

## ***Project components***

### **Component 1: Support to State Institutions**

**[Estimated cost US\$ 15.91 million; IDA financing US\$ 10.66 million<sup>1</sup>]**

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 million<sup>2</sup>}*

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.

---

<sup>1</sup> Other sources of financing for this and other components include Government funding, parallel financing from AusAID, and stakeholder contributions (for the Arbitration Council).

<sup>2</sup> 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.

## ***Project components***

### ***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 Penh<sup>3</sup>). 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)***

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

---

<sup>3</sup> 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.

## ***Project components***

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.<sup>4</sup> 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 associations<sup>5</sup>, business associations<sup>6</sup>, 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 and assessments of the state institutions’ activities. Through partnership grants, for

---

<sup>4</sup> The detailed proposal for this component is included in the project files and available upon request.

<sup>5</sup> These include national associations for accountants and auditors.

<sup>6</sup> These include the national chambers of industry and commerce.

## ***Project components***

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 sectors<sup>7</sup> 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.<sup>8</sup>

### **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***<sup>9</sup>. 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 present displays about their experiences and workshops on matters of governance are held.

---

<sup>7</sup> These are: private sector development, natural resources management, decentralization and citizens' partnerships, and public financial management.

<sup>8</sup> 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.

<sup>9</sup> 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.

## ***Project components***

- (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 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

## ***Project components***

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 Forum<sup>10</sup>, 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") 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.

---

<sup>10</sup> 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.

*Project components*

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

