

## I. GOOD GOVERNANCE FRAMEWORK

Issues	Action to Mitigate Risk	Responsibility	Target/Monitoring	Implementation Status as of December 2011	Action Plan for 2012	Revised Target Date	Any Resources Required
1	2	3	4	5	6	7	8
<b>Element 1. Procurement</b>							
Ia. 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 the IPA, who shall prepare bidding documents and RFPs, call and evaluate bids and recommend award, all in accordance with the WB's</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 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 Procurement Committee (IPC). IDA monitoring of IPA's work through quarterly review</p>	<p>DFGG follows IIPA guidelines and operating procedures.</p> <p>Non-compliances were identified in the 2010 Post review for one IA. PCO has taken corrective actions agreed with the Bank to address non-compliances arising in the project to reduce the likelihood of potential irregularities. All other post reviews showed good compliance.</p> <p>All IAs use IPA as agreed. all procurement packages procured i) through direct contracting, (ii) from UN agencies, (iii) by single source, and (iv) by sole source selection; and (v) all selection of individual consultants, (vi) procurement of goods estimated to cost less than USD50,000 per contract, (vii) procurement of works estimated to cost less than USD100,000 per contract, (viii) hiring by the ACF of experts on a short-term notice for emergency/urgent labor disputes, contract, (ix) for ACF's financial auditor which is to be undertaken by ACF's Board of Directors, and (x) all procurement under Component 2 of the project has been excluded from the IPA's scope and be undertaken by the project implementing agencies themselves.</p> <p>Due to limited technical capacity of the respective IAs of each component, some procurement packages have been</p>	<p>PCO continue to monitor the IAs in terms of procurement and financial activities to ensure that it's functioning in accordance with the procedures and guideline as stated in the Financing Agreement.</p> <p>PCO continuous workings 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.</p> <p>IPA/PCO to ensure Monthly Status Report provided to PCO for review</p>		

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	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.		meetings and prior and post reviews.	delayed because of the low quality or late technical inputs, including cost estimates, technical specifications, TORs, etc.			
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. The MTR noted that procurement capacity in PCO would be reviewed again in October 2011.	Component IAs with IDA NOL (see IA-specific GGP's).	Implementation of action plans including recruitment of staff by advance action, with adequate staffing performing in accordance with procurement procedures.	Procurement capacity and oversight was identified as problematic in the MTR, existing staffing has been inadequate (causing delays). The AM requested that procurement capacity be reviewed again in October 2011.  A National Procurement Consultant was transferred from MONASRI and commenced work in July 2011.	To improve procurement capacity in 2012, PCO will:  Facilitate in organizing a half day procurement clinic to the procurement staff of the PCO and all IAs to help improving their capacity on procedures of procurement method used for the subject assignments. This event will offer by World Bank Procurement Specialist.  Conduct internal post review on IAs and provide technical inputs for the improvement of procurement's performance. PCO will also run the consultative meeting at least one in every two months or up on urgent need.	January 31, 2012  January 30, 2012	
1c. Avoid risk of inadequate or delayed Procurement Plans.	Each IA to prepare realistic annual Procurement Plan based on its Annual Work Plan and Budget.	Component IAs with IDA NOL (see IA-specific GGP's). 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	The Procurement Plan was badly delayed in early 2011 resulting in the need for specific NOLs.  Tracking of procurements by the International Procurement specialist improved information and organization and will continue after the ITA completion. The consolidated 1st 18 months	The Consolidated Procurement Plan 2012 will submit to WB for review and comment prior submit to MEF for approval.  PCO continues to work closely with the IAs in updating of Procurement Tracking form as weekly basis.	February 2012	

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			plans by September, and final updated plan by December.	<p>procurement plan and updated procurement and tracking plan have been posted on the Bank's external website.</p> <p>A revised procurement plan will be put in place for the last 4 months of 2011.</p> <p>Each IA has been providing its updated Procurement Tracking form to M&amp;E/PCO as weekly basis.</p> <p>The Procurement Plan 2011 was revised and submitted to WB for review and comment.</p> <p>The Consolidated Procurement Plan 2011 was approved by MEF on 01 December 2011</p>	<p>PCO will continue its coordination role and working closely with IAs and IPA in implementation of 2012 procurement plan.</p> <p>Continue to submit monthly updated procurement plan and tracking form to MEF and Bank for information as per the requirement of paragraph 12.1.3 of the Procurement Manual for Externally Financed Projects /Programs in Cambodia</p>		
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	IPA through MEF instruction.	PCO to monitor. IDA to verify through prior and post reviews.	<p>The training on code of conduct was organized on 28 November 2011 to all project staff in the PCO, including government officials &amp; national consultants.</p> <p>PRC always signed the declaration on ethical conduct and fraud and corruption for every bidding evaluation.</p> <p>The declarations are incorporated in the bidding documents</p>	<p>PCO will follow up and work closely with the state IAs to ensure that the training on code of conduct will be organized to their project staff.</p> <p>PCO will work closely with MEF in monitoring the declaration on Ethical Conduct and Fraud and Corruption.</p> <p>PRC will continue to sign the declaration on ethical conduct and fraud and corruption for every bidding evaluation</p>	Feb 2012	

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	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.						
Ie. Involvement of civil society	Civil Society should be informed and invited by each IA to observe the procurement process, particularly bid opening meetings. Copies of the invitation letters and signatures of the civil society representatives on the bid opening records should be maintained.	PCO ,MEF and Component IAs	PCO to monitor.	To date, no record or evidence of the involvement of civil society has been found in the procurement process of either contracts subject to post review or prior review. PCO has not invited CSOs to date.	PCO will work closely with IAs and MEF in inviting CSOs to observe the procurement process, particularly bid opening meetings.		
If. Oversight by RGC’s Anti-Corruption Working Group for World Bank financed projects and Complaints Mechanism	Under its obligations to the Government and to the Bank, each IA is required to report all suspected cases of fraud, corruption and collusion to the government’s anti-corruption unit and to the Bank.  In each bidding document/RFP and invitation for bids/EoIs under the Project, the contract addresses of the government’s anti-corruption unit and the Bank’s INT should also be provided.	PCO and IAs	PCO to monitor	It is yet done in the case of RNK	PCO and IAs will report any future case of fraud, corruption and collusion to the government’s anti-corruption unit and to the Bank.  In the future, each bidding document/RFP and invitation for bids/EoIs under the Project, the contract addresses of the government’s anti-corruption unit and the Bank’s INT will be provided.		

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<b>Element 2. Financial Management</b>							
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.	PCO has revised the FMDM to reflect current project implementation arrangements including computerised accounting arrangements and strengthened internal controls in all IAs  The PCO IA has developed an annual audit plan which includes compliance audits of FM procedures in all IAs	Update FMDM pending World Bank feedback on revisions made.  IAU to complete Compliance audits throughout 2012	Within 1 Month of World Bank feedback  Continuous in 2012	
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 GGP.	TOR agreed and included in Component 3 proposal. Recruit by Feb 2009.	A Financial Management Advisor (FMA) was Engaged from August 01 2009 in the PCO with ToR Agreed with the IDA  One Financial Officer has been engaged since October 13, 2008 on a continuous basis and one Accounting Officer has been engaged since October 13, 2008 on a continuous basis  Meeting held by PCO and attended by Finance staff of all project IAs in December 2011 highlighting all draft updates to the FMDM	Continuous strengthening financial management capacity to the IAs through the training program proposed in AWP 2012.  PCO to provide copies and training of the updated FMDM to all IAs after Bank approval		
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.  The accounting software is fully operational. However, some technical issues identified during the Midterm Review, it's now been resolved.	PCO Finance unit will work closely with The Conical Hat Software and OWSO to resolve any further related technical issue base on the service agreement with the software supplier	Jan-Dec 2012	

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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.	Current IFRs format set out by the Bank finance specialist during the MTR have been updated in the PIM and FMDM and in use by PCO and all IAs.	PCO to hold meeting with all IAs on updated FMDM and financial reporting procedures after approval by the World Bank		
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.		On National Audit Consultant engaged by the PCO in January 2011, the Second national Internal Audit consultants engaged in August 2011 and ITA Auditor engaged in May 2011.  The annual internal audit work plan for 2011 was prepared by the IAU in June, 2011.  15 separate audits were completed in 5 project IAs and 10 grant recipients under the NSAC component	A risk based annual internal audit work plan 2012 prepared by the IAU  Compliance audits on all project activities to be completed in line with the annual plan throughout 2012	January 2012  Continuous in 2012	
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.	Ernst & Young completed the audit for all project IAs for the financial year 2010. The audits were slightly delayed due to issues related to the closure of 2 IAs based on recommendations made during the MTR The project received an unqualified audit opinion for the FY 2010.  The audit of the 2 closed IAs for the FY 2011 were completed in December 2011. There was a slight delay to contract issues with the appointment of the external auditor. The audit reports are due in January 2012.	PCO to liaise with the external auditor to expedite the completion of the audit reports for the two closed IAs for the FY 2011.  The bundle external audit contract for IDA funded projects is due for renewal. PCO will work with the appointed external auditor to ensure the timely completion of the external audit for all remaining IAs for the FY 2011.	January 2011  Final reports due by 30 June 2011	

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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 on progress payments to contractors, suppliers and firms.  PCO is regularly monitoring petty cash transactions on a quarterly basis.	PCO will continue to ensure compliance with the updated FMDM and complete spot checks on petty cash transactions in all IAs.	Continuous in 2012	
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.	PCO implemented the MEF's guidelines for per diems and travel allowances for the PCO counterpart staff and national consultants.	PCO to ensure compliance with the MEF guidelines for per diems and travel in 2012.  IAU to perform audit of training event expenditure.	Continuous in 2012	
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:  1.	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).  Working Group comprising MEF, IAs of all projects and IDA.  Working Group to define evidence and include in directive. PCO to ensure	NOL in September and final budget in December in the year preceding the budget year.  IDA to verify through its membership of Working Group.  Establish Working Group by August 2008. Agree guidelines and issue directive to all IDA-funded projects by end-December 2008. Directive issued by	A consolidated training plan (CTP) was prepared and approved for the remaining period within the project.	PCO finance officer to complete review of the budget for each MoU as outlined in the CTP prior to approval of the MoU.  PCO finance section to ensure compliance with terms and conditions of MoU when reimbursing training expenditures under the CTP.  PCO finance section to ensure compliance with the updated FMDM on training and workshop expenditures.  IAU to complete audit of CTP events	Continuous in 2012	

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		compliance of component IAs.  Each component IA Chief Financial Officer.	December 2008. IDA to monitor SOEs with withdrawal applications.  PCO to monitor compliance. IDA to monitor SOEs with withdrawal applications and verify during supervision missions.				
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.	PCO developed a fuel register and vehicle logbook and issued to all IAs for operation.  Fixed asset audit by the PCO IAU completed and discussed with all project IAs with specific recommendations and action plans prepared by each IA to ensure compliance with updated FMDM.  IAU completed follow up of the agreed action plans agreed during the fixed asset audit to determine if the actions were being implemented. It was found that the majority of agreed actions were implemented.	PCO to maintain an advance register up to date and ensure compliance with the FMDM on the allocation and liquidation of advances.  Cash advances given under the CTP to be clearly specified under the MoU and liquidated according to the terms and conditions set forth in the MoU  IAU to include the audit of fixed assets and IOC in its 2012 AWP	Continuous in 2012	
2k. Establishment of Priority Operating Costs (POC) schemes as an interim measure to replace the MBPI/PMG incentives for	The Government has issued a Sub-Decree 66 dated July 12, 2010 outlining policies and procedures for implementation of the <b>Priority Operating Costs (POC)</b> , which is the operating cost for civil servants who are working on strategic development priorities of ministries and	PCO works closely with other development partner-funded project who housed at the MOI to develop the POC for the Ministry based on CAR's draft guideline including cost sharing basis, for MEF and IDA approval.	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 application.	POC scheme became effective on 26 January 2011.  The periodic progress report for 2011 is being finalized by management team it will submit to WB and other key stakeholders shortly.	PCO will monitor the POC scheme on a quarterly basis  PCO will continue to prepare a periodic progress report for 2012	June 2012	



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State implemented components.	institutions according to the agreement of the Royal Government of Cambodia and Development Partners.						
2l. Conduct Asset Management	Proper procedures be put in place to ensure all project assets are only used for the purposes intended based on the recommendations contained in the internal audit report on asset management. Mechanisms should be implemented that ensure all project assets are only used for the purposes intended (ie their use should contribute to the project development outcome). This includes the use of vehicles and office supplies.	Each component IA and other key stakeholders	PCO to monitor compliance. IDA to verify during supervision missions.	Non-compliance with regard to the use of assets is identified as a project risk. A fixed asset audit was completed for all IAs by the end of June 2011, except MONASRI, who did not agree to the audit. A draft report was prepared based on the findings in all other IAs and submitted to the PCO project management team on 22 July. Meetings were held with all projects IAs to determine the action plan for implementing the recommendations.  The FMDM was updated to include stronger internal controls relating to management of fixed assets. A meeting was held in December 2011 to discuss the additional activities required of each IA in relation to asset management.	Follow up of fixed asset audit recommendations and action plans to determine the extent of implementation.  Complete fixed asset audit for all remaining IAs later in 2012	January 2012  3 <sup>rd</sup> – 4 <sup>th</sup> Quarter 2012	
<b>Element 3. Disclosure</b>							
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.	PCO project counterpart staff and technical assistances staff has signed its contract and code of conduct to avoid conflict of interest	Continuous in 2012		
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 Communication Plans, with hard copies available at component IA offices for	PCO to coordinate lists of information to be disclosed by each component IA and agree with IDA.  Each component IA	By Negotiations, PCO to monitor progress during reviews.  Biannually. PCO to	The component IAs' website has already been developed and launching  ACF: <a href="http://www.arbitrationcouncil.org">www.arbitrationcouncil.org</a> OWSO: <a href="http://www.owsso.gov.kh">www.owsso.gov.kh</a> PCO: <a href="http://www.dfgmci.gov.kh">www.dfgmci.gov.kh</a> TAF: <a href="http://www.dfgg-nsac.org.kh">www.dfgg-nsac.org.kh</a>	Continue to disclose the relevant project information, based on the Disclosure Tracking Sheet.  Disclosure workshop will be conducted on 6 March 2012		

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	<p>public inspection on request. As a minimum, disclosed information is expected to include:</p> <ul style="list-style-type: none"> <li>• 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</li> <li>• IA project proposals agreed at appraisal</li> <li>• 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</li> <li>• consultant long and short lists</li> <li>• bidding documents and RFP's to be available for inspection</li> <li>• bid closing dates, names of bidders and their bid</li> </ul>	<p>responsible for disclosure of information concerning its component. IPA will disclose procurement information</p>	<p>monitor compliance and IDA to verify during supervision missions.</p>	<p>The project related information has been posting in the project website as regularly basis.</p>			

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	<ul style="list-style-type: none"> <li>prices at opening</li> <li>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</li> <li>project progress reports, detailing project components, percentage completion, data on performance indicators, and planned and actual disbursements by subcomponent</li> <li>annual financial statements and audit opinion</li> <li>other specific reports prepared by the project</li> <li>complaints and remedies and mechanism</li> <li>code of ethical conduct</li> </ul>						
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.	<p>The concrete Communication Strategy is now being developed by the PCO for the draft proposal for re-allocation fund. Extensive disclosures of project information through media during meeting, workshop/seminar, and radio talkback programs have been continuously implemented.</p> <p>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.</p> <p>The first, second, and third project bulletins has been published and distributed to all the relevant</p>	Continuous enhancing Project visibility through different communication tools as proposed in the consolidated training plan.	Jan-Dec 2012	

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				<p>stakeholders.</p> <p>Radio &amp; TV spots on good governance have been broadcasted in radio and TV.</p> <p>Drama Series on good governance has also broadcasted on radio channels in January 2011.</p> <p>The DFFG Forum was conducted on January 27 2011.</p> <p>A set of IEC materials have been produced include leaflets, bulletin, stand posters, banners, calendar, booklets. In addition, media briefing mass media, newspaper, radio &amp; TV's spots, speakers, call-in show, and radio broadcasting has been conducted and disseminated to public audience at both national and sub-national levels to be aware the project activities and achievement.</p> <p>DFFG facebook has been Created – Demand for Good Governance Project.</p>			
<b>Element 4. Civil Society Role</b>							
Greater involvement with CSOs.	<p>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.</p> <p>All major CSO involvement to be recorded in Project progress reports.</p>	<p>PIM to be cleared by MOI and subject to NOL from IDA.</p> <p>PCO to coordinate with all State components IAs on reporting.</p>	<p>Agree PIM during DFFG pre-implementation stage<sup>1</sup>.</p> <p>PCO to monitor CSO involvement in State components. IDA to verify during supervision missions.</p>	<p>PCO engagement with civil society is a project activity as well as mechanisms to promote good project governance. The PCO has put in place an advisory committee (PCG) made up of state and non-state actors. Although this committee has not been functioning in recent months. PCO has put in place a set of partnership noted explaining the types of engagement with civil society; these have been endorsed by the Bank.</p>	<p>PCO invite CSOs to observe the procurement process, particularly bid opening meetings. And will engage with the grantee for procurement monitoring.</p> <p>The PCO will continue to records and updates the progress of implementation the partnerships by using the</p>		

<sup>1</sup> The DFFG pre-implementation stage is currently scheduled to run from May to December 2008.

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				<p>The functioning of PCG has been stimulated as the following:</p> <ol style="list-style-type: none"> <li>1. Revising the new roles and responsibility of the PCG</li> <li>2. Improving the communication approach between the PCO &amp; PCG members.</li> <li>3. Promoting and disseminating the project related information to the PCG members</li> <li>4. Distribution the project related materials to the PCG members regularly and in a timely manner.</li> </ol>	<p>template provided by the WB.</p> <p>The progress reports on partnerships performances will submit to the Bank for review as quarterly basis.</p>		
<b>Element 5. Complaints and Remedies Mechanism</b>							
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 SOP/PM	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. <b>CC's membership:</b> - Project Director of DFGG-PCO - Chair - Internal Auditor of PCO Member - Project Director of DFGG-TAF Member - Executive Director of ACF Member The PCO has been requesting to IAs to develop its own complaints handling system and submitting to the PCO for consolidates. The consolidation of the CHM of the Project was submitted to the Bank in December 2010.	The details address of staff, which responsible for receiving compliant and phone number will broadly dissemination.		

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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 of the project was already in place. <b>On-going</b>	The progress in implementing of the complaints handling mechanism will be reported through the PMT meeting by bi-monthly	Jan-Dec 2012	
<b>Element 6. Code of Ethical Conduct</b>							
6a. No overall Code of Conduct for civil servants and consultants	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. The code of ethical conduct of the PCO's had already posted in the DFGG's website. A training to reinforce the principles of the code of conduct was conducted by PCO on 29 November 2011	PCO will continue to monitor and work closely with the IAs in terms of reinforce Code of Conduct  PCO will also continue to conduct a training to reinforce the principles of the code of conduct.	June 2012	
<b>Element 7. Sanctions</b>							
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. A number of DFGG relate issues were emerged in 2010 such as governance issue, (concerning unsound procurement and asset management had already been resolved during MTR).	PCO would monitor closely with the IAs in terms of reinforce Code of Conduct.		

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<b>Element 8: Project Specific Elements</b>							
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.	<ul style="list-style-type: none"> <li>▪ Currently the internal audit team at PCO consists of three members, a government staff member from the Internal Audit Department of MOI (supported by POC), a national internal auditor (on board since January 1, 2011), and the international IA advisor (on board since May 23, 2011). One additional national internal auditor (on board August 1, 2011)</li> <li>▪ The first asset management for the project was conducted by PCO in 2011. The final report was finalized and submitted to WB in June 2011.</li> <li>▪ The first internal audit training program was conducted by PCO internal audit unit for Internal Audit Department of MOI, and IAs, started from August 15-19, 2011.</li> <li>▪ The second internal audit training program was organised by PCO IAU for Sub-national staff, started from November 22- 24, 2011.</li> </ul>	The IAU will continue its role to conduct the internal audit activities up on the proposed action plans in AWP 2012		
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.  The PCO, with assistance from the Project Preparation Team will design and deliver	PCO and all IAs.  PCO and Project Preparation Team with IDA guidance and overview.	PCO to report to the Government's ACWG and IDA within two weeks of each quarterly review.	GGF was updated as quarterly basis through the PMT meeting	Internal GGF-- PCO will organize an internal participatory workshops to update GGF as proposed in the AWP 2012  Through Consolidated Training Plan (CTP) --, there are three different training courses on GGF will be conducted by the PCO in association with MEF and World Bank to promote understanding of the Good Governance Framework (GGF). The target participant will be focused on ministries involved in the World Bank projects. The	Feb-2012 June-2012 Sept-2012	

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	training in risk management and anti-corruption, through workshops for all Project staff of all levels in component IAs financed under the supplemental PPF.				courses will include: <ul style="list-style-type: none"> <li>- GGF Training on Disclosure</li> <li>- GGF Training on Complaint Handling</li> <li>- GGF Training on Role of Civil Society in Governance</li> </ul>	Mar-2012 Sep-2012 Nov-2012	
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 components IAs.	Quarterly. PCO to report on workshops to MOI and all components IAs, with copy to IDA, not later than two weeks after each workshop.	Dissemination workshop on sharing lesson learnt and experience has been implementing through LCFG workshop. A Learning Program, the CTP is ongoing process through a range of learning forum (training seminars, workshops) has been conducting by IAs, PCO, and CSOs aims to promote learning and adoption of DFGG approaches and practices.	Continue to conduct a Learning Program, the CTP to promote learning and adoption of DFGG approaches and practices.		
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.	The 2 <sup>nd</sup> Annual DFGG forum was conducted on January 27, 2011  The first exit survey was conducted for the three training program on Fundamental Social Accountability.	Exit assessment survey will be conducted for every training, workshop, particularly for the implementing of CTP.  Posting the evaluation results into the website.		



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