

**PROVINCIAL AND RURAL INFRASTRUCTURE PROJECT
GOOD GOVERNANCE FRAMEWORK, Updated as of 25 October 2010**

(For abbreviations, see last page)

Item	Issues	Action to Mitigate Risk	Responsibility	Target/ Monitoring	Implementation Status as of 31 January 2010 and Evidence	Remaining Steps, Target Date & Resources Needed	Remarks
Element 1. Procurement							
1.a	Ensure transparent and efficient procurement	<p>RGC uses the services of an International Procurement Agent (IPA) engaged by MEF. For procurement undertaken by the IPA, MPWT shall prepare technical specifications for goods and works and TOR for consultants and hand over to the IPA.</p> <p>1. Civil Works <u>NCB Packages</u> a) PRIP-CKP-09-NCB-W-001 (SRP: 1 RC bridge on PR207 and 2 BC on SNR65) b) PRIP-CKP-09-NCB-W-002(ODM:2 RC bridges &1 BC on PR181-1 and 1 RC bridge on PR181-3) c) PRIP-CKP-09-NCB-W-003 (PVH: 1 RC bridge on PR213) <u>ICB Package</u> PRIP-CKP-ICB-W006 (PVH: reconstruction of road 213)</p> <p>2. Goods a) Additional Office Equipment b) Six Units of Airconditioning</p> <p>3. Consultant Services a) Inform. & Participation-mines/UXO b) HIV/AIDS c) Technical Auditor</p>	IPA	Supervision of IPA by the RGC's Inter-Ministerial Procurement Committee (IPC). IDA to verify through quarterly portfolio review meetings and IDA prior and post reviews.	<p>Withdrew procurement packages from CA to CKP and Provided all Technical Input to CKP</p> <p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Mine/UXO was removed from CKP assignment</p> <p>HIV/AIDS was removed from CKP assignment</p> <p>1st round of procurement process failed. REOI will be readvertised in Mar 11</p>	<p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Negotiating with contractors</p> <p>Negotiating with contractors</p> <p>Under CKP arrangement</p>	<p>Letter No.6769 MEF DIC Letter No.723/MPWT/RID/PRIP</p> <p>Signed contracts</p> <p>Signed contracts</p> <p>Signed contracts</p> <p>Signed contract</p> <p>Signed contract</p> <p>Mine/UXO will be put in civil work's contracts</p> <p>HIV/AIDS will be put in civil work's contracts</p>

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		d) Preparation of completion report			TOR was once sent to CKP in May-10 and it will be revise it as of changes.	Revised the TOR	
		(i) procurement under categories as may be agreed between MEF and IDA and notified by MEF in writing to MPWT as being excluded from the IPA's scope of work. 1. PHRD Grant a) CS1: Capacity development and HRD for road asset management and environmental and resettlement monitoring b) CS2: Capacity building in procurement and good government action plan implementation for MPWT and MRD c) CS3: Financial Advisor	MPWT	MPWT to monitor and IDA to verify through supervision missions and prior and post reviews.	Since the starting of the project Completed Completed Contract was signed on 4-Dec-08	Completed Completed Completed	Signed contract Signed contract Signed contract
		(ii) procurement financed by sources other than IDA, including RGC and all bilateral donors.	MPWT				
		Procurement of contracts under item (i) and (ii) may be undertaken by MPWT	MPWT				
		2. RGC Funds CS4: Feasibility Study and Detailed Design of Road 213			Contract was signed on 14-Oct-09	Completed	Signed contract
1.b	Reduce risk of informal payments by contractors, suppliers and consultants	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 complaint	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.	Ongoing (included in the contract).		

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		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: <i>"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</i>			Declarations on the Ethical Conduct and Fraud and Corruption in the SOP/PM were signed by PRC members and posted in the project's website www.rid-mpwt.gov.kh SECFC – PA SECFC – CS1 SECFC – CS2	Completed	Uploaded to website, Feb-10
		<i>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."</i> Include amended Declaration in all bidding documents, RFPs and awarded contracts. 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.	IPA and MPWT with IDA's support.	Timetable to be agreed between MPWT and IDA procurement specialist	SECFC – CS3 SECFC – CS4 SECFC – CAKH008 SECFC – APM SECFC – W001 SECFC – W002 SECFC – W003 SECFC – W006 The first workshop took place on 31-Jul-09. The second worksh took place in Jun-10	Possible need for further workshops is under review between MEF and WB.	
1.c	Avoid risk of incomplete or delayed Procurement Plans	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 Sept and final updated Procurement Plan by December.	MPWT with IDA NOL.	MPWT to monitor compliance and IDA to verify during supervision missions and when issuing NOL.	Revised Procurement Plan submitted to IDA on 30-Oct-09.	Completed	IDA's letter dated 06-Jan-10
Element 2. Financial Management							
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.	Ongoing	Auditor found no weaknesses for FY 2009
2.b	Strengthen FM capacity at national level	MPWT to hire additional FM consultant	MPWT	Done – consultant appointed Nov-08	Backlog of FM reporting in 2008 has been cleared	Completed	

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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-09 Audit of 2008 accounts of PRIP completed on 9-Jul-09 MPWT developed the action plan and included in Progress and Financial Monitoring Report of Q3-09 Audit of 2009 accounts of PRIP completed and submit to IDA on 30-Jun-10	Ongoing None None	Audit reports for FY 2005 to 2008 has been uploaded to website Progress Report and FMR Report uploaded to website Audit reports for FY 2009 has been uploaded to website
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 mission	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 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 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.	MPWT/Project	MEF/IDA to discuss and agree standard 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.	Since the starting of the project	The Council for Administrative Reform is currently reviewing Anukret 10 in respect of DSA for national travel	
2.f	Planning of training, workshops and study tours.	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:	MPWT, subject to IDA NOL	Submit to IDA annually along with AWP, with semi-annual updates submitted together with quarterly financial report	Training Plan and Study Tour in Year 2010 was submitted to IDA for NOL in 30-Jul-10	Completed	IDA's NOL in an email dated 23-Sep-10

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		<p>1. Detailed costs estimates.</p> <p>2. Eligibility rules for attending training, workshops and study tours. Attendees must:</p> <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. <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 sub-component plans; • have budget in line with planned expenditure. <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; 			Since the starting of project implementation	Ongoing	
		<ul style="list-style-type: none"> - 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 equipment, hire of simultaneous translator, stationery and handouts, use of photocopying facilities. <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 its previous advance is reconciled and cleared against documentary evidence	PRIP Financial Management Officer	MPWT to monitor compliance and IDA to verify during supervision missions	Since the starting of the project	Ongoing	
Element 3. Disclosure							

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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	IDA supplied typical form for disclosure February 24, 2010.	Completed	PRIP staff completed Conflict Interest Disclosure Form in Aug-10
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>General:</p> <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 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; - details of project components, percentage completion, data on performance indicators; - project quarterly progress reports; - planned and actual disbursements by sub component; - annual financial statements and audit opinion; - other specific reports of the project - complaints and remedies mechanism; - code of ethical conduct; - official fees and charges for service delivery; <p>Procurement Related:</p> <ul style="list-style-type: none"> - 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; 	MPWT with IDA agreement to list.	MPWT to monitor disclosure and IDA to verify during supervision missions.	<p>All relevant information involved with 3.b are included in Progress and Financial Monitoring Reports since the starting of the project.</p> <p>MPWT issued the PRAKAS No. 425 dated 19th Nov 2008 to establish the committee for project information disclosure</p> <p>PRIP MPWT has improved menu and links, and add introduction on home page to guide visitors on where to find specific information.</p> <p>There is a link from the project website to MPWT's</p> <p><u>New website: www.rid-mpwt.gov.kh</u></p>	On going: MPWT will upload and disclose new information regularly or every quarter.	MPWT website was established since 2005 and restarted in 2008

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		<ul style="list-style-type: none"> · 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 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. 					
Element 4. Civil Society Role							
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 Media/Reporter will be invited to monitor civil works process	PRIP has established complaint handling committee in the areas of procurement, finance and contract implementation. Media/Reporters, local authorities and residents were invited to ground breaking ceremony of Road 213 on 21-Dec-10	Ongoing Ongoing	
Element 5. Complaints and Remedies Mechanism							

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5.a	Provide overall complaints and remedies mechanism covering all aspects of 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 SOP/PM	MPWT/Project with IDA NOL MPWT/IPA/ Project	MPWT to monitor adoption and IDA to verify during supervision missions	MPWT developed and submitted Complaint Remedies Mechanism (CRM) to IDA on 21-Apr-10 Sign board designed with names and phone numbers of officers to whom complaints should be made Complaints will be recorded in the log book	Completed Completed CRM implementation	CRM was uploaded in website in Nov-10 Sign boards were installed at project sites in Nov-10 Daily basis, starting in early Dec-10
Element 6. Code of Ethical Conduct							
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)	Completed	
Element 7. Sanctions							
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	PRIP 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). Common Statute of Civil Servants were disseminated to all PRIP staff November 30, 2009	Completed	Uploaded to website in Dec-09
Element 8. Project Specific Issues							
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 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.	MPWT to prepare TOR for IDA NOL. IPA to recruit technical auditor	Consultant contract to be signed by September 2011	As the first round of procurement process failed, the second round will be started in Mar-11	Under CKP arrangement	

ABBREVIATIONS

Item	Issues	Action to Mitigate Risk	Responsibility	Target/ Monitoring	Implementation Status as of 31 January 2010 and Evidence	Remaining Steps, Target Date & Resources Needed	Remarks
	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			