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Report No: PP5469

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT PAPER

ON A

PROPOSED GRANT

IN THE AMOUNT OF
AUD 6.03 MILLION

TO THE

KINGDOM OF CAMBODIA

FOR A

INTEGRATION OF SOCIAL ACCOUNTABILITY INTO NATIONAL AND SUBNATIONAL SYSTEMS
PHASE II
June 20, 2023

Social Sustainability And Inclusion Global Practice
East Asia And Pacific Region

CURRENCY EQUIVALENTS

Exchange Rate Effective Apr 12, 2023

Currency Unit = Cambodian Riel (KHR)

KHR 4,061.08 = US$1

FISCAL YEAR
January 1 - December 31

Regional Vice President:	Manuela V. Ferro
Country Director:	Mariam J. Sherman
Global Director:	Louise J. Cord
Practice Manager:	Ingo Wiederhofer
Task Team Leader(s):	Benjamin Burckhart, Maria Manuela Faria

ABBREVIATIONS AND ACRONYMS

AF	Additional Financing
ASEAN	Association of Southeast Asian Nations
AUD	Australian Dollar
AWPB	Annual Work Program and Budget
CAF	Community Accountability Facilitator
CIP	Commune Investment Program
CPF	Country Partnership Framework
CSC	Community Scorecard
CSO	Civil society organization
DA	Designated account
DFAT	Australia Department of Foreign Affairs and Trade
DFGG	Demand for Good Governance Project
DMK	District, municipality, *khan*
ESCP	Environmental and Social Commitment Plan
ESF	Environmental and Social Framework
ESRS	Environmental and Social Review Summary
ESS	Environmental and Social Standard
FM	Financial Management
GDP	Gross domestic product
GRM	Grievance Redress Mechanism
GRS	Grievance Redress Service
I4C	Information for Citizens
IFR	Interim (unaudited) financial report
IP	Implementation Progress
IPF	Investment Project Financing
ISAF	Implementation of Social Accountability Framework
ISR	Implementation Status and Results Report
JAAP	Joint Accountability Action Plan
M&E	Monitoring and Evaluation
MEF	Ministry of Economy and Finance
MIS	Management Information System
MoI	Ministry of Interior
MoU	memorandum of understanding
MTR	mid-term review
NBC	National Bank of Cambodia
NCDD	National Committee for Subnational Democratic Development
NCDDS	National Committee for Subnational Democratic Development Secretariat
NGO	Non-Governmental Organization
NP2	National Program for Subnational Democratic Development Phase II
NPSNDD	National Program for Subnational Democratic Development
PDO	Project Development Objective
PECSA	Program to Enhance Capacity in Social Accountability
PIM	Project Implementation Manual
PPSD	Project Procurement Strategy for Development

PSC	Partnership Steering Committee
PWG	Provincial Working Group
RETF	Recipient Executed Trust Fund
RF	Results Framework
RGC	Royal Government of Cambodia
SASD MDTF	Social Accountability and Service Delivery Multi-Donor Trust Fund
SDTF	Single-Donor Trust Fund
SNA	Subnational Administration
SNDD	Subnational Democratic Development
SOE	Statements of expenditures
STEP	Systematic Tracking of Exchanges in Procurement
TOR	Terms of Reference
USD	United States Dollar
WA	Withdrawal application
WB	World Bank
WVI	World Vision International

BASIC INFORMATION

Is this a regionally tagged project?	Country (ies)
No	

Financing Instrument	Classification
Investment Project Financing	Small Grants

Approval Date	Closing Date	Environmental and Social Risk Classification
23-Jun-2023	31-Dec-2025	Low

Approval Authority	Bank/IFC Collaboration	
CDA	No	

Please Explain

Proposed Development Objective(s)

To improve the quality and responsiveness of public service provision through the strengthening and institutionalization of transparency and citizen engagement processes in selected subnational planning and service delivery systems.

Components

Component Name	Cost (USD Million)
Transparency and Access to Information	1.22
Citizen Monitoring	0.03
Implementation of Joint Accountability Action Plans	0.30
Capacity Development	1.20
National and Subnational Coordination and Support	1.25

Organizations

Borrower :	Kingdom of Cambodia
Implementing Agency :	National Committee for Sub-National Democratic Development Secretariat (NCDDS)

PROJECT FINANCING DATA (US$, Millions)

SUMMARY

Total Project Cost	4.44
Total Financing	4.44
Financing Gap	0.00

DETAILS

Non-World Bank Group Financing

Counterpart Funding	0.44
Borrower/Recipient	0.44
Trust Funds	4.00
Miscellaneous 1	4.00

Expected Disbursements (in USD Million)

Fiscal Year	2023	2024	2025	2026
Annual	0.00	2.00	1.50	0.50
Cumulative	0.00	2.00	3.50	4.00

INSTITUTIONAL DATA

Financing & Implementation Modalities

Situations of Urgent Need of Assistance or Capacity Constraints

| [ ] Fragile State(s) | [ ] Fragile within a non-fragile Country | [ ] Small State(s) | [ ] Conflict | [ ] Responding to Natural or Man-made Disaster |

Other Situations

[ ] Financial Intermediaries (FI)   [ ] Series of Projects (SOP)

[ ] Performance-Based Conditions (PBCs)   [ ] Contingent Emergency Response Component (CERC)

[ ] Alternative Procurement Arrangements (APA)   [ ] Hands-on Expanded Implementation Support (HEIS)

Practice Area (Lead)

Social Sustainability and Inclusion

Contributing Practice Areas

Education
Governance
Health, Nutrition & Population
Social Protection & Jobs

OVERALL RISK RATING

Risk Category	Rating
Overall	● Moderate

COMPLIANCE

Policy

Does the project depart from the CPF in content or in other significant respects?

[ ] Yes   [✓] No

Does the project require any waivers of Bank policies?

[ ] Yes   [✓] No

Environmental and Social Standards Relevance Given its Context at the Time of Appraisal

E & S Standards	Relevance
Assessment and Management of Environmental and Social Risks and Impacts	Relevant
Stakeholder Engagement and Information Disclosure	Relevant
Labor and Working Conditions	Relevant
Resource Efficiency and Pollution Prevention and Management	Not Currently Relevant
Community Health and Safety	Not Currently Relevant
Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Not Currently Relevant
Biodiversity Conservation and Sustainable Management of Living Natural Resources	Not Currently Relevant
Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Relevant
Cultural Heritage	Not Currently Relevant
Financial Intermediaries	Not Currently Relevant

Legal Covenants

Sections and Description
Institutional Arrangements
Grant Agreement: Schedule 2, Section I.A.1

Recurrent, Continuous
The Recipient, through NCDDS, shall establish and thereafter maintain during Project implementation, Project implementation structures acceptable to the Bank.

Sections and Description
Institutional Arrangements
Grant Agreement: Schedule 2, Section I.A.2

Recurrent, Continuous
The Recipient shall, through NCDDS, maintain throughout the implementation of the Project, a PSC, responsible

for effective Project implementation, under terms and conditions satisfactory to the Bank.

Sections and Description
Project Implementation Manual
Grant Agreement: Schedule 2, Section I.B

Recurrent, Continuous
The Recipient shall carry out the Project, though NCDDS, in accordance with the Project Implementation Manual and not amend or otherwise waive any provision of the Project Implementation Manual unless the Bank agrees otherwise in writing.

Sections and Description
Annual Work Plans
Grant Agreement: Schedule 2, Section I.C

Recurrent, Annual: December 1, Annually
The Recipient shall prepare and furnish to the Bank for its no-objection no later than December 1 of each year an annual work plan and budget during the implementation of the Project containing relevant Project activities and expenditures proposed to be included in the Project in the following year

Sections and Description
Environmental and Social Standards
Grant Agreement: Schedule 2, Section I.D

Recurrent, Continuous
The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Environmental and Social Standards and the ESCP

Conditions

PROJECT TEAM

Bank Staff

Name	Role	Specialization	Unit
Benjamin Burckhart	Team Leader(ADM Responsible)		SEAS1

Maria Manuela Faria	Team Leader		SEAS1
Latharo Lor	Procurement Specialist(ADM Responsible)		EEAR1
Sereyvattana Chan	Procurement Specialist		EEAR1
Kyemon Soe	Financial Management Specialist(ADM Responsible)		EEAG2
Monyrath Nuth	Social Specialist(ADM Responsible)		SEAS1
Sophy Ea	Environmental Specialist(ADM Responsible)		SEAE2
Daisy Lopez Zita	Team Member		WFACS
Jayne Njoki Dzowela	Team Member	Counsel	LEGAS
Louise F. Scura	Team Member		SEAS1
Makathy Tep	Environmental Specialist		SEAE2
Sophear Khiev	Team Member		EEAG2

Extended Team

Name	Title	Organization	Location

CAMBODIA
INTEGRATION OF SOCIAL ACCOUNTABILITY INTO NATIONAL AND SUBNATIONAL SYSTEMS PHASE II

TABLE OF CONTENTS

I. STRATEGIC CONTEXT

A. Country Context

1.   **Cambodia emerged in the mid-1990s from a devastating civil conflict as one of the world's poorest countries, with economic capacity and key infrastructure severely damaged, social cohesion deeply compromised, a population traumatized, and social institutions in disarray.** Distrust was pervasive among communities, and between citizens and government. The subsequent two decades of relative political stability and peace allowed Cambodia to start to rebuild social institutions, experience robust economic growth and achieve significant poverty reduction. Over the period 1997-2017, Cambodia's economy grew at an annual average rate of 7.9 percent, largely driven by exports of goods and tourism. Cambodia's economy has been among the fastest-growing in the world, propelling the country to achieve lower middle-income status in 2015.[1] Growth remained strong in 2018 and 2019, at 7.5 percent and 7.1 percent, respectively.

2.   **The strong and sustained economic growth since the mid-1990s has significantly reduced poverty.** The percentage of Cambodians living under the national poverty line fell from 47.8 percent in 2007 to 17.8 percent in 2019. Almost two million Cambodians, many living in rural areas, have escaped poverty. Living standards also improved, helping Cambodia to narrow urban-rural gaps. Housing conditions improved with more durable dwellings, and the proportion of households with access to electricity more than tripled from 26 percent in 2009 to 86 percent in 2019, with rural households seeing a seven-fold increase. Access to improved water almost doubled from 44 percent to 74 percent, and access to improved sanitation more than doubled from 35 percent to 83 percent. Increased ownership of communication devices, transport assets, and household appliances are further evidence of rising living standards.[2]

3.   **The hard-won progress has proven fragile, however, as many households that escaped poverty did so by only a small margin, remaining highly vulnerable to shocks to income and/or consumption.** In 2020, the global COVID-19 pandemic caused Cambodia's main engines of growth to stall, and gross domestic product (GDP) contracted for the first time in 25 years, by 3.1 percent. Cambodia's key merchandise exports contracted by 8.1 percent, and the tourism sector, which is estimated to have contributed about 15 percent of pre-pandemic GDP, saw international arrival numbers dropping by 80 percent in 2020. In 2021, real GDP growth recovered modestly to a rate of 2.2 percent and is projected to further recover to 4.5 percent in 2022 and 5.5 percent in 2023, but there are still serious pandemic-related downside risks. The pandemic-induced economic contraction hit the poor and near-poor the hardest, reversing some of the earlier poverty reduction progress and pushing many vulnerable households back into poverty. The effects have been felt across the consumption distribution, but particularly by the bottom 20 percent.[3] As a result, both poverty and inequality have increased.

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[1] *Cambodia Poverty Assessment – Toward a More Inclusive and Resilient Cambodia,* World Bank Group, November 2022.
[2] Idem.
[3] Idem.

B. Sectoral and Institutional Context

4.   **Enhancing public sector capacity to deliver public services effectively and accountably is critical to meeting the evolving needs of citizens and the private sector.** The quality of governance is a challenge in Cambodia, which scores considerably lower than other ASEAN countries according to the Worldwide Governance Indicators.[4] From 2011 to 2021, limited progress was made in the area of control of corruption, while there has been a decline in the country's ranking in voice and accountability. While some progress has been made, the reported incidence of bribery (affecting 64.7 percent of reporting firms in 2016) remains by far the highest among peer countries, suggesting that governance issues have a negative impact on both public sector services and the growing private sector. The capacity of public institutions continues to be weak, impacting the key regulatory functions, civil service, and the efficiency of public resource management. From 2010 to 2021, the marginal improvements in public perceptions of government effectiveness have not kept up with improvements in other countries, and Cambodia's ranking remained below the regional average in 2021, at the 36th percentile. Indicators of voice and accountability have declined from 2011 to 2021, and Cambodia's ranking has dropped from the 22nd percentile in 2011, to 11th in 2021.[5]

5.   **Since the early 2000s, the Royal Government of Cambodia (RGC) has pursued subnational democratic development as a central plank for improved service delivery in Cambodia.** To strengthen access to, and the quality of public services, and to enable government to be more responsive to the needs of citizens, the RGC began subnational governance reforms with the passage of the Law on Management of Commune and *Sangkat[6]* Administration in 2001, and direct elections of commune/*sangkat* councils in 2002. The RGC's *Rectangular Strategy for Growth, Employment, Equity and Efficiency* (2004) featured decentralization and deconcentration as crucial to strengthening governance. Building on the successful reforms at the commune/*sangkat* level, the RGC elaborated its Strategic Framework on Decentralization and De-concentration Reform in 2005, which focused on reforms for the election of provincial, district, and commune councils, and the creation of unified subnational administrations to support these councils. In 2008, RGC promulgated the Law on Administrative Management of the Capital, Provinces, Districts, Municipalities, and *Khans[7]* to provide the legal basis to extend subnational governance reforms to the capital and provincial level, and to the district, municipal, and *khan* administration levels.

6.   **The nascent decentralization reforms require concerted measures to better equip subnational administration with the capacity and resources to deliver quality local services in an efficient, inclusive, transparent an accountable manner. To this end, the RGC has adopted a series of programs and strategic plans over the past 13 years.** The National Program for Subnational Democratic Development (NPSNDD) 2010–2019 was adopted in 2010 to establish a "vibrant, democratically-elected and locally accountable subnational governance system," supported by local budgets to empower councils and effective citizen engagement in local decision-making. This Program was complemented by the adoption in 2013 of the Strategic Plan on Social Accountability for Subnational Democratic Development, which aimed to improve public service delivery and strengthen relations between the state and citizens, and ultimately enhance local development and accountable and effective governance. In 2014, a related Implementation Plan for

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[4] https://info.worldbank.org/governance/wgi/
[5] idem
[6] *Sangkat* is the urban equivalent of a rural commune.
[7] *Khan* is the equivalent of a municipality in the capital.

the Social Accountability Framework (ISAF) covering the 2015-2018 period was developed as a joint initiative by the National Committee for Subnational Democratic Development (NCDD) and civil society organizations (CSOs) in Cambodia and was subsequently incorporated into the NPSNDD's second 3-year implementation plan (2015-2018).

7.   A second phase of ISAF (ISAF II), covering the 2019-2023 period, was developed through a consultative process involving government, development partners, and civil society, and launched in 2019. Lastly, the second phase of the NPSNDD (NP2), covering the period 2021-2030, was approved in December 2021. NP2 focuses on social accountability under Component 2: Subnational Administration (SNA) Structures and Systems, including through strengthening, revising and implementing the working relationships and accountability of SNAs (Output 2.4). To achieve this, NP2 sets out four priority activities: strengthening SNA's relationship with and accountability to citizens, strengthening mechanisms to provide information to citizens, making use of information technology to disseminate information to citizens, and strengthening the mechanism for receiving requests and proposals from citizens. Figure 1 illustrates the three levels of SNA in Cambodia: (i) capital and provinces, (ii) districts, municipalities and *khans;* and (iii) communes and *sangkats.*
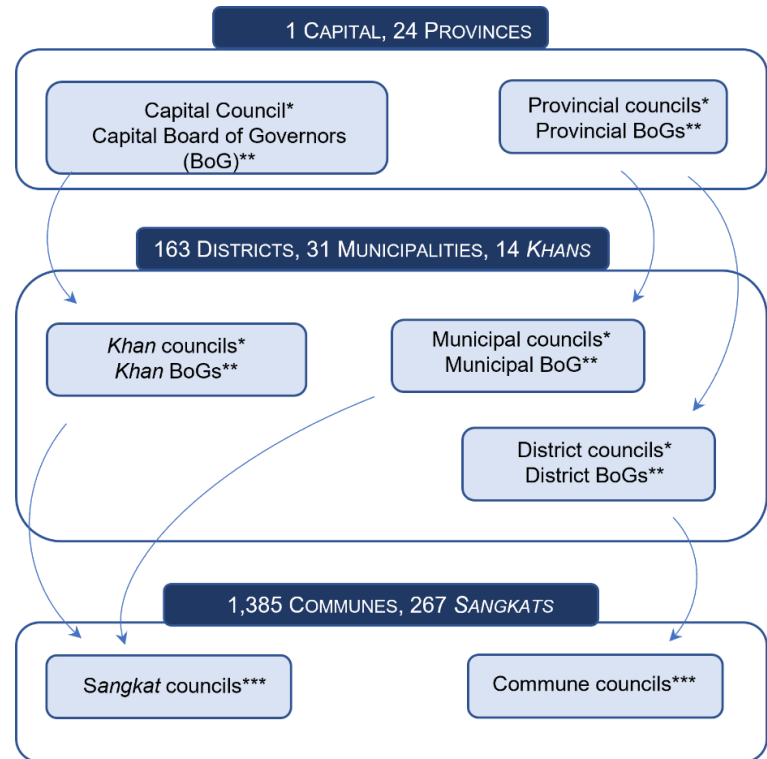
Figure 1. The three levels of subnational administration (SNA) in Cambodia

NOTES: * Indirectly elected by commune/*sangkat* councilors;
** Appointed by the RGC; *** Directly elected by the people.

8.   **Over the past 20 years, the World Bank (WB) has been supporting the development and strengthening of institutions and processes of local governance in Cambodia using a two-pronged approach, working on both the supply and the demand sides.** On the *supply side[8]* of governance, the Rural Investment and Local Governance Project (P071146), originally approved in 2003 with Additional Financing approved in 2007, provided investment and technical support to the budgetary and administrative framework of the then newly created commune/*sangkat* councils, including establishing and promoting participatory processes, such as participatory planning and information sessions that allow citizens to engage in and contribute to the development of the Commune Investment Program (CIP). CIPs are now the established annual process of the RGC for developing commune/*sangkat* budgets. The proposed operation will seek to further strengthen the participatory elements of CIP development, as described below.

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[8] Supply side of governance/social accountability refers to mechanisms put in place by government (e.g. political checks and balances, administrative rules and procedures, auditing requirements, etc.).

9.   On the *demand side*[9] of governance, the WB has financed interventions to enable civil society to hold public officials accountable for the performance of their duties. In 2006, the WB provided trust-funded support to the Program to Enhance Capacity in Social Accountability (PECSA) in Cambodia, which introduced and tested social accountability approaches that had been successful in other Asian countries. The program first organized social accountability schools and training programs that were available to a range of government and nonstate actors. PECSA then provided small grants to allow nonstate actors to test various social accountability tools, including village forums to share access to information; tools to monitor service provision, such as Community Scorecards and citizen report cards; and programs that allowed state and nonstate actors to implement development projects jointly. The approaches introduced under PECSA were expanded under the WB–funded Demand for Good Governance Project (DFGG) that was implemented from 2007 to 2011.

10.   **More recently, WB support to the RGC's governance reforms has evolved into the systematic inclusion of social accountability mechanisms in decision-making over and monitoring of public service provision at the local level.** Two ongoing projects are supporting the supply and demand side, respectively, with a focus on commune/*sangkat* administrative services, primary schools, and health centers. The proposed operation will continue this trend by expanding WB support to a wider geographic area and a wider range of public services, as outlined below.

11.   **Some of the key outcomes of the RGC's governance reforms to date include: (i) an increased emphasis accorded to social accountability by policy makers, (ii) strengthened government-civil society engagement, (iii) increased engagement between citizens and service providers at the local level, and (iv) incremental improvements in service delivery.** The inclusion of accountability of SNAs to citizens as an expected output of NP2, and the related priority activities, is evidence of the importance accorded to social accountability by policy makers at the central level. The recent mid-term review (MTR) for the two ongoing WB-supported operations supporting ISAF, *Integration of Social Accountability into National and Subnational Systems* (P173527) and *Engaging Citizens to Improve Service Delivery Through Social Accountability* (P176230), also collected substantial qualitative evidence of government ownership of ISAF at the provincial, district and commune/*sangkat* levels, including through financial commitments to the implementation of ISAF activities. In addition, a new Sub-Decree is being prepared between the Ministry of Interior (MoI) and the Ministry of Economy and Finance (MEF) that will require the allocation of a certain percentage of communes'/*sangkats'* budgets for social activities.

12.   The establishment of the ISAF Partnership Steering Committee (PSC) is one of the defining features of ISAF, and a model for collaboration and coordination among and between supply- and demand-side stakeholders. The PSC is composed of an equal number of government and civil society stakeholders, and provides a platform for the RGC and CSOs to make decisions and ensure joint oversight of the implementation of ISAF. The recent MTR also collected substantial anecdotal evidence of how the provision of information to citizens is creating a new dynamic and having an energizing effect on communities, encouraging citizens to provide feedback on the quality of services, facilitating dialogue between citizens and service providers on service performance, and leading to improvements in services as well as increased trust between citizens and service providers.

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[9] Demand side of governance/social accountability refers to the voice and capacity of citizens (especially poor citizens) to directly demand greater accountability and responsiveness from public officials and service providers.

13.   **The Bank-supported operations have faced a few challenges.** The measures in place to contain the COVID-19 pandemic, and commune/*sangkat* elections in June 2022 slowed down ISAF implementation. Additionally, delays in the first step of the annual social accountability cycle put in place by the projects (i.e., updating of information on service performance) have limited implementation of awareness activities and led to delays in the whole social accountability cycle in some communes/*sangkats*. These delays have constrained SNAs' ability to fund actions agreed between citizens and service providers under the Joint Accountability Actions Plans. The proposed operation will pilot measures to accelerate the process for updating service performance data annually, to ensure the alignment and integration of the social accountability cycle put in place by the project with the annual cycle for developing communes'/*sangkats'* budgets (i.e., the Commune Investment Programs). One expected outcome of the project is that the social accountability process becomes part of the regular local government procedures.

14.   **Lessons from project implementation to date include the relevance of widely disseminating the most basic information on rights and service standards to citizens and service providers.** The information provided to citizens, particularly on their rights and service standards, is new to many citizens, especially the poorest who tend to have less access to information. The current dissemination activities under the ongoing project are effective but costly. Going forward, the proposed project will explore options for disseminating information through digital channels with a lower cost and greater outreach. Another important lesson is the effectiveness of the bottom-up approach to formulating Joint Accountability Action Plans, which are discussed and agreed between citizens and service providers, and facilitated by Community Accountability Facilitators. By promoting citizens' participation in assessing and scoring the performance of service providers, the projects are empowering and improving the confidence of both citizens and service providers to engage with each other.

C. Higher Level Objectives to which the Project Contributes

15.   The Country Partnership Framework (CPF) for the Kingdom of Cambodia, 2019-2023, which was extended by one year to 2024 with the Performance and Learning Review of 2022, includes a cross-cutting theme on *strengthening governance, institutions and citizen engagement.* The CPF notes that the WB will continue to invest in social accountability in health, education, and commune administration services, while also expanding to include new public services such as district administration, water and sanitation, urban/municipal services and other areas of support, including through the World Bank's broader support for decentralization efforts. Two Recipient Executed Trust Funded (RETF) projects, the *Integration of Social Accountability into National and Subnational Systems* (P173527), which focuses on the supply side, and the *Engaging Citizens to Improve Service Delivery Through Social Accountability* (P172630), which focuses on the demand side, are instruments for achieving CPF Objective 2, *strengthen public sector accountability and public finance.* The proposed project would be a follow-on phase for the supply side project. An Additional Financing to the complementary demand-side project is being processed in parallel with approval expected in June 2023.

16.   Cambodia's *Rectangular Strategy for Growth, Employment, Equity and Efficiency: Building the Foundation Toward Realizing the Cambodia Vision 2050 Phase IV* (September 2018), also recognizes the importance of social accountability in strengthening transparency within public administration. Through

this fourth phase of the Rectangular Strategy, the RGC seeks to address the issue of efficiency in governance, by enhancing the quality of public services. One of the strategy's four objectives is to "further strengthen the capacity and governance of public institutions, both at national and subnational levels to ensure the effectiveness and efficiency of public services delivery," with the ultimate goal of better serving the people and improving business and investment environment. This project underpins this critical aspect of the strategy to achieve and accelerate governance reform, by strengthening accountability and integrity in public administration through the following: expanding public dissemination of public documents, encouraging citizen participation in developing and implementing activities, and strengthening public feedback and complaint mechanisms.

II. PROJECT DEVELOPMENT OBJECTIVES

A. PDO

17.   To improve the quality and responsiveness of public service provision through the strengthening and institutionalization of transparency and citizen engagement processes in selected subnational planning and service delivery systems.

B. Project Beneficiaries

18.   The primary beneficiaries of the project will be the citizens of the targeted coverage areas who stand to benefit from improved access to information and knowledge of public service delivery, an increased ability to influence the delivery of services, and eventually improvements in the quality of public services. As such, potentially all households in the targeted geographic area could benefit from the project. Secondary beneficiaries include national and subnational government officials who will have improved information to identify areas for improvement by service providers, and the service providers themselves who can seek to improve the quality of their services. Due to this project's focus on government systems, the benefits to government officials will be a key feature of the project's results framework.

C. PDO-Level Results Indicators

19.   The following indicators will be used to measure the achievement of the PDO:

a. Percentage of service providers covered by the project that are meeting key national standards.
b. Percentage of Joint Accountability Action Plan (JAAP) actions completed or ongoing in target communes/*sangkats.*
c. Percentage of target communes/*sangkats* that have completed three full annual ISAF cycles.

20.   Table 1 summarizes the key national standards that the target service providers should meet.

Table 1. Key national standards that target service providers should meet

Service provider	Key national standards
Communes/ *sangkats* administrations	1. Commune/*sangkat* councilors will host village meetings in every village 2. Commune/*sangkat* will hold 12 council meetings a year 3. Commune/*sangkat* will issue birth, death, and marriage certificates within three working days from the application to at least 80 percent of applications 4. Commune/*sangkat* will display publicly six types of information: the commune annual plan, commune's budget, project information, working hours, services provided, and fees charged 5. Commune/*sangkat* will establish and maintain committees to monitor the performance of the Commune/*Sangkat* Fund projects being implemented 6. Commune/*sangkat* will engage citizens to help improve accountability and responsiveness, including new information for citizens, citizens monitoring, and Joint Accountability Action Plan
Primary schools	1. School has one full-time teacher for every 45-50 students 2. Teachers teach for 211 days each year for all classes 3. School provides or lends three textbooks to all students in grades 1-3, and five textbooks to all students in grades 4-6 4. 90 percent of children aged six attend primary school 5. No more than 10 percent of students repeat the grade 6. 80 percent of children who start grade 1 go on to complete grade 6
Health centers	1. Health center has 8-11 staff on duty during working hours 2. Health center provides emergency services 24 hours/day 3. Health center receives 12 drug deliveries from the Operational District each year 4. At least 80 percent of pregnant women visit a health center at least four times during their pregnancy 5. At least 72 percent of all births take place at the health center 6. Children under the age of one year old received all their DPT3 vaccination, and 97 percent of children are immunized

III. PROJECT DESCRIPTION

21.   **The Social Accountability and Service Delivery Multi-Donor Trust Fund (SASD MDTF) administered by the WB, was established in 2019, with contributions from Switzerland and Germany, to provide ongoing support for the supply-side of social accountability.** It focuses on enabling national and subnational authorities to enhance transparency and to provide the information that citizens need to hold public service providers accountable, and to build the capacity and norms of government officials to respond to feedback and demands from citizens. The SASD MDTF also includes complementary support to strengthen the demand-side of social accountability, which aims to enable citizens to become more knowledgeable about public services and to engage more actively in demanding and contributing to improvements to such services. While the supply-side and demand-side activities are two parts of a whole, they are financed through separate RETF grants. This was designed as such so that the respective implementing agencies can act independently, when needed, as well as collaborate and partner on their own terms, as appropriate, to achieve their shared objectives.

22.   **The Australia-WB Partnership for Promoting Inclusion, Sustainability and Equality in Cambodia Single-Donor Trust Fund (SDTF, TF073629) will provide additional support to these efforts.** In April 2021, the WB signed an Administrative Agreement with the Department of Foreign Affairs and Trade (DFAT) of

Australia that will provide *inter alia* supplementary trust-funded support to both supply- and demand-side of social accountability activities. A total of AUD 15 million (equivalent to US$10 million) will be allocated to support the follow-on operations to the supply-side and demand-side projects, which will be implemented from 2023 through the end of 2025. The proposed project would therefore be a follow-on phase of the supply side activities implemented under the ongoing RETF- financed project *Integration of Social Accountability into National and Subnational Systems* (P173527). A separate, complementary RETF-financed project to be implemented by World Vision International – Cambodia is being prepared in parallel as additional financing to the ongoing *Engaging Citizens to Improve Service Delivery Through Social Accountability* (P172630) project. Implementation of the supply-side and demand-side activities are and will continue to be closely coordinated. Table 2 summarizes the key data on the complementary supply- and demand-side projects.

Table 2. Key Data on Complementary Supply- and Demand-side Projects

Ongoing projects	Implementing agencies	Closing date	Current amount *from SASD MDTF*	Proposed additional funding *from DFAT SDTF*	Closing date of proposed additional funding
Supply-side project: Integration of Social Accountability into National and Subnational Systems (P173527)	National Committee for Subnational Democratic Development Secretariat (NCDDS)	June 30, 2024	US$1.72 million	AUD 6.03 million (equivalent to US$4 million)	December 31, 2025
Demand-side project: Engaging Citizens to Improve Service Delivery Through Social Accountability (P172630)	World Vision International – Cambodia	June 30, 2024	US$5.95 million	AUD 9 million (equivalent to US$6 million)	December 31, 2025
Common objectives of additional financing projects:					

- Continue to encourage national and subnational authorities to engage with citizens and help them to provide information that citizens can use to hold public service providers accountable for service delivery.
- Continue to enable civil society actors to organize and demand better public services, build the capacity of citizens to understand the information provided, and build the understanding and capacity of service providers to respond to feedback from citizens.
- Further support the institutionalization of the related structures, systems and processes for improved transparency, strengthened citizen engagement, and responsive action, in line with priority activities under NP2.

23.   **The two ongoing operations have made significant contributions to social accountability in Cambodia.** Both projects are on track to meet the respective PDOs. As of the recent MTR mission held in November 2022, 72 percent of service providers covered by the projects were meeting key national standards (against the final target of 75 percent). As noted in the sector context, the MTR also collected substantial anecdotal evidence of: (i) government ownership of the process and activities implemented by the projects, including at the provincial, district and commune/*sangkat* levels; (ii) the new dynamic and

transformative impact that the provision of information and the citizen monitoring process is having on communities in terms of citizens voicing requests for service improvements, and the increased use of services; and (iii) increased trust between citizens and service providers, as reported by both parties. During the COVID-19 outbreak in 2022, the procedures for the citizen monitoring process were adapted to comply with the public health restrictions in place. This included the use of digital technology for sustaining monitoring activities by citizens (e.g., semi-digital scorecards, which proved to be an effective mechanism for scoring service performance). Other successful uses of technology included online meetings (e.g., interface meetings between citizens and service providers, Joint Accountability Action Plan (JAAP) Committee meetings).

24.   **The ongoing projects have also faced some challenges.** Delays in the updating of information on service performance have limited citizen awareness activities on open budget and performance. These delays have also affected the alignment of the processes put in place by the project (e.g., the development of JAAPs) and the process in place for developing the CIPs. As JAAPs have been developed later than planned in some communes/*sangkats*, they could not be integrated in communes'/*sangkats'* CIPs. This has constrained SNAs' ability to fund actions agreed in the JAAPs. Both these challenges will be remedied in the proposed operation, as outlined below.

25.   **The project coverage area will be expanded.** The project area will reach 866 communes/*sangkats* (almost twice the amount of the ongoing project), in 20 provinces (Table 3), including the 465 communes/*sangkats* covered by the ongoing project and an additional 401 communes/*sangkats*. The proposed project will thus extend project coverage to most of the territory, as it will cover 83 percent of Cambodia's 24 provinces, and over half of the approximately 1,652 communes/*sangkats.* The new communes/*sangkats* will be chosen based on the following criteria: areas where there has been a transfer to the SNAs of functional responsibilities (e.g. education, health, water and sanitation, administrative functions at the commune/*sangkat* or district/municipality level, etc.); areas where there is agreement between the supply- and demand-side stakeholders at the local level on allocating budgets for ISAF activities; areas that had implemented ISAF for a year or two with funding from other donors and that under this follow-on operation can reach three full cycles of ISAF; and areas where a network of Community Accountability Facilitators has been established, as this will greatly facilitate project implementation. In three quarters of the communes/*sangkats* the proposed project will work with all the selected services in the areas selected for project support, while in the remainder, it will support a limited number of selected services*.*

26.   **The proposed project will cover a wider range of public services.** The project will continue to focus on commune/*sangkat* councils, health centers and primary schools. In addition, it will also cover ID Poor services[10] at the commune/*sangkat* level, and selected services at district and municipality levels (i.e., One Window services). One other possible service provider may be included during implementation, after being appropriately vetted and agreed between supply- and demand-side implementing agencies and the World Bank.

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[10] ID Poor is a government support program that provides cash assistance to the neediest.

Table 3. Summary of Proposed Geographic Area and Service Coverage

Geographic area	Coverage under parent project	Additional coverage under proposed project (all selected services)	Total coverage with proposed project (all selected services)	Additional coverage under proposed project (only some of the selected services)	Total coverage with proposed project
Provinces	10	7	17	3	20
Districts/Municipalities	55	26	81	21	102
Communes/*Sangkats*	465	172	637	229	866
Service providers					
Commune/*Sangkat* Councils	465	172	637	229	866
Primary Schools	2036	958	2994	850	3844
Health Centers	372	149	521	179	700
District/Municipality Administrations	10	10	20	-	20

27.   **The proposed project will aim to consolidate the processes put in place under the ongoing operation, with a focus on ensuring the sustainability of those processes and activities beyond the WB financing.** This implies the adoption of the ISAF cycle activities into regular government procedures and budgets. For example, one of the critical elements in the ISAF cycle is the agreement between service providers (including the commune/*sangkat* administration) and citizens on annual JAAPs. To date, approximately 23 percent of JAAP actions requiring financial support have been allocated government resources. These values are low, due in part to the lack of alignment between the development of JAAPs and the cycle for developing CIPs, as noted above. Under the proposed project, NCDDS will pilot measures to accelerate the process for updating service performance data annually. These measures will enable the timely development of JAAPs, so they are aligned with and can become an integral part of the CIP cycle. The alignment of the JAAP cycle with the CIP cycle is critical to ensuring that actions agreed in JAAPs can be adequately funded.

28.   Another example is the *graduation approach* being implemented under the ongoing project. This approach consists of a progressively declining amount of support provided by the project to communes/*sangkat* councils for implementing the ISAF cycle, while the local councils start allocating their own funding to implement activities. Communes/*sangkats* that have had no previous experience with ISAF will receive the most support as they will need to start from the basic concepts and processes of ISAF. Communes/*sangkats* with previous ISAF experience will not need to receive support on the basics of ISAF, and many of them may also have experienced local NGOs and trained Community Accountability Facilitators (CAFs) to draw on, but they will still need support to prepare them to graduate from receiving project assistance. Under the demand-side project, a CAF network model is being tested, whereby CAFs elect leaders who receive training on leadership, and a series of topics related to project management. These CAF leaders then take on the leadership of ISAF activities (under World Vision's mentorship), replacing the role played by World Vision's field staff. In 2021, this approach was gradually applied in about 170 communes. Under the proposed project, this approach will be pursued further, especially in

the areas that have been benefiting from the ongoing project. Lastly, the proposed project will strengthen the functionality and further disseminate the ISAF app as a key tool for citizens to access data provide feedback on service provision.

29.   The proposed project will draw on lessons from implementation of the ongoing projects to: (a) enhance social inclusion, particularly through increased participation and influence of marginalized citizens (e.g., persons with disabilities, ethnic minorities, low income persons eligible for the ID Poor support program, etc.) in the social accountability process and ensuring that their feedback is provided as input to the local decision-making process; and (b) adapt project implementation arrangements and processes to be more resilient to operational limitations related to possible recurrence of pandemic outbreaks and associated social distancing measures in the project area. Marginalized groups face more challenges in participating in the social accountability process for various reasons: they tend to focus mostly on their daily income generation activities, which may affect their availability to participate; some live in remote areas, which affects their mobility; marginalized individuals also tend to feel powerless to influence the decision making process and rely on local leaders to voice issues and needs on their behalf. The project will strive to include these groups in the social accountability process through: (1) home visits, which allow a more open and meaningful discussion with CAFs, and in which citizens dare to speak more than in a big group; (2) conducting dedicated meetings for marginalized citizens for disseminating I4C and community scorecards; (3) conducting meetings in the evening, to allow those who are busy during the day to participate; and (4) supporting marginalized citizens' participation in the monthly meeting of the commune/*sangkat* council, health center management committee, and school support committee, by accompanying and encouraging them to voice their needs during the meetings. In addition, the proposed project will explore opportunities for integrating resilience to natural disasters and local climate action into the citizen monitoring process and JAAPs, as relevant to the services covered.

30.   As with the ongoing projects, the project structure is the same for both the supply-side and demand-side operations. The difference between the two projects are the specific responsibilities of the implementing agencies under each component. The description of project components below clarifies the responsibilities of NCDDS under this operation.

A. Project Components

Component 1. Transparency and Access to Information (US$1,218,824)[11]

31.   This component aims to strengthen the transparency of SNAs' decision making and performance, and their capacity to regularly provide information to citizens on public service performance, including on budget allocations and expenditures. The component also aims to strengthen citizens' ability to meaningfully access information on public services performance, and data on budgets and expenditures from selected public services at the communes/*sangkat* and district levels, including through the increased use of information technology (e.g. the ISAF app). The component will finance consultants, goods, training, and operating costs.

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[11] US$483,488 in the ongoing project.

32.   NCDDS will be responsible for supporting the concerned line ministries to make available up-to-date information on national service performance indicators for selected service areas (e.g., primary schools, health clinics, commune/*sangkat* administration), and to produce and disseminate related Information for Citizens (I4C) both in printed poster and electronic format. NCDDS will also work with participating SNAs and service providers to ensure the timely collection, posting (both in printed poster and electronic format) and dissemination of annual "post-on" information (i.e., annual updates on budget allocations and execution, and service performance vis-à-vis national service standards). As noted above, given existing bottlenecks in the process of updating service performance data, NCDDS will pilot measures to accelerate data collection, validation, and publication. Possible measures that are under consideration include transferring the full responsibility for entering service performance data in the ISAF database to the service providers (currently, ISAF focal points play a role in the verification and validation of data), continuing to provide capacity building and coaching to SNAs, and strengthening the monitoring of the process for updating data. The ultimate objective of the component is to support SNAs and service providers in developing or strengthening the capacity to eventually take on the production and dissemination of these materials as part of their regular responsibilities.

33.   The dissemination of I4C is the first step in the social accountability cycle put in place by the ongoing project and which will be continued under the proposed project; it is expected to take place from January to March each year. Dissemination of I4C enables citizens to participate in the citizen monitoring process under Component 2, by making an informed judgement of the quality of service provision. Dissemination of information on citizens' rights and service standards also empowers citizens to demand improved services, and that the actions agreed jointly with service providers be implemented under Component 3.

34.   This component will also support the continued development and implementation of the electronic platform for I4C, which includes the ISAF database and the ISAF mobile app, both of which will be strengthened. The ISAF database allows authorities at the district, provincial and national level to monitor and report on service performance data. The database is primarily intended for SNAs and service providers. The ISAF app is designed for public use, and allows citizens to view information on service performance. Under the proposed project, the functionality of the app will be strengthened (e.g., giving citizens the ability to provide feedback on services). The component will also support a Database Management Consultant.

Component 2. Citizen Monitoring (US$31,000)[12]

35.   This component aims to strengthen the mechanism for and the capacity of citizens to provide input and feedback on the quality of selected public services at selected commune/*sangkat* and district levels. The component will finance operating costs for: (a) citizens to monitor and assess the quality of public services and propose actions for improvement using a Community Scorecard methodology; (b) participating SNAs (commune/s*angkat* councils, district/municipality administrations) and other service providers (e.g. primary schools, health centers) to conduct self-assessment meetings; and (c) citizens and service provides to meaningfully participate in an interface meeting, collectively discuss the results from their separate assessments, and agree on a set of priority actions for improvement of the public service.

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[12] US$76,407 in the ongoing project.

In both the citizen/community meetings and the service provider meetings, participants collectively generate and prioritize assessment criteria, score each criterion, describe strengths and weaknesses, and identify priority actions for improvement. At the interface meeting a committee comprising local officials, service providers and community members is formed to formalize recommendations in a JAAP, distinguishing between those actions that they can implement themselves with available resources and those that will require additional resources and/or action on the part of other (e.g., external or higher level) stakeholders. The cycle leading up to the development of the JAAP will take place annually. CAFs play a key role in leading the citizen/community meetings and the interface meetings. They can also facilitate service providers' self-assessments, if needed. The ability of citizens to participate in this process greatly depends on the outreach and effectiveness of the dissemination of I4C under Component 1. The citizen monitoring process is expected to take place from April to July each year.

36.   World Vision will lead most of the activities under this component through the demand side project. NCDDS will play a complementary role, by ensuring: (a) coordination and facilitation of the participation of SNAs and service providers in the self-assessment meetings and interface meetings; and (b) liaison with SNAs and the relevant line ministries for the selected public services to facilitate the integration of the assessment process into the regular SNAs' and service providers' annual performance assessments and budget allocation processes. The amount allocated to the component reflects the experience of NCDDS playing this complementary role under the ongoing project.

Component 3. Implementation of Joint Accountability Action Plans (US$304,730)[13]

37.   This component aims to strengthen the SNAs' and service providers' pathways for receiving and responding to input and feedback from citizens. The component will finance training and operating costs for equipping the JAAP Committee to allow them to coordinate, monitor and report publicly and regularly on the implementation of the JAAPs. The JAAP Committee prepares a detailed implementation plan for each priority action, mobilizes the resources required, coordinates/supports the implementation of each action, monitors progress and reports publicly on results twice yearly. The committee also ensures that the JAAP is presented at the annual District Integration Workshop (DIW). The DIW is a long-standing RGC forum with broad-based participation that helps to direct available financing from various government and non-government sources to the expressed needs of communities.

38.   As the actions in JAAPs result from the citizen monitoring process, and from the joint identification between citizens and service providers of priority actions for service improvements, the implementation of JAAPs is expected to result in greater citizen satisfaction with service provision and providers responsiveness, greater citizen use/demand for services, and increased citizen trust in SNAs and local service providers. Component 3 activities are expected to take place from August to December each year. The completion of the full social accountability cycle, which is expected to take place annually, is monitored by the intermediate results indicator *percentage of target communes/sangkats that have completed the full annual ISAF process in the previous calendar year.*

39.   For this component, NCDDS will be responsible for: (a) providing training to district JAAP focal persons; (b) overseeing cascading training by district JAAP focal persons to commune/*sangkat*-level JAAP

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[13] US$119,889 in the ongoing project.

Committee members; and (c) coordinating and facilitating the participation of line ministries, SNAs and service providers in the monitoring and reporting on JAAP implementation.

Component 4. Capacity Development (US$1,195,916)[14]

40.   This component aims to institutionalize, within SNAs and local service providers, the social accountability practices put in place by ISAF of transparency and access to information (i.e. annual publications of budget allocation and execution, and service performance vis-à-vis standards), citizen engagement in monitoring service performance (e.g. through the Community Scorecard methodology), and SNAs' and service providers' responsiveness to citizens' input and feedback (i.e. their self-assessment of performance, funding and implementation of JAAPs, and reporting on JAAP implementation). The ultimate objective of the component is to ensure the broader applicability and sustainability of these practices, beyond the WB financing. To this end, the component will distill lessons on effective social accountability mechanisms based on the experience from ISAF I and II, and support measures to institutionalize the supply-side social accountability mechanisms into SNA processes. Component 4 will aim to achieve this through building the capacity of SNAs and JAAP Committee members on the ISAF process and specific activities in the process, JAAP Committees' role in the ISFA process, the project's social inclusion approach, financial management, etc. It is expected that the capacity developed at the local level will facilitate actions needed to ensure the sustainability of project activities, such as the alignment in the implementation of the JAAP and CIP cycles, the application of the ISAF cycle to One Window services, the budgeting of ISAF activities by SNAs, etc.

41.   In line with NP2, NCDDS will: (a) review and assess mechanisms under SNAs' existing functions and processes, and those put in place in selected SNAs under ISAF, related to providing information to citizens (including through information technology such as the ISAF app), and receiving and responding to input and feedback from citizens, to identify opportunities to strengthen these mechanisms. Based on this assessment, NCDDS will develop and implement an action plan to formalize and codify these mechanisms in SNAs' regular activities. The project will seek to achieve this through training and capacity building activities, as well as reflection workshops at the DMK and provincial levels. This component will support the further development, review and revision of a standardized supply-side social accountability training curriculum targeted at key stakeholders in the MoI, including the MoI's School of Governance, Training Department, and the National School of Local Administration (NASLA), and an accreditation process for government staff who have completed the training. One expected outcome of the project is that an ISAF module be included in NASLA's training curriculum, so that NASLA can take over the trainings currently provided by NCDDS to SNAs. The topic of resilience to disasters and local climate action may be included in the training curriculum. The component will finance a Social Accountability Consultant.

42.   Component 4 activities are aimed to ensure that SNAs at the commune/*sangkat* and district/ municipality/ *khan* levels, as well as service providers will have the capacity to continue implementing the ISAF process beyond project financing. By building the capacity of SNAs on the ISAF process, and especially on the completion, collection, entry and dissemination of I4C data, SNAs will be able to continue the transparency and access to information activities under Component 1. By training JAAP Committee members on their role in the ISAF process, they will be better able to sustain the process in place to

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[14] US$421,881 in the ongoing project.

develop, implement, and report on the implementation of priority actions, as implemented under components 2 and 3.

43.   This component will also support the development of new guidelines for potential new services to be covered by ISAF, including possibly district administration services and other potential new service providers.

Component 5. National and Subnational Coordination and Support (US$1,249,530)[15]

44.   This component aims to support project coordination and management activities. It will finance two civil servants working at NCDDS who will provide national leadership for the project; as well as operational costs, such as office space, utilities, and travel, including monitoring and evaluation. The component will also finance a small team of consultants, including an ISAF Senior National Operations Consultant, and Financial Management Consultant. Modest support will also be provided to provincial and district level ISAF Working Groups to prepare annual workplans and budgets, and quarterly meetings. In addition, the component will support the meetings and field visits of the joint government-civil society national-level Partnership Steering Committee (PSC).

B. Project Cost and Financing

45.   The proposed project will be financed by the Australia-WB Partnership for Promoting Inclusion, Sustainability and Equality in Cambodia SDTF (TF073629). The table below presents the project costs by component in USD. RGC financing is provided as staff costs financed by NCDDS.

Project Components	Project cost	Trust Funds	Counterpart Funding
Component 1: Transparency and Access to Information	1,218,824	1,218,824	0
Component 2: Citizen Monitoring	31,000	31,000	0
Component 3: Implementation of Joint Accountability Action Plans	304,730	304,730	0
Component 4: Capacity Development	1,195,916	1,195,916	0
Component 5: National and Subnational Coordination and Support	1,688,820	1,249,530	439,290

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[15] US$618,375 in the ongoing project.

Total Costs	4,439,290	4,000,000	439,290
Total Project Costs	4,439,290	4,000,000	439,290
Total Financing Required	4,439,290	4,000,000	439,290

IV. IMPLEMENTATION

A. Institutional and Implementation Arrangements

46.   The main implementing agency for this project will be the National Committee for Subnational Democratic Development Secretariat (NCDDS), which is housed in the MoI. The National Committee for Democratic Development (NCDD) is an inter-ministerial mechanism established under the Law on Administrative Management of the Capital, Provinces, District, Municipality, and *Khan* (2008) as the body charged with strategic direction and coordination of Subnational Democratic Development reforms. NCDDS, the Secretariat to the NCDD, facilitates, coordinates, and directly implements activities under the reform program, including facilitating the implementation of the national program on decentralization and de-concentration, and other related policies initiated by the NCDD.

47.   Under the proposed project, NCDDS will be responsible for project management and implementation, including procurement, financial management, and social and environmental risk management. NCDDS will also support project implementation at subnational levels, working through provincial and district-level ISAF Working Groups (usually chaired by a Deputy Governor) and district administrations, and commune/*sangkat* councils.

48.   NCDDS will also coordinate closely with World Vision International, the lead agency for the complementary demand-side project. This will include a recommitment to the memorandum of understanding (MoU) signed between the two organizations for the ongoing projects. The MoU commits both agencies to the same project coverage area, and to regular information sharing, periodic meetings and interactions to allow for the smooth and coordinated implementation of supply-side and demand-side social accountability activities. The key roles and responsibilities of the supply- and demand-side implementing agencies are summarized in Table 4. In addition, a multi-stakeholder PSC comprised of half government and half civil society members will continue to serve as a forum for dialogue and coordination between government and civil society on the implementation of social accountability activities.

Table 4. Key Roles and Responsibilities of the Supply- and Demand-side Implementing Agencies

Components	Roles and responsibilities of the supply-side implementing agency (NCDDS)	Roles and responsibilities of the demand-side implementing agency (WVI)
Component 1: Transparency and Access to Information	• Conduct consultative meetings with relevant ministries and ISAF implementation partners to update service performance indicators in I4C posters, data collection forms and post-ons	• Conduct meetings with CAFs to prepare I4C awareness raising activities • Support CAFs in: conducting participatory community meetings to raise awareness among citizens of I4C materials (e.g. citizens' rights to

Components	Roles and responsibilities of the supply-side implementing agency (NCDDS)	Roles and responsibilities of the demand-side implementing agency (WVI)
	- Review and update I4C posters - Support SNAs in providing and disseminating I4C posters - Update and upgrade ISAF database and mobile app - Conduct trainings for SNAs and service providers on how I4C materials are to be produced, disseminated/displayed and used in the ISAF process - Monitor and provide technical support to SNAs on data entry - Develop and update communication tools for wide dissemination of ISAF, including on aspects related to gender and social inclusion	public services, service standards, and budget and performance data); hosting I4C mobile kiosks in communities to provide easy access to information for all households; linking citizens, especially vulnerable groups to the meetings of commune/*sangkat* councilors, Health Center management Committee, School Support Committee; and conducting home visits to vulnerable families to enhance their knowledge and utilization of information. Provide feedback on the revision of I4C materials
Component 2: Citizen Monitoring	- Provide guidance to SNAs on their roles in self-assessment and interface meetings, including through conducting trainings for SNAs on ISAF - Provide support to service providers to conduct self-assessments - Coordinate and support national and subnational administrations' participation in citizen monitoring process - Support and coordinate participation of SNAs in JAAPs' development	- Support NGO partners to empower citizens in using an adapted Community Scorecard (CSC) - Support CAFs in: undertaking the groundwork for the citizen monitoring process; conducting inception meetings with key stakeholder in target communes/*sangkats* on the CSC process, and conducting community scorecards with citizens and students; conducting self-assessment meetings with service providers; and conducting interface meetings with stakeholders at commune/*sangkat* level to develop JAAPs - Support CAFs in assisting service providers to conduct self-assessments
Component 3: Implementation of JAAPs	- Issue letter on JAAP integration into CIP - Provide guidance to the regular JAAP Committee meetings - Provide guidance on SNAs and service providers on entering JAAP information into the ISAF database - Monitor and support JAAP implementation. - Work with line ministries to ensure JAAP implementation, as there are some actions that need intervention from national level authorities - Mobilize financial support for JAAP implementation	Support JAAP Committees (especially CAFs and citizens) in working with communities, public service providers and SNA officials to take collective action to implement agreed JAAPs, including through organizing the JAAP integration meeting within the CIP development process, and through participating in the District Integration Workshop to secure financial support for JAAP implementation
Component 4: Training and Capacity	Conduct trainings on ISAF at commune/*sangkat* and district/municipality/*khan* level	Conclude the development of the ISAF Demand-side Training Guidelines for districts/municipalities/*khans*

Components	Roles and responsibilities of the supply-side implementing agency (NCDDS)	Roles and responsibilities of the demand-side implementing agency (WVI)
Development	• Conduct trainings on JAAP Committees' roles and responsibilities • Conduct trainings on social inclusion and the project's Environmental and Social Commitment Plan • Conduct trainings on financial management to provincial and district focal persons • Monitor and provide technical support to SNAs on ISAF.	• Support the development and dissemination of new demand-side guidelines as needed • Conduct 4-day trainings on "ISAF introduction and I4C" for newly recruited CAFs; 3-day trainings on "Citizen monitoring" for CAFs (and selected service providers in each district); and 3-day trainings on "Supporting collective Action for change" for CAFs (and selected service providers) • Conduct CAF coaching quarterly meetings • Conduct semi-annual feedback and learning forums with demand-side and supply-side at district level

B. Results Monitoring and Evaluation

49.   The Results Framework (RF) for the proposed project is an updated version of the RF of the ongoing project. Some indicators have been strengthened and some targets have been updated. The RF takes stock of ISAF II achievements and lessons from implementation. It shows that the overall results at the PDO level are best pursued on the demand-side, while other results are best pursued on the supply-side. As under ISAF II, NCDDS will continue managing the ISAF database, Management Information System (MIS) and ISAF mobile app platform, while World Vision International and other NGO partners will channel data into these systems from civil society activities (i.e., scorecard results and JAAPs), and collect and manage their own data that is related solely to demand-side activities such as knowledge test scores for I4C events, CAF accreditation data, etc. The current ISAF MIS is functional and will be upgraded with a recovery data function and storage.

50.   The project will continue making information on public service delivery and the use of public resources accessible to the public. There will be a strong focus in all activities to make any ISAF-related information available in a timely fashion and in formats that are accessible to a wide range of audiences, including indigenous/ethnic groups, people with disabilities, illiterate or semi-literate people and other groups that face obstacles in accessing information.

51.   The NCDDS monitoring and evaluation (M&E) system builds on the experience of ISAF II M&E implementation. As such, the M&E plan will be further refined to become a detailed M&E toolkit with enhanced data collection tools. The collaboration with World Vision on M&E will also be enhanced as it will contribute to the increased capacity of NCDDS and the sustainability of the M&E system. In addition, the process and frequency of data auditing will be reviewed to enhance the quality of data. With the project extension to seven new provinces, the project will conduct significant capacity building on M&E. A qualitative evaluation of the three pilot provinces implementing ISAF from their own resources will also be conducted to assess the sustainability of ISAF processes and impacts. This evaluation will help draw lessons learned and inform the implementation of the proposed project. The project will also plan for an independent endline evaluation.

C. Sustainability

52.   The goal by the end of ISAF II is to institutionalize systems, within government and civil society, to ensure that both supply-side and demand-side social accountability activities can be sustained in the long term with minimal external financial support. The proposed project will therefore seek to consolidate the processes put in place under the ongoing operation. This implies the adoption of the ISAF cycle activities into regular government processes, and SNAs' budgets. This goal will be pursued through, for example, encouraging primary schools and health centers to finance I4C materials, and encouraging commune/*sangkat* councils to support the facilitation of Community Scorecards, and JAAPs' preparation and implementation. Another example is the *graduation approach,* which consists of a progressively declining amount of support provided by the project to commune/*sangkat* councils for implementing the ISAF cycle, while the local councils start allocating their own funding to implement activities. This graduation approach, which is being tested under the ongoing project, will be expanded further, especially in the areas that have been benefiting from the ongoing project. In addition, the project will also ensure alignment of the JAAP cycle with the CIP cycle, to ensure that actions agreed in JAAPs are adequately funded.

V. KEY RISKS

A. Overall Risk Rating and Explanation of Key Risks

53.   The Overall project risk is rated moderate. With seven years of experience in implementing the ISAF approach, the technical, implementation and fiduciary capacity requirements are well established. Expansion into new geographic areas will present additional risks, which are manageable if the expansion is well planned and undertaken deliberately.

54.   Political and Governance risks are substantial given the upcoming general elections in July 2023, as the proposed project would be affected by any changes in subnational government, including any related decentralization reforms that would change the responsibilities and/or financing of subnational authorities. As NCDDS would be closely involved in the formulation and implementation of any subnational reforms, the impacts of such reforms could be mitigated by direct actions from NCDDS and/or coordination with relevant line ministries and civil society organizations.

55.   Risks related to Sector Strategies and Policies are substantial. As the proposed project is operating within the governance sector, the risks for sector strategies and policies are similar to the political and governance risk category. As noted above, NCDDS's engagement in the formulation of subnational reforms enable it to take actions and/or coordinate with relevant line ministries to mitigate the impacts of such reforms.

56.   Institutional Capacity and Sustainability risks are substantial. The institutional capacity risk for NCDDS is low since it has prior experience with the proposed activities, but the capacity of SNAs and service providers is uneven. Moreover, the sustainability risks are substantial, as the most challenging aspect of the proposed project will be the integration of social accountability activities into government systems to ensure their sustainable application over time. Even though social accountability is highlighted

in the recently approved NP2, social accountability activities require decentralized financing, which is scarce and faces many competing demands, as well as commitment from a broader range of stakeholders that is largely out of the control of NCDDS. To mitigate the risks related to sustainability, NCDDS will pilot measures to accelerate the updating of service performance data. This will enable the timely development of JAAPs, in line with the development of the CIPs, so that JAAP actions can be integrated in and funded through CIPs. To mitigate the risks related to institutional capacity, NCDDS will continue building the capacity of SNAs and JAAP Committee members to facilitate the actions needed to ensure the sustainability of project activities, such as the alignment of the JAAP and CIP cycles.

57.   Stakeholder risks are substantial. There are several line ministries, subnational government layers and administrations, as well as a range of civil society actors directly involved in project implementation. As such, there is a risk that any of these stakeholders could face challenges in implementation and choose not to participate or do so ineffectively. The national PSC will be the main mechanism for managing national-level risk, and the provincial and district ISAF Working Groups will be the means of managing stakeholder risk at their respective levels.

VI. APPRAISAL SUMMARY

58.   **Technical Summary.** The technical design of ISAF activities has been tested and refined over the course of the eight-year implementation of ISAF I and II. There are both Demand-side and Supply-side Manuals as well as Training Guidelines that specify the activities to be undertaken in the annual ISAF cycle and provide practical tools for implementation. This same set of documents that has been guiding implementation of the ongoing project, and which have been updated to reflect lessons from implementation, will continue to be used under the proposed project. In addition, NCDDS, in collaboration with World Vision and other civil society partners, has also developed operational guidelines for ISAF implementation at the level of communes/*sangkats* as well as districts, municipalities and *khans,*[16] to pave the way for the operational sustainability of ISAF.

59.   **Economic Analysis.** The economic benefits of social accountability come about by improving local basic service performance and making communes'/*sangkats'* resource allocation more efficient. The actions taken by service providers such as schools, for example, to improve the quality of services can produce positive impacts on school outcomes such as lower repetition, higher enrollment rates, better long-term cognitive development, and greater schooling attainment. Improved educational attainment, improved health outcomes, or improved access to services due to improvements in service provision and resource allocation are expected to support a reduction in socioeconomic inequality.

60.   An impact evaluation of ISAF I[17] was conducted in 2019 based on a multiyear randomized controlled trial that comprised a baseline survey in 2017 and an endline survey in 2019. The evaluation showed that the main program effects at the time were found in transparency in access to information, and use and performance of health centers, followed by some improvements in school facilities. ISAF had

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[16] *Khans* are the urban equivalent of rural municipalities.
[17] *Impact Evaluation of Cambodia's Implementation of Social Accountability Framework,* World Bank, September 20, 2020 (https://documents1.worldbank.org/curated/en/160501602104569616/pdf/Impact-Evaluation-of-Cambodias-Implementation-of-the-Social-Accountability-Framework.pdf)

important effects on quality of health center services. ISAF interventions reduced the incidence of payments for prescribed medicine by 25 percentage points. Health centers overall were more transparent, being 24 percentage points more likely to post their budgets. ISAF caused a 7-percentage point increase in the proportion of villagers who received a clear explanation of their condition, a 10-percentage point increase in the willingness of villagers to seek treatment at health centers, a 4-percentage point reduction in the proportion of villagers who experienced rude staff, and a 6-percentage point reduction in the proportion of villagers who perceived that they had to wait before treatment. Citizens in ISAF treatment districts were 20 percentage points more likely to go to a health center than in districts not covered by ISAF. ISAF had a mixed effect on quality of services provided in primary schools: it increased transparency, with schools being 13 percentage points more likely to post budgets. It also improved some school facilities, with schools in areas covered by ISAF being 19 percentage points more likely to have hand-washing facilities in the classroom. A random photo audit conducted as part of the evaluation showed a 23 percent increase in separate bathrooms for boys and girls in areas covered by ISAF as compared to control areas. On the other hand, the evaluation did not find effects in improved service performance (e.g., teacher absences, or timely delivery of textbooks). Under the proposed AF operation, qualitative evaluations will be carried out of the socioeconomic benefits brought about by the project. Annex 2 provides another example of the benefits of social accountability processes in the education sector, particularly when they rely on community facilitators.

61.   **Financial Management.** The Financial Management (FM) assessment for the proposed additional grant (project) was initiated in April 2022 and completed in June 2022 according to the WB's Guidance Note on Small Recipient-Executed Trust Fund Grants (2017), and the WB's Policy and Directive on Trust Funds. The FM assessment was updated in June 2022 based on the additional grant of AUD 6.03 million (equivalent to US$4 million) that will be provided by DFAT to finance this proposed project. The additional grant will be provided to the National Committee for Subnational Democratic Development Secretariat (NCDDS), which is currently implementing the ongoing project (P173527, Integration of Social Accountability into National and Subnational Systems, RETF Number TF0B2195). As a result of this assessment and following the WB's implementation support missions and the recent MTR in November 2022, the FM risk is rated as Moderate after incorporating the FM mitigation measures/ action plan summarized in Table 5 (Annex 1).

62.   The proposed project will be financed through a grant of AUD 6.03 million (equivalent to US$4 million) from DFAT, in parallel   to the existing project that is funded through a grant of US$1.72 million from the SASD MDTF. The two projects will be closely coordinated and technically function as one project, with a consolidated Annual Work Program and Budget (AWPB). The additional grant will finance project costs including goods, non-consulting services, consulting services, training and operating costs, and may scale-up project activities in existing and new target areas.

63.   The project FM entity, accounting software, disbursement method (including advance), funds flow modality, and financial reporting and auditing requirements will remain the same in the proposed project as in the ongoing project. At the central level the project FM will be managed by the NCDDS, which has experience managing donor financed projects, including those funded by the WB. The project funds will be accounted for in the Sage 50 (computerized accounting software). Upon project effectiveness, a Separate Designated Account (DA) will be opened at National Bank of Cambodia (NBC) in US dollar currency for the proposed project to receive grant funds from the WB. Reports on liquidation from DA

should be supported by statements of expenditures (SOEs) as outlined in the additional instructions of the Disbursement and Financial Information Letter. At subnational levels, implementation at the provincial level will be managed by the Provincial Working Group (PWG). In provinces already supported by the ongoing project, PWGs will use the existing subproject advance bank accounts to receive project funds from NCDDS. In new provinces to be covered by the proposed project, PWGs will open new subproject advance bank accounts to receive project funds from NCDDS. The funds flow modality set up for the existing project (TF0B2195) will also be used for the proposed project by NCDDS, PWGs and District/Municipality/*Khans* (DMKs).

64.   NCDDS is required to submit six-month interim (unaudited) financial reports (IFRs) to the WB no later than 45 days after the end of each calendar semester. The project's financial statements will be audited annually by a private audit company acceptable to the WB. Each audit will cover one calendar year and the audit report for each year shall be submitted to the WB not later than six months after the end of each calendar year.

65.   **Disbursements.** As mentioned above, upon project effectiveness, a separate DA will be opened at the NBC (in US dollar currency), through which the project can request an initial advance. Advances will have a variable ceiling based on a six-month cash forecast, to be submitted to the World Bank for approval. The common method for disbursement of funds is "Advance" (through liquidation of DA). The disbursement category (one category) for the project can finance 100 percent of eligible expenditures, which consists of goods, non-consulting services, consulting services, training and workshops, and operating costs inclusive of taxes.

66.   The project will follow the WB Disbursement Handbook for the Borrowers, April 2017, and Disbursement Guidelines for Investment Project Financing, February 2017 which is available in the Client Connection website. The project is expected to have several small contracts spread across goods and services; thus, the minimum value of Withdrawal Applications (WA) is US$100,000 equivalent for each direct payment and reimbursement request.

67.   The Project Implementation Manual (PIM) for the ongoing project will be updated for the proposed additional grant and submitted to the WB for no objection.

68.   **Procurement.** Procurement under the proposed project will be carried out in accordance with WB Procurement Regulations for IPF Borrowers Fourth Edition, November 2020. The approaches to national markets (National Procurement, and Request for Quotations) will be carried out in accordance with the Kingdom of Cambodia's Updated Standard Operating Procedures and Procurement Manual for All Externally Financed Projects/Programs, promulgated through Sub-decree dated December 2019, which was issued pursuant to Article 3 of the Kingdom of Cambodia's Law on Public Procurement dated January 14, 2012, subject to the additional provisions included in the National Competitive Bidding annex in the Procurement Plan and the provisions stipulated in the Grant Agreement.

69.   NCDDS, as the project's implementing agency, will be responsible for all procurement under the project. NCDDS will be responsible to prepare and submit for the WB's no objection and clearance a consolidate procurement plan covering all the procurement under the existing project and the proposed project. The Systematic Tracking of Exchanges in Procurement (STEP), which is a web-based tool for

procurement planning and tracking, streamlining, automation, monitoring and reporting, will be used for this project.

70.   Based on the results of the procurement assessment undertaken in May 2022 as well as the procurement post review done under the existing project, the overall procurement risk of the proposed project is moderate. The identified risks and related mitigation measures are summarized in Table 5.

Table 5. Procurement Risks and Mitigation Measures

Procurement Risks	Mitigation Measures
1. Limited knowledge and experience of NCDDS's assigned procurement officer with WB Procurement Regulations for procurement of consulting firms that may cause procurement implementation delays and non-compliance.	1. The WB will provide procurement training to NCDDS's procurement officer, including in-depth procurement training during project implementation.
2. Possible delay in internal clearance of Bid Evaluation Committee / Consultant Evaluation Committee / Procurement Review Committee.	2. NCDDS will assign one focal person for implementation of STEP and monitoring the procurement tracking form. 3. NCDDS will put in place an effective procurement monitoring system to ensure an effective internal procurement review process through sufficient delegation of authority to the members of all procurement committees and in compliance with the internally agreed service standard.
3. Governance risks associated with conflict of interest, fraud and corruption, which may adversely affect the efficiency and effectiveness of project implementation.	4. NCDDS will enhance the disclosure of procurement information, including publication of the annual procurement plan and the summary of the contract award information for all procurement packages on the project website and in newspapers every six months. 5. 5. Require the Project's procurement staff and evaluation committee involved in the procurement process to declare their potential conflict of interest and sign a Statement of Ethical Conduct and Fraud and Corruption before carrying out their work. 6. NCDDS will effectively enforce the implementation of the existing procurement complaint-handling mechanism and conduct due diligence during procurement and contract management process.

A. Legal Operational Policies

	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

B. Environmental and Social

71.   This ensuing project is following on from the current phase of support for the supply side activities of social accountability currently implemented under an RETF-supported project, Integration of Social Accountability into National and Subnational Systems (P173527). This supplemental financing will: (a) continue to encourage national and subnational authorities to engage with citizens and enable them to provide information that citizens can use to hold public service providers accountable for service delivery, as well as to build the understanding and capacity of service providers to respond to feedback from citizens; and (b) further support the institutionalization of the related structures, systems and processes for improved transparency, strengthened citizens engagement and responsive action in line with related priority activities under the National Program on Subnational Democratic Development Phase 2 (2021-2030) (NP2). There is no anticipated environmental and social risks on people or environment. Some minor social risks are anticipated, which can be managed through the ESCP.

72.   As with the ongoing project, no adverse social and environmental risks are anticipated as a result of the proposed project. Give that the project's focus is on social accountability, and more specifically aims to build a sustainable mechanism for feedback on the quality of services, several social benefits are anticipated, including improved transparency, strengthened citizen engagement and responsive action on the part of participating service providers. The project aims to empower all citizens, but especially those who tend to be excluded from discussions about public services such as indigenous groups, poor households, youth, women and people with disabilities.

73.   NCDDS has past and present experience as an implementing agency for WB-financed projects, and has personnel who have been trained in WB safeguard policies and instruments as well as the Environment and Social Framework (ESF). As such, NCDDS has developed and effectively implemented WB approved social and environmental safeguards instruments.

74.   The project will not finance any infrastructure and/or technical assistance that could result in adverse environmental or social impacts. Therefore, the project's environmental and social risk is classified as low.

75.   Four of the Environmental and Social Standards (ESSs) are considered relevant. These are: ESS1 – Assessment and Management of Environmental and Social Risks and Impacts; ESS2 – Labor and Working Conditions; ESS7 – Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities; and ESS10 Stakeholder Engagement and Information Disclosure.

76.   An Environmental and Social Commitment Plan (ESCP) was developed for the ongoing project in line with the requirements of the ESF. That ESCP has been updated and will also serve as the ESCP for the proposed project. No other specific environmental and/or social instruments are required or will be developed for the proposed project. Under the ongoing project, the performance of environmental and social risk management has been rated as satisfactory to date and a grievance redress mechanism (GRM) has been developed to ensure that all concerns from project and community workers are addressed in a timely manner and properly recorded. The GRM will also apply to the proposed project.

77.   The concept stage Environmental and Social Risk Summary (ESRS) was publicly disclosed on June 5, 2022. The updated ESCP was disclosed on March 2, 2023.

VII.   World Bank Grievance Redress

78.   *Grievance Redress.* Communities and individuals who believe that they are adversely affected by a project supported by the World Bank may submit complaints to existing project-level grievance mechanisms or the Bank's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the Bank's independent Accountability Mechanism (AM). The AM houses the Inspection Panel, which determines whether harm occurred, or could occur, as a result of Bank non-compliance with its policies and procedures, and the Dispute Resolution Service, which provides communities and borrowers with the opportunity to address complaints through dispute resolution. Complaints may be submitted to the AM at any time after concerns have been brought directly to the attention of Bank Management and after Management has been given an opportunity to respond. For information on how to submit complaints to the Bank's Grievance Redress Service (GRS), please visit http://www.worldbank.org/GRS. For information on how to submit complaints to the Bank's Accountability Mechanism, please visit https://accountability.worldbank.org.

VII. RESULTS FRAMEWORK AND MONITORING

Results Framework

COUNTRY : Cambodia

Integration of Social Accountability into National and Subnational Systems Phase II

Project Development Objectives

To improve the quality and responsiveness of public service provision through the strengthening and institutionalization of transparency and citizen engagement processes in selected subnational planning and service delivery systems.

Project Development Objective Indicators

Indicator Name	Corporate	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
Name: Percentage of service providers covered by the project that are meeting key national standards (disaggregated by health, education, and communes' service providers)		Percentage	50.00	80.00	Annually	NCDDS Database	NCDDS

Description: The methodology to monitor this indicator is the following:
1)   Health service providers are defined as meeting key national standards when they meet 4 out of the 6 key national standards for health services.

Indicator Name	Corporate	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
2) Education service providers are defined as meeting key national standards when they meet 4 out of the 6 key national standards for health services. 3) Communes' service providers are defined as meeting key national standards when they are meeting 4 out of the 6 key national standards for communal services.							
Name: Percentage of Joint Accountability Action Plan (JAAP) actions completed or ongoing in target communes/sangkats		Percentage	46.00	70.00	Annually	JAAP Committee reports	JAAP Committees and NCDDS
Description: Percentage of all of the JAAP actions adopted in relation to target service providers (primary schools, health centers, communes/sangkats) that are (being) implemented (completed or ongoing) at the time of reporting. Numerator = Number of JAAP actions that are (being) implemented (completed and ongoing). Denominator = Total number of agreed JAAP actions Disaggregated by type of service.							
Name: Percentage of target communes/sangkats that have completed three full annual ISAF cycles		Percentage	56.00	70.00	Annually	NCDDS database	NCDDS
Description: Percentage of communes/sangkats supported by the project in which all service providers (primary schools, health centers, communes/sangkats) operating in its territory have completed all steps of the ISAF process (I4C dissemination, citizen monitoring process, JAAP creation, and JAAP Committee formation) for three annual cycles. Numerator = # of communes/sangkats participating in the project that have completed 3 full annual ISAF cycles. Denominator = # of communes/sangkats participating in the project that are able to complete 3 full annual ISAF cycles within the project timeframe. This indicator can only be measured once 3 cycles are completed (it takes 3 years to be able to measure this indicator).							

Intermediate Results Indicators

Indicator Name	Corporate	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
Name: 1.1. Percentage of target service providers in urban areas (primary schools, health centers, and sangkats) that enter ISAF data by themselves		Percentage	32.00	60.00	Annually	Subnational administrations (SNAs) reports	SNAs and NCDDS
Description: Percentage of target service providers (primary schools, health centers and communes/sangkats) in urban areas covered by the project that enter facility-specific performance and budget data by themselves.							
Name: 1.2. Total number of clicks received on target service providers in ISAF database and mobile app		Number	316.00	2,500.00	Annually	Database/Mobile App	NCDDS
Description: Number of clicks received on target service providers database and mobile app to access post-on information of each service provider (cumulative).							
Name: 2.1. Percentage of target service providers that conduct self-assessments by themselves		Percentage	50.00	80.00	Annually	SNA Reports	SNAs and NCDDS. World Vision International (the implementing agency for the complementary demand-side project) will provide reports to NCDDS

Indicator Name	Corporate	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
							on data collection results.

Description: Percentage of service providers (primary schools, health centers and communes/sangkats) covered by the project that conducted self-assessment by themselves (with external assistance) in the previous annual ISAF cycle.

Indicator Name	Corporate	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
Name: 2.2. Percentage of officials and service providers in target communes who agree that the JAAP satisfactorily captures priority actions to improve local service delivery		Percentage	60.00	80.00	Annually	Satisfaction Survey Report	Commune Accountability Facilitators (CAFs). World Vision International will provide reports to NCDDS on data collection results.

Description: Percentage of officials and service providers surveyed that have taken part in the interface meetings in target communes that agree that the JAAP satisfactorily captures priority actions to improve local service delivery.

Indicator Name	Corporate	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
Name: 3.1. Percentage of JAAP Committees that have met at least twice in the past 12 months		Percentage	40.00	80.00	Annually	SNA Reports	SNAs and NCDDS

Description: Percentage of JAAP Committees covered by the project that have met at least twice in the past 12 months to follow up on JAAP implementation.

Indicator Name	Corporate	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
Name: 3.2. Percentage of JAAP Committees that		Percentage	39.00	70.00	Annually	SNA Reports	SNAs and NCDDS

Indicator Name	Corporate	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
have presented aggregated JAAP actions to their district/municipal/khan working group at least once in the past 12 months							

Description: Percentage of JAAP Committees covered by the project that have presented aggregated JAAP actions to their district/municipal/khan working group at least once in the past 12 months.

Indicator Name	Corporate	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
Name: 3.3. Percentage of JAAP actions requiring financial support that have been allocated government resources		Percentage	23.00	30.00	Annually	SNA Reports	SNAs and NCDDS

Description: Percentage of JAAP actions categorized as requiring financial support that have been allocated government resources in the previous calendar year.

Indicator Name	Corporate	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
Name: 3.4. Percentage of target communes/sangkats that allocate resources to support the implementation of the ISAF process		Percentage	10.00	70.00	Annually	JAAP Committee reports	JAAP Committees and NCDDS

Description: Percentage of communes/sangkats supported by the project that are including ISAF activities in their annual budget. ISAF activities include: (i) data collection on service performance; (ii) JAAP meetings; and (iii) dissemination of I4C and post-ons.

Indicator Name	Corporate	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
Name: 4.1. Percentage of target service providers with an increased knowledge about quality standards that local services are supposed to meet		Percentage	40.00	75.00	Annually	Knowledge test reports	District-level ISAF trainers and NCDDS
Description: Percentage of individual service providers (from primary schools, health centers and communes/sangkats) who demonstrate increased knowledge about service quality standards 3 months after participating in a district-level ISAF training event.							
Name: 4.2. Percentage of JAAP Committee members with an increased knowledge about JAAP Committee roles, responsibilities and functions		Percentage	20.00	75.00	Annually	Knowledge test reports	District-level ISAF trainers and NCDDS
Description: Percentage of JAAP Committee members who demonstrate increased knowledge about JAAP Committee roles, responsibilities and functions 3 months after participating in a JAAP Committee training event.							
Name: 4.3. Number of civil servants with ISAF training accreditation		Number	6,738.00	9,000.00	Annually	NCDDS and NASLA training reports	NCDDS
Description: Number of government officials and service providers who receive accreditation after participating in ISAF training at national or subnational levels.							
Name: 4.4. An ISAF		Text	No	Yes	Annually	NASLA training curriculum	NCDDS

Indicator Name	Corporate	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
module is incorporated into NASLA's core curriculum							

Description: A training module on ISAF principles and practices is developed and incorporated into NASLA's core training curriculum for government officials.

Indicator Name	Corporate	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
Name: 5.1. Percentage of target communes/sangkats that have completed the full annual ISAF process in the previous calendar year		Percentage	80.00	80.00	Annually	NCDDS Database	NCDDS

Description: Percentage of communes/sangkats supported by the project that completed all steps of the ISAF process (i.e. I4C, Community Scorecard, JAAP development, and JAAP Committee formation) in the previous calendar year.

Indicator Name	Corporate	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
Name: 5.2. Specific examples can be identified of changes/improvements made to government policies, instructions or guidelines aimed at institutionalizing ISAF practices		Number	4.00	6.00	Annually	Government-issued laws, policies, prakas, instructions or guidelines	NCDDS

Description: Specific examples that can be identified of new (or changes/improvements to existing) laws, policies, prakas, instructions or guidelines aimed at institutionalizing ISAF practices.

Indicator Name	Corporate	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
Name: 5.3. Percentage of target districts where the ISAF working group has met at least twice in the last 12 months		Percentage	48.00	80.00	Annually	ISAF district focal point semi-annual reports.	ISAF district focal points and NCDDS

Description: Percentage of districts covered by the project where the district-level ISAF working group has been formed and has met at least twice in the last 12 months.

Target Values

Project Development Objective Indicators

Indicator Name	Baseline	End Target
Percentage of service providers covered by the project that are meeting key national standards (disaggregated by health, education, and communes' service providers)	50.00	80.00
Percentage of Joint Accountability Action Plan (JAAP) actions completed or ongoing in target communes/sangkats	46.00	70.00
Percentage of target communes/sangkats that have completed three full annual ISAF cycles	56.00	70.00

Intermediate Results Indicators

Indicator Name	Baseline	End Target
1.1. Percentage of target service providers in urban areas (primary schools, health centers, and sangkats) that enter ISAF data by themselves	32.00	60.00
1.2. Total number of clicks received on target service providers in ISAF database and mobile app	316.00	2,500.00
2.1. Percentage of target service providers that conduct self-assessments by themselves	50.00	80.00
2.2. Percentage of officials and service providers in target communes who agree that the JAAP satisfactorily captures priority actions to improve local service delivery	60.00	80.00
3.1. Percentage of JAAP Committees that have met at least twice in the past 12 months	40.00	80.00
3.2. Percentage of JAAP Committees that have presented aggregated JAAP actions to their district/municipal/khan working group at least once in the past 12 months	39.00	70.00
3.3. Percentage of JAAP actions requiring financial support that have been allocated government resources	23.00	30.00

Indicator Name	Baseline	End Target
3.4. Percentage of target communes/sangkats that allocate resources to support the implementation of the ISAF process	10.00	70.00
4.1. Percentage of target service providers with an increased knowledge about quality standards that local services are supposed to meet	40.00	75.00
4.2. Percentage of JAAP Committee members with an increased knowledge about JAAP Committee roles, responsibilities and functions	20.00	75.00
4.3. Number of civil servants with ISAF training accreditation	6738.00	9,000.00
4.4. An ISAF module is incorporated into NASLA's core curriculum	No	Yes
5.1. Percentage of target communes/sangkats that have completed the full annual ISAF process in the previous calendar year	80.00	80.00
5.2. Specific examples can be identified of changes/improvements made to government policies, instructions or guidelines aimed at institutionalizing ISAF practices	4.00	6.00
5.3. Percentage of target districts where the ISAF working group has met at least twice in the last 12 months	48.00	80.00

ANNEX 1: Implementation Arrangements and Support Plan

Project institutional and implementation arrangements

1.   The institutional and implementation arrangements for the proposed project will be the same currently in place for the ongoing project (P173527, Integration of Social Accountability into National and Subnational Systems). NCDDS will continue to be the main implementing agency for the proposed project. They will continue to coordinate and support ISAF implementation by subnational authorities and line ministries. NCDDS will also continue to provide modest financial support to subnational authorities through the provincial advance accounts. As there are government, civil society actors and other stakeholders engaged at all four levels of government, as well as at least three line ministries responsible for the services covered under the project, there are many stakeholders and roles of various formal and informal bodies. Figure 2 maps the various stakeholders engaged in project implementation arrangements. The roles of the different stakeholders are described in the following paragraphs.
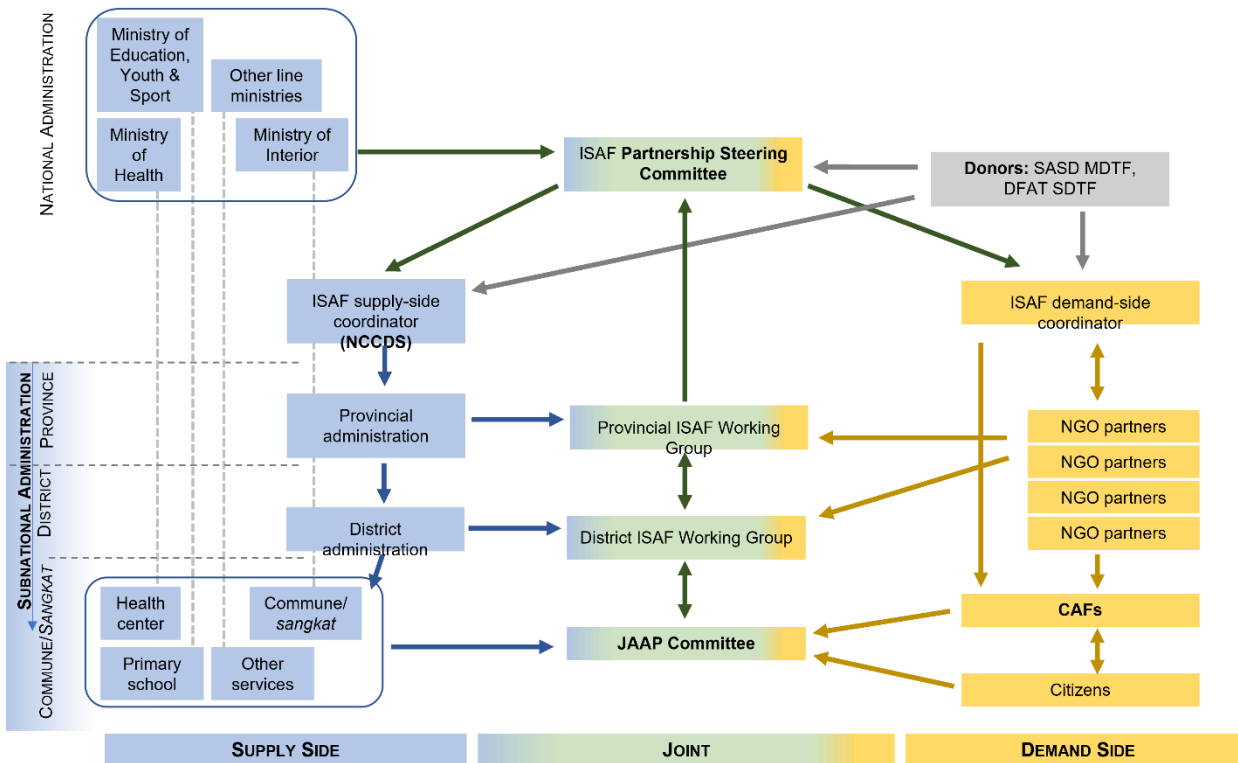

Figure 2. Stakeholders engaged in project implementation

2.   ISAF *Partnership Steering Committee (PSC):* ISAF's model of collaboration and coordinated action among and between supply-side and demand-side actors is one of its defining features and most important achievements. The PSC provides a joint platform for the RGC and CSOs (and with participation of development partners as observers) to make decisions and ensure oversight of the joint implementation of ISAF, including policy matters, program design, implementation, financing arrangements, target areas, sector expansion and

functionality of the framework. During ISAF II, the PSC will continue to meet on a regular basis and be actively engaged in decisions and efforts to adopt a sustainable and permanent model of ISAF implementation.

3. *NCDDS:* NCDDS will continue to play an essential role in coordinating supply-side ISAF activities, liaising with the ISAF coordinator/coordination committee, overseeing the annual production of I4C materials, managing the I4C and JAAP databases, issuing ISAF-related guidelines and instructions, and ensuring that SNAs receive the training and support they need to participate effectively in ISAF activities. NCDDS will also support all interested line ministries in streamlining ISAF into their relevant structures, programming, and planning.

4. *ISAF demand-side coordinator:* Under phase II, the ISAF demand-side coordinator will ensure the effective coordination of demand-side ISAF activities, liaise with NCDDS and the SASD MDTF, and support and coordinate the activities of NGO implementing partners.

5. *National line ministries:* Line ministries will take on increasing responsibility for ISAF activities in their sector. This will include: issuing guidelines and instructions to ministry officials and staff regarding participation in and support for ISAF, supporting awareness-raising and capacity building of ministry officials and staff as required, allocating funds for the annual implementation of ISAF activities (including the production and dissemination of I4C materials for the sector, and any costs associated with self-assessment meetings and/or JAAP meetings), and adopting procedures to strengthen responsiveness to citizens' demand for service improvements and the implementation of JAAP actions.

6. *Provincial and district ISAF working groups:* These working groups will be chaired by provincial and district officials and include representatives of line ministries, sectoral agencies, district ombudsman offices and civil society (i.e. NGO partners and "master CAFs"). Their role will be to: coordinate and support ISAF activities at provincial and district level; disseminate, discuss and respond to I4C and JAAP findings at provincial and district level; support and monitor JAAP implementation; and ensure effective multi-stakeholder communication and collaboration throughout the annual ISAF cycle. District ISAF working groups will also serve as JAAP committees for district-level evaluations (e.g. ISAF evaluations of district administrations and water supply/sanitation services).

7. *Public service providers:* Public service providers (e.g. the managers and staff of local schools, health facilities, and other target services) are responsible for: collecting, reviewing, submitting, posting and disseminating I4C post-on information; engaging in self-assessment and interface meetings on the performance and quality of services; reporting problems requiring higher level interventions to superiors; participating in the JAAP Committee; and, supporting the implementation of the JAAP (including through use of their limited budgets).

8. *Subnational authorities (SNAs):* As service providers, *district/commune/sangkat officials* will be responsible for: collecting, reviewing, submitting and posting I4C post-on information regarding their administration/service; engaging in self-assessment and interface meetings on the performance and quality of their services; and reporting problems requiring higher level interventions to superiors. As chair (or co-chair) of the JAAP Committee, the district/commune/*sangkat* chief (or a designated councilor) will also: lead/support the dissemination, implementation and monitoring of the JAAP; ensure that JAAP actions are integrated into relevant district/commune/*sangkat* and sector investment plans and budgets, and coordinate efforts to improve governance and public services at the district/commune/*sangkat* level.

9.   *NGO implementing partners:* World Vision will be supported through this project to be one of the main NGO implementing partners for ISAF II, but it is not the only one. Groups like CARE International, Oxfam, RACHA and FHI-360, are also committed to implementing aspects of the ISAF II Plan. These other NGO implementing partners will play a similar role to the role of World Vision that is described in this project and their activities will be coordinated by the ISAF Demand-side Coordinator.

10.   *CAFs and CAF Leaders:* CAFs play a crucial role as community mobilizers and agents of change. CAFs are primarily responsible for helping their fellow citizens to access information about their rights, learn about public service standards and performance, identify actions to improve public services, and work with local officials and service providers to take action for positive change. CAFs undertake training and receive accreditation based on a standard curriculum and the activities carried out at the community level, which consist of raising awareness of the content of I4C materials, facilitating community scorecard assessments and interface meetings, and participating in and supporting JAAP Committees. CAF Leaders, a select number of CAFs identified by their peers, receive additional training and take on a number of responsibilities previously fulfilled by the local NGO partners, including recruiting, training and supervising new CAFs, coordinating ISAF activities at community level, and troubleshooting.

11.   *JAAP Committees:* JAAP Committees are follow-up committees established at commune/*sangkat* level that comprise local officials, service providers and citizen representatives. JAAP Committee members are selected/elected at the ISAF interface meeting and subsequently receive training to help them effectively fulfill their role. They are responsible for: publicly disseminating the JAAP; submitting it to the ISAF District Working Group; conducting detailed action planning; mapping assets; mobilizing resources and community support; coordinating and supporting the implementation of the agreed JAAP; lobbying for government responsiveness; and, monitoring and reporting publicly on progress.

12.   *Citizens:* Citizens are the primary stakeholders and target group of ISAF implementation. Citizens in ISAF target communities attend meetings to learn about government standards, performance and budgets; participate in scorecard meetings to assess local public services; participate in interface meetings to voice their concerns and discuss improvements with SNAs and service providers; and participate in implementing the JAAP. ISAF seeks to achieve social inclusion by ensuring the active participation of women, men, children/youth and marginalized groups (including those eligible for the ID poor support program, indigenous peoples, ethnic minorities, the elderly, people with disabilities, people living with HIV/AIDS, and the LGBTQI+ community).

13.   *Development Partners:* Multiple development partners provide financial and technical support to ISAF II activities. The Australia-WB Partnership for Promoting Inclusion, Sustainability and Equality in Cambodia SDTF will finance the proposed project, provide operational and technical support as required (to demand-side and supply-side actors), conduct studies, analyze data, coordinate demand-side M&E and reporting, and organize regular coordination/technical meetings.

Financial management

14.   The Financial Management (FM) assessment for the proposed project was carried out in April 2022 and updated in June 2022 according to the WB's Guidance Note on Small Recipient-Executed Trust Fund Grants (2017), and the WB's Policy and Directive on Trust Funds. The FM assessment was updated in June 2022 based on the proposed grant of AUD 6.03 million (equivalent to US$4 million) that will be provided by DFAT from the Australia-

WB Partnership for Promoting Inclusion, Sustainability and Equality in Cambodia SDTF (TF073629). The FM arrangements for the Grant meet the requirements under the WB Policy on Investment Project Financing (IPF), including budget, accounting, fund flow, internal controls, disbursements, financial reporting and audit arrangements.

15.   The proposed grant will be provided to the National Committee for Subnational Democratic Development Secretariat (NCDDS) who is currently implementing the ongoing project (P173527, Integration of Social Accountability into National and Subnational Systems, RETF Number TF0B2195).   NCDDS has considerable experience implementing donor-financed projects (e.g. financed by the European Union, Asian Development Bank, Sweden, Switzerland, and the United Nations), including projects financed by the WB. The FM staff of the implementing agency has adequate knowledge and experience in managing project FM and disbursements.

16.   The proposed project will be financed through a grant of AUD 6.03 million (equivalent to US$4 million) from DFAT, in parallel to the funding of the existing project through a grant of US$1.72 million from the SASD MDTF. The two projects will be closely coordinated and operated as one project under a consolidated AWPB. The additional grant will finance project costs including goods, non-consulting services, consulting services, training and operating costs, and may scale-up project activities in existing and new target areas. NCDDS will pay annual audit fees, the audit fees can be paid from the grant proceeds as the audit fees is not covered by the Government's counterpart funds.

17.   **The FM risk of the project is moderate based on the FM assessment of the project, and the overall FM performance of TF0B2195 continues to be satisfactory.** The FM risks have been discussed with NCDDS, as follows: (i) the additional grant from DAFT will create a risk of double dipping for disbursement of funds and expenditures for each fund source; (ii) non-compliance with the Terms of Reference (TOR) by the external auditor due to weaknesses in contract management on the part of NCDDS; (iii) the increased volume of transactions and workload due to the scaling up of project activities to seven additional provinces (thus covering a total 17 provinces); (iv) the DFAT grant amount is more than twice as large as the ongoing project, which poses a risk in terms of the volume of financial transactions, administration of DA from DFAT and chart of accounts (CoA) to capture the different sources of funds; (v) grant administration will involve subnational levels (i.e. PWGs) that have limited capacity and coordination issues, and limited knowledge of fiduciary requirements, which can lead to ineligible expenditures including procurement, training workshop, and operating costs; (vi) record of financial transactions may not be completed and payments to suppliers may not be on time, which can lead to delays in submission of financial reports to the Bank; and (vii) advance bank accounts at the subnational level managed by PWGs may not be liquidated on time due to incomplete records and documentation that can lead to delays in ISAF implementation. The FM risks and the corresponding mitigation measures are summarized in Table 6.

Table 6. FM Risks and Mitigation Measures (based on the FM risk identification)

Issues	Risk identification	Mitigation measures
Double charges	Additional grant from DFAT will create risk of double dipping for disbursement of funds and expenditures for each fund source.	Jointly conduct FM orientation (NCDDS and WB), covering CoA, AWPB, IFR, WA, and SOE, all of which are subject to WB technical review.
Non-compliance with TOR by the external auditor	Non-compliance with TOR by the external auditor due to weaknesses in contract management on the part of NCDDS.	NCDDS will review the audit work plan with the auditors before conducting field works.

Issues	Risk identification	Mitigation measures
Overloads due to volume of transactions	Increased volume of transactions and workload due to the scale up of project activities to seven additional provinces (thus covering a total of 17 provinces) under the proposed DFAT grant.	Segregation of duties will be managed by NCDDS to manage the workloads. The number of FM team members will remain unchanged.
Designated Account	The proposed DFAT grant (proposed project) will be more than twice as large as the ongoing project. This will pose a risk in terms of the increased load of financial transactions, administration of DA from DFAT and CoA to capture different sources of funds.	A separate Designated Account will be opened at NBC for the proposed DFAT grant. The WB will provide training to NCDDS to manage the DA for DFAT grant through the project FM orientation.
Limited fiduciary and non-compliance	Administration of the proposed grant will involve subnational levels with limited capacity and coordination issues, and limited knowledge of fiduciary requirement. This can lead to ineligible expenditures, including procurement, training workshop, and operating costs.	The WB and NCDDS will jointly provide training to the subnational levels (e.g. PWGs) on FM procedures and fiduciary requirements related to the project.
Delay of payment and reporting	Record of financial transactions may not be completed and payments to suppliers may not be on time, which can lead to delays in submission of financial reports to the Bank.	Update FM procedures and PIM to address timeliness of payments and internal controls.
Delay of replenishment of Account at subnational level	Advance bank accounts at the subnational level managed by PWGs may not be liquidated on time due to incomplete records and documentation that can lead to delays in ISAF implementation.	Timely submission of replenishment of the expenditures from the subnational levels.

18.   **Frequency of FM supervision.** The WB will carry out risk-based supervision twice a year to review the overall FM performance, disbursements, and subnational implementation at PWGs and DMK/Districts. The WB will support NCDDS and PWGs to manage the project funds and ensure that project fund are used as intended. To this end, the WB will also continue to provide capacity building/ trainings as needed and financial monitoring support visits to the subnational levels as required.

19.   **Access to information policy.** The project will comply with the WB Access to Information Policy as part of the Grant/ Letter of Agreement. The required disclosure of the project documents should be made available for the public on the website of NCDDS including IFR, Procurement Plan, and audited financial statements, etc.

20.   **Effectiveness conditions.** There is no effectiveness condition for the additional grant from the FM perspective. Nevertheless, the PIM for the ongoing project should be updated for the proposed additional grant and submitted to the WB for no objection.

21.   **Financial covenants.** The proposed project will include the following covenants: (i) IFRs will be prepared

on a biannual basis and submitted to the WB 45 days after the end of each semester, (ii) detailed AWPBs will be prepared and submitted for the WB's no objection by the end of December, (iii) annual audit reports of the project will be submitted to the WB by June 30 and the audited financial statements should not have any "clause of restriction for distribution and the use of the audited project financial statement," and (iv) the project annual audited financial statements will prepared for public access (use) and should not have any restrictions for access by donors. The field visits to the sub-advanced accounts at the subnational levels is required as part of the audit field works annually.

Disbursements

22.   **Ceiling of designated account.** The advance will be made to the DA upon effectiveness of the project, based on the DA ceiling and at the request of NCDDS to the WB. Withdrawal applications may be made up to a variable DA ceiling, which is based on a six-month cash forecast, This will ensure the project has adequate cash flow needs. This will allow the project to maximize the use of funds from the DA, with regular reporting of eligible expenditures. In addition, the project has small contracts in goods and services. Moreover, the grant components will involve mainly training activities related to ISAF to be conducted at NCDDS, provincial and district levels.

23.   **Delivery of electronic disbursement.** The disbursement of grant proceeds will be made through submission of electronic withdrawal applications with supporting documents using the Client Connection website (uploading scanned supporting documents). The FM team of the project is required to have access rights to the website for disbursement of funds from the WB. The original copies of withdrawal applications and supporting documents will be retained at the NCDDS for audit purposes.

24.   **Supporting documents for disbursement**. The supporting documents will be a statement of expenditures (SOE) that the project will report using transaction-based expenses by Disbursement Voucher or Payment Voucher into the SOE. The disbursement methods include (a) advance, (b) reimbursement, and (c) direct payment. The frequency of reporting eligible expenditures paid from the DA will be monthly. The project will follow the World Bank Disbursement Handbook for the Borrowers, April 2017, and Disbursement Guidelines for Investment Project Financing, February 2017. The minimum value of applications is US$100,000 equivalent for direct payments and reimbursements.

Table 7. Disbursement Categories (Allocation of Grant)

Category	Amount of the Grant Allocated (expressed in US Dollar)	Amount of the Grant Allocated (expressed in Australian Dollars)	Percentage of Expenditures to be Financed (inclusive of taxes)
(1) Goods, Non-Consultant Services, Consulting services, Operating Costs, Training and Workshops costs	4,000,000	6,030,000	100%
Total	**4,000,000**	**6,030,000**	

25.   **Disbursement deadline date.** The project will have a disbursement deadline date of four months after the closing date of the project specified in the Grant Agreement.

Procurement

26.   **Applicable procurement procedures.** Procurement will be carried out in accordance with the WB Procurement Regulations for Borrowers under IPF Fourth Edition, November 2020. Procurement under National Procedures will be carried out in accordance with Government Standard Operating Procedures and Procurement Manual updated on December 2, 2019, which is issued pursuant to Article 3 of the Kingdom of Cambodia's Law on Public Procurement dated January 14, 2012, subject to the additional provisions included in the Procurement Plan. STEP, which is a web-based tool for procurement planning, tracking procurement transactions and contract management, streamlining and automation, and monitoring and reporting, will be used for this project.

27.   **Project Procurement Strategy for Development (PPSD).** The PPSD is prepared by the NCDDS with the support of the WB. It is based on the short form of PPSD shared by the WB. The PPSD is a living document and is subject to revision as needed.

28.   **Scope of procurement.** The procurement of goods and consultant services under the project is small and simple. The National Shopping for goods is expected to be used for procurement of goods under this project and all suppliers for goods are expected to be local suppliers; the suppliers of services are expected to be national consultants and local firms. The major procurement items under the additional grant (the proposed project) are: (1) procurement of equipment for upgrading data center, (2) procurement of pick-up vehicle; (3) printing of I4C banners, (4) selection of consulting firm for producing information and visibility products and increase public audience on ISAF and social inclusion (info-graphic, animations, spots, and TV announcements); (5) multi media consultants, and (6) ISAF database management consultants.

29.   **Implementation arrangements**. Procurement activities will be undertaken by the Procurement Unit of the NCDDS. The NCDDS has an established procurement unit with clear responsibilities and separation of accountability in carrying out all procurement activities of this project. The assigned procurement officer has experience in handling the ISAF Phase 1 project. As part of project preparation for the proposed additional grant, the WB team has conducted capacity assessment of NCDDS and project procurement risks.

30.   **Procurement capacity and risk assessment.** NCDDS has a well-established procurement unit with clear responsibilities and separation of accountability in carrying out all procurement works, and NCDDS has experience in handling several donor-funded projects, including WB-financed projects. A detailed procurement capacity and risk assessment, including mitigation measures, will be included in the PPSD. The overall project risk for procurement is moderate.

31.   **Procurement Plan.** Based on the PPSD, the first 18 months procurement plan for the project will be jointly prepared by the implementing agency and agreed with the WB.

32.   **World Bank's review and implementation support.** The procurement supervision will be part of the semi-annual project implementation support missions, and procurement clinics/ trainings will be provided by the Bank based on need. In addition to the prior review by the WB based on the prior thresholds, which are subject to change according to the result of risk assessment carried out during the project implementation, the WB will carry out the annual procurement ex-post review on a sample of at least 10 percent of all post review contracts financed by the project. STEP will help the WB to monitor the procurement progress and to take appropriate supportive

actions in due course. The Excel procurement tracking form of the RGC will be used by NCDDS in addition to STEP for the government internal procurement monitoring.

Strategy and approach for implementation support

33.   As ISAF cuts across various sectors, it will be important for the WB to engage its sector specialists and their respective clients to ensure that ISAF approaches are in line with other WB-supported activities to improve service provider performance. WB staff from the Health, education and governance sectors/practices will be engaged, in addition to the lead role played by Social Sustainability and Inclusion global practice team. In addition to the sector coordination and support needed to ensure the effectiveness of the project, support will also be needed to manage some of the risks noted above, including areas where government capacity is limited, and WB expertise is considered important. The proposed focus areas of implementation support include:

- **Coordination with Development Partners and program analysis**. The WB will need to play a lead role in coordinating with other Development Partners, NGO implementing partners, the RGC, and other stakeholders. This support will link directly to WB management of the Australia-WB Partnership for Promoting Inclusion, Sustainability and Equality in Cambodia SDTF that finances this project. In collaboration with these various stakeholders, the WB will identify and undertake analytical work to better understand the implementation and impact of various aspects of the project and ISAF activities overall. This support would be led from the WB's Cambodia Country Office.
- **Health, Education, and perhaps new sectors (e.g. water supply, solid waste, etc.)**. WB specialists in these areas will be engaged in meetings with their respective line ministries as well as field missions to identify ways to enhance the effectiveness of social accountability activities to improving service provider performance.
- **M&E and Technology.** As the WB has led on the design and implementation of an impact evaluation, this rigorous approach to M&E will be continued and adapted to the design and focus areas of ISAF II. A special focus will be on the use of digital tools for project monitoring and the overall delivery of ISAF activities.
- **FM.** During implementation support, the WB's FM specialist will support the implementing agency (including with ad hoc training) and routinely review the project's FM capacity, including, but not limited to, accounting, reporting, and internal controls to ensure that they are satisfactory to the WB.
- **Procurement.** The WB's procurement specialist will work closely with the implementing agencies to build capacity and support them in the periodic procurement activities.
- **Gender equality.** As ISAF I revealed an underrepresentation of men in social accountability activities, the proposed project will continue to focus on ways to increase the participation of men in the various ISAF activities.
- **Environmental and social risk.** As these risks are low, only modest support would be needed, but this would nonetheless be maintained through the duration of the project, including to identify and address any issues that were not identified at the design phase, but which may arise during implementation.

ANNEX 2: Evaluations of Social Accountability Projects

1.   An impact evaluation of ISAF I was conducted in 2019 based on a multiyear randomized controlled trial that comprised a baseline survey in 2017 and an endline survey in 2019. The evaluation showed that the main program effects at the time were found in transparency in access to information, and use and performance of health centers, followed by some improvements in school facilities.

2.   ISAF had important effects on quality of health center services. ISAF interventions reduced the incidence of payments for prescribed medicine by 25 percentage points. Health centers overall were more transparent, being 24 percentage points more likely to post their budgets. ISAF caused a 7-percentage point increase in the proportion of villagers who received a clear explanation of their condition, a 10-percentage point increase in the willingness of villagers to seek treatment at health centers, a 4-percentage point reduction in the proportion of villagers who experienced rude staff, and a 6-percentage point reduction in the proportion of villagers who perceived that they had to wait before treatment. Citizens in ISAF treatment districts were 20 percentage points more likely to go to a health center than in districts not covered by ISAF.

3.   ISAF had a mixed effect on quality of services provided in primary schools: it increased transparency, with schools being 13 percentage points more likely to post budgets. It also improved some school facilities, with schools in areas covered by ISAF being 19 percentage points more likely to have hand-washing facilities in the classroom. A random photo audit conducted as part of the evaluation showed a 23 percent increase in separate bathrooms for boys and girls in areas covered by ISAF as compared to control areas. On the other hand, the evaluation did not find effects in improved service performance (e.g., teacher absences, or timely delivery of textbooks).

4.   The evaluation of two operations aimed at improving teacher performance and accountability in Indonesia (Kiat Guru 1 and 2, P159191 and P167216) showed that social accountability mechanisms (e.g. Joint Service Agreements established between teachers and communities, and community scorecards to facilitate teachers' evaluation and identify the needed improvements to education services) combined with a pay-for-performance mechanisms, can have positive results in terms of teacher's service quality, parents satisfaction with education quality, and student outcomes. These operations also showed that implementing such mechanisms through village governance structures led to improved outcomes for students.

5.   An impact evaluation of Kiat Guru 1, based on a randomized controlled trial, showed improvement in parents' satisfaction with education quality (from a baseline of 28 percent to an end-line of 64 percent). The project also led to improved education outcomes for students in mathematics and Indonesian language that was equal to three months more of learning annually, compared to the control group. Student learning assessments conducted for Kiat Guru 2 showed that the schools that relied on the village governance structure to implement the social accountability activities (i.e. hiring community facilitators to set up user committees and develop the joint agreements) had better student learning outcomes than schools that had implemented the interventions through the schools' governance structure (i.e. leveraging the existing school supervisors to revitalize the school committee and develop joint agreements): 11.4 percent better outcomes in language literacy, and 12.1 percent in math literacy. The efficiency analysis of the project also showed that relying on the village governance structure was slightly more efficient.