

DEMAND FOR GOOD GOVERNANCE PROJECT
IDA Grant No. H4410KH
GOOD GOVERNANCE FRAMEWORK FOR OVERAL PROJECT Updated as of February, 2011

Issues	Action to Mitigate Risk	Responsibility	Target/ Monitoring	Implementation Status as of February 2011	Action Plans	Revised Target Date	Any Resources Required
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Element 1. Procurement							
1a. Reduce potential irregularities.	<p>Unless otherwise agreed between the RGC and 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 the 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</p>	<p>MEF – IPA commenced work in December 2007.</p> <p>Component IAs.</p> <p>Component IAs.</p> <p>Component IAs.</p>	<p>All components IAs to agree IPA’s role by negotiations. To be reflected in the Grant 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</p>	<p>DFGG has passed all procurement responsibility to the IPA with effected from December 2007; However, refer to a letter of MEF date 15 December, 2008 which outlined the future arrangements for using IPA services under the World Bank project. In this regard, all the threshold for procurement of goods and also works individual consultant from \$50,000 to \$ 100,000 per contract has been excluded from the IPA’s scope and be undertaken by the project implementing agencies themselves.</p> <ul style="list-style-type: none"> • The PCO’s ITA – Procurement Specialist and Procurement Officer worked with the IAs and IPA to assist them in preparing TOR for consultant services. • The procurement tracking form has already developed by the ITA- 	<ul style="list-style-type: none"> • Continue working closely with IPA, MEF and IAs in preparing of the technical specifications for goods and works and TOR for consultants and hand over to the IPA for further proceed. • IPA/PCO to insure Monthly Status Report provided to PCO for review 		

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	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.	Included in IPA's TOR.	Procurement Committee (IPC). IDA monitoring of IPA's work through quarterly review meetings and prior and post reviews.	Procurement Specialist			
1b. Ensure adequate procurement capacity of each IA component.	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 GGPs).	Implementation of action plans including recruitment of staff by advance action, with staff in place at project commencement.	PCO has been continuing assists to each IAs with regards to the procurement issues as daily need. A one-day Training Program on Procurement procedures was conducted by the World Bank Procurement specialist on September 22, 2009 for all IAs. In order to help address some of the existing procurement related issues, and to further strengthen the procurement capacity of the IAs, the PCO is hiring an international consultant (ITA) who would be housed at the PCO and provide technical and capacity building support related to procurement to all IAs. The consultant started assignment on June 07, 2010. The consultant provided IA's two (2)	<ul style="list-style-type: none"> Continue to provide the procurement capacity to the IAs through on the job training programs. Continue to recruit the National Procurement Coordinator 		

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				<p>Procurement Training Programs in September/October , PM, NCB, NS, RFP</p> <ul style="list-style-type: none"> The procurement capacity building program to the IAs has been conducting by ITA-Procurement Specialist through on the job training. A detailed training program was developed by ITA-Procurement Specialist in coordination with IAs' procurement office as weekly basis. The contract extension to ITA-Procurement Specialist had been done. 			
Ic. Avoid risk of inadequate or delayed Procurement Plans.	Each IA to prepare realistic annual Procurement Plan based on its Annual Work Plan and Budget. Procurement Plans for the first eighteen months of project implementation have already been developed.	Component IAs with IDA NOL (see IA-specific GGPs). PCO to coordinate.	First 18-month Plan agreed at appraisal. 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.	<ul style="list-style-type: none"> 12 months procurement plan for year 2011 of DFGG project was already revised and submitted to the World Bank for final review and approval Each IA has been providing its updated Procurement Tracking form to M&E/PCO as weekly basis. A preliminary updated estimates budget for 2011 has been prepared and submitted to MEF on June 08, 2010 The Bank has provided NOL on 12 months procurement 	<ul style="list-style-type: none"> Continue to work closely with each of the IAs in updating of Procurement Tracking form as weekly basis. PCO will continue its coordination and working closely with IAs and IPA in implementation of 2011 procurement plan. Pending no objection on the Annual Procurement Plan 2011 		

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				<p>plan for year 2010 on June 04, 2010.</p> <ul style="list-style-type: none"> 12 months procurement plan for year 2011 of PCO has been prepared and incorporated into the AWP 2011. 			
1d. Informal payments by contractors, suppliers and consultants.	<p>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:</p> <p>“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.”</p> <p>Amended Declaration to be included in all bidding documents, requests for proposals (RFPs), and contracts.</p>	IPA through MEF instruction.	PCO to monitor. IDA to verify through prior and post reviews.	<p>PRC always signed the declaration on ethical conduct and fraud and corruption for every bidding evaluation.</p>	<ul style="list-style-type: none"> PCO will work closely with IPA and MEF in monitoring the declaration on Ethical Conduct and Fraud and Corruption. 		

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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) adopted by IAs and PCO.	FMDM acceptable to DFGG Project Coordinator completed and obtain IDA NOL. Each component IA Chief Financial Officers to ensure compliance.	FMDM agreed by negotiations. Reflect use of SOP/FMM and FMDM in Grant agreement. IDA to verify compliance during supervision missions. PCO Internal Audit Unit to carry out spot checks on compliance.	Ready. PCO has made revised FMDM in order to reflect the real practical of the project, particularly for establishment of project Accounting Software, and its updated version has already submitted to the World Bank Financial Management Specialist for review and comments. Designate Bank Account for Project Implementation was already opened by each IAs. <ul style="list-style-type: none"> ▪ One National Internal Auditor was on board on January 01, 2011 while other two positions were on procurement process. 	<ul style="list-style-type: none"> • PCO will expedite to recruit the pending national and international internal auditor positions. 		
2b. Strengthen financial management capacity.	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. 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.	PCO with IDA NOL. See component specific GGPs.	TOR agreed and included in Component 3 proposal. Recruit by Feb 2009.	A new Financial Management Advisor (FMA) was on board with the project since August, 2009. PCO has provided technical assistance to each of the IAs with regards to the financial issues as daily need. A one-day Training Program on Financial Management and Disbursement Procedures was conducted by the World Bank Financial specialist on September 23, 2009 for all IAs. In order to help address some of the existing financial related issues, and to further strengthen the finance capacity of the IAs, the PCO is hiring an international consultant (ITA) who would be housed at the PCO and provide technical and capacity building support related to	<ul style="list-style-type: none"> • Continuous strengthening financial management capacity to the IAs through the training program proposed for 2011. 		

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				finance to all IAs. The consultant was on board and commenced the works on June 28, 2010. However, the key focus areas on strengthen and capacity building support to all IAs have not been taken into account by ITA. Partially Compliance			
2c. Ensure uniform Project accounting and readiness of proprietary software.	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.	PCO with IDA NOL.	Agree proprietary package by October 2008. PCO to install by effectiveness. IDA to monitor correct use during FM supervision missions.	The Conical Hat Software (Cambodia) Ltd has been selected and commenced the work on May 21, 2010. Classroom training on Financial Accounting System has already been conducted by Conical Hat Software from August 23-27, 2010. The Conical Hat Software program has been setting up and installation for all state implementing agencies (IAs). <ul style="list-style-type: none"> The fourth Interim Financial Reports for year 2010 was produced by the system. 	<ul style="list-style-type: none"> The PCO would work closely with OWSO and Conical Hat Software firm in solving the pending issues. 	March,11	
2d. Ensure comprehensive FM reporting.	All components IAs will utilize a template for interim FM reporting which has been developed and will be agreed. Reports to be submitted to IDA quarterly not more than 45 days after the end of the reporting period.	PCO and all components IAs.	Agree template by negotiations. PCO to monitor FM reports by component IAs for compliance with agreed template and submission deadlines.	Ready. Template for financial reporting was agreed and Quarterly reports to date have all been submitted within the 45 days deadline.	Full compliance to date		

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2e. Ensure effective internal audit in all components IAs.	An Internal Audit Unit comprising an experienced internal auditor and two national and one international assistants will be established in the PCO and be responsible for internal audit of all Project components, including the provincial activities of component IAs.	PCO will prepare TOR for Internal Audit Unit with IDA NOL. PCO will recruit auditors.		All positions were under procurement process. <ul style="list-style-type: none"> A detail of annual internal audit plan is being developed by national internal auditor. 	<ul style="list-style-type: none"> The PCO internal auditing unit would work closely with external auditing firm and would take its action shortly. 		
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.	<ul style="list-style-type: none"> Ernst & Young has been appointed under the audit bundling exercise to be the auditor for FY08-FY10 and first audit was covered for PPF1 & PPF2 and its firm has commenced their works from late of September to early of October, 2009. The second audit has been conducted by Ernst & Young for all the six implementing agencies (IAs) and its scope was covered from project effectiveness June 24 up to December 2009. The firm was commenced their work from 19th of April to 14th of May 2010. Completed external audit (PPF1-PPF2 & June-Dec 09). The draft audit report has already submitted to the WB, however there will be improving on some technical aspects as previously agreed between the project and the external audit firm. The final external auditing report is finalized. 	<ul style="list-style-type: none"> The PCO would work closely with Ernst & Young external audit firm in preparation of auditing schedule for year 2010. 		

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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.	Full compliance to date by all IAs component agencies.	<ul style="list-style-type: none"> PCO is regularly monitor as quarterly basis 		
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 components 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.	Met. PCO followed the MEF's guidelines for Per Diems and travel allowances for the PCO counterpart staff as well as national consultants.	<ul style="list-style-type: none"> PCO is regularly monitor as quarterly basis 		
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"> Detailed costs estimates. 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. 	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 September and final budget in December in the year preceding the budget year. IDA to verify through its membership of Working Group.	A detail of Annual Training and Workshop Plan and study tours have been developed for year 2010. The Working Group and guidelines has already been established Full compliance to date.	<ul style="list-style-type: none"> Continuous monitoring and working closely with IAs regarding the operation of training, workshops and study tours. Continuous preparing a Request for Sub-Project Approval (RSA) for every training and workshops 		

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	<p>3. Evidence that training, workshops, study tours and other similar activities:</p> <ul style="list-style-type: none"> • are in line with project aims and objectives • meet identified needs within the subcomponent plans • 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 <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 travelling expenses; • Receipted invoices for venue rental, food and beverage, sound/projection 	<p>Working Group comprising MEF, IAs of all projects and IDA.</p> <p>Working Group to define evidence and include in directive. PCO to ensure compliance of component IAs.</p> <p>Each component IA Chief Financial Officer.</p>	<p>Establish Working Group by August 2008. Agree guidelines and issue directive to all IDA-funded projects by end-December 2008.</p> <p>Directive issued by December 2008. IDA to monitor SOEs with withdrawal applications.</p> <p>PCO to monitor compliance. IDA to monitor SOEs with withdrawal applications and verify during supervision missions.</p>				

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	equipment, hire of simultaneous translator, stationery and handouts, use of photocopying facilities. 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.						
2j. Avoid delayed or non-existent reconciliation of advances for operating costs and expenses.	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.	Each component IA Chief Financial Officer.	PCO to monitor compliance. IDA to verify during supervision missions.	The PCO had already developed fuel register and vehicle logbook and sent it to all IAs for operation.	<ul style="list-style-type: none"> PCO will continue its monitor and working closely with IAs regarding the reconciliation of advances for operating costs and expense, vehicle logbook and fuel register. 		
2k. Establishment of Priority Operating Costs (POC) schemes as an interim measure to	The Government has issued a Sub-Decree 66 dated July 12, 2010 outlining policies and procedures for implementation of the Priority Operating Costs (POC) , which is the operating cost for civil	PCO works closely with other development partner-funded project who housed at the MOI to develop	The financing under POC will start when POC agreement (POC terms of reference and management contract) at the sector / ministry level is signed. PCO to monitor	The Project Coordination Office (PCO) and the concerned IAs has prepared the manual respectively. The consolidated manual has been submitted to CAR on September 13, 2010 for review and further comments.	<ul style="list-style-type: none"> Pending the completion of staff selection process, while it has officially been completed, the PCO would submit the consolidate staff list to CAR for approval shortly. 		

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replace the MBPI/PMG incentives for State implemented components.	servants who are working on strategic development priorities of ministries and institutions according to the agreement of the Royal Government of Cambodia and Development Partners.	the POC for the Ministry based on CAR's draft guideline including cost sharing basis, for MEF and IDA approval.	application.	<ul style="list-style-type: none"> A series of meetings have been conducted several times with the concerned IAs to sharing information as well as development of the necessary documents in order to comply with Bank and CAR's requirements. Some of POC's related documents had already submitted to Bank and CAR for approval, however other requirement documents was under development by the concerned IAs. The Bank had recently provided no objection on the implementation of POC schemes by effective from 26th of January 2011 onward. 			
On-going activities							
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 components IAs to ask for and retain written disclosure.	PCO to monitor. IDA to verify during supervision missions.	On-going	<ul style="list-style-type: none"> PCO will work closely with the IAs to disclose all the relate information. 		
3b. Enhance transparency	Component IAs to disclose	PCO to	By Negotiations.	<ul style="list-style-type: none"> The component IAs' website 	<ul style="list-style-type: none"> Continue to disclose the 		

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through greater public disclosure of project information.	information on their individual websites in accordance with guidelines set forth in their Communication Plans, with hard copies available at component IA offices for public inspection on request. As a minimum, disclosed information is expected to include: <ul style="list-style-type: none"> 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 	coordinate lists of information to be disclosed by each component IA and agree with IDA. Each component IA responsible for disclosure of information concerning its component. IPA will disclose procurement information	PCO to monitor progress during reviews. Biannually. PCO to monitor compliance and IDA to verify during supervision missions.	has already been developed and launching: ACF: www.arbitrationcouncil.org MONASRI: www.monasri.gov.kh OWSO: www.owso.gov.kh RNK: www.rnk.gov.kh PCO: www.dfggmoi.gov.kh TAF: www.dfgg-nsac.org.kh On-going	relevant project information, based on the Disclosure Tracking Sheet. <ul style="list-style-type: none"> PCO will regularly monitor the Disclosure Tracking Sheet of all IAs 		

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	bidding documents and RFPs can be inspected, expected date of availability, and cost of bidding documents <ul style="list-style-type: none"> • 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 at opening • 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 						

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3c. Enhance Project visibility through the media.	Component IAs and the PCO to implement the project's Communication 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.	Continuously after Project commencement. PCO to monitor progress. IDA to verify implementation during supervision missions.	<ul style="list-style-type: none"> ▪ Extensive disclosure of project information through media during meeting, workshop/seminar, radio talkback program and LCFG activities has been continuously implemented. ▪ The concrete Communication Strategy has been developed for component 3 B and submitted to WB for reviews and comments ▪ The first, second, third, and fourth media briefing have been conducted by PCO in different deadlines at Journalist Club with participation from mass media representative, TV, radio and newsletter. ▪ The first, second, and third project bulletins has been published and distributed to all the relevant stakeholders. ▪ Radio & TV spots on good governance have been broadcasted in radio and TV. ▪ Drama Series on good governance has also broadcasted on radio channels in January 2011. ▪ The DFFG Forum is going to conduct on January 27 2011. <p>On-going.</p>	<ul style="list-style-type: none"> • Continuous enhancing Project visibility through different communication tools as proposed in AWP 2011. 		

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Element 4. Civil Society Role							
Greater involvement with CSOs.	All components 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. All major CSO involvement to be recorded in Project progress reports.	PIM to be cleared by MOI and subject to NOL from IDA. PCO to coordinate with all State components IAs on reporting.	Agree PIM during DFGG pre-implementation stage ¹ . PCO to monitor CSO involvement in State components. IDA to verify during supervision missions.	On-going. PCO to monitor CSO involvement in State Components and all components IAs in DFGG project have been established their own Partnership Plan with CSOs respectively. Currently, there are 62 partnerships have been performing within State and Non-State Institutions for DFGG Project.	<ul style="list-style-type: none"> The PCO will continue to records and updates the progress of implementation the partnerships plan within the project as monthly basis The progress reports on partnerships performances will submit to the Bank for review at the end of each month. 		
Element 5. Complaints and Remedies Mechanism							
5a. Introduce a formal Complaints Handling System covering all components of the project.	The PIM will include a project-wide CHS, specifying (i) complaints and remedies mechanism for each component IA; including sub-procedures specific to particular components as necessary, and (ii) a Complaints Handling Mechanism housed at the MOI to address issues that cannot be resolved at the level of individual IAs (see Section 13). Complaints procedures regarding procurement to follow process set out in	PCO with IDA NOL to PIM IPA/PCO	Agree PIM during DFGG pre-implementation stage. PCO to monitor adoption of CHS. IDA to verify during supervision missions. IDA to monitor during prior or post reviews.	The complaints committee (CC), complaints book, and details address of complaints have already been developed. CC's membership: - Project Director of DFGG-PCO Chair - Project Director of DFGG-MONASRI Member - Project Director of DFGG-RNK Member - Internal Auditor of PCO Member - Project Director of DFGG-TAF Member - Executive Director of ACF Member	<ul style="list-style-type: none"> As pending the comment from the Bank, the draft CHM has not been posting in the websites. 		

¹ The DFGG pre-implementation stage is currently scheduled to run from May to December 2008.

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	SOP/PM			<ul style="list-style-type: none"> - Representative of RTO Observer - The PCO has been requesting to IAs to develop its own complaints handling system and submitting to the PCO for consolidates. <ul style="list-style-type: none"> • PCO had already submitted the consolidation of the CHM to the Bank since December 2010. <p>On-going</p>			
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.	The CHM has already set up in the Project Implementation Manual (PIM) On-going	<ul style="list-style-type: none"> • The progress in implementing of the complaints handling mechanism will be reported through the PMT meeting by bi-monthly 		
Element 6. Code of Ethical Conduct							
6a. No overall Code of Conduct for civil servants.	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.	The counterpart staff will implement its code of ethical conduct base on POC scheme, while contracted staff was applied its code of conduct in accordance with their individual Contract Agreement.	<ul style="list-style-type: none"> • The code of ethical conduct will be posting in the website after the staff selection process has been completed 		

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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.	The WB Group's Anti-Corruption Guidelines (ACG) was included in PIM volume 2. There were no any sanctions have been done during this reporting period.	n/a		
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 with vested interests.	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. PCO will recruit the technical audit consultants with IDA NOL during recruitment process.	During DFGG pre-implementation stage. Consultants in place by June 2009.	The external audit firm was recruited by IPA through MEF, while National and International Internal Auditor Consultants are on procurement process. <ul style="list-style-type: none"> ▪ One National Internal Auditor was on board on January 01, 2011 while other was on procurement process. 	<ul style="list-style-type: none"> ▪ The PCO internal auditing unit would work closely with external auditing firm and would take its action shortly. 	Mar,2011	

Issues	Action to Mitigate Risk	Responsibility	Target/ Monitoring	Implementation Status as of February 2011	Action Plans	Revised Target Date	Any Resources Required
1	2	3	4	5	6	7	8
8b. Use the GGF as a management tool with regular reviews and updates by mutual agreement.	<p>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.</p> <p>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.</p>	<p>PCO and all IAs.</p> <p>PCO and Project Preparation Team with IDA guidance and overview.</p>	<p>PCO to report to the Government's ACWG and IDA within two weeks of each quarterly review.</p> <p>Training workshops to take place during DFGG pre-implementation stage when IA implementation teams are in place.</p>	<p>Met. GGF was updated as quarterly basis through the consultations workshop and PMT meeting</p>	<ul style="list-style-type: none"> Continuous reviewing GGF through PMT meeting and submit the progress to the Bank as quarterly basis Seek further technical assistance from the Bank team regarding the implementation of the GGF 		
8c. Promote synergy, cross-learning and constructive competition among components of the Project.	<p>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.</p>	<p>PCO and all components IAs.</p>	<p>Quarterly. PCO to report on workshops to MOI and all components IAs, with copy to IDA, not later than two weeks after each workshop.</p>	<p>Dissemination workshop on sharing lesson learnt and experience has been implementing through LCFG workshop.</p>	<ul style="list-style-type: none"> Continuous using LCFG body to share lesson learnt, experience and successful case study among components of the Project. 		

Issues	Action to Mitigate Risk	Responsibility	Target/ Monitoring	Implementation Status as of February 2011	Action Plans	Revised Target Date	Any Resources Required
1	2	3	4	5	6	7	8
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. Target youth explicitly as a group for promoting and monitoring project initiatives. Organize internships, dialogue, training workshops and focus events to reach out to NGOs, CSOs and other civic groups to publicize the Project's work, e.g. 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. All IAs to organize dialogue, training workshops and focus events, with PCO coordination.	IAs to draft plans during DFGG pre-implementation stage. PCO to furnish copies to IDA. PCO to monitor implementation. IAs to draft plans during DFGG pre-implementation stage. PCO to furnish copies to IDA. PCO to monitor implementation.	All IAs has set up their individual Partnership Plan as indicated in Annual Work Plan 2010 respectively. • The 2 nd Annual DFGG forum was conducted on January 27, 2011	<ul style="list-style-type: none"> Continuous coordinating and supporting the IAs in organizing the training workshops and events 		

Review of Good Governance Framework (GGFs)

This Good Governance Framework is to be reviewed and signed off by senior management on a regular basis. The following review system is recommended with the Good Governance Framework:

- All risk factors pertaining to fraud and corruption require constant vigilance in instituting and implementing the preventive and control measures.
- Senior Management and project team to review the risk areas, red flags and mitigation measures regularly (every 3 months) to ensure that effective controls are in place.
- The emergence or presence of red flags should trigger a review of the situation to see if existing controls are adequate and if investigative action and additional controls are required. The matter is to be brought to the attention of senior management if evidence or suspicion of corruption is found.

This Good Governance Framework for the Project Coordination Office (PCO) has been reviewed and updated by:

Name: _____ Designation: _____ Signature: _____ Date: _____

Name: _____ Designation: _____ Signature: _____ Date: _____

ABBREVIATIONS

ACG	Anti-Corruption Guidelines	MEF	Ministry of Economy and Finance
CSO	Civil Society Organization	NCB	National Competitive Bidding
CHS	Complaint Handling System	NOL	No Objection Letter (of the IDA) N
DSA	Daily Subsistence Allowance	PM	Procurement Manual (for Externally Assisted Projects)
FM	Financial Management	PCO	Project Coordination Office
FMDM	Financial Management and Disbursement Manual	PCU	Project Coordination Unit
GDCG	General Directorate of Cadastre and Geography	PIM	Project Implementation Manual
GGF	Good Governance Framework	RFP	Request for Proposals
IDA	International Development Association	RGC	Royal Government of Cambodia
IA	Implementing Agencies	SOP	Standard Operating Procedures
IPA	International Procurement Agent	TOR	Terms of Reference
IPC	Inter-ministerial Procurement Committee	TTL	Task Team Leader (of the IDA)
LCFG	Learning and Communication Focus Group		NOL: No Objection Letter
MBPI	Merit Based Pay Initiative		