

Ministry of Economy and Finance

National Workshop

on

Promoting Country System in Cambodia

The Use of Standard Operating Procedures

Royal Government of Cambodia Procedures

for

Management and Administration of Externally Financed Project

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Use of Standard Procedures

- Three Inter Related Manuals:
 - Standard Operating Procedures
 - Procurement Manual
 - Financial Management Manual
- Streamlined RGC policies and procedures for implementation of externally assisted projects
- Issued under MEF Prakas No. 495 on August 23, 2005 and then under Sub Decree No. 14 dated February 26, 2007

Scope of Use

- Developed for Use for Externally Assisted Projects/Programs
- Do not apply to Decentralized projects
- ADB and WB financed the preparation of SOPs and approved their use in projects/programs assisted by them
- SOP is a good first system of streamlined policies and procedures based on good international best practices
- KfW has agreed to use the Manuals in its funded projects in MRD
- JICA and IFAD have recently agreed to use the Manuals in projects financed by them
- Korea is considering their use also
- RGC has used in three projects financed under the IFM's MDRI Financing Schemes namely ERIDP, RWSS and ERIAPIP

Experience and Benefits

- Initial use after Prakas issued hampered by lack of knowledge by ADB, WB and the Implementing Agencies. Much greater use since last two to three years
- Much better performance where Implementing Agencies received hands on training
- MOWRAM and MRD have successfully used the Manuals in ERIDP and RWSS which brought more transparency, clarity and accountability in implementation
- Quality- there are a number of inconsistencies in the provisions which need to be rectified
- All three Manuals currently under review for revisions and update

Experience and Benefits

- Review being carried out with participation of EAs, IAs of RGC, ADB, WB, and JICA
- As more DPs agree to use them, prospects of transforming into Cambodia Country System for Externally Funded Projects/Programs
- The main aim of the review/update is to bring the Manuals be used for all externally assisted projects

Constraints and Challenges

- Limited Scope:
 - only for externally assisted projects and still not used for all DP assisted projects yet
- Two separate sets of policies and procedures for Procurement issued under separate Sub Decrees- Domestically Funded Projects and Externally Assisted Projects
- Lack of full awareness and hence the need for comprehensive institutional capacity building program
- Current Update/Revision provides for inclusion of best practices and harmonizing of all policies and procedures into one unified system for externally financed projects.
- FMM being updated to be in consistent with RGC Chart of Account and Budget Classification
 - Budget integration
 - Recording and reporting based on COA &BC

Conclusion

- Introduction of the SOPs after Update as the Country System for Externally Funded Projects
- Conduct comprehensive training program to bring awareness to LMs and Agencies and DPs