



Item	Issue	Action to Mitigate Risk	Responsibility	Target/ Monitoring	Implementation Status as at October 20 <sup>th</sup> , 2009 and Evidence	Remaining Steps, Target Date & Resources Needed
		<p>accordance with the WB's Procurement and Consultant Guidelines and the Procurement Provisions of the Development Credit 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 will also apply, which includes further procedural requirements for promoting competition, transparency and accountability.</p>				
1.b	Reduce risk of informal payments by contractors, suppliers and consultants	<p>Additional provisions to be included in the Invitation for Bids advertisements and in the bidding documents for ICB procurement, along the same lines as in the SBDs for NCB and Shopping in RGC's Procurement Manual, highlighting WB's fraud and corruption provisions and sanctions, and also providing points of contact within the Project, Ministry of Finance and the Bank, including hotlines at the Project's and Bank's HQs, for complaints.</p> <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: "In connection with this procurement</p>	IPA with MPWT on contracts excluded from IPA's scope (if any).	MPWT to monitor inclusion of declaration in all bidding documents and awarded contracts. IDA to verify during prior and post reviews.	<p>Ongoing (included in the contract).</p> <p>Declarations on the Ethical Conduct and Fraud and Corruption in the SOP/PM were signed and posted in the project's website</p>	

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		<p>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>Include amended Declaration in all bidding documents, RFPs and awarded contracts.</p>				
		<p>IPA and the Project, with support from IDA, to conduct dissemination workshops for private sector contractors on the Bank's procurement procedures and ethical and integrity standards.</p>	<p>IPA and MPWT with IDA's support.</p>	<p>Timetable to be agreed between MPWT and IDA procurement specialist by August 2009.</p>	<p>Implemented by the Bank.</p>	
1.c	<p>Avoid risk of incomplete or delayed Procurement Plans.</p>	<p>MPWT to prepare realistic annual Procurement Plan based on its Annual Work Plan and Budget, and update at least annually. MPWT to submit preliminary updated estimates of expenditure to MEF and IDA annually in June (for MEF budget estimates), preliminary updated Procurement Plan by September, and final updated Procurement Plan by December.</p>	<p>MPWT with IDA NOL.</p>	<p>MPWT to monitor compliance and IDA to verify during supervision missions and when issuing NOL.</p>	<p>Sine the starting of the project.</p>	<p>Ongoing.</p>

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<b>Element 2. Financial Management</b>						
2.a	Strengthen internal controls.	Ensure that project uses SOP/FMM.	PRIP Financial Management Officer	MPWT to monitor and IDA to verify during supervision missions.	Since the starting of the project.	To monitor through the annual financial audit.
2.b	Strengthen FM capacity at national level.	MPWT to hire additional FM consultant.	MPWT	Done – consultant appointed November 2008.	Backlog of FM reporting in 2008 has been cleared.	None.
2.c	Strengthen external audit.	MEF to appoint auditor for bundled IDA-financed projects.  MPWT to review external audit reports, develop an action plan to implement recommendations, follow up the status of their implementation, and report to IDA through the quarterly financial reports.	MEF with IDA NOL to TOR.  MPWT	TOR agreed with IDA in mid-2008.  Not more than one month after MPWT receives the annual audit report.	The bundled audit contract was signed in late May 2009.  Audit of 2008 accounts of PRIP completed on 9 July 2009.  We sent the audit reports to IDA for comment and posted in the project's website.  We developed the action plan and incorporated in Progress and Financial Monitoring Report of Q3, 2009.	
2.d	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. Each cash transaction not to exceed US\$500 limit as per SOP/FMM. Retain evidence for audit and IDA supervision missions.	PRIP Financial Management Officer.	MPWT to monitor as part of the scope of internal and external audits. IDA to verify during supervision missions.	Since the starting of the project.	Ongoing.
2.e	Eliminate inconsistency in	Adopt MEF Decision Letter No. 2000 of April 23, 2007, for DSA rates for in-	MPWT/Project.	MEF/IDA to discuss and agree standard	Since the starting of the project.	Ongoing.

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	allowances paid to Government staff attending training, workshops and study tours.	country travel. For international travel, some of the Daily Subsistence Allowance (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.		DSA for international travel. Until then, DSA reimbursed by IDA will be limited to a ceiling equal to rates paid by IDA to its own staff. MPWT to monitor DSA reimbursement claims and IDA to verify when checking withdrawal applications.		
2.f	Planning of training, workshops and study tours.	<p>MPWT to Establish Annual Training and Workshop Plan as part of the Annual Work Plan (AWP) but discretely identifiable. MPWT will review regularly and update semi-annually. Plan should include:</p> <ol style="list-style-type: none"> <li>1. Detailed costs estimates.</li> <li>2. Eligibility rules for attending training, workshops and study tours. Attendees must: <ul style="list-style-type: none"> <li>be engaged in work relevant to the training;</li> <li>be competent in the language used;</li> <li>after return, report on and share their experiences for the benefit of the project.</li> </ul> </li> <li>3. Evidence that training, workshops, study tours and other similar activities: <ul style="list-style-type: none"> <li>are in line with project aims and objectives;</li> <li>meet identified needs within the sub-</li> </ul> </li> </ol>	MPWT, subject to IDA NOL.	Submit to IDA annually along with AWP, with semi-annual updates submitted together with quarterly financial reports.	Since the starting of the project, the training program was based on NOL of IDA.	It is expected that MEF will issue guidelines on planning and costs of training, workshops and study tours during 2009. MPWT to comply with these guidelines when issued.

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		<p>component plans; have budget in line with planned expenditure.</p> <p>Define evidence to be submitted by attendees for reimbursement of expenses which may include: proof of attendance for period claimed with signed statement by the workshop, training or study tour organizer or host; proof of travel by air – ticket stubs, travel agent’s receipt, airline boarding passes; receipted hotel bills (for proof of stay); receipts for incidental traveling expenses; receipted invoices for venue rental, food and beverage, sound/projection equipment, hire of simultaneous translator, stationery and handouts, use of photocopying facilities.</p> <p>Reimburse against receipts except where covered by fixed allowances in MEF’s letter No. 2000. Evidence of payment to be kept for attendees’ per diem and allowances.</p>	PRIP Financial Management Officer.	MPWT to monitor and IDA to verify SOEs with withdrawal applications.	Since the starting of the project.	Ongoing.
2.g	Avoid delayed or non-existent reconciliation of advances for operating costs and expenses.	Advances for operating costs and expenses to offices, individuals or groups involved in project to be reconciled within one month of the end of each month. No further advance to be paid to an office, individual or group until	PRIP Financial Management Officer.	MPWT to monitor compliance and IDA to verify during supervision missions.	Since the starting of the project.	Ongoing

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		its previous advance is reconciled and cleared against documentary evidence				
<b>Element 3. Disclosure</b>						
3.a	Minimize possible conflict of interest among project staff.	Project staff to disclose in writing to Project Director any potential conflict of interest in their work and withdraw from an activity where a conflict of interest would arise.	Project Director.	MPWT to monitor and IDA to verify during supervision missions.	Agreed in principle. Waiting for new contract implementation and arrangement.	Initiate by July 2009.
3.b	Enhance transparency through greater public disclosure of project information	<p>Agree project information to be disclosed biannually on MPWT website, with hard copies available for public inspection on request. As a minimum, disclosed information is expected to include:</p> <p><i>General:</i></p> <p>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 IA, name of Project Director with contact information, name of the IDA Task Team Leader and contact information in the MEF-WB unit and WB Office in Cambodia;</p> <p>details of project components, percentage completion, data on performance indicators;</p> <p>project six month progress reports;</p> <p>planned and actual disbursements by sub component;</p> <p>annual financial statements and audit opinion;</p> <p>other specific reports prepared by the</p>	MPWT with IDA agreement to list.	MPWT to monitor disclosure and IDA to verify during supervision missions.	<p>Since the starting of the project.</p> <p>For public disclosure:</p> <p>MPWT established website since 2005 and stopping in 2006. Then restarting in February 2008. <b><u>New website: <a href="http://www.rid-mpwt.gov.kh">www.rid-mpwt.gov.kh</a></u></b></p> <p>MPWT issued the PRAKAS No. 425 dated 19<sup>th</sup> November 2008 to establish the committee for project information disclosure.</p>	On going: MPWT will upload and disclose new information regularly or every quarter.

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		<p>project; complaints and remedies mechanism; code of ethical conduct; official fees and charges for service delivery;</p> <p><i>Procurement Related:</i> Annual Work Plan and Procurement Plan, identifying contracts to be procured in next 12 months, nature of each contract, location, method of procurement, means of advertisement, bidding period, location where bidding documents and RFPs can be inspected, expected date of availability, and cost of bidding documents; consultant long and short lists; issued bidding documents and RFP's to be available for public viewing upon request; Copies of Bid Opening Records to be provided immediately to all bidders and those present at the bid opening and posted at a prominent location accessible to the general public outside the Project Office, in addition to being sent promptly to the Bank. Contract award information using the forms provided in the Procurement Manual and consistent with WB's Guidelines, including bid and contract prices, unit prices of major items of pipes and fixtures, names of losing bidders and, if their bid prices were</p>	<p>IPA to disclose procurement information on MEF website on contracts that it procures.</p>			

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		lower than the winning bidder, the reason for their rejection. In addition to the required publication of each contract award information in UNDB/ DgMarket, the same information to also be posted at a prominent location outside the Project Office within 14 days of WB's no objection to the bid evaluation report, and quarterly summaries of contract awards to also be published in national newspaper of wide circulation.				
<b>Element 4. Civil Society Role</b>						
4.a	Provide for greater involvement by Civil Society Organizations (CSOs) to enhance transparency.	Project to identify CSOs appropriate to be involved in selected aspects of project implementation. Invite representatives to observe selected events, such as public bid openings and contract signings (as per SOP/PM), ground breaking and completion handover ceremonies.	PRIP Project Director. Choice of CSOs subject to MEF concurrence.	Project to observe and record CSO involvement and IDA to verify during supervision missions.	MPWT issued letter No 2014 and 2015 dated 05 <sup>th</sup> September 2008 to Royal University of Law and Economic Sciences, and National University of Management asking for cooperations on observation and involvement on procurement works. They did not response.	Identify new CSO(s) to be observers by August 2009
<b>Element 5. Complaints and Remedies Mechanism</b>						
5.a	Provide overall complaints and remedies mechanism covering all aspects of the project.	MPWT/Project to design and adopt an overall complaints and remedies mechanism and disclose full details to civil society.  Complaints procedures regarding procurement to follow process set out in	MPWT/Project with IDA NOL.  MPWT/IPA/ Project.	MPWT to monitor adoption and IDA to verify during supervision missions.	Mechanism not established as of May 2008.	The official letter will be issued to IDA in December 2009.

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		SOP/PM.				
<b>Element 6. Code of Ethical Conduct</b>						
6.a	Require all PRIP staff to adhere to a Code of Ethical Conduct.	All project staff of MPWT to adopt Code of Conduct forming part of Common Statute of Civil Servants of October 1994.	PRIP Project Director to ensure dissemination to project staff.	MPWT to monitor compliance with Code. IDA to verify during supervision missions.	Agreed to implement anti-corruption actions on 11 July 2006 (see letter No 1382 MPWT).  <a href="#">Disclosures on website of Statement on Ethical Conduct and Fraud and Corruptions on 11 September 2009.</a>	<a href="#">Disseminate Common Statute of Civil Servants to all PRIP staff by July 2009.</a>
<b>Element 7. Sanctions</b>						
7.a	Reinforce Code of Ethical Conduct with sanctions for fraudulent and corrupt activity by project staff, contractors, suppliers and consultants.	Sanctions for project staff are included in the Civil Service Code of 1994. Sanction of dismissal of contract staff included in their contracts. 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 issued in October 2006, and as may be subsequently updated.	PRIP to ensure dissemination to project staff.  IDA to provide MPWT with a copy of its ACG and Sanctions Regime.	MPWT to monitor compliance with Code. IDA to verify during supervision missions.  IDA may apply sanctions whenever evidence is found.	Agreed to implement anti-corruption actions on 11 July 2006 (see letter No 1382 MPWT).  <a href="#">IDA has given a copy of its ACG to the Project Director.</a>	Disseminate Common Statute of Civil Servants to all PRIP staff by July 2009.
<b>Element 8. Project Specific Issues</b>						
8.a	Risk of poor quality finished works.	PRIP to recruit a part-time experienced individual consultant as independent technical audit under TOR acceptable to	MPWT to prepare TOR for IDA NOL.	Consultant contract to be signed by September 2009.	The selection of technical auditor is including in the procurement plan, processing	<a href="#">February 2010.</a>

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		the IDA, who will review the quality and quantity of all physical works delivered by the Project, with reference to contract specifications and achievement of the Project Development Objectives.	IPA to recruit technical auditor		by IPA.	

### ABBREVIATIONS

ACG	Anti-Corruption Guidelines (of the WB Group)	MPWT	Ministry of Public Works and Transport
AWP	Annual Work Plan	NCB	National Competitive Bidding
CSO	Civil Society Organization	NOL	No Objection Letter (of the IDA/WB)
DSA	Daily Subsistence Allowance	PM	Procurement Manual (for Externally Assisted Projects)
FMM	Financial Management Manual (for Externally Assisted Projects)	RFP	Request for Proposal
IA	Internal Auditor	RGC	Royal Government of Cambodia
IAD	Internal Audit Department (of MPWT)	SOE	Statement of Expenses
IDA	International Development Association	SOP	Standard Operating Procedures
IPA	International Procurement agent	TOR	Terms of Reference
MEF	Ministry of Economy and Finance	WB	World Bank