

**KINGDOM OF CAMBODIA  
NATIONAL RELIGION KING**



**The Asia Foundation**

**DEMAND FOR GOOD GOVERNANCE PROJECT  
World Bank-IDA-Grant No H4410-KH**

**Revised  
ANNUAL WORK PLAN**

Prepared by: The Asia Foundation

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## **1. SUMMARY**

### **1.1 Key Activities**

This chapter presents a summary of the activities scheduled under the non-state actor component (NSAC) of the Demand for Good Governance (DFGG) project in 2011. The activities discussed below will continue to support non-state actors (NSAs) in Cambodia and contribute to innovative governance and social accountability projects. Based on recommendations of the Mid-term Review, NSAC will introduce targeting within the grants sub-components. The grant rounds in 2011 will support (i) social accountability activities that enhance citizen engagement in the commune/sangkat and district/khan's calendar and (ii) social accountability activities focused on improving the accountability and responsiveness of local service delivery. Where possible, the grants will establish appropriate mechanisms to enhance collaboration and communication with the National Committee for Sub-National Democratic Development (NCDD-S).

After consultations with the DFGG implementing state agencies and relevant stakeholders, NSAC has developed a strategy for the next round of medium and large grants. This grants round will scale up successful social accountability approaches and build on the first medium and large grants round. If funds remain, a small grants round may be scheduled by the end of the year. In addition, in 2011 the Secretariat will focus on managing the medium and large grants that were initiated in 2010, including regular monitoring and evaluation. The Foundation will work closely with the grantees to provide technical guidance and management support.

A summary of the planned activities is below and included in the project implementation plan.

#### **Subcomponent 1 & 2: DFGG Partnership and Thematic Grants**

- Key Activity 1: Undertake consultations to develop grants strategy;
- Key Activity 2: Manage a medium and large grants competition;
- Key Activity 3: Undertake targeted outreach prior to the medium/large grant round;
- Key Activity 4: Provide ongoing support to the grant-making committee (GMC);
- Key Activity 5: Perform due diligence on all finalists selected by the GMC; and
- Key Activity 6: Enter into contract negotiation with applicants.

#### **Subcomponent 3: Capacity Building, M&E and Learning**

- Key Activity 1: Undertake targeted capacity building for partners;
- Key Activity 2: Organize training on administration and financial management;
- Key Activity 3: Develop capacity of grantees to implement monitoring and evaluation;
- Key Activity 4: Undertake monitoring and evaluation visits;
- Key Activity 5: Review partner reports;
- Key Activity 6: Facilitate mid-term assessment by an independent organization or a group of consultants;
- Key Activity 7: Maintain the NSAC web-site; and
- Key Activity 8: Design, research, and finalize the biannual newsletter.<sup>1</sup>

### **1.2 Monitoring and Evaluation**

The results framework for NSAC has been revised following the MTR and now includes four PDO level indicators, three NSAC component intermediate outcome indicators, and five learning component intermediate outcome indicators that are shared with the PCO and other IAs. As agreed in the MTR Aide Memoire, monitoring will be conducted through independent evaluations conducted at the end of 2011 and 2012, utilizing qualitative assessments complemented by targeted citizen and stakeholder surveys. The Asia Foundation's ongoing sub-grant monitoring will continue to collect

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<sup>1</sup> The communication strategy for Component 2 will be finalized once the communication consultant for the overall DFGG project has been recruited. It is envisioned that the Foundation may contribute to the overall DFGG newsletter on a biannual basis, instead of compiling its own newsletter. This will be finalized in the update to the Project Implementation Manual.

performance indicators for individual grants, including data addressing PDO Indicator 4.2, which looks at the number of SIs/local authorities and service delivery agencies whose performance is monitored through social accountability activities.

At the end of 2011, the Foundation will facilitate the mid-term independent evaluation of NSAC that will be implemented by an independent agency or a team of independent consultants. The objectives of the mid-term independent evaluation will reflect the revised results framework designed during the Mid-term Review, and expected to be approved by the end of August 2011. This mid-term evaluation will consider a range of issues, including: (i) the percentage of citizens (in target areas) that are aware of and understand non-state actors' facilitation of social accountability; (ii) whether project activities trigger changes in policy or practice; (iii) the percentage of state institutions where monitoring positively benefited their performance; and (iv) a range of intermediate outcome indicators that measure increases in social accountability related knowledge and skills of participating non-state actors; percentage of citizens that report that citizen engagement was enhanced through the subprojects; and percentage of sub-grantees whose projects reflect good social accountability practice. The mid-term evaluation will also measure how the subprojects contributed to accountability relationships between state and non-state actors; state-non-state collaboration; quality of capacity building; and sustainability of social accountability skills. The scope of the mid-term evaluation and the methods will be finalized in coordination with the Bank and the Project Coordination Office.

### **1.3 Partnership Development**

The Foundation supports partnerships through the grants disbursed in subcomponents 1 and 2 as well as the learning, mentoring, and outreach that takes place through subcomponent 3. Under subcomponent 1 and 2, the Foundation will foster formal and informal partnerships within the thematic grants between NSA partners and sub-national governments, especially commune/sangkats and district/khans. These partnerships will build the capacities of sub-national governments and strengthen citizen engagement. NSAs will also develop partnerships with service providers at commune, district, and provincial levels to promote increased awareness of gaps in service delivery. These partnerships will strengthen citizen-state feedback mechanisms.

Through the thematic grant window, the Foundation will also strengthen its partnerships with other NSAs by helping to develop their administration, financial, and monitoring systems. Further, the Foundation will provide technical support on social accountability tools. Through the partnership grant window, the Foundation will facilitate collaboration between NSAs and the DFGG SIs. These grants overall will support the capacity building, communication, learning, and outreach initiatives for the SIs. Targets for these partnerships under the upcoming medium- and large-grant round will depend on the number of grants issued, but at least one partnership per grant will be established.

A primary new partnership will be developed between PCO and TAF for the delivery of the training services in the Learning Program.

### **1.4 Gender**

The Foundation will incorporate gender mainstreaming within the non-state actor component through the following strategies: 1) promote women's participation through NSAC capacity building and outreach events; 2) work with grantees to identify strategies to strengthen inclusion of women in commune activities; 3) undertake case studies documenting best practices supporting participation and empowerment of women at the commune level. Grantees continue to collect gender disaggregated data on activities and participation, but targets have not been established. During the independent evaluation conducted at the end of 2011, gender disaggregated data will be reviewed.

### **1.5 Learning Activities and Other Cross-project Support**

The Foundation will support learning and capacity building through two channels: 1) targeted workshops on good management and social accountability practices funded through NSAC; 2)

training packages implemented under Component 3B of DFGG. The training packages funded through NSAC are described in detail in the DFGG project implementation manual. Objectives and targets under the PCO Learning Component have not been finalized, but may include up to 8 training packages addressing social accountability knowledge and skills for DFGG implementing agencies, NSAs, and sub-national government officials, delivered over a period of 18 months. The training packages implemented under the PCO Learning Component will also contribute to communications and outreach activities organized by the PCO, with input from the Foundation.

## **1.6 Project Staffing**

The Asia Foundation's Country Representative oversees implementation of NSAC. A team comprised of a Program Manager, Program Officer, and Program Assistant manages day-to-day implementation of NSAC. Currently, the Foundation is in the process of recruiting for the position of the Program Manager, and expects to fill the position by September 2011. The NSAC team is responsible for project management and ensures national coordination and implementation of NSAC in accordance with DFGG project-defined objectives, strategies, and policies. The project is assisted by the Foundation's five-person finance and grants team. Staffing for the coordination of the learning program work funded under component 3B is not yet finalized, and will depend on experience delivering the first training package in October 2011 as well as finalization of funding arrangements. Long-term consultant support for this new initiative will be required.

## **1.7 Risks**

Risks have been revised following the MTR based on experiences to date and changing circumstances surrounding the project. The likelihood of the grant process being biased by favouritism has been reduced, and the risk is now rated as substantial rather than high, while the risk of grant funds not being used for their intended purpose has been reduced to moderate from high. The likelihood that grantees lack legitimacy in not truly representing citizen concerns has been reduced based on experience to date, as have the risks that unsuccessful grantees will criticize the NSAC secretariat and that the DFGG approach is unsustainable. The overall risks for these three are now rated as moderate. The risk that the RGC will exert pressure on the grant selection process has also been reduced to moderate. Explanations of the relationship between the risk ratings and the findings from the mid-term review, as well as the mitigation approaches for these risks, can be found below in Table 5.

## **1.8 Good Governance Framework**

The NSAC Secretariat confirms its understanding of the principles and requirements of the Good Governance Framework, and will ensure all grantees receive translated copies of the GGF and are conversant with its requirements. In addition, Component 2 will support a grant for interested NGOs to pilot activities that build experience in procurement monitoring.

## **1.9 Legal Covenants**

The NSAC Secretariat has completed all grant covenants, including adoption of the NSAC Operational and Administrative Manual and formation of the Grant-Making Committee (GMC). The Manual will be updated by August 31, 2011.

## 2. PROJECT IMPLEMENTATION PLAN (PIP)

No.	Key Activities	Description of Activity	Agreed Completion Dates	Budget <sup>23</sup>
<b>Subcomponent 1&amp;2</b>				
1	Undertake consultations to develop grants strategy	1.1 Organize meeting with DFEG SIs 1.2 Meet other relevant practitioners and donors 1.3 Develop a grants strategy	Complete	Budgeted under TAF management costs.
2	Manage a medium and large grants competition	2.1 Develop TORs 2.2 Make an open call for concept notes 2.3 Screen concept notes to ensure they are eligible and compile for GMC 2.4 Invite applicants short-listed by the GMC to submit full applications 2.5 Potentially facilitate interviews with GMC members	July 2011 August 2011 September/October 2011 October 2011 November 2011	Budgeted under TAF management costs.
3	Undertake targeted outreach prior to the medium/large grant round	3.1 Design outreach materials 3.2 Organize 2 targeted outreach sessions in Phnom Penh and the provinces 3.3 Facilitate outreach sessions	August 2011 September 2011 September 2011	Goods \$1,200
4	Provide ongoing support to the GMC	4.1 Facilitate the GMC during the grants review process and provide any follow up if necessary 4.2 Support GMC meetings 4.3 Organize field visits if requested	October to November 2011 October to November 2011 As requested	\$1,500 (GMC honorarium)
5	Perform due diligence on all finalists selected by the GMC	5.1 Undertake organizational assessments 5.2 Undertake financial assessments	November to December 2011 November to December 2011	Budgeted under TAF management costs.
6	Enter into contract negotiation with applicants	6.1 Request grantees to develop TORs and budgets 6.2 Support the grantees to develop the TORs and budgets and finalize subgrants	December 2011 December 2011	Budgeted under TAF management costs. Budgeted under TAF management costs.
<b>Subcomponent 3</b>				
1	Undertake targeted capacity building for	1.1 Organize 2 capacity building workshops based on grantee	July 2011 and December 2011	\$10,850

<sup>2</sup> Where a specific cost is budgeted against a PIP activity, this is indicated. However, a summary of costs is not provided. The cost breakdown by sub-component and by categories can be found in Tables 3.1 and 3.2.

<sup>3</sup> Some costs, such as for the mid-term evaluation, reflect increased monitoring and evaluation budget to be confirmed by the project reallocation following the mid-term review.

	partners	needs <sup>4</sup>		
		1.2 Prepare resource materials	July 2011 and December 2011	
2	Organize training on administration and financial management	2.1 Organize a training on administration and financial management during the inception of new grants 2.2 Provide one-on-one coaching and mentoring during the course of implementation	January 2012  Ongoing	\$4,000
3	Develop capacity of grantees to implement monitoring and evaluation	3.1 Provide a training on monitoring and evaluation during the inception of new grants 3.2 Support grantees in implementing their M&E plans	January 2012  Ongoing	Included in budget under Subcomponent 3, Activity 2.1.
4	Undertake monitoring and evaluation visits	4.1 Undertake planned and random monitoring visits for all grantees	Ongoing	Travel supported by TAF.
5	Review partner reports	5.1 Undertake a desk review of financial and narrative reports on a quarterly basis 5.2 Update indicators based on data submitted by the partners through quarterly and annual reports	Quarterly  Quarterly	Budgeted under TAF management costs.
6	Facilitate mid-term assessment by independent think tank or group of consultants	6.1 Facilitate mid-assessment of grant performance, including questionnaire and focus group discussions 6.2 Facilitate development of case studies	December 2011  December 2011	Mid-term evaluation consultant cost \$30,000
7	Maintain the NSAC web-site	7.1 Update the web-site to ensure it has the latest information on grants 7.2 Develop and post resources on governance 7.3 Ensure web-site is in compliance with the GGF	Ongoing  Ongoing  Ongoing	Budgeted under TAF management costs.

<sup>4</sup> The schedule of the capacity building workshops may change based on actual demand.

### 3. SUMMARY ANNUAL BUDGET AND DISBURSEMENT

Table 3.1: Summary Estimate Budget for Project Implementation by Categories (US\$)

No.	Category	Total Budget Proposal <sup>1</sup>	Cumulative Expended	Total Budget Balance	Budget (2012)	ANNUAL BUDGET PLAN (2011)				
						IDA				
						Q1	Q2	Q3	Q4	Total
1(E)	Consultant's Services / IOC	149,349.64	79,109.51	70,240.13	47,873.58	1,962.22	3,531.98	9,088.33	23,596.32	38,178.84
5	Management Fee	595,765.36	407,285.50	188,479.86	156,757.24	40,528.08	50,607.17	69,145.82	74,054.12	234,335.19
2	Sub-grants	3,529,885.00	1,072,891.70	2,456,993.30	1,273,047.23	64,727.58	335,012.11	295,852.92	597,150.78	1,292,743.39
<b>TOTAL</b>		<b>4,275,000.00</b>	<b>1,559,286.71</b>	<b>2,715,713.29</b>	<b>1,477,678.05</b>	<b>107,217.88</b>	<b>389,151.26</b>	<b>374,087.06</b>	<b>694,801.22</b>	<b>1,565,257.43</b>

Table 3.2: Summary Estimate Budget for Project Implementation by Subcomponent (US\$)

Component/ Sub-Component	Total Budget Proposal <sup>2</sup>	Cumulative Expended	Total Budget Balance	Budget (2012)	ANNUAL BUDGET PLAN (2011)				
					IDA				
					Q1	Q2	Q3	Q4	Total
Subcomponent 1	170,113.39	95,256.18	74,857.22	49,379.62	14,707.69	10,190.45	22,133.51	21,433.55	68,465.20
Subcomponent 2	510,340.18	285,768.53	224,571.65	148,138.86	44,123.07	30,571.34	66,400.52	64,300.66	205,395.59
Subcomponent 3	240,541.43	149,038.36	91,503.07	74,783.05	11,738.68	13,377.36	22,921.02	43,047.30	91,084.36
Sub-Grants	3,354,005.00	1,029,223.68	2,324,781.32	1,205,376.52	36,648.45	335,012.11	262,632.02	566,019.70	1,200,312.28
<b>TOTAL</b>	<b>4,275,000.00</b>	<b>1,559,286.74</b>	<b>2,715,713.25</b>	<b>1,477,678.05</b>	<b>107,217.88</b>	<b>389,151.26</b>	<b>374,087.07</b>	<b>694,801.22</b>	<b>1,565,257.43</b>

Table 3.3: Quarterly and Annually Disbursement Projection (US\$)

No.	Category	PROJECTED DISBURSEMENT JANUARY - DECEMBER (2012)				
		Q1	Q2	Q3	Q4	Total
		1(E)	Consultant's Services and Incremental Operating costs	1,962.22	3,531.98	9,088.33
5	Management Fee	40,528.08	50,607.17	69,145.82	74,054.12	234,335.19
2	Sub-grants	64,727.58	335,012.11	295,852.92	597,150.78	1,292,743.39
<b>TOTAL</b>		<b>107,217.88</b>	<b>389,151.26</b>	<b>374,087.06</b>	<b>694,801.22</b>	<b>1,565,257.43</b>

#### 4. PROJECT PROCUREMENT PLAN 2011

III. Consulting Services														
Package No.	PIA	Description of Contract Package	Total Estimated Cost (USD)	Actual Cost (USD)	Category	Method of Procurement	Domestic Preference	Review by Bank (Prior/Post)	Procuring Agency's Name	Estimated Date of Invitation for Bids	Estimated Contract Signing Date	Actual Signed Contract	Estimated Contract End Date	Current Status
1		Communication Consultant <sup>5</sup>	2,000		Communication	Selection of Individual Consultants		Post	The Asia Foundation	March 2011	March 2011		March 2012	
2		M&E Firm for Mid-term Evaluation	30,000		M&E	CQS		Post	The Asia Foundation	October 2011	November 2011		March 2012	

<sup>5</sup> The communication consultant develops the lay-out of the NSAC newsletter. This will be updated once the communication strategy has been updated.

## 5. RISK MANAGEMENT MATRIX

### Summary of changes in risks<sup>6</sup>

Risk Description	Impact	Risk Score without Mitigation	Revised Risk after MTR	Mitigation Management
<i>Risks associated with the grant-making mechanism</i>				
Grant selection process could be seen as tainted by bias and favouritism	A grant selection process that lacks integrity will compromise the NSA component as it will impede genuine competition and will reduce NSA ownership and buy-in needed for successfully fostering citizen demand	Consequence (5) x Likelihood (3) = Risk (15)  <b>Substantial</b>	<ul style="list-style-type: none"> <li>The risk level has been revised down, with likelihood reduced, but it is still substantial. The project experienced a complaint during the first medium and large grants round. Repeater grants could especially be perceived as having bias.</li> <li>The mitigation strategy is still valid.</li> </ul>	<ul style="list-style-type: none"> <li>Grant selection process design includes well-defined and transparent eligibility requirements and rating criteria;</li> <li>New M&amp;E framework includes additional independent monitors and retains careful due diligence procedures;</li> <li>Grant making committee (GMC) members selected through an open, transparent process and sign a code of conduct;</li> <li>GMC technical capacity strengthened and relevant technical inputs mobilized as required;</li> <li>Outreach and NSA and SI awareness building on the grant selection process (e.g. independence of the GMC and eligibility criteria);</li> <li>To address perception of bias for repeater grants, the NSAC Secretariat will emphasize eligibility and rating criteria in all external communication, emphasize the independence of the GMC, and outline the rationale for repeater grants;</li> <li>Results of each grant round will be updated on the web-site to promote transparency;</li> <li>Well-defined grievance mechanism developed;</li> <li>Demonstrated high-level MOI commitment will reinforce perception of independence and integrity of grant process.</li> </ul>
Grant funds are not used for intended purposes	Undermine overall effectiveness of NSA component	Consequence (4) x Likelihood (2) = Risk (8)  <b>Moderate</b>	<ul style="list-style-type: none"> <li>Given the due diligence process, regular reporting, and quarterly field monitoring, this risk has been somewhat reduced. We suggest lowering the risk level to “Moderate”</li> </ul>	<ul style="list-style-type: none"> <li>Due-diligence process undertaken for each grantee to determine fiduciary and other implementation risks;</li> <li>The Foundation will check the validity of references provided in the grant applications;</li> <li>Grantees will receive capacity building assistance on fiduciary matters to ensure the transparency and accountability of their work;</li> <li>The Foundation will conduct its own random monitoring visits and will contract an independent organization to undertake a mid-term evaluation of the project;</li> </ul>

<sup>6</sup> This reflects the revised risk score following the MTR. Categories for risk are now, in ascending order, Low, Moderate, Substantial, and High. The intended purpose of presenting risk scores before and after the mitigation measures is to enable the project designers and implementers to assess the effectiveness of the proposed mitigation measures in reducing anticipated risks; and in case that the projected mitigation measures are insufficient, to propose additional strategies.

Risk Description	Impact	Risk Score without Mitigation	Revised Risk after MTR	Mitigation Management
				<ul style="list-style-type: none"> <li>• Regular financial &amp; narrative reports will be requested from grantees to make sure that funding has been used for intended purposes;</li> <li>• Large grants will be provided in tranches, so as to decrease the likelihood of misallocation of funds;</li> <li>• Project Coordination Office will conduct its own audits (via its Internal Audit Unit) and will establish an accessible grievance mechanism to investigate alleged problems of grant selection or misuse of funds;</li> <li>• Independent auditors will conduct project-level audits;</li> <li>• The Bank itself will conduct more intensive-than-usual supervision.</li> </ul>
There is malfeasance or corruption in the use of grants	Will undermine credibility of the NSA component and damage prospects for state-NSA cooperation	Consequence (5) x Likelihood (3) = Risk (15)  <b>Substantial</b>	<ul style="list-style-type: none"> <li>• This score is still at an appropriate level.</li> <li>• Mitigation strategy is still effective.</li> </ul>	<ul style="list-style-type: none"> <li>• Grants (other than the small grants) will be given in tranches, and at the first sign of malpractice, the grant will be terminated;</li> <li>• Secretariat will conduct random monitoring visits to ensure grant funds are accounted for;</li> <li>• Grant agreements will require grantees to return funds used for any other than the intended purpose;</li> <li>• The Foundation will make grants out of its own resources and will claim reimbursement; in the event that the Foundation has not conducted adequate scrutiny, the Bank will not authorize the reimbursement.</li> </ul> <p><i>NB: Experience with grant programs of this nature (Bank and non-Bank) indicates there will always be one or two “bad apples”; these are however very few and it is best to accept this as a small part of the cost of doing business. To design systems that obviate all such risks of malfeasance would result in loss of flexibility and processes that are overly bureaucratic, slow and costly.</i></p>
Grantees lack legitimacy in not truly representing citizen concerns	Will undermine credibility and effectiveness of NSA component	Consequence (5) x Likelihood (2) = Risk (10)  <b>Moderate</b>	<ul style="list-style-type: none"> <li>• This risk was too high given the rigorous rating criteria designed to assess to what extent the grant strategy will make tangible improvements to people’s lives and evidence of a consultative process.</li> <li>• Impact of grants is</li> </ul>	<ul style="list-style-type: none"> <li>• Well-defined selection criteria will be used in a rigorous and transparent screening process to identify applications for good quality initiatives driven by community interests;</li> <li>• Experienced grant committee members can identify initiatives based on real citizen concerns;</li> <li>• The Foundation will reach out to diverse NSAs to ensure a large pool of qualified applicants;</li> <li>• Grant rating criteria emphasize connections to grassroots;</li> <li>• TORs for medium and larger grants will be vetted by state and non-state development stakeholders to ensure the grants target citizen concerns;</li> </ul>

Risk Description	Impact	Risk Score without Mitigation	Revised Risk after MTR	Mitigation Management
			assessed through regular monitoring.	<ul style="list-style-type: none"> <li>Well-defined grievance mechanism will address problems and complaints in the selection process;</li> <li>Well-defined, rigorous M&amp;E framework and due diligence process will identify technical issues related to lack of citizen involvement or any bias or patronage in the grants selection process.</li> </ul>
NSAs whose applications are rejected may criticize NSA component	May discredit the grants mechanism	Consequence (4) x Likelihood (3) = Risk (12)  <b>Moderate</b>	<ul style="list-style-type: none"> <li>The consequence level of risk is still valid, but experience suggest that the likelihood is reduced and that the risk should fall to moderate.</li> <li>The mitigation strategy remains valid.</li> </ul>	<ul style="list-style-type: none"> <li>Secretariat will maintain regular and professional communication with NSAs during the application and selection process, and applicants receive support during the application process on an equitable basis;</li> <li>Applicants will be given a feedback (upon request) on precisely why their application was not selected and will be provided an opportunity to revise and resubmit their applications in subsequent grant rounds;</li> <li>The grants process and selection criteria vetted by diverse DFGG stakeholders and widely publicized to emphasize its independence and create a positive image;</li> <li>NSAC and Project Coordination Office maintain well-publicized grievance handling mechanisms for this (and other project components) to which applicants can appeal if unsatisfied with the application process.</li> </ul>
<i>Risks associated with the sustainability of this approach</i>				
Grants do not have impact and sustainability because of their one-off nature	Lack of continuation and a demonstration effect will curtail overall impact of the program	Consequence (5) x Likelihood (4) = Risk (20)  <b>Substantial</b>	<ul style="list-style-type: none"> <li>This level of risk is still valid. In addition to the mitigation strategy, the NSAC Secretariat will promote networking by region, sector, or approach in order to create mechanisms by which to disseminate results/approaches of NSAC, and to encourage networking.</li> </ul>	<ul style="list-style-type: none"> <li>NGOs will be encouraged to submit repeater grant proposals that build on previous work to strengthen sustainability and impact;</li> <li>Before each medium and large grant round, the Foundation will undertake a consultative process to target grants and terms of reference for grants will be re-visited periodically;</li> <li>Longer-term grants will be employed to build medium term sustainability;</li> <li>Large grants will be used to support regional coalitions and networking and to build on experience in social accountability and other participatory methods, which, in turn, is expected to contribute to augmentation of the impact of NSA initiatives;</li> <li>Outreach/capacity building programs will be used to build awareness of social accountability approaches and share lessons of experience, encouraging NSAs to build on success and sustain their work;</li> <li>TAF will promote networking during implementation to create mechanisms by which to share and disseminate results of NSAC;</li> </ul>

Risk Description	Impact	Risk Score without Mitigation	Revised Risk after MTR	Mitigation Management
DFGG approach (demand-sided/social accountability approach) is not sustainable	Limited opportunities to pursue social accountability projects beyond the life of the project	Consequence (4) x Likelihood (3) = Risk (12)  <b>Moderate</b>	<ul style="list-style-type: none"> <li>This risk has been lowered to moderate. Based on NSAC results to date, there is evidence that social accountability approaches are being replicated within grantees' larger organizational strategies.</li> </ul>	<ul style="list-style-type: none"> <li>The NSA component will develop capacity of NSAs to continue their work beyond the project;</li> <li>Project Coordination Office will showcase good examples through various venues to motivate others and to increase the ripple effect of the DFGG work.</li> <li>The DFGG project and the World Bank will coordinate and harmonize activities with other donors working on demand-side of governance to develop synergies;</li> <li>The Foundation will continue grant making beyond the DFGG project and will implement lessons learned in future work;</li> <li>Long-term approach to capacity building will be supported throughout the project, encouraging relevant stakeholders to continue investing in DFGG initiatives after the project is finished.</li> </ul>
<i>Risks associated with NSAs in Cambodia<sup>7</sup></i>				
Lack of absorptive capacity for medium and large grants	Project funds will not get utilized and there will be slow disbursement	Consequence (4) x Likelihood (4) = Risk (16)  <b>Substantial</b>	<ul style="list-style-type: none"> <li>This risk has not been lowered. To date, medium and large grant spending is largely on track, but with the increase in the grant ceiling for the upcoming medium and large grants, and the shorter time frame for implementation, the risk remains.</li> </ul>	<ul style="list-style-type: none"> <li>A flexible management strategy will be employed so that funds can be diverted, if needed, to small grants window or capacity building;</li> <li>In each subsequent round of the grant-making process, repeaters will be particularly encouraged (i.e. grants that build on previous grants), ensuring a greater absorptive capacity for medium and large grants;</li> <li>Capacity building measures will enhance NSA absorptive capacity;</li> <li>Based on the mid-term review, the grant spending is largely on track.</li> </ul>

<sup>7</sup> The risk related to lack of demand has been deleted, as all grant rounds have demonstrated a high level of demand. In addition, the risk related to the DI Forum has been removed, as the DI Forum will not be held this year.

Risk Description	Impact	Risk Score without Mitigation	Revised Risk after MTR	Mitigation Management
The principles of constructive engagement may be viewed by Cambodian NSAs as undermining the independence of the sector	Discredit NSA component and may discourage demand for NSA component grants	Consequence (4) x Likelihood (4) = Risk (16)  <b>Substantial</b>	<ul style="list-style-type: none"> <li>This risk has not been lowered. Constructive engagement is an integral part of the grantee strategy, and up through the mid-term review this has not emerged as an issue. However, uncertainty surrounding the passage and implementation of a draft Law on Associations and NGOs suggests this remains a substantial risk.</li> </ul>	<ul style="list-style-type: none"> <li>Strategic outreach has been designed to ensure public understanding of the overall objectives pertaining to constructive engagement;</li> <li>Raise awareness and importance of partnership component through targeted outreach;</li> <li>NSAC facilitates strategic policy discussions between NSAs and SIs to develop buy-in for the principles;</li> <li>The principles drafted and finalized through a consultative process with relevant stakeholders to ensure adequate ownership;</li> <li>Any concerns about principles of constructive engagement will be discussed with grant committee members and other senior NSA leaders, to ensure broad acceptability within civil society;</li> <li>Smaller and/or less experienced NSAs will be encouraged to submit <i>joint</i> applications, to allow them, collectively, to forge a relationship with state institutions;</li> <li>The independence of the grant committee, composed mostly of NSA representatives, will be emphasized throughout the process.</li> </ul>
<i>Risk based on the political climate in Cambodia</i>				
RGC exerts pressure on the grant selection process	Will undermine the independence of the process	Consequence (5) x Likelihood (3) = Risk (15)  <b>Moderate</b>	<ul style="list-style-type: none"> <li>This risk is still relevant, but based on experience in the first two years of DFGG, it is appropriate to lower this risk to “moderate.”</li> </ul>	<ul style="list-style-type: none"> <li>The selection process, criteria for membership, and terms of reference of the Grant Making Committee reinforce independence;</li> <li>NSAC Secretariat has developed rigorous rating criteria to ensure grant selection process is accountable and lacks bias;</li> <li>A detailed scoring system is used by the GMC to assess applications and no participant has veto power;</li> <li>The project team has ensured that the RGC agrees to the grant selection criteria prior to the implementation of the project;</li> <li>Senior, highly respected individuals, who can ensure the integrity of the process, were selected to serve as grant committee members to minimize the RGC’s pressure on the grant selection process;</li> <li>The Foundation will emphasize principles of constructive engagement with grantees and state institutions, so RGC does not feel a need to intervene;</li> <li>The Asia Foundation will maintain close contact with State Institutions and government officials to anticipate any concerns regarding grantees and resolve them early;</li> <li>The DFGG project team will call upon MOI to mediate if pressure is coming from another state institution;</li> </ul>

Risk Description	Impact	Risk Score without Mitigation	Revised Risk after MTR	Mitigation Management
NSAs face difficulties engaging with IAs or government counterparts during execution, or political fall-out as a result of a grantee's work	Will undermine longer-term partnerships between NSAs and government and synergies between State Institutions and NSAs	Consequence (5) x Likelihood (4) = Risk (20)  <b>SUBSTANTIAL</b>	<ul style="list-style-type: none"> <li>This risk is still at an appropriate level.</li> </ul>	<ul style="list-style-type: none"> <li>The Foundation will keep the WB abreast of any such concerns, and call upon them to facilitate if necessary.</li> <li>Partnership grants will create a precedent for NSAs working with state institutions, which can mitigate risk of political fall-out in the long-term;</li> <li>RGC will be involved in designing of the grant selection process;</li> <li>Component 1 as well as the grant selection process will promote constructive engagement between state institutions and NSAs, so as to prevent confrontations between them;</li> <li>NSAC Secretariat and DFGG Project Coordination Office will coordinate to review areas of concern in terms of cooperation between non-state and state actors and solve problems as they arise.</li> <li>PCO will convene a grievance process to mitigate backlash if necessary;</li> <li>NSA component director will discuss pending concerns in overall DFGG project coordination meetings and solicit intervention, when needed, from MOI and other state institutions;</li> <li>The Bank will continue to support an enabling environment for constructive engagement between the state and NSAs through planned and ongoing initiatives towards building trust and partnerships between state institutions and NSAs.</li> </ul>

## 6. TAF RESULTS FRAMEWORK

<b>Project Development Objective (PDO):</b> The development objective of the proposed project is to enhance the demand for good governance (DFGG) in priority reform areas by strengthening institutions, supporting partnerships, and sharing lessons ( <b>Unchanged</b> ).										
Indicators	Core	D=Dropped C=Continue N=New R=Revised	Baseline [Year]	Cumulative Target Values and Actual Values ( <u>underline</u> )				Data Collection and Reporting		
				2009	2010	2011	2012 / End line	Data Collection Instruments	Responsibility for Data Collection	Comment 2011 activities
<b>PDO LEVEL INDICATORS</b>										
<b>1. Promoting DFGG in priority reform areas.</b>										
1.3 % of citizens (in target areas) aware of and understanding non-state actors facilitation of social accountability  ...and reporting positive results on governance		R	[2011]	N/A	N/A	60%	70%	Independent evaluation (end 2011; end 2012)	TAF	The 2011 evaluation will include some baseline assessment of awareness
<b>3. Responding to DFGG in priority reform areas.</b>										
<u>Policy and practice</u> 3.3 Project activities trigger changes in policy or practice that enhance transparency, accountability and civil society partnerships in participating SIs.		R	N/A	N/A	N/A	Qual. Eval.	Qual. Eval.	IA QPRs  Independent evaluation (end 2011; end 2012)  Project end evaluation (2012)	TAF  PCO	TAF to include in mid-line/endpoint, beginning with 2011 evaluation. PCO qualitative evaluation at project end. Eg. Improved disclosure, enhanced websites, NGO monitoring, outreach in p/ship with CSOs.
<b>4. Monitoring to inform DFGG in priority reform areas:</b>										
4.1: Number of SIs / local authorities and service delivery agencies (health clinics, schools, communes/districts) whose performance is monitored through social accountability activities supported under the project. <sup>8</sup>		R	1 [2008]	5	9	16 [D]	[C] [D]	TAF Monitor  Communes:  Districts:  Health clinics:  Schools	TAF	Revise targets at end 2011 based on new medium/large grants awarded. (monitoring of Sub-Grantees, and other NSA initiatives in project) E.g. citizens report cards, community score cards and similar social accountability tools through all components

<sup>8</sup> The preliminary values for this indicator are included and will be finalized by the end of 2011.

4.2: % of SIs monitored under the project for which monitoring is determined to have a positive impact on SI performance.		R	N/A	N/A	N/A	N/A	70% [C] 70% [D] 70% [H]	Independent evaluation (end 2011; end 2012)	TAF	Qualitative assessment will be tested in 2011 evaluation and adjusted for 2012 end project evaluation. Self reporting is not a robust measurement system. Change methodology to expert evaluation. Include local level institutions as well as IAs.
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#### INTERMEDIATE OUTCOME INDICATORS

##### Component 2: Support to Non-state Actors (NSAC)

IO2.1: Increase in social accountability related knowledge, skills, and capacity to implement in participating NSAs.		N	N/A	N/A	N/A	TBD	TBD	Independent evaluation (end 2011; end 2012)	TAF	Will be included as component of 2011 and 2012 independent evaluations. Mixed methods midpt/ endpt.
IO2.2: % of citizens reporting that engagement in decision making processes of communes / local service delivery agents (clinics, schools, communes / districts) has been enhanced through subprojects.		R	N/A	N/A	N/A	*	*	Citizens survey (end 2011; end 2012)	TAF	Survey of citizens participating in NSA activities 2011/2 & 2012/3 – carry out through grantee?
IO2.3: % of NSAC sub-grantees whose sub-projects reflect good practice in social accountability design and implementation.		N	N/A	N/A	N/A	*	*	Independent evaluation (end 2011; end 2012)	TAF	Qualitative assessment as part of 2011 and 2012 independent evaluations.

##### Component 3: Coordination and Learning

IO3.1: MOI, through PCO, plans and establishes a resource centre for good governance and provides learning services in collaboration with technical support from TAF/ACF/OWSO.		N	N/A	N/A	N/A	Yes	Yes	PCO QPR TAF /ACF QPR Independent evaluation (end 2012)	PCO TAF TAF	Plan, procure, collaborate launch; training and workshops held. One to two training rounds organized by TAF in 2011.
IO3.2: Local social accountability community of practice including a cadre of trainers, networks, who are able to undertake ongoing training and capacity-building in the area of SAc.		R	N/A	N/A	N/A	N/A	*	Independent evaluation (end 2011; end 2012) End Project evaluation	TAF PCO	COP, ToTs PCO
IO3.3: Lessons (cases, reports, studies) and experiences from within the project are documented, and used in training and capacity building programs		R	N/A	N/A	N/A	N/A	*	PCO QPR TAF QPR ACF QPR OWSO QPR Independent Evaluation – end 2011 and end	PCO (TAF) (ACF) (OWSO)	TAF, ACF, OWSO provide lessons and cases on quarterly basis to end of project. PCO Compile. PCO project evaluation

								2012 End Project evaluation (Cumulative analysis)		
IO3.5: Increased trust and constructive engagement between NSAs and government agencies.		N	N/A	N/A	N/A	Qual. Eval.	Qual. Eval.	Independent evaluation (end 2011; end 2012)  Project end evaluation (2012)	TAF  PCO	Assessed qualitatively as part of 2011 and 2012 evaluations.
IO3.6: Positive evaluation of the contribution of partnerships to the project development objective.		N	N/A	N/A	N/A	Qual. Eval.	Qual. Eval.	Independent evaluation (end 2011; end 2012)  Project end evaluation (2012)	TAF  PCO	Partnerships to be rated by evaluators based on an agreed framework to be developed as part of design of 2011 NSAC evaluation (using new partnership definitions).

## 7. GOOD GOVERNANCE FRAMEWORK

Issues	Action to Mitigate Risk	Responsibility	Target/ Monitoring	Implementation Status as at June 2011	Remaining Intermediate Steps	Revised Target Date
9	<b>Element 9: TAF Specific Issues</b>					
9a	<u>Procurement</u> Responsibilities of TAF Clarification of item 1a	All procurement under Component 2 of the Project will be carried out by TAF and, as appropriate, the recipients of sub-grants made by TAF. Procurement will be undertaken in accordance with the Bank'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.	TAF	PCO oversight. IDA to monitor through prior or post procurement reviews.  Procurement for NSAC has consisted of individual consultants in compliance with the World Bank's guidelines.  The procurement plan was updated during the preparation of the annual workplan in February 2011 and adjusted after the MTR. In 2011, the Foundation has planned to procure communications and M&E consultants. The communications consultant was procured in March 2011 following the shopping method.	Full compliance to date  The M&E consultant will be procured in Fall 2011.	TAF will prepare TOR and advertise in Fall 2011.
9b	<u>Procurement Capacity</u> Clarification of item 1b	TAF has engaged an individual procurement officer experienced in Bank procurement procedures who will guide and assist TAF and the recipients of the sub-grants in undertaking procurement.	TAF	PCO to monitor with IDA overview during supervision missions.  The NSAC team works closely with the procurement officer to undertake procurements under DFGG.  The procurement officer led training for the grantees in December 2010 and works with the grantees on a case-by-case basis to address any issues.	Full Compliance  Regular follow up	
9c	<u>Procurement by Grantees</u> Procedures to be satisfactory to the IDA	To supplement the action required under item 9a, further detailed procedures for procurement by grantees	TAF has prepared the NSAC Operations	NSAC Operations Manual was cleared by IDA, the DFGG Project Coordinator, and has been approved by MEF.	Full compliance	

Issues	Action to Mitigate Risk	Responsibility	Target/ Monitoring	Implementation Status as at June 2011	Remaining Intermediate Steps	Revised Target Date
		<p>will be described in the NSAC Operations Manual, satisfactory to the IDA.</p> <p>TAF will provide a Sub-grant Implementation Manual to each grantee that will include details of procurement procedures.</p>	<p>Manual.</p> <p>TAF</p>	<p>On award of each grant, TAF to monitor adoption by grantees. The Foundation provides each grantee a copy of the procurement policy and organizes a training session prior to implementation of the grants. The latest session was held on December 16, 2010.</p> <p>Grantees undertaking procurement have submitted procurement plans, which have been reviewed and finalized.</p> <p>TAF has updated its procurement policy requiring prior review for all single-source selection, procurement \$5000 and above, and for any sub-contracting between current DFGG grantees and between current and former DFGG grantees.</p> <p>The procurement policy will be reviewed during the revisions of the NSAC operational manual to ensure the necessary controls are in place.</p>	<p>Ongoing monitoring</p> <p>TAF grants team will conduct spot checks of procurement during implementation.</p> <p>Review of the operational manual</p>	<p>Ongoing</p> <p>July 2011</p>
9d	<u>Financial Management</u> Clarification of item 2a	Working within the framework of the provisions of the Financing Agreement and the RGC's Externally Assisted Financial Management Manual (SOP/FMM), TAF will apply its own detailed financial management procedures described in the NSAC Operations Manual, satisfactory to the IDA.	TAF  TAF/IDA	PCO to monitor. IDA will verify during FM supervision missions.	Full compliance to date	

Issues	Action to Mitigate Risk	Responsibility	Target/ Monitoring	Implementation Status as at June 2011	Remaining Intermediate Steps	Revised Target Date
		IDA FM staff will provide training to TAF financial management staff if requested.		TAF has not requested financial management training as of 04/11, as TAF's grants team is comfortable with the Bank's requirements. The team has consulted with the Bank's FM specialist on a case-by-case basis when necessary.		
9e	<u>Financial Management</u> Internal audit – clarification of item 2e	TAF will itself undertake random internal monitoring of sub-grant activities in accordance with procedures specified in the NASC Operations Manual, satisfactory to the IDA, and provide to the PCO a copy of each internal monitoring report and action plan on its findings.	TAF	<p>PCO to monitor from internal audit reports provided by TAF.</p> <p>M&amp;E framework has been developed and adopted. This framework was piloted under the first small grants round. The small grantees had some difficulty in using the reporting format. The M&amp;E training held on December 17 addressed these issues. Small grantees were also monitored through random spot checks and coordinated visits (the two-levels of monitoring works well).</p> <p>Detailed implementation plans of the medium and large grantees were reviewed and field level monitoring has begun.</p> <p>The Foundation has completed reviews of the first quarter financial reports. On-site spot checks were also carried out.</p> <p>The Foundation will review the financial monitoring provisions while updating the overall Operational</p>	<p>Full compliance to date</p> <p>Follow up will continue based on the guidelines in the operational manual</p> <p>Review of financial monitoring policy</p>	<p>Ongoing</p> <p>Ongoing</p> <p>July 31,</p>

Issues	Action to Mitigate Risk	Responsibility	Target/ Monitoring	Implementation Status as at June 2011	Remaining Intermediate Steps	Revised Target Date
				Manual. The Foundation is also refining its financial monitoring tracking sheet in order to ensure adequate follow up on issues identified during the due diligence process.		2011
9f	<u>Financial Management</u> Training Plans – clarification of item 2i	Training by TAF will be needs based, depending on activities under the sub-grant, and cannot be predicted in advance. TAF will not produce an Annual Training and Workshop Plan but, when the need for training associated with a sub-grant is identified, will prepare and submit to the PCO and the WB a detailed plan for each training activity.	TAF, with IDA NOL to each detailed plan.	Two training activities are scheduled in July 2011 and December 2011 for the NSAC grantees and the plans will be cleared with the Bank and PCO in advance.	Submit training plan to Bank and PCO for no objection	July 2011
9g	<u>Financial Management</u> Disbursement of grants.	TAF will contract a reputed local legal or accounting firm to disburse funds on its behalf, in accordance with procedures detailed in the NSAC Operations Manual.	TAF	The legal firm has been contracted to disburse funds. The firm disburses funds to all grant recipients under DFGG, including the medium and large grants. TAF will monitor performance of the contractor and IDA will verify during FM supervision missions.	The Foundation will work with the firm to undertake financial management and carry out planned disbursements.	On a quarterly basis
9h	<u>Financial Management</u> Disbursement of TAF management fee.	TAF's management fee will be disbursed in tranches and each withdrawal application will be supported by justification of the quantum of fee claimed.	TAF with PCO and MEF oversight.	TAF has submitted regular withdrawal requests to the MEF. Beginning with first claim, IDA to monitor SOEs with withdrawal applications.  To date the withdrawal application process has progressed smoothly. It takes approximately 4-6 weeks for the applications to be processed.	Next WA will be submitted in October 2011	On a quarterly basis
9i	<u>Disclosure</u> Enhance item 3b to ensure wide interest in applications for grants.	TAF will adopt a Communication and Outreach Strategy, as detailed in the NSAC Operations Manual, focusing on the print, broadcast and on-line media	TAF	TAF has significant progress in the implementation of its communication and outreach strategy. TAF has developed a bi-lingual brochure, website, and other material related to grants.	The materials will be updated on a regular basis.	

Issues	Action to Mitigate Risk	Responsibility	Target/ Monitoring	Implementation Status as at June 2011	Remaining Intermediate Steps	Revised Target Date
		and seminars with NSAs, to disseminate details of the TAF component of the Project.		Disclosure is being tracked in a separate disclosure tracking sheet.  Following the mid-term review process, the Foundation will review its communication material and translate the necessary documents, including the GGF and the communication materials for the next grant round.	Updated monthly  Review of grant material	July 2011
9j	<u>Complaints (Grievances) and Remedies Mechanism</u> Supplement the overall Mechanism with a TAF component-specific Grievance Mechanism.	TAF will implement its component-specific Grievance Mechanism, as detailed in the NSAC Operations Manual, which empowers the GMC to receive and resolve complaints and grievances in liaison with the Mechanism adopted by the PCO for the whole Project. All applicants for grants will be informed of the TAF Grievance Mechanisms and the overall Mechanism at the PCO level.	TAF	The GMC has been instituted. The Foundation implemented an orientation that covered the GMC's role vis a vis complaint handling. Further, the web-site contains detailed information on how to file a grievance. PCO to monitor and IDA to verify during supervision missions.  One complaint was submitted on August 10, 2010. The complaint sub-committee established by the GMC responded to the complaint and no further response has been received from the complainant. Recommendations from the GMC and the Bank regarding the complaints handling process will be incorporated into the operational manual revisions.	The Foundation will review its complaints policy every six-months.  The complaints policy will be revisited during the review of the operational manual.	July 2011
9k	<u>Code of Ethical Conduct</u> Supplement the existing TAF Code.	TAF will ensure that its Project staff abide by its own existing worldwide Code of Conduct.  In addition, TAF has adopted a supplementary code of conduct, as presented in the NSAC Operations Manual, that members of the GMC will sign upon formation of the GMC, in order to reduce the risk of patronage.	TAF  GMC members, overseen by TAF, which will provide copies to IDA.	TAF code of conduct is already in effect. Code of conduct and code of ethics is working well.  Code of conduct has been signed by all GMC members and TAF will monitor compliance. IDA to monitor at Project launch and during supervision missions. At present there are no issues with the code of conduct. In each GMC meeting, members have recused themselves from deliberations where		

Issues	Action to Mitigate Risk	Responsibility	Target/ Monitoring	Implementation Status as at June 2011	Remaining Intermediate Steps	Revised Target Date
				potential conflict of interest exists.  TAF will organize a meeting with all project staff working on DFGG to revisit the TAF code of ethics to ensure that the team is familiar with the code.	July 2011	
9l	<u>Membership of GMC</u> Transparency in selection and political independence of members.	Members of the GMC have been selected after identification of candidates by a search committee, selected through a consultative process and composed of representatives from MOI, the WB, TAF, and Cambodian civil society. Final appointments have been finalized by RGC and WB. The selection methodology is detailed in the NSAC Operations Manual.	Search Committee with final decision on membership by MOI and WB.	The search committee made nominations to MOI and WB. Final selection of GMC members was approved by the DPM. The Foundation facilitated a second search for GMC members (one member to replace Chet Charya, who resigned, and two new members). There was a second open call for proposals (made in English and Khmer language press), and the search committee's nominations were approved by the DPM. The GMC list is published on the web-site.	Full compliance	
9m	<u>Transparency in Selection of Grantees</u> Ensure a transparent grantee selection that avoids influence, capture or subversion by political elites or powerful interests.	The selection of grantees will be made solely by the GMC under procedures detailed in the NSAC Operations Manual. The procedures, including eligibility criteria, format of application, concept note, screening process, evaluation criteria, due diligence and endorsement of suitability by a State Agency, will be publicized under item 9e.	GMC with TAF oversight. TAF to publish the procedures.	Full Compliance  TAF to monitor grantee selection and IDA to verify compliance with agreed procedures during supervision missions.  To ensure that grant selection was based on the rating criteria and in line with the overall DFGG objectives, TAF revised the scoring sheet for GMC members through a consultative process to ensure scoring was consistent among members. During the calculation of the final scores, the high and low scores were dropped out. In addition to the scores, there was an extensive discussion on the merits of each applicant.  The grant assessment sheets will be revisited by the grant-making	TAF will review the operational manual to ensure clarity in the grant procedures and consistency with existing practice.  Review of grant assessment sheets	July 2011

