business without prior written permission from the Director-General, and
- Any other actions that seek to undermine the objectives of the MBPI scheme as outlined in the General Guidelines.

In addition to the sanctions listed above, the Minister may determine that the staff member should be sanctioned using the policy stated in article 40 of the Civil Service Statute (detailed below).

ARTICLE 40 OF THE CIVIL SERVICE CODE

1. Level 1 Sanction

This level of sanction occurs when any Civil Servant and therefore any MBPI recipient unintentionally or carelessly engage in misconduct.

Disciplinary Sanction Steps

- a. Warning

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- b. Written warning and incorporate into staff member(s)'s record.
- c. Remove from current position
- d. Removal from promotion list

A level 1 sanction is issued in writing by the Minister and is sent to the involved staff member(s). In the case of **c** and **d** above, the sanction shall be issued by Royal Decree, Sub-Decree or Parkas.

2. Level 2 Sanction

This level of breach occurs when MBPI recipient(s) intentionally involve in the misconduct for reasons that related to either personal or group gain. For example, the case of sharing MBPI among MBPI recipients and non-recipients, receiving bribe for nomination of MBPI position, asking or receiving bribe when checking attendance, etc.

Disciplinary Sanction Steps

- Severely written warning, which might lead to removal from promotion list or delay in promotion but not more than two years.
- Temporary suspension without salary for not more than one year.
- Demotion by one rank or more
- Force to retire before term or dismissed
- Removal of Government official status.

A Level 2 sanction is issued by Royal Decree, Sub-Decree or Prakas after receiving opinion form Disciplinary Committee.

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POSITION TITLE:

RESPONSIBLE TO:

SUPERVISES:

MAIN PURPOSE OF
 POSITION:

RESPONSIBILITIES

ACTIVITIES	RESULTS	INDICATORS

COMPETENCY PROFILE (SELECTION CRITERIA)

Experience	<i>Essential :</i> <i>Desirable :</i>
Specific Skills and Knowledge	<i>Essential :</i> <i>Desirable :</i>
Qualifications and Training	<i>Essential :</i> <i>Desirable :</i>

Signature _____ Signature _____
 Date: ____/____/____ Date: ____/____/____
 Supervisor Director of Personnel

Royal Government of Cambodia
No.29

Sub Decree
On
The implementation of Merit Based Performance incentives

The Royal Government of Cambodia

- Having seen the Constitution of the Kingdom of Cambodia
- Having seen the Royal Decree No. Ns/RKT/0704/124 dated July 15, 2004 on the appointment of the Royal Government of Cambodia
- Having seen the Royal Kram no 02/NS/94 dated July 20, 1994 promulgated the Law on the Organization and Functioning of the Council of Ministers
- Having seen the Royal Kram No. 06/NS/94 dated October 26, 1994 promulgated the Law on the Common Statute of Civil Servant of the Kingdom of Cambodia
- Having seen the Royal Decree No CS/RKT/1297/273 date December 01, 1997 on the Common Principles of the Organization of the Civil Services
- Having seen the Royal Decree No. NS/RKT/0904/284 dated September 27, 2004 on the Establishment of the Supreme Council of State Reform
- Having seen the Royal Decree No. NS/RKT/1201/450 dated December 01, 2001 on the Base Salary and Supplement Allowance of Civil Servant
- Having seen the Sub Decree No. 83 dated August 13, 2002 on the Establishment and implementation of the Priority Mission Group
- Referring to request of Chairman of the Council for Administration Reform.

Decides

Chapter 1
General Provisions

Article 1.

This Sub Decree aims to set consistent and harmonious principles for the implementation of Merit Based Performance Incentive (MBP) for civil servants who are working with projects of ministries and institutions which are financed by Development Partners through agreements between Development Partners and the Royal Government of Cambodia.

Article 2.

MBPI is an incentive paid to civil servants in addition to base salary and other allowances who participate in the management, implementation and provision

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of technical skills involved in the implementation of strategic development priorities of ministries and institutions through agreements between Development Partners and the Royal Government of Cambodia.

The strategic development priorities include Sector Wide Programs which may be funded by one or more Development Partners either through separate accounts, pooled funding or sector budget supports.

Chapter 2
Major Principles

Article 3.

The implementation of MBPI shall be in accordance with the following major principles:

- MBPI is an instrument to implement strategic development priorities involving a limited number of civil servants with highest educational qualifications.
- The implementation of MBPI shall be consistent with existing public administration and salary systems of the state.
- MBPI incentive are not indicative of future salary policy
- MBPI related conditions shall not affect unity, stability and sustainability of existing systems.

Article 4.

All positions supported by MBPI shall be consistent with the priority functions of the line ministry or institution involved.

Each position which is supported by MBPI shall have a written job description and selection and transfer Procedures shall be MBPI shall have a written job description and selection and transfer procedures shall be based on work performance, transparency and qualifications.

Article 5.

Each civil servant who is selected to work in a MBPI scheme shall:

- have an appointment contract that specify objectives, activities, quantitative and qualitative outputs. and mechanisms for monitoring and evaluation;
- be evaluated at least once year according to the procedures specified in the appointment contract
- benefit from capacity development.

Chapter 3
Rates, Payments and support

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Article 6.

Civil servants who are selected to work on strategic priority development projects of ministries and institutions that are financed by Development Partners shall receive MBPI performance incentives as follows.

- Director General	1,800,000 Riels
- Deputy Director General	1,480,000 Riels
- Department Director	1,280,000 Riels
- Deputy Department Director	1,080,000 Riels
- Administration Officer	1,000,000 Riels
- Bureau Chief	932,000 Riels
- Deputy Bureau Chief	836,000 Riels
- Kramka	772,000 Riels
- Secretary	452,000 Riels

For ranks below Deputy Department Director, MBPI incentive rates paid by Development Partners include PMG incentive rates.

MBPI incentive rates can be reviewed (annually) and changed if necessary. Changes in MBPI incentive rates shall be made by Sub Decree.

Article 7.

Civil servants who have high specific technical skills may receive MBPI incentives with eligibility and incentives levels to be determined by separate provisions.

Other positions that are not stipulated in Article 6 may receive MBPI incentives at level to be determined as an equivalent rank to a position specified in Article 6 through the Memorandum of Understanding.

Article 8.

Administration officials at the sup national levels occupying the functions shall receive the MBPI incentive rates for the same positions.

Article. 9.

MBPI incentives shall be transferred into the personal account of involved civil servant using the banking system.

Article 10.

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Each ministry and institution that initiates an MBPI scheme shall ensure that Development Partners transfer existing salary supplement funds to support the implementation of the MBPI scheme.

Article 11.

The Memorandum of Understanding supporting a MBPI scheme between ministries and institutions of the Royal Government and Development Partners shall include an initial contribution by Development Partners equivalent to but not more than ninety percent (90%) towards the payment of incentives in the first year, and their contribution shall be reduced gradually by five percent (5%) a year over the life of individual MBPI schemes.

The Royal Government shall co-finance the MBPI scheme within the framework of counterpart funds of the Royal Government.

Article 12.

Schemes for salary supplement for over time or for new contractual arrangement for civil servants which are part of programs or projects of Development Partners shall not be allowed to exist outside MBPI scheme.

Chapter 4
Approval Procedure

Article 13

Under the procedures for approval of MBPI schemes, ministries and institutions shall submit a proposal to the Council of Ministers of which the General Secretariat of the Council for Administration Reform acts as Secretariat, and the Ministry of Economy and Finance.

Proposals shall briefly explain the coherence between objectives of the proposed MBPI schemes, the strategic development priorities of ministries and institutions, the objectives and support programs of the Development Partners by specifying the number of positions and expenditures and the procedures for monitoring and evaluation.

Article 14.

After obtaining approval of the proposal in principle provided in Article 13, a Memorandum of Understanding shall be developed by concerned parties including a manual for the implementation of the scheme approved by the line Ministry or Institution.

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Departure from the principles and procedures which are stipulated in the general manual for implementation shall be specifically justified.

Comprehensive procedures shall be developed by each Ministry or Institution that implement MBPI scheme indicating in detail procedures for implementation.

Chapter 5
Conditionality for Implementation

Article 15.

The number of positions of a MBPI scheme shall be limited to those core positions necessary to achieve the strategic priorities of each Ministry or Institution.

Article 16.

Ministries or institutions obtaining approval for a MBPI scheme shall be responsible for implementing the scheme in accordance with Memorandum of Understanding and approved manuals.

The Council of Ministers, which the General Secretariat of the Council for Administration Reform acts as the Secretariat shall be responsible for approving the schemes, coordinating, and monitoring the implementation of MBPI schemes.

All ministries and institutions that implement a MPBI scheme shall prepare technical reports to the council of Ministers of which the General Secretariat of the council for Administration Reform acts as a secretariat, and reports of expenditure to the Ministry of Economy and Finance.

Article 17.

Transfer civil servant who received MPMBI shall be made through Prakas of the concerned ministry or institution in transparent manner and the number of civil servant under the scheme shall remain the same and a copy of the Prakas shall be provided to the Council of Ministers.

Article 18.

MBPI schemes shall end when financing from the Development Partners geminates or the project closes.

Chapter 6
Transitional Provisions

Article 19.

All salary supplement schemes of Development Partners that are inconsistent with the provisions of this Sub Decree shall end or be transferred to the MBPI scheme in accordance with the provisions Sub Decree no later than one year after this Sub Decree comes into effect.

Chapter 7 **Final Provisions**

Article 20.

Sub Decree No. 98, dated August 05, 2005 on the implementation of MBPI and Sub Decree No. 38, dated May 03, 2006 on amendment of the implementation of MBPI shall be abrogated.

Article 21.

Minister in charge of the Office of the Council of Ministers. The Minister of Economy and Finance, the Chairman of the council for Administrative Reform Ministers and Secretaries of State of all Ministries and Institutions shall implement this Sub Decree from the date of execution.

Phnom Penh, date.....2008

Prime Minister

SAMDECH AKKAK MOHA SENA PADEI TECO HUN SEN

**Proposed to Prime Minister by
The Deputy Prime Minister and
Chairman of the Council of
Administration Reform**

Sok An

CC:

- Ministry of Royal Palace
- General Secretariat of Constitutional Council
- General Secretariat of Senate
- General Secretariat the National Assembly
- General Secretariat the Royal Government
- Cabinet of Samdech Prime Minister
- General Secretariat of the Supreme Council of the State Reform
- As mentioned in Article 21
- The Royal Gazette
- Archives

Annex F: Position Establishment Process

1. ESTABLISHMENT OF ORGANIZATION DESIGN

- Final agreement on the strategic development priority the MBPI scheme will support.
- Identification of core functions and the structure required to effectively deliver them with consideration of functional analysis findings and recommendations.
- Senior manager positions descriptions are developed by Directors General.
- Approval of department core function structure and senior management position descriptions gained from Minister.

2. AUTOMATIC APPOINTMENT OF STAFF INTO SENIOR MANAGEMENT POSITIONS:

- MBPI personal service contract offered to each candidate by Directors General.
- Upon acceptance, Minister confirms senior managers into their positions (Assumption that there will be on change to department structure and that incumbents will be retain their positions).

3. ESTABLISHMENT OF DEPARTMENT ORGANIZATION DEVELOPMENT (OD) PLANS AND TEAM DESIGN

- OD Plans for each functional area will be developed by Directors using a template.
- The OD Plans will focus on establishing an effective MBPI structure and establishing/ improving systems and processes within the department to effectively deliver core functions.
- They will use the functional analysis findings and recommendations and the objectives from the Ministry's annual planning process to identify OD objectives and to establish plans for achievement of these objectives.
- The OD plans will include a proposal for the establishment of a MBPI position structure and MBPI position outlines.

4. APPROVAL OF OD PLANS BY DIRECTORS GENERAL/MINISTER

- Directors General/Minister approves OD Plans with consideration of MBPI position establishment numbers and cover functional requirements.

5. ESTABLISHMENT OF POSITION DESCRIPTIONS IN EACH DEPARTMENT

- The Director will complete a position description template (Attachment 1) for each approved position in the OD Plan.

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- The position analysis process and position description are designed to provide information about the work experience, skills and knowledge, and qualification and training requirements of the position for use in the recruitment process.

6. ESTABLISHMENT OF POSITIONS REQUIRING SPECIAL TECHNICAL SKILLS

Where special technical skills are required for a position and it is determined that the MBPI incentive rates may be insufficient in attracting and retaining appropriate candidates, the Ministry may submit a proposal to CAR and MEF for the establishment of a Technical Specialist position with an appropriate MBPI incentive rate refer to Article 7 sub-decree 29)

In the absence of a separate sub-decree to address eligibility and incentive levies for such positions, the Ministry's proposal should justify the position's assignment as a Technical Specialist position with a higher rate by addressing:

The work experience required that is relevant to the duties and responsibilities of the position;

The level of qualifications required that are relevant to the duties and responsibilities of the position and

- If it is determined that there is a need to pay higher rate to attract candidates with specialist skills and experience, then unit head may develop a proposal to a position as a Technical Specialist position.

7. COMMENCEMENT OF RECRUITMENT PROCESS

- The recruitment process for MBPI positions can now commence using the competency position descriptions.

Annex 1.2 Staff Selection and Management PMG

A. Introduction

Priority Mission Groups were introduced gradually starting in 2002 with the approval of the Strategy to Rationalize the Civil Service adopted by the Council of Ministers in October 2001. There were conceived as a partial practical solution to enhancing performance by providing performance incentives to staff selected by a transparent, merit based process. PMGs are innovative instrument the Royal Government introduced step-by-step.

In 2007, the Council for Administrative Reform together with ministries evaluated the scheme assess benefits and draw lessons. An Inter-Ministerial Meeting chaired by the Deputy Prime Minister, Chairmen of the Council for Administrative Reform considered finding the recommendations to reinforce contribution to performance and streamline processes. Decisions were announced at the National Seminar on PMGs and MBPIs held in October 2007.

Following consultations and discussions with ministries and development partners how to best future improve on the scheme so that it be a more effective tool, together with MBPI and SOAs to enhance performance and accountability in the Civil Service. This guide is based on and expands on Sub-Decree_____ dated_____, which revised Sub-Decree 83, dated 13 august 2002, and attendant regulations and Prakas.

The main body of the Guide introduces the concept, outlines characteristics and specifics processes and practices. The annexes expand on core elements of the scheme and are intended to illustrate rather than direct. Ministries and introductions shall adapt them to their needs, capacity and circumstances.

B. What is a Priority Mission Group?

A Priority Mission Group is a team of civil servants established by ministries, institutions and various reform councils in accordance with defined criterion to perform priority operational mission of the ministry or institution to achieve specific results. In return for performance and accountability, PMG member receive performance incentive in accordance with approved rate set by Sub-Decree_____, dated_____. PMG are foremost instruments to enhance performance and accountability within the administration. As such they may be used to

- Facilitate the implementation of reform and priority missions of ministries and institutions in accordance with government priorities as outlined in the National Strategic Development Plan and the Governance Action Plan;
- Improve the quality and delivery of public services;
- Develop sustainable capacity within the Public Administration.

When used effectively PMGs would:

- Change behavior gradually towards principle of motivation, loyalty, service and professionalism;

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- Promote prudent, effective and transparent performance based management;
- Encourage civil servants to perform their work in a way that is effective, transparent and responsible.

C. The PMG Scheme

The Royal Government started to deploy PMGs five year ago. The approach was prudent and step-by step. The following a review in the mid 2007 and subsequent consultations with ministries and development partners processes and procedures were streamlined and simplified and performance enhancing components were strengthened. This section of the guide outlines key characteristics of the scheme.

PMGs continue to have the following characteristics:

- They are an integral part of a holistic approach to turning the public administration into a potent tool for planning and executing public policy;
- The mission of individual PMG must be consistent with the priority of the Royal Government and the operational priorities of the ministry or institution establishing them;
- They have a clear mandate with indicators of performance and periodic reporting.
- Members are civil servants who are selected based on merit through a transparent and fair process managed by the concerned institution; and,
- PMG staff received a performance incentive on top of their remuneration in return for performance and ethical behavior.

Sub-Decree___ has introduced elements to enhance the performance of the scheme and of individual PMGs. It has simplified the approval, evaluation and audit procedures. It facilitates the involvement of development partners in the development and financing of PMGs.

Changes to the scheme include:

- Streamlined oversight procedures (approval, evaluation, audit);
- Strengthened performance management;
- Personal and team based appraisal;
- Emphasis on capacity development;
- Time limits to appointment unless extended;
- Adjusted incentive levels and structure;
- Funding mechanisms (increasing government participation when DP funding).

D. PMG Establishment Process

The following outlines the key activities leading to the establishment of a PMG:

1. Develop business case
2. Seek approval in principle
3. Development framework document (Mission and Results Statement)
4. Define PMG organization, structure and process
5. Seek approval of scheme design
6. Hold recruitment selection
7. Seek approval of appointments
8. Issue appointment parkas
9. Develop personal service contracts

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The first of in the establishment of a PMG scheme is a short submission to the Committee on Performance & Accountability for "in principle" approval of the scheme. This submission should make a compelling rationale for establishing a PMG in terms of expected costs-benefits and risks. The submission will include a Letter of Request for Approval to proceed with the design of a PMG scheme, and a supporting business case providing justification of the need for the PMG scheme.

The "Business Case" should include:

- a description of the operational priority[s] that the Ministry or Institution is pursuing and that the PMG is intended to support,
- the Ministry's function[s] (relating to the operational priority[s] that will be incentivized by the PMG scheme,
- the estimate number, location and level of position that will be covered by the PMG scheme,
- the estimated cost of the salary supplements to the government and development partner[s] (if involved) and,
- a statement of any financial and other support available or committed by development partner[s] for the PMG.

D.2 Seek Approval in Principle

Once the Letter of Request and Business Case have been prepared, they submitted to CAR and MEF through P&A committee, which will review and consults with applicant an advice the two ministries. Further information may be requested before the committee makes a decision on whether to approve the PMG scheme "in principle"

D.3 Development Framework Document (Mission and Results Statement)

The Mission and Results Statement is the "Constitution" of the PMG scheme. This document and establishing Prakas are the framework documents for individual PMG schemes. An outline of a typical Mission and Results Statement is contained in Annex II.

The Mission and Results Statement provide a clear description of how the PMG scheme will fulfil its mission and mandate as set out in the business case. The Mission and Results Statement should assure the Government and the Minister that the PMG management has a clear sense of direction, is dealing with the right issues and is managing its affairs accordingly. The Mission and Results Statement is a rolling statement that may be reviewed annually as part of the ministry planning exercise and light of progress made

The Mission and Results Statement set out the following:

- The mandate and mission of the PMG;
- Expected results and monitoring indicators;
- Monitoring, evaluation and report system;
- PMG positions and organization structures;
- Description of the performance management and accountability system (PMAS) to be used;
- Operating budget and identification of resources required;
- An implementation plan detailing implementation steps, responsibilities and timelines;
- Funding mechanisms (decreasing participation by development partners); and
- Mechanisms for stakeholder involvement.

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The Mission and Results Statement shall be prepared in close cooperation with stakeholders and any development partners involved. Where development partners are involved in supporting the PMG, a Memorandum of Understanding will be drafted detailing the partnership agreement.

A PMAS Manual consistent with the CAR PMAS Principles and Guidelines will be developed for us as part of the PMG and should be submitted in support of the Mission and Results Statement.

D.4 Define PMG Organization, Structure and Processes

The Ministry will need to design other systems and processes required for the implementation and operation of the PMG scheme. Other systems and processes required include:

- position description for each position;
- recruitment, selection and appointment processes (see D.6 below). including personal service contract templates;
- control systems, including for management of non-performing staff, misconduct reporting and sanctions and attendance monitoring; and
- financial management processes.

D.5 Approval for Framework Documents

- The Mission and Results Statement is submitted to CAR and MEF for consideration of the scheme design. The Committee on Performance and Accountability will assess the submission, and then invite ministry representative to a meeting to address the submission. Further information may be requested before the Committee makes a decision on whether to approve the PMG framework documents. Where development partners are involved, the MoU will be signed after scheme approval.

D.6 Hold Recruitment and Selection

Ministry may now commence recruitment and selection of staff to identify the proposed appointees for each of the PMG positions approved in the Mission and Results Statement.

Appointment into a PMG position shall be merit based and transparent. The most qualified individual shall be selected and provided with training opportunities if and when necessary. Available positions shall be advertised broadly within the ministry or institution and a transparent process for application shall be easily accessible. Ministries and institutions are responsible for conducting the selection process.

Ministries and institutions wishing to deploy PMG shall establish:

An ***Appointment Committee*** to oversee and manage the recruitment and appointment processes and to validate the list of successful candidates prior to submission to the Committee for Performance and Accountability for approval. Their responsibilities are to

- Ensure that the recommendations are reasonable and recommended candidates meet the selection criteria for the position,
- Ensure effective allocation of staff across PMG teams, and

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- Address any situation where one candidate has been successful in their application for more than one position.

A ***Selection Panel*** to conduct the selection process and to make recommendation for appointment to the Appointment Committee. The selection panel would normally be responsible for selection of preferred candidates for all positions within the PMG. Their responsibility is to:

- Ensure the recruitment and appointment process is implemented effectively, efficiently and transparently.

The CAR Secretariat may provide assistance, if and when required.

D.7 Seek Approval of Appointments

Once recruitment and selection has been completed, the Ministry submits the final appointment recommendations to the Committee on Performance and Accountability for approval. The Committee will audit the recruitment and selection process to ensure transparency and merit-based appointments and give approval.

D.8 Issue Appointment Prakas

Once approval of appointment has been given by the Committee on Performance and Accountability, an appointment prakas is drafted to confirm the appointment of the successful

- If the PMG is financed by the RGC alone, then the prakas shall be drafted and issued by the Office of the Council of Ministers.
- If the PMG is financed by both the RGC and development partners, then the prakas shall be drafted and issued by the relevant Minister.

D.9 Develop Personal Service Contract

After the appointment prakas has been signed and issued, a performance agreement will be developed with each successful candidate, and they will then sign a personal service contract that details the terms and conditions of their appointment to the PMG position. The personal service contract will stipulate expected results, commitments and compensation for each. Annex V provides an overview of a personal service contract.

Requirement of the performance agreement are detail in the PMAS Principles and Guidelines. Personal Service Contract are critical to the success of individual PMGs and are a useful sources of information for monitoring and evaluation.

E. Term of Appointment

The purpose of the scheme is to ensure that all staff under the PMG Scheme devotes their work time to the mandate and mission of the PMG, to realize expected results and to improve work efficiency. Select civil servants are appointed to a PMG initially for a period of one year. Upon selection, they enter into a services contract with the Ministry. the conditions of appointment are set out in this services contract which is signed by both management and the appointee.

The service contract sets out obligations to work productively, to achieve set results and meet performance indicators. It commits appointee to develop individual capacity and to respect

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pre-defined norms and standards. It also commits management to providing adequate operational resources and development opportunities to improve performance.

Individual Performance Management and Accountability System include a section on enforcing the PMG Code of Ethics and a selection on rewards and sanctions. Manager and staff shall be appraised against indicators of probity and services. The section will cover grievance and redress procedures. Specifically, PMG members shall not:

- Engage in activities that may give rise to a conflict of interest with PMG related responsibilities or which prevents the full discharge of work responsibilities;
- Receive any salary supplement payments or allowances from donor funding program not directly related to the Mission and Results Statement for the PMG; and,
- Receive payments of any kind as compliments or presents.

Members PMG may be terminated before the expiration of a mandate in case of failure to meet agreed expectations repeatedly or breach of the Personal Service Contract.

F. Performance Incentives

PMG appointees shall receive advantages of three types; normal salary according to rank and level and applicable allowances; normal benefit packages; and, performance incentives set by sub-decrees. In addition, appointees will be offered developmental opportunities. PMG appointees who meet expected results as planned and fulfil conditions of the contract shall be entitled to monthly incentives as followed:

Category	PMG Rate (US\$)	Remake
A	130	
B	113	
C	88	

The incentive scales for chief of PMG unit shall be US\$ 150.00 per month in addition to his/her salary in the Civil Service.

PMG performance incentive rates will be paid to each participant in the scheme in addition to the existing base salary and all other approved government allowances in accordance with the rates in Sub-Decree # 83 of August 2002 PMG appointees will receive one monthly payment combining government salary and allowances and the PMG incentive rated applicable. Where possible, monthly payments will be direct payment to participant's account through the payroll utilizing the Government's nominated Bank.

G. Managing and Monitoring PMGs

The management and monitoring of PMGs is shared.

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The CAR is responsible for program-wide co-ordination and monitoring of the PMG program and to facilitate implementation by ministries. The CAR will provide means to share lessons learned and better practices.

Ministry of Economy and Finance

The Ministry of Economy and Finance shall closely coordinate together with Council of Administration Reform and Development partner to establish procedures and processes that allow for performance and accountability and to ensure fiduciary integrity. In particular, these mechanisms shall ensure disbursement in full and in time.

Committee for Performance and Accountability

The committee is responsible for monitoring and facilitating decision-making, the effective and transparent implementation of priority mission group by ministries and institutions. The committee shall prepare regular report on progress of PMG implementation for submission to the Council for Administrative Reform. The Committee for Performance and Accountability and CAR General Secretariat will provide secretariat services to advise and assist in coordinating, monitoring, auditing, and evaluating PMGs implementation.

The ministry or institution establishing PMGs

Ministries and institutions have a role: they lead and own the PMGs within their respective jurisdiction. They shall provide clear direction to PMGs, closely monitor their performance and provide them with the support and resources required to fulfil their mission. They would usually established a unit or task force to manage and monitor the scheme within their jurisdiction and periodically report to the CAR on performance.

PMG Appointees

PMG appointees are part of a team responsible for the successful achievement of the mission. In particular, they are responsible for achieving results and standards as set out in their respective **Personal Service Contract**.

G.1 Managing PMGs

PMG are about performance and accountability. An effective system to plan, implement and monitor operations and to account for results is essential to both. A **Performance Management and Accountability System (PMAS)** is essential to performance and merit based MRM, demand driven capacity development and effective financial management. These systems shall be transparent and participative at the least cost possible. They shall allow for the active participations of stakeholders.

Ministries and institutions have been experimenting with and introducing PMAS type systems to support their policy, operational and capacity development priorities. Performance management system are routinely deployed to support major reforms. Project currently underway to introduce performance management are built around common core principles. Each PMAS, however, is tailored to the reality and circumstances. of individual ministries, institutions or PMG.

The Performance Management and Accountability System to be used by PMGs follows principles enunciated in the Generic PMAS Guide, which in turn is based on the draft policies on Human Resources Management and on Human Resources Development. A PMAS helps

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management and work team agree on priorities and expected results, how to meet expectations with what resources, how to coordinate implementation, and on how to track and report on progress and improve on performance.

A practical, timely and efficient system of performance management and accountability is critical to achieving institution and individual objectives. It can be a forceful instrument to change attitudes and behaviour within the Administration. It is important to remember, however, that any such system is only as good as the information it is based on and can be very costly to operate.

Please refer to the Guide on Performance Management and Accountability System for more information.

G.2 Managing Human Resources

Generally, PMG management and staff would be expected to use and abide by the highest standards of HRM and be early adopters or pioneers in the development of HRM practices and processes as part of the Administrative Reform. The draft of HRM policy that was circulated outlines strategies, priorities and tools to enhance performance, accountability and merit. Copies are available from the General Secretariat to the Council for Administrative Reform.

Unlike SOAs, PMG may not benefit from specific delegated authorities concerning the hiring, promotion and awards of team members.

PMG management should establish the following mechanisms and systems to strengthen performance and accountability.

- **Attendance system**

An attendance system will be developed for staff under the PMG scheme to verify at work as agreed in the service contract. The system will require to gain prior authorization for all planned leave and sign-off of any unplanned leave from their supervisor. At the end of the month, the staff member will submit an attendance registers will be submitted to the personnel section for checking and filing.

Attendance and leave planning will be one of the agenda items for the monthly department meeting to ensure availability of staff for planned activities.

- **Misconduct Reporting Process and Sanction Policy**

It is the responsibility of each manager to monitor the behaviour of their staff, and to take action to ensure that their behaviour meets the required standards as defined in the services contract. However, there is also need to provide appropriate systems for the reporting of misconduct by other staff to ensure appropriate action is taken.

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The process shall be used for monitoring and reporting of conduct (or potential conduct) by PMG recipients which is contrary to this Manual and the personal service contract.

The Sanction Policy will be applied to any staff found to have acted contrary to the standards defined in the service contract.

G.3 Managing Financial Resources

Standard operation procedures for financial management shall be followed. The financial management system shall include an activity/result based budget approach with the flexibility to allow for a certain degree of variation between budget lines or categories. PMG manager shall exercise prudence and due process in the management of assigned resources. The parent ministry or institution ensures the correct application of financial management processes, practices and regulations.

PMG management and staff are expected to be early adopters of innovative instruments of financial management and control introduced by through the reform of Public Finances Management . To this effect, the parent Ministry or institution will need to work closely with the Ministry of Economy and Finance.

G.4 Asset Management and Procurement

PMGs are expected to manage and safeguards assets and equipment at their disposal as authorized by parent ministry or institution for the purpose of achieving expected results in the confine of assigned mission.

G.5 Monitoring and Evaluation PMGs

❖ Requirement for Monitoring

Ministries and institutions will establish their own monitoring regime for each PMG and the PMG scheme itself within their jurisdiction. Requirements should be specified as part of the Mission and Results Statement and the constituting Prakas

A key consideration is getting the right balance between the requirements for monitoring and the progress towards achieving a successful outcome to each priority mission, and for monitoring the overall progress of the reforms in a target organization. Requirements for monitoring, evaluation and reporting are usually specified in the Mission and Result Statement of a PMG.

❖ Reporting

A progress report must be set in the context of a time-framed work-plan with quantifiable and measurable targets, performance indicators, outputs and objectives. The PMG leader shall submit periodic work –plan and reports.

The format for periodic progress reports is flexible but shall cover key issues, achievements and constraints that parties need to know. The annual reports shall cover the following:

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- Executive Summary
- Introduction-reporting period, consistency in format between the previous and the current report, feedback on previous report, key statistics (staff, management, meeting, etc.)
- Planned outputs and targets, and budgeted activities for this reporting period (quarter or annual) as indicated in the currently approval Work-Plan
- Actual achievement against work-plan objective, outputs and targets
- Funding and expenditures for the period
- Factor enhancing or adversely affecting progress towards specific objective, outputs and targets
- Strategy for optimizing the benefits of enhancing factors, and for minimizing adverse factors
- Planned outputs and targets, and budgeted activities for the next reporting period (quarter or annual)

Statement by the PMG group leader of overall progress towards successful completion of approve Work-plan for the year in question.

H. Financing PMGs

The Royal Government undertook to deploy PMGs early on by itself alone if necessary. To this effect a budget line was assigned to the scheme and the CAR was asked to implement together with the Ministry of Economy and Finance. PMGs as other performance enhancing instruments (SOA and MBPIs) are early adopters of reforms. They will be pioneers for reforms introduced by the Administrative Reform, the Financial Reform or D&D.

To date, the whole cost of the scheme has been assumed by the Royal Government. Development partners now agree with the merit of such a scheme to implement operational priorities within ministries and institutions. There is broad support to deploying PMGs as one of three instruments to rapidly improve performance, accountability and capacity.

When development partners want to be party to the establishment of a PMG, it is important that, very early on, agreement is reached on modalities for financial arrangement.

Respective contribution to individual PMG is flexible but contribution of development partners to overall scheme will decrease overtime much like their contribution to MBPIs decrease over time. Ministries and institutions shall reach agreement before submitting for Approval in Principle.

I. Frequently Asked Questions

What are PMG?

PMGs are foremost instruments to enhance performance and accountability within the administration. As such they may be used to

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- Facilitate the implementation of reform and priority mission of ministries/institutions in accordance with government priorities as outlined in the NSDP and the GAP;
- Improve the quality and delivery of public services
- Develop sustainable capacity within the Public Administration

How are PMGs and MBPIs complementary?

Both are performance enhancement instruments very similar management tools (e.g. job description, merit based recruitment, personal service contract, appraisal process, management by results, code of ethics, performance incentives.... time limits). They differ in their application. PMGs target operational needs of priority mission as defined by a ministry. MBPIs target core strategic priority functions of a ministry as defined by the ministry as well as positions requiring specific technical expertise. Over time, it is expected that the two instruments will converge.

The two instruments may be used concurrently to reinforce one another in supporting major reform programs for instance. Once a Ministry has identified its strategy and program of action, it may be used an MBPI to support higher-level function, and PMG for priority operational ones. For example, the design and implementation of a sector strategy may be considered by a Ministry as a strategic priority. The Ministry could identify a limited number of functions as being essential to the ongoing success of its strategy priority and a greater number of positions as priority missions to support implementation.

PMGs and MBPIs are flexible instruments that could be adopted to variety of circumstances and that may evolve over time as priorities and needs change.

How are PMGs different from MBPIs and SOAs?

All three are instrument to enhance performance and gradually change attitude and behavior. PMGs and MBPIs are both instruments that support an individual or group of position or functions. SOAs go a step further and institutionalize performance and accountability enhancing practices and processes. The SOA itself, as an instruction, is held accountable for performance and accountability. SOAs normally will use management practices and systems similar to those of PMGs and MBPIs. Staff working within the SOA may, depending on their functions, be eligible for MBPI or PMG performance incentives. They may also be eligible for periodic bonuses based on performance.

All three instrument can be used together e.g. establishment of a SOA for an employment agency where management, due to the strategic nature of its work or the skills required, receives MBPI incentives, and operational staff receive PMG incentives.

Can there be more than once PMG in a Ministry?

Yes, A Ministry may have a number of operational priorities.

What is CAR's role?

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CAR's role is to provide support to Ministries and Development Partners to ensure consistency and coherence in the implementation of the three instruments as mandated in the Policy on Public Service Delivery, the Royal Degree on Implementing Special Operating Agency, the Sub-Decree on Implementing Merit Based Performance Incentives and Sub-Decree on Implementing Priority Mission Groups.

In consultation with ministries and institutions and with development partners, the CAR Secretariat will finalize guidelines to facilitate the establishment and management of each instrument. A project is being formulated to develop capacity to manage and implement through training, workshop, TWG briefings.... As lessons are learnt, processes and guidelines will be refined.

HOW are PMG governed?

PMG are an integral part of the Ministry or institution that are established by Prakas and that are managed according to their Mission and Results Statement. Unlike public enterprise or establishment they do not have separate legal status from that of the parent organization. They are an integral part of the parent ministry or institution which monitor performance and extract accountability.

What type of authorities would PMGs have to manage and develop human resources?

PMG management will usually have the authorities of the target ministry or institution. Any HRM authorities can only be exercised as part of implementing the Mission and Result Statement and allocated budget.

A first priority of the parent ministry or institution and of the PMG management will be to set in motion a concerted plan to develop capacity to enhance performance and to manage and monitor PMGs. PMG management is expected to be early adopter of processes and practices to enhance performance and accountability.

What would be compensation and benefit package available to PMG staff?

Typically, PMG appointees will receive a base salary according to grade and level, normal allowances (such as family, risks, distance) and applicable functional allowance (such as management, education, health). In addition, monthly performance incentive will be provided according to staff category in the Civil Services mentioned in article.. of sub decree date..... These will be specified by Individual Services Contracts and be managed through the PMG Performance Management and Accountability System. PMG appointees will have access to benefit offered to public servants e.g. pension, health insurance....

Who are PMG appointees?

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PMG appointees are civil servants under the aegis of the Common Statute. As such PMG appointees are part of the parent ministry or institution establishment that have been deployed to work within a PMG.

How will the PMG be financed?

PMG will be financed from the National budget and development partners contributions. Sources of funds for individual PMGs will be specified as part of the Mission and Results Statement for the PMG.

How will funds from the National Budget be made available to PMGs?

A PMG budget is part of the parent ministry or institution. At least initially, funds will be provided by line items. However, PMGs shall be early adopters of practices and processes advocated by PFM reform.

Who guarantees the PMGs financial viability?

PMG are integral part of the parent ministry or institution and such it benefit from the same assurances and guarantees as the ministry or institution. It has their financial viability. The Mission and Results Statement for an individual PMG will specify the authorities within which the PMG management can operate and engage expenditures or make financial commitments

Who owns PMG assets?

The parent ministry or institution owns the assets. PMGs are custodians of the assets and shall be manage them diligently and efficiently and account for proper safeguard.

How can development partners contribute to establishing and managing PMGs?

Development partners can be involved in various ways from providing technical and financial support to ministries and institutions to establish a PMG to actively support the management and monitoring of a PMG and its ongoing operations. In particular, development partners could greatly facilitate developing PMG capacity to manage and contribute to the payment of performance incentives to PMG appointees.

PMG Annex A Typical Business Case

This activity is an early step leading to a decision in principle to proceed with the establishment of a PMG involving the sponsoring ministry or institution, the Council for Administrative Reform and the Ministry of Economy and Finance. This decision is made on the basis of a written submission that makes a compelling rationale for establishing a PMG in terms of expected costs-benefits and risks. The submission would normally constitute the core of the PMG's Mission and Result Statement that would be approved late and confirmed by Prakas. The submission should address the following:

- A short explanation of **links to the Ministry or institution operational priorities;**
- A practical definition of **expected results together with monitoring indicators;**
- The key characteristic of **Performance Management and Accountability System;**
- Requirement for a sustainable level of **human and operational resources** and their management (including the eventual participation of development partners)
- A time **Schedule for implementation and monitoring;**

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PMG Annex B Typical Mission and Result Statement

"The Mission and results statement shall define measurable and evaluable results using indicators of performance. The Mission and results statement shall be signed by the PMG head and the Minister or the representative of the parent ministry"

A typical Mission and Result Statement would cover the following:

Summary Analysis

A brief description of major issues confronting the PPMG, its proposed strategy with key performance targets and the specific authorities granted

Situation Analysis

Environmental Assessment
Internal strengths and weaknesses

Objective and Performance Targets

Longer-term objectives
Specific time bound measurable results
Service level commitments

Strategy

Key Assumption (economy, market, resources, demand)
Priority products/services

Operational Priorities

Main activities
The risks

Expected Results

Performance Indicators
Operational Efficiency
Preconditions

Resource Requirements

Human resources, financial, assets, equipment...
Linkage with the parent ministry (use of infrastructure, shared resources...)

Discipline, rewards and sanctions

Ethics, internal rules and procedures including sanctions and rewards

Reporting modalities

Procedures and reporting cycle

PMG Annex C Typical Performance Management and Accountability System

A PMAS for an individual PMG focuses on achieving three concurrent and independent priorities: enhancing operations, developing capacity and accounting for results. In addition, the system shall be put in place at the time of the PMG establishment. Both the parent ministry or institution and the new PMG shall put in place processes and procedures to fulfil their respective commitments. However, while in the case of PMG a PMAS system shall be simpler and less demanding, it should nevertheless meet the core criteria of such PMAS as described in the Guide on PMAS.

Performance and management and accountability system depend on reliable, relevant and timely information. Ensuring that such information is available and easy of access is a prime responsibility of management. A typical PMG Mission and Results Statement and individual personal service contracts will specify responsibilities concerning the gathering, storing and use of information. Tombstone information will focus on tracking progress towards achieving expected results.

Ministries and institutions shall refer to Guide on Performance Management and Accountability System. Its annexes provide an overview of the main characteristics of PMAS for PMGs.

PMAS Design Principle

- PMAS is a management tool used to support the achievement of identified institutional objectives. All PMAS objective and work plan should be linked to these institutional objectives, which may detailed in strategic plans, management contracts or similar documents.
- PMAS will provide teams and individuals with clear and easily measurable objectives, results and indicators to provide clear performance expectation and fair and transparent assessment of performance.
- Team and individual work plan and objective will be established through consultation with team and individual to provide clear understanding and commitment to the achievement of the plan and objectives. Objectives, results and indicators will be recorded in a performance agreement that will form part of the individual services contract.
- PMAS will be based upon a planning, monitoring and evaluation cycle to provide teams and staff with regular feedback on their performance and the opportunity to modify plans and behaviours to improve outcomes.
- PMAS monitoring and evaluation outcomes may be consolidated and reported as part of the monitoring and evaluation processes within the institution or scheme.
- The PMAS is the cornerstone for demand-driven capacity development and training. It is a tool to assist in the identification of capacity development needs as

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they relate to the performance of job related activities and the achievement of work objectives. Capacity development activities will assist individuals to effectively complete activities related to the institutional objectives targeted by the scheme and may be included in the performance agreement.

- Performance incentive may be linked to performance management outcomes to ensure that recipients are motivated to work towards achievement the agreed objectives.
- Manager's primary responsibility is to manage their team towards the achievement of the institutional objectives and the PMAS is an effective tool to assist in this goal. Managers are thus primarily responsible for the effective use of the PMAS and the achievement of the team's objectives and work plans
- Teams and team members will be accountable for their agreed objectives and will work with their manager to enable the best opportunity to achieve them.

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PMG Annex D Staff Selection Process

All recruitment and selection must be competitive, merit-based and transparent to ensure that the best available candidate appointed to each position. The wording below provides an example of a recruitment and selection process that ministries may adapt meets their needs.

1. Applications

A tailored made application form will be designed to ensure that application provide all the relevant information and to provide equal opportunity for the candidates. The Department of Personnel with the technical support from the external firm or consultant is responsible for position advertisement (first internal advertisement within the Ministry), distribution of standard application forms and receipt of the application forms from the applicants.

2. Screening

Screening is the process of analyzing all applications to remove those that do not meet minimum selection criteria and thus are not valid. Minimum selection criteria are defined prior to the start of the selection process and usually presented to potential applicants as part of the recruitment campaign to provide guidance on their suitability for the position.

Minimum selection criteria are the minimum level of demonstrable skills and ability that a person must have to be able to do the position, and often include:

- Demonstrated knowledge
- Area(s) of experience;
- Years of experience;
- Academic qualification(s);
- Language proficiency
- Computer Application Skills

Screening for the PMG position selection will be conducted by a panel comprising of the relevant Director and the Director of the Department of Personnel with the support of an external consultation.

3. Short Listing

This is the process of analyzing all valid applications to determine the leading candidates by comparing the experience and abilities of each applicant using an objective assessment process. Applicants will be assessed against selection criteria that determined prior to the start of the recruitment process.

In order to minimize time and resources requirements, a specified number of candidates will be chosen to participate in the final selection process for each available position. Short list will be unnecessary if there are fewer valid applications than the number of places available in the final selection process.

The short listing process will be conducted by a panel comprising Directors General with the support of an external consultant. Using rigorous short listing tools, they will determine the

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leading applicants for each position and forward these applications to the selection panel for the final selection process.

4. Reconfirmation

Where a short-listed candidate is the incumbent in a position that is substantially similar to an PMG position, that candidate will be considered for reconfirmation into the position without having to pass through a competitive recruitment process, as long as the candidate can demonstrate that he/she meets the minimum selection criteria for the position.

5. Selection Panel

A selection panel will be appointed for each PMG position. This will consist of the relevant Director General, the Director of the concerned Department (and the Bureau Chief if a general staff position) and the external firm or consultant. The selection panel will receive all the short listed applications and be responsible to conduct the final section process to determine the preferred candidates. The panel will use interview as the primary method of selection and the interview questionnaire adapted minimally for each position. Ability testing may also be carried out for some positions such as accounting, secretarial, communications and IT positions, and standard ability tests submitted with recommendations to the Appointment Committee for appointment to the PMG Position.

6. Employment Record/ Reference Checks

Employment Record/Reference Checking is the process of verifying information received and conclusions drawn during the selection process. This is usually done to validate a selection decision, but can also be used to differentiate between top candidates as part of the final decision-making process.

Checks of employment information held by the Personnel Department may be carried out to confirm previous employment, and reference checks may be done with previous and current managers to confirm abilities and experience.

7. Recruitment from other Departments/Ministries

If a candidate from another department or Ministry wished to apply for an PMG position, approval must be sought from the candidate's program director prior to application.

In deciding whether to make an external candidate available for section, the candidate's director may consider factors including

- the impact on the unit of the loss of the candidate's skills and experience
- the candidate's career development aspirations and opportunities, and
- the opportunity for downsizing of the unit.

If the candidate is selected, there may be justification for backfilling of the position. The Department Director with the vacancy may make submission to the Department of Personnel to justify filling the vacated position.

8. Appointment Process

Once the department selection panel has identified a preferred candidate, they will make a recommendation to the Appointment Committee. The Appointment Committee is then responsible for consolidating and checking all the recommendations to ensure all positions are filled and that individuals are not appointed to more than one position.

The Appointment Committee then sends the appointment recommendations summation to the Minister for approval.

After approval by the Minister, the Appointment Committee is responsible for producing service contracts for each successful candidate and coordinating the signing of contracts. The Director General will sign the service contracts with the appointees in their Directorate. Once a service contract has been signed, it will be forwarded to the Department of Personnel who will make any necessary adjustments to files and records and forward details of the appointments to the Budget Department and any other relevant agencies according to normal procedure.

9. Level of Authority

Entity	Level of Authority
Minister	Approve final appointment
Directors General/PMG Program Director	Participate in short listing of candidates. Sign service contracts with successful candidates for each PMG position
Department Director	Sign performance agreements with successful candidates for each position
Appointment Committee	Approve recommendations of selection Panel and forward to Minister
Selection Panel	Identify preferred candidate for PMG position, recommend and forward to Appointment committee

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PMG Annex E Typical Personal Service Contract

PMG shall establish a hierarchy of personal service contracts for individual staff with clear responsibilities and expected results. PMG staff shall be regularly evaluated according to the activities planned in the personal services contract...." Article... of the Sub Decree.

A typical personal services contract will be made of a brief core document to which is attached the "job description "of the position and a rolling statement of expected results with indicators.

The core document will typically include the following information:

Identification Bloc

Name of incumbent and position specifics

Terms and conditions of appointment

Duration and condition of appointment

Commitment to achieve results

World usually flow from a unit or team operational plan

Remuneration and benefits

Nature and level of remuneration (based salary, PMG, bonus) and entitlements

Signature block

The PMG Head, the immediate manager and the incumbent

The **position description** and its attendant **competency profile** follow normal practices:

A brief statement of objective for the position

Objectives of position and linkages with other positions

A list of major tasks and relates indicators

Usually in a table form

Required competencies

Essential (have to have),
Desirable (nice to have)

The rolling statement of **expected results** would normally cover two broad categories of commitments: those relating to ongoing responsibilities of the occupied position and those to additional responsibilities (when necessary).

PMG Annex F Typical Performance and Development Appraisal

"PMG staff be regularly according to the activities planned in the personal service contract... PMG shall report regularly as stipulated in the Terms of Reference and the Management Contract."

"Personnel management shall focus on: performance, transparency and professionalism; individual and group accountability; and, enhancing the capacity for operations"

The appraisal of terms and individuals is the front line of performance management. It is how responsibilities are assigned and monitored and decisions to improve performance are made. The Personal Services Contract and its attached rolling statements are the basic upon which Performance and Development Appraisal shall be carried out. Modalities of the process will vary according to the circumstances of the PMG. Appraisals are at the base of internal KRM processes (promotion, deployment...) HRD processes (needs identification, training plan...) and of such processes as determining whether bonuses will be paid or sanctions exercised.

Normally, appraisal will be in terms of three basic levels: **Satisfactory, partially satisfactory, and not satisfactory**. Appraisal whether for terms or individuals would normally include the following:

The **core document** includes the following sections:

Identification Bloc

Name of incumbent and supervisor, position specifics

Appraisal: value, ethics and discipline

Adherence to four values and to regulations

Appraisal: operational results

Would usually flow from a unit or team operational plan

Suggestions to enhance performance

Comments by incumbent and by immediate manager (may address sanctions)

Remuneration and benefits

Nature and level of remuneration (base salary, PMG, bonus) and entitlements

Conclusion and signature block

The PMG Head, the immediate manager and the incumbent

A rolling statement of expected results for the upcoming period will be attached to the core document. The statement would normally be in two parts: expected operational results and expected capacity development results (assignment, training, working conditions...). The latter would generally relate to ongoing responsibilities of the position and essential competencies. The statement should specify any responsibilities assigned that are in the addition to those of the job description.

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PMG Annex G Annual Performance and Accountability Report

"PMG shall produce an activity report, auditing report, regular monitoring and evaluation reports to the parent ministry or institution and other relevant ministries or institutions."

A M\PMG Performance Management and Accountability System shall allow for easy monitoring and lead to quick action to improve performance. Monitoring and reporting can become unduly costly and time consuming when the focus of a PMG shall be on improving the quality and delivery of public services. The costs/benefits of performance management and accountability system hinge on the quality of the information used, the Capacity to use the information and the ICT support on which the system relies. It is essential to success that information be relevant, reliable, timely and easy to manage and access. It is also essential that the capacity to design, establish and manage such a system be developed urgently.

The format and content of annual performance and accountability reports will vary greatly from one PMG to another. However, these annual reports will be expected to account clearly and succinctly on all core agreement between the PMG and parent ministry or institution. Statements shall be based on verifiable evidence.

These annual reports would normally include the following:

A statement by the PMG Head

Overview of progress and upcoming challenges

The PMG environment

Factors likely to affect PMG operations and capacity

A statement of operational priorities and expected results

Recapitulation of priorities and expected results per the Mandate and Results Statement

Overview of Achievements

Assessment of progress based on corporate systems and personal appraisals

Achievements per major indicators

Services standards, operational efficiency, management efficiency...

Values, Ethics and Discipline

Recommendations for upcoming period

Adjustments to the Mandate and Results Statement

Annexes

- Priorities, results and comments
- Human Resources Management and Development
- Financial Management

The parent ministry or institution will be expected to formally acknowledge the annual report and comment on its content. They will normally make suggestions, which will be introduced in Management Contra

ANNEX 2: Proposed Format of Work Plan and Progress Report

Proposed Format of Work Plan and Progress Report

What is this annex 2?

This annex describes in details how to develop of the Annual Work Plan (AWP), Quarterly Progress Report (QPR) and Annual Progress Report (APR) formats by each IA and the consolidated formats by MOI/PCO with specific schedule and responsibility. The proposed formats in this annex are meant to introduce each IA for preparing their work plan and periodic progress report based on the World Bank Guidance and as a project standard format, in order to ensure smooth procedures for development of the project planning, monitors progress and performance, and evaluation project outcomes.

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FORMAT FOR
ANNUAL WORK PLAN

FOR IAs

Prepared by: (IA's Name)

N

(Date):mm/dd/yy.

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ABBREVIATIONS AND ACRONYMS

CHAPTER 1: SUMMARY OF KEY ACTIVITIES

This chapter is objective to list the main actions that IA is meant to take as per the approved project proposal need to be listed. Example: holding citizen's forums in each of the OWSO districts or completion of ACF sustainability study or holding of Development Marketplace, etc...

Component 1:

- Key Activities 1:
- Key Activities 2:
- Key Activities 3:
- Key Activities 4:
- Key Activities 5:

Component 2:

- Key Activities 1:
- Key Activities 2:
- Key Activities 3:
- Key Activities 4:
- Key Activities 5:

Component 3:

- Key Activities 1:
- Key Activities 2:
- Key Activities 3:
- Key Activities 4:
- Key Activities 5:

Component 4:

- Key Activities 1:
- Key Activities 2:
- Key Activities 3:
- Key Activities 4:
- Key Activities 5:

CHAPTER 2: SUMMARY OF SPECIFIC ACTIVITIES

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This chapter is aimed to describe the specific sub-actions required to achieve the key activities. Example: hiring of NGO partner to run citizen forum, arrangement of venue and invitation to participants, concept note for ACF sustainability study completed, etc...

Project Component	Specific Sub-Action	Remark
Component/sub-component 1		
Key Activities 1:	1.1 1.2 1.3	
Key Activities 2:	2.1 2.2 2.3	
Component/sub-component 2		
Key Activities 1:	1.1 1.2 1.3	
Key Activities 2	2.1 2.2 2.3	
Component/sub-component 3		
Key Activities 1	1.1 1.2 1.3	
Key Activities 2	2.1 2.2 2.3	

CHAPTER 3: INSTITUTIONAL ARRANGEMENTS & STAFFING PLANS

3.1 Institutional Arrangement

The Institutional Arrangement is aspired to invite each IA to describe the managerial oversight system for the project implementation as well as providing the Project Organizational Structure:

3.2. Project Staffing Plan

The Project Staffing Plan is aimed to describe the total number of Government Counterparts Staff (GCS) and Contract Staff (national and international) are required for the project implementation period by indicate the levels and departments, office, and/or units of each IAs according to their management structures.

National Level

- + Department, unit and/or office
 - Government Counterpart Staff (position)
 - Contract Staff (National and International)

Provincial Level

- + Department, unit and/or office
 - Government Counterpart Staff
 - Contract Staff (National and International)

District Level

- + Department, unit and/or office
 - Government Counterpart Staff
 - Contract Staff (National and International)

3.2.1. MBPI and PMG Staff

This is to invite IAs to describe the total number of Counterpart Staff who will be engaged in the MBPI and/or PMG schemes at different levels in according to their individual proposal.

No.	Description and Position	MBPI Number	PMG Number	Grad		Remarks
				MBPI	PMG	
1.0	National Level					
1.1	Project Director	1	-	A	-	1 st to 4 th
1.2						
	Total	1	0			
2.0	Provincial Level					
2.1	Personnel officer	-	1	-	A	2 nd to 4 th
2.2						
	Total	0	1			
3.0	District Level					
3.1	Training Officer	-	1	-	B	2 nd to 4 th
3.2						
	Total	0	1			
	Sub Total	1	2	-	-	

CHAPTER 4: PROJECT IMPLEMENTATION PLAN

This Project Implementation Plans (PIP) is detailed description of the activities and implementing schedule for the twelve months implementation period. The AWP is retracts from the Project Implementation Plans in project proposal report and designed for indicating the IA responsibility in the day-to-day performance. The objective is established to identify the main elements of the detail work activity have to be done during a period starting January to December of each year, which linkage with the project components/sub-components framework. These plan needs to list an itemized of specify project activities/sub-activities. The table below is a format of annual work plan, starting in 2009.

No.	Key Activities	Description of Activity	Key person/unit responsible	Plan 2009												Remarks
				Pre-Imple			Implementation									
				1	2	3	4	5	6	7	8	9	10	11	12	

CHAPTER 5: SUMMARY OF IA'S KEY MILESTONES

This chapter is objective to invite each IA to list all of their key events/actions/outputs to distinguish with chapter 1 are meant to be completed in the specific period of time and/or defined schedule.

No.	Descriptions of key Milestones	Action to be undertaken		Responsible
		Started Date	Completed Date	
1				
2				
3				

CHAPTER 6: ANNUAL BUDGET PLAN

The Annual Budget Plan (ABP) is intent to invite each IA to prepare their summary estimate budgets expenditures to cover over the coming 12 months of the project implementation by categories and component/subcomponent. These formats has been developed for implementation of the DFGG project for a whole, however each IA can be mad adjustment base on their available sources of fund.

Table 6.1: Summary Estimate Budget for Project Implementation by Categories

No.	Category	AWP 2009	Proposal ⁷⁷	IDA Grant					AusAID					RGC					Other Donor					TOTAL
				Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	
<i>I</i>	A	15, 000	35, 000																					
<i>II</i>	B																							
<i>III</i>	C																							
<i>IV</i>																								
	TOTAL																							

Table 6. 2: Summary Estimate Budget for Project Implementation by Component

No.	Component/Subcomponent	IDA Grant (\$)	AusAID (\$)	RGC (\$)	Other Donor (\$)	TOTAL(\$)
<i>I</i>						
<i>II</i>						
	TOTAL					

⁷⁷ This columns is indicate total budget estimate in approved project proposal, while the AWP 2009 is specify the estimate budget for the forthcoming year

CHAPTER 7: SCHEDULE OF DISBURSEMENT

This chapter is aimed to invite each IA to update their individual projections of contract awards/commitments for (i) Works; (ii) Goods and Services; and (iii) Consultancy Services and projections of disbursement by the Bank disbursement category (as specified in the Financing Agreement).

7.1. Table for Quarterly and Annually Contract Awards/Commitments Project

Cate- No.	ITEM	PROJECTED April,2009															PROJECTED December 2009			
		Q1			Q2			Q3			Q4			Total			IDA	AusAID	RGC	Total
		IDA	AusAID	RGC	IDA	AusAID	RGC	IDA	AusAID	RGC	IDA	AusAID	RGC	IDA	AusAID	RGC				
1																				
2																				
	TOTAL																			

REMARKS:

7.2. Table for Quarterly and Annually Disbursement Project

Cate- No.	ITEM	PROJECTED April,2009															PROJECTED December 2009			
		Q1			Q2			Q3			Q4			Total			IDA	AusAID	RGC	Total
		IDA	AusAID	RGC	IDA	AusAID	RGC	IDA	AusAID	RGC	IDA	AusAID	RGC	IDA	AusAID	RGC				
1																				
2																				
	TOTAL																			

REMARKS:

CHAPTER 8: PROJECT PROCUREMENT PLAN

The Procurement Plan will be updated at least annually or as required to reflect the actual project implementation needs and improvements in institutional capacity. All procurement actions are classified into the following categories and relevant procurement methods are summarized. The procurement is divided into categories, being the procurement of civil works, procurement of goods and consulting services. Below are formats for the Annual Procurement Plan:

Project Name: Cambodia – Demand for Good Governance (DFGG) Project

Implementing Agency: *(Insert name of IA)*

Period - From: *(Insert Month, Day, Year)* **To:** *(Insert Month, Day, Year)*

Project Director: _____ *(Insert name)*

Procurement Officer: _____ *(Insert name)*

I. Civil Works										
Contract Package No.	Description of Contract Package	Total Estimated Cost (USD)	Method of Procurement (ICB/NCB/ Shopping etc.)	Domestic Preference (for ICB only) Yes/No	Review by Bank (Prior/Post)	Procuring Agency's Name	Estimated Date of Invitation for Bids	Estimated Contract Signing Date	Estimated Contract End Date	Comments
1										
2										
3										
TOTAL										
II. Goods										

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Contract Package No.	Description of Contract Package	Total Estimated Cost (USD)	Method of Procurement (ICB/NCB/ Shopping etc.)	Domestic Preference (for ICB only) Yes/No	Review by Bank (Prior/Post)	Procuring Agency's Name	Estimated Date of Invitation for Bids	Estimated Contract Signing Date	Estimated Contract End Date	Comments
1										
2										
3										
TOTAL										

III. Consulting Services

Contract Package No.	Description of Contract Package	Total Estimated Cost(USD)	Selection Method	Review by Bank (Prior / Post)	Estimated Date of Invitation for Proposal/CVs	Estimated Signing Date of Contract	Expected Completion Date of Contract	Procuring Agency	Comments
1									
2									
3									
TOTAL									

CHAPTER 9: RISK MANAGEMENT MATRIX

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This Risk Management Matrix is a management tool to be used by the senior managers of the organizations to discuss key areas of concerns (especially where the Risk Magnitude is rated High or Moderate) during project preparation and at the start of project implementation. Measures have been built into the project to mitigate potential risks associated with the proposed project. There will be no major technical risks associated with the project. Inadequate institutional capacity is the major risk to the project success. Although DFGG project has provided training for decentralized planning, monitoring, evaluation, financing and implementation of good governance activities for state and non-state institutions, further capacity building and training will be required.

Formula for Risk Score: Magnitude = Impact x Likelihood⁷⁸.

Consequence: 5=very serious, 4=serious, 3=moderate, 2=minor, 1=insignificant

Likelihood: 5=very high, 4=high, 3=medium, 2=low, 1=very low

Magnitude Rating: 6 or less is low risk (L), 8 – 12 is moderate risk (M) and 14 – 20 is high risk (H), and any score above 20 is a top risk (T) requiring immediate attention.

Risk Description	Risk Impact	Risk Score/ Magnitude	Mitigation Strategy	Action Agents	Progress Status (Give details of tasks completed)	Remaining Action (Give resource requirements and timelines)
		<i>Impact: 5 Likelihood: 1 Magnitude: 5 L</i>				
		<i>Impact: 5 Likelihood: 2 Magnitude: 10 M</i>				
		<i>Impact: 5 Likelihood: 3 Magnitude: 15 H</i>				

⁷⁸ In Column 3 of the Risk Management Matrix, the rating of the Risk is by a simple formula: Magnitude = Impact x Likelihood. Impact and Likelihood are rated on a scale of 1 to 5. For instance, if the Impact is assessed to be 5 and the Likelihood is rated 3, then the Risk Score is 3 x 5 = 15.

CHAPTER 10: PROJECT RESULT FRAMEWORK

The following results framework summarises the project’s development objective and the intermediate outcomes in coming year for each project component. The framework also identifies key quantitative indicators for each of the expected outcomes. It should be noted that additional qualitative indicators have been identified for expected outcomes and impacts.

The following table provides the detailed results framework for the project and lists all the core performance and progress indicators, their target values, the frequency with which they should be reported, and the IAs responsible for data collection. The table is split between Project Outcome indicators (related to the DFGG framework) and Intermediate indicators (related to strengthening institutions, promoting partnerships, and sharing lessons as listed in the development objective of the project).

Project Outcome Indicators⁷⁹	Baseline	Target Value	Data Collection and Reporting		
		Y1	Frequency and Reports	Data Collection Instruments	Responsibility for Data Collection

⁷⁹ In the table above ‘composite’ indicators refer to project-level indicators that are obtained through some weighted average of IA level sub-indicators. ‘Aggregate’ indicators on the other hand refer to project-level indicators that are obtained/measured directly and are not composed of sub-indicators. Sub-indicators themselves are IA-specific indicators derived from their respective results frameworks.

CHAPTER 11: PARTNERSHIP AND LEARNING ACTIVITY

This chapter is intent to help SIs to develop partnership and learning plan and incorporate it into their Annual Work Plan (AWP) based on the below formats respectively.

11.1. Partnership Development

For Example, Partnership Plan for MONASRI

No	Component/Key Activities	Proposed Partners	Expected Partnering Activities	Type of Partnership	Timeframe
1	Land Law Dissemination	-Equal Access - RNK - Pact Cambodia	- Produce spot, Drama ,conduct forum - Dissemination information on PF through new and talk back program		
2	Complaint Handling	- Right access to justice project (ministry of justice)	- Community Organization - Sharing experiences and lessons		

11.2. Learning Development

No	Key Steps of Learning	Learning Activities	Learning Tools/Method	Timeframe	Learning Partners	Responsible person/Unit
1	<ul style="list-style-type: none"> - Generate Lessons - Identify lessons - Analyze lessons - Evaluate adoption of lessons 	<ul style="list-style-type: none"> - Conduct stocktaking of GG/DFGG experiences 	<ul style="list-style-type: none"> - Meeting, forum, seminar, workshop, website, exchange visit, studies, training, study tour, research, etc. 			
2	<ul style="list-style-type: none"> - Document Lessons 	<ul style="list-style-type: none"> - Monitoring, Evaluation report, survey, case study, baseline, etc 	<ul style="list-style-type: none"> - Report, minute of meeting, publications, picture, Video, library 			
3	<ul style="list-style-type: none"> - Communicate Lessons 	<ul style="list-style-type: none"> - Share experience and lessons - Disseminate lessons, good practices, etc. 	<ul style="list-style-type: none"> - Website, intensive campaign, hand out, formal and informal communication activities, meeting, workshop, seminar, forum, or other communication tools (TV, radio, new paper, 			

CHAPTER 12: PROGRESS ON IA's SPECIFIC GRANT COVENANTS

Here the IAs need to look at specific grant covenants that apply to them (e.g. completion of baselines by June 30th 2009, AWP, APRs, setting up of Advisory Committees, etc...) and note the progress against those. Each IA should be able to locate this by looking at the Financing Agreement and for ACF and TAF the Project Agreements as well.

Activity	Responsible Agency	Expected Outputs	Expected Delivery	Result	Others

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DEMAND FOR GOOD GOVERNANCE PROJECT
World Bank-IDA-Grant No H4410-KH

FORMAT FOR
ANNUAL PROGRESS REPORT

FOR IAs

Prepared by: (IA's Name)

(Date): mm/dd/yy

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Abbreviations and Acronyms

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1. Introduction

1.1 Project Background

1.2 Project Development Objective

1.3 Project Component

2. Executive Summary (max 2 pages)

This section is aimed to describe the key achievement summaries are covered over one year period of the project implementation.

3. Sectoral Issues that Emerged Over the Year

The chapter is focus on sectoral issues only, and particularly those that may have an impact on the implementation of that particular component.

3. Project Implementation Summary Compare to PIP

This section is aimed to highlights of accomplishments key project activities and milestones by component and also compared to Project Implementation Plan (PIP).

Project Component	Descriptions		
	Accomplishments	Milestones	Compared to PIP
Component/subcomponent 1			
Key Project Activities: 1	-		
Key Project Activities: 2			
Key Project Activities: 3			
Component/subcomponent 2			
Key Project Activities: 1			
Key Project Activities: 2			
Key Project Activities: 3			

4. Results and M&E Indicators and Internal Progress Monitoring Findings

Indicators	Baseline	Target Values Over Year (2009)	Data Collection and Reporting		
			Frequency and Reports	Data Collection Instruments	Responsibility for Data Collection

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Project Implementation Manual

5. Annual Financial Summary

This section is aimed to describe the financial management flows as well as project financial expenditures by category covered over one year period by indicated as the following information:

5.1 Summary of Project Expenditure by Category as of 31 December 200X

+ IDA Grant

No.	Category	Allocation	Actual Payment	Depletion Rate (%)	Balance
I					
II					
III					
IV					
V					
TOTAL					

+ AusAID Grant

No.	Category	Allocation	Actual Payment	Depletion Rate (%)	Balance
I					
II					
III					
IV					
V					
TOTAL					

+ RGC Contributed

No.	Category	Allocation	Actual Payment	Depletion Rate (%)	Balance
I					
II					
III					
IV					
V					
TOTAL					

+ Other Donor

No.	Category	Allocation	Actual Payment	Depletion Rate (%)	Balance
I					
II					
III					
IV					
V					
TOTAL					

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5.2 Annual Disbursement

This section is aim to describe the total amount disbursement from the beginning of the year and summary of the activities which related to the amount above.

5.3 Annual Audit Finding

This section is intended to descript in detail of the audit financial statement by specific period.

6. Annual Procurement Summary

The Chapter on Annual Procurement Summary should clarify that this chapter will include information on the progress of procurement against the procurement plan (based on information from quarterly procurement status reports);

7. Staffing Plan

The intro to the Chapter on Staffing should clarify that the information included there will highlight any updates with regard to staffing, and particularly on MBPI and PMG, where applicable;

7.1 MBPI

7.2 PMG

8. Safeguards Update

The intro to the Chapter on Safeguards should clarify that it will include information on any updates with regard to implementation of safeguards policies that have been agreed upon in the Financing Agreement as well as highlight triggering of any of non-anticipated environmental or social safeguards issues under any of the project components.

9. Updated Risk Management Matrix

Risk Description	Risk Impact	Risk Score/ Magnitude	Mitigation Strategy	Action Agents	Progress Status (Give details of tasks completed)	Remaining Action (Give resource requirements and timelines)

10. GGF Monitoring and Update

No.	Issue	Action to Mitigate Risk	Responsibility	Target/Monitoring	Progress
Element 1: Procurement					
Element 2: Financial Management					
Element 3: Disclosure					
Element 4: Civil Society Role					
Element 5: Complaints and Remedies System					
Element 6: Code of Ethical Conduct					
Element 7: Sanctions					
Element 8: Project Specific Elements					

11. Complaints Summary

12. Communication Activities and Results

13. Partnership and Participation Plan Implementation Summary

14. Lessons Learnt and Learning Activities Summary

15. Critical Issues Moving Forward

This section is aimed to describe the key issues to be undertaken moving forward to achieved the Project Implementation Plan (PIP)

16. Conclusion and Recommendations

Attachment – AWP for Current Year

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Project Implementation Manual

KINGDOM OF CAMBODIA
NATIONAL RELIGION KING

IA'S LOGO

DEMAND FOR GOOD GOVERNANCE PROJECT
World Bank-IDA-Grant No H4410-KH

FORMAT FOR
QUARTERLY PROGRESS REPORT

FOR IAs

Prepared by: (IA's Name)

(Date): mm/dd/yy

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ABBREVIATIONS AND ACRONYMS

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SECTION I: PROJECT PROGRESS REPORT

A. Project Introduction

- A. 1. Project Background**
- A. 2. Project Development Objective**
- A. 3. Project Component**

B. Summary of Key Activities and Completed Milestones undertaken in Quarter

C. Emerging Concerns and Divergences from AWP

C. 1. Plan Activities against Work Plan

Planned Performance in Quarter	Starting Date		Completed Date		Further Comments
	Planned	Actual	Planned	Actual	

C. 2. Emerging Concerns

Descriptive summary of any problems were occurred during the quarter of project implementation (if any)

D. Provisional Results Indicators

E. Procurement Status

Descriptive summary of procurement status and problems (if any)

F. Financial Status

Descriptive summary of financial issues and variance analysis

SECTION II: INTERIM FINANCIAL REPORT (IFR)

2.1 Financial Report *(Discussion of Financial Project Progress Report)*

A. Project Balance Sheet

Cambodia: Demand for Good Governance Project
PROJECT BALANCE SHEET
AS OF mm/dd/yy

ASSETS		<u>28/2009</u>
	Cash	
	DA – IDA	XX
	Counterpart Funds Account	XX
	Bank – AusAID	
	Bank - Other Donors	
	Advance	XX
	Petty Cash	XX
		XX
	Cumulative Project Expenditures	
	Civil Work	XX
	Goods	XX
	Consultants' Services	XX
	Training/Workshops	XX
	Incremental Operating Costs	XX
	Sub-Grants	XX
	MBPI	XX
	PMG	XX
		XX
	TOTAL ASSETS	XX
	FUNDS	
	Sources of IDA Financing	XX
	Sources of RGC Financing	XX
	Sources of AusAID Financing	XX
	Sources of Other Donors	XX
	TOTAL FUNDS	XX

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B. Sources and Uses of Funds by Category

Cambodia: Demand for Good Governance Project
Sources and Uses of Funds by Category
For the quarter ended mm/dd/yy

	Component XX	Actual			Budget			Variance			PAD Figures
		Current Quarter	Year to Date	Cumulative to Date	Current Quarter	Year to Date	Cumulative to Date	Current Quarter	Year to Date	Cumulative to Date	
	Opening Balance										
	DA – IDA										
	Counterpart Funds Account										
	Bank - Aus AID										
	Bank – Other Donors										
	Advance										
	Petty Cash										
	Total										
Add	Sources:										
	Receipt of Funds										
	- From IDA										
	- From Government										
	- From AusAID										
	- From other donors										
	- Other Income (document bidding fees., etc.)										
	Total Funds Received										
	Total Sources										
Less	Expenditures by Category										

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	- Civil Works										
	- Goods										
	- Consulting Services										
	- Training and Workshops										
	- Operating Costs										
	- Sub-Grants										
	- MBPI										
	- PMG										
	Total Expenditures										
	Closing Balance										
	<u>Represented by:</u>	-	-		-	-	-				
	Balance at Designated A/C										
	DA – IDA										
	Counterpart Funds Account										
	Bank - Aus AID										
	Bank - Other Donors										
	Advance										
	Petty Cash										
	GRAND TOTAL										

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C. Uses of Funds by Category and by Sources of Funds

Cambodia: Demand for Good Governance Project
Uses of Funds by Category and by Source of Funds
For the quarter ended mm/dd/yy

No	Payment by category	Current Quarter				Year to date				Cumulative to date			
		IDA Grant	AusAID	RGC	Total	IDA Grant	AusAID	RGC	Total	IDA Grant	AusAID	RGC	Total
	<i>Works</i>												
	<i>Goods</i>												
	<i>Consulting</i>												
	<i>Training</i>												
	<i>Incremental</i>												
	<i>Sub-Grants</i>												
	<i>MBPI</i>												
	<i>PMG</i>												
	Total Payments												

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D. Uses of Funds by Project Activity

Cambodia: Demand for Good Governance Project

Use of Funds by Project Activity

For the quarter ended mm/dd/yy

No.	Project Component	Actual			Budget			Variance			PAD
		Current Quarter	Year to Date	Cumulative to Date	Current Quarter	Year to Date	Cumulative to Date	Current Quarter	Year to Date	Cumulative to Date	
<i>1A</i>	<i>Support to the Arbitration Council (AC)</i>										
<i>a</i>	<i>AC Institutional Integrity and Sustainability</i>										
<i>b</i>	<i>Labor Dispute Solution</i>										
<i>c</i>	<i>Partnerships and Stakeholder Outreach and Training</i>										
<i>d</i>	<i>General Operations and Project Management</i>										
TOTAL PROJECT EXPENDITURE											

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C. Procurement Monitoring Report – Goods

Cambodia: Demand for Good Governance Project
Procurement Monitoring Report – Goods
For the quarter ended mm/dd/yy

No.	Description of Goods	Contract Ref: No.	Prior (P) or Post Review (PR)	Procurement Method	Bidding Documents (BD) and Bidding Process						Bid Evaluation/contract award recommendation		Contract				
					IPA sent draft BD to PRC for approval (Date.)	Approval to Draft BD by PRC (Date)	IPA sent Draft BD to the Bank's NOL (Date)	No object to the Draft BD by the Bank (Date)	Bid invitation issued (Date)	Bid Opened (Date)	IPA sent evaluation report/award recommendation to the Bank (Date)	No objection to evaluation report/award recommendation by the bank (date)	Project signed Contract with the contractor (Date)	Contractor's Name	Contract Amount	Completion date	
1	Planned																
	Actual																
2	Planned																
	Actual																
3	Planned																
	Actual																
4	Planned																
	Actual																
	Planned																
	Actual																

The DFGG Project
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D. Procurement Monitoring Report - Consulting Firm

Cambodia: Demand for Good Governance Project
Procurement Monitoring Report - Consulting Firms
For the quarter ended mm/dd/yy

No.	Description of Services	Contract Ref. No.	Prior (P) or Post Review (PR)	Procurement Method	Short list and Draft Requirement for Proposal (RFP)								Technical Evaluation		Final (Technical-Financial) Evaluation		Contract							
					IPA sent Short list to the Bank (Date)	No objection to the Short List by the Bank (Date)	IPA sent Draft RFP to PRC (Date)	Approve to draft RFP by PRC (date)	IPA sent draft RFP to the Bank (date)	No object to Draft RFP by the Bank (date)	IPA issued RFPs (date)	IPA received proposal from firms (date)	IPA sent Tech, evaluation report to the Bank (date)	No objection to Tech, evaluation report by the Bank (date)	IPA open Financial Proposal publicity (date)	IPA completes final evaluation	PRC and IPA negotiate contract with consultant	IPA sent draft contract and final evaluation report to the Bank (date)	No objection to Draft Contract by the Bank (date)	Project signed contract with consultant	IPA sent signed contract to the Bank (date)	Consultant's name	Contract value (US\$)	Contract/ delivery Completion date
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
1	Planned																							
	Actual																							
2	Planned																							
	Actual																							
3	Planned																							
	Actual																							
4	Planned																							
	Actual																							

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E. Procurement Monitoring Report - Individual Consultant

Cambodia: Demand for Good Governance Project
Procurement Monitoring Report – Individual Consultants
For the quarter ended mm/dd/yy

No.	Description of Services	Contract Ref. No.	Prior (P) or Post Review (PR)	Procurement Method	TOR/ EOI						Evaluation		Contract							
					IPA sent TOR and EOI advertisement to PRC (date)	Approval to TOR and EOI advertisement by PRC (Date)	IPA sent TOR and EOI advertisement to the Bank (date)	No objection to TOR and EOI advertisement by the Bank	Advertisement by IPA (date)	Submission of EOI date	IPA sent evaluation report to the Bank (date)	No objection to evaluation report (date)	PRC and IPA negotiate contract with consultant	IPA sent draft contract to the Bank (date)	No objection to the Draft Contract by the Bank (date)	Project signed contract with consultant (date)	IPA sent segned contract to the Bank (date)	Consultant's Name	Contract value (US\$)	Contract/ delivery Completion date
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
1	Planned																			
	Actual																			
2	Planned																			
	Actual																			
3	Planned																			
	Actual																			
4	Planned																			
	Actual																			
5	Planned																			
	Actual																			

IV. Conclusion and Recommendation

KINGDOM OF CAMBODIA
NATION RELIGION KING



DFGG'S LOGO



DEMAND FOR GOOD GOVERNANCE PROJECT

**CONSOLIDATE ANNUAL WORK
PLAN FOR THE DFGG PROJECT**

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ABBREVIATIONS AND ACRONYMS

CHAPTER 1: PROJECT DESCRIPTION

1.1. Background

1.2. Project Development Objective

1.3. Project Components

1.4. Purpose of the Annual Work Plan

CHAPTER 2: SUMMARY OF KEY ACTIVITIES PROJECT WIDE

This chapter is to provide a quick summary of the project-wide milestones and activities based on IA AWP.

CHAPTER 3: SUMMARY OF SPECIFIC ACTIVITIES

This chapter is aimed to describe the specific IAs activities for project wide to achieve the overall project development impact objectives based on IAs AWP. (Including implementation of environmental and social actions specified in any mitigation plans)

CHAPTER 4: OVERALL PROJECT IMPLEMENTATION PLAN

This chapter is to update overall Project Implementation Plan (PIP) by incorporated of each IAs Project Implementation Plan for one year implementation project.

No.	Key Activities	Description of Activity	Key person/unit responsible	Plan 2009												Remarks	
				Pre-Imple			Implementation										
				1	2	3	4	5	6	7	8	9	10	11	12		
Arbitration Council Foundation (ACF)																	
Ministry of National Assembly-Senate Relations and Inspection (MONASRI)																	
One Winder Service Office/District Ombudsmen (OWSO/DO)																	
Radio National of Kampuchea (RNK)																	
The Asia Foundation (TAF)																	
Project Coordination Office (PCO)																	

CHAPTER 5: SUMMARY OF KEY MILESTONES

This chapter is to summary of the key milestones for Project-wide (beyond those in the IAs) is meant to be completed in the specific period of time and/or schedule for one year period.

CHAPTER 6: ANNUAL BUDGET PLAN FOR OVERALL PROJECT

The Annual Budget Plan (ABP) is the combination of each IA annual budget for overall project implementation in one year period.

Table 6.1: Summary Estimate Budget for Project Implementation by Categories

No.	Category	AWP 2009	Proposal ⁸⁰	IDA Grant					AusAID					RGC					Other Donor					TOT AL
				Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	
	ACF																							
	Sub-Total																							
	MONASRI																							
	Sub-Total																							
	OWSO/DO																							
	Sub-Total																							
	RNK																							
	Sub-Total																							
	TAF																							
	Sub-Total																							
	PCO																							
	Sub-Total																							
	GRANT-TOTAL																							

⁸⁰ This columns is indicate total budget estimate in approved project proposal, while the AWP 2009 is specify the estimate budget for the forthcoming year

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Table 6. 2: Summary Estimate Budget for Project Implementation by Component

No.	Component/Subcomponent	IDA Grant (\$)	AusAID (\$)	RGC (\$)	Other Donor (\$)	TOTAL(\$)
1A	AC					
	Sub-Total					
1B	MONASRI					
	Sub-Total					
1C	OWSO/DO					
	Sub-Total					
1D	RNK					
	Sub-Total					
2	TAF					
	Sub-Total					
3	PCO					
	Sub-Total					
GRANT-TOTAL						
TOTAL PROPOSAL						

CHAPTER 7: SCHEDULE OF DISBURSEMENT

This chapter is aim to incorporated the updated of IAs projections of contract awards/commitments for (i) Works; (ii) Goods and Services; and (iii) Consultancy Services and projections of disbursement by the Bank disbursement category (as specified in the Financing Agreement).

7.1. Table for *Quarterly and Annually Contract Awards/Commitments Project*

Cate- No.	ITEM	PROJECTED April,2009															PROJECTED December 2009					
		Q1			Q2			Q3			Q4			Total			IDA	AusAID	RGC	Total		
		IDA	AusAID	RGC	IDA	AusAID	RGC	IDA	AusAID	RGC	IDA	AusAID	RGC	IDA	AusAID	RGC						
ACF																						
	Sub-Total																					
MONASRI																						
	Sub-Total																					
OWSO/DO																						
	Sub-Total																					
RNK																						
	Sub-Total																					
TAF																						
	Sub-Total																					
PCO																						
	Sub-Total																					
GRANTTOTAL																						

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7.2. Table for Quarterly and Annually Disbursement Project

Cate- No.	ITEM	PROJECTED April,2009															PROJECTED December 2009				
		Q1			Q2			Q3			Q4			Total			IDA	AusAID	RGC	Total	
		IDA	AusAID	RGC	IDA	AusAID	RGC	IDA	AusAID	RGC	IDA	AusAID	RGC	IDA	AusAID	RGC					
	ACF																				
	Sub-Total																				
	MONASRI																				
	Sub-Total																				
	OWSO/DO																				
	Sub-Total																				
	RNK																				
	Sub-Total																				
	TAF																				
	Sub-Total																				
	PCO																				
	Sub-Total																				
	GRANT-TOTAL																				

CHAPTER 8: PROJECT PROCUREMENT PLAN

This is need to updated procurement Plan for overall project wide

Project Name: Cambodia – Demand for Good Governance (DFGG) Project

Implementing Agency: *(Insert name of IA)*

Period - From : *(Insert Month, Day, Year)* **To:** *(Insert Month, Day, Year)*

Project Director: _____ *(Insert name)*

Procurement Officer: _____ *(Insert name)*

I. Civil Works										
Contract Package No.	Description of Contract Package	Total Estimated Cost (USD)	Method of Procurement (ICB/NCB/ Shopping etc.)	Domestic Preference (for ICB only) Yes/No	Review by Bank (Prior/Post)	Procuring Agency's Name	Estimated Date of Invitation for Bids	Estimated Contract Signing Date	Estimated Contract End Date	Comments
PCO										
Sub-Total										
OWSO/DO										
Sub-Total										
TOTAL-CIVIL WORK										

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II. Goods										
Contract Package No.	Description of Contract Package	Total Estimated Cost (USD)	Method of Procurement (ICB/NCB/ Shopping etc.)	Domestic Preference (for ICB only) Yes/No	Review by Bank (Prior/Post)	Procuring Agency's Name	Estimated Date of Invitation for Bids	Estimated Contract Signing Date	Estimated Contract End Date	Comments
PCO										
	Sub-Total									
ACF										
	Sub-Total									
RNK										
	Sub-Total									
OWSO/DO										
	Sub-Total									
MONASRI										
	Sub-Total									
TOTAL-GOODS										

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III. Consulting Services

Contract Package No.	Description of Contract Package	Total Estimated Cost(USD)	Selection Method	Review by Bank (Prior / Post)	Estimated Date of Invitation for Proposal/CVs	Estimated Signing Date of Contract	Expected Completion Date of Contract	Procuring Agency	Comments
PCO									
	Sub-Total								
ACF									
	Sub-Total								
RNK									
	Sub-Total								
OWSO/DO									
	Sub-Total								
MONASRI									
	Sub-Total								
TAF									
	Sub-Total								
TOTAL-CONSULTING SERVICES									

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NOTE:

- AC Arbitration Council
- CQS Selection Based on Consultants' Qualifications
- IC Individual Consultant
- IPA International Procurement Agent
- MEF Ministry of Economy and Finance
- MOI Ministry of Interior
- MONASRI Ministry of National Assembly, Senate Relations and Inspection
- NCB National Competitive Bidding
- OWSO One Window Service Office
- PCO Project Coordination Office
- QCBS Quality and Cost Based Selection
- RNK Radio National Of Kampuchea

SUMMARY PROCUREMENT PLAN - FIRST 18 MONTHS				
IA/EA	CIVIL WORKS	GOODS	CONSULTANTS	TOTAL
PCO				
AC				
RNK				
OWSO				
MONASRI				
OVERALL				

CHAPTER 9: RISK MANAGEMENT MATRIX

This is to updated of the overall Risk Management Matrix for project wide

Formula for Risk Score: Magnitude = Impact x Likelihood⁸¹.

Consequence: 5=very serious, 4=serious, 3=moderate, 2=minor, 1=insignificant

Likelihood: 5=very high, 4=high, 3=medium, 2=low, 1=very low

Magnitude Rating: 6 or less is low risk (L), 8 – 12 is moderate risk (M) and 14 – 20 is high risk (H), and any score above 20 is a top risk (T) requiring immediate attention.

Risk Description	Risk Impact	Risk Score/ Magnitude	Mitigation Strategy	Action Agents	Progress Status (Give details of tasks completed)	Remaining Action (Give resource requirements and timelines)
		Impact: 5 Likelihood: 1 Magnitude: 5 L				
		Impact: 5 Likelihood: 2 Magnitude: 10 M				
		Impact: 5 Likelihood: 3 Magnitude: 15 H				

NOTE:

⁸¹ In Column 3 of the Risk Management Matrix, the rating of the Risk is by a simple formula: Magnitude = Impact x Likelihood. Impact and Likelihood are rated on a scale of 1 to 5. For instance, if the Impact is assessed to be 5 and the Likelihood is rated 3, then the Risk Score is 3 x 5 = 15.

CHAPTER 10: OVERALL PROJECT RESULT FRAMEWORK

This chapter is aimed to update Overall Results Framework for project wide in one year period.

Project Outcome Indicators ⁸²	Baseline	Target Value	Data Collection and Reporting		
		Y1	Frequency and Reports	Data Collection Instruments	Responsibility for Data Collection
AC					
MONASRI					
OWSO/DO					
RNK					
TAF					
PCO					

⁸² In the table above ‘composite’ indicators refer to project-level indicators that are obtained through some weighted average of IA level sub-indicators. ‘Aggregate’ indicators on the other hand refer to project-level indicators that are obtained/measured directly and are not composed of sub-indicators. Sub-indicators themselves are IA-specific indicators derived from their respective results frameworks.

CHAPTER 11: SUMMARY OF PARTNERSHIP AND LEARNING ACTIVITIES

This chapter is aim to incorporate of IAs partnership and learning plan activities for overall project wide in one year period.

11.1. Partnership Development

No	Component/Key Activities	Proposed Partners	Expected Partnering Activities	Type of Partnership	Timeframe
1A	AC				
1B	MONASRI				
1C	OWSO/DO				
1D	RNK				
2	TAF				
3	PCO				

11.2. Learning Development

No	Key Steps of Learning	Learning Activities	Learning Tools/Method	Timeframe	Learning Partners	Responsible person/Unit
1A	AC					
1B	MONASRI					
1C	OWSO/DO					
1D	RNK					
2	TAF					
3	PCO					

CHAPTER 12: PROGRESS ON MAJOR GRANT COVENANTS

This chapter is meant to capture project level covenants in the Financial Agreement and progress towards them.

Activity	Responsible Agency	Outputs	Expected Delivery	Result	Others

CHAPTER 13: ATTACHMENT OF AWP

Attachment: 1. Arbitration Council Foundation (ACF)

Attachment: 2. Ministry of National Assembly and Senate Relations and Inspection (MONASRI)

Attachment: 3. One Window Service Office/District Ombudsman (OWSO/DO)

Attachment: 4. Radio National of Kampuchea (RNK)

Attachment: 5. The Asia Foundation (TAF)

Attachment: 6. Project Coordination Office (PCO)

**KINGDOM OF CAMBODIA
NATION RELIGION KING**

DFGG'S LOGO

DEMAND FOR GOOD GOVERNANCE PROJECT

**CONSOLIDATED QUARTERLY
PROGRESS REPORT**

Compiled by: Project Coordination Office

Dated: mmm/ddd/yyy

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ABBREVIATIONS AND ACRONYMS

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Project Implementation Manual

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A. Project Introduction

A. 1. Project Background

A. 2. Project Development Objective

A. 3. Project Component

SECTION II: OVERALL PROJECT PROGRESS REPORT

A. Summary of Key Activities and Completed Milestones undertaken in Quarter

B. Emerging Concerns and Divergences from AWP

B. 1. Plan Activities against Work Plan

Planned Performance in Quarter	Starting Date		Completed Date		Further Comments
	Planned	Actual	Planned	Actual	
ACF:					
MONASRI					
OWSO-DO					
RNK					
TAF					
PCO					

B. 2. Emerging Concerns

C. Provisional Results Indicators

The DFGG Project
Project Implementation Manual

D. Procurement Status

Descriptive summary of procurement status and problems (if any)

E. Financial Status

Descriptive summary of financial issues and variance analysis

F. Conclusion and Recommendations

SECTION III: QUARTERLY PROGRESS REPORTS OF IAs

Annex: A. Arbitration Council Foundation (ACF)

Annex: B. Ministry of National Assembly and Senate Relations and Inspection (MONASRI)

Annex: C. One Window Service Office/District Ombudsman (OWSO/DO)

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ABBREVIATIONS AND ACRONYMS

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1.1 Project Background

1.2 Project Development Objective

1.3 Project Component

SECTION II: OVERALL PROJECT PROGRESS SUMMARY

2.1 Executive Summary (max 2 pages)

2.2 Project Level Summary of key Activities Achievements and Milestones

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6. Component 3 (Coordination and Learning)

SECTION IV: CRITICAL ISSUES MOVING FORWARD

4.1 Critical Issues Moving Forward

4.2 Conclusion and Recommendations

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Attachment 1: Arbitration Council Foundation (ACF)

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