



**KINGDOM OF CAMBODIA
NATIONAL RELIGION KING**

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

3rd QUARTERLY PROGRESS REPORT 2011

Support to the Arbitration Council

ABBREVIATIONS AND ACRONYMS

AA	Arbitral Award
AC	Arbitration Council
ACF	Arbitration Council Foundation
ACILS	American Center for International Labour Solidarity
ADR	Alternative Dispute Resolution
AP	Arbitral Panel
AWP	Annual Work Plan
BFC	Better Factories Cambodia
C.CAWDU	Coalition of Cambodian Apparel Workers' Democratic Union
CAMFEBA	Cambodian Federation of Employers and Business Associations
CBA	Collective Bargaining Agreement
CDRI	Cambodia Development Resource Institute
CHM	Complaints Handling Mechanism
CKP	Charles Kendall Consulting
CLUF	Cambodian Labour Union Federation
DFGG	Demand for Good Governance
EIC	Economic Institute of Cambodia
EoI	Expression of Interest
FGD	Focus Group Discussion
FM	Financial Management
GGF	Good Governance Framework
GMAC	Garment Manufacturers Association of Cambodia
IA	Implementing Agency
IDA	International Development Association
IHQ	Integrating Human to Quality
ILO	International Labour Organisation
LDR	Labour Dispute Resolution
LSD	Legal Services Department
M&E	Monitoring and Evaluation
MAP	Multidisciplinary Action Projects
MEF	Ministry of Economy and Finance
MoLVT	Ministry of Labour and Vocational Training
MOSALVY	Ministry of Social Affairs, Labour, Vocational Training and Youth Rehabilitation
MoU	Memorandum of Understanding
NGO	Non-Governmental Organisation
NoL	No Objection Letter
NSAC	Non-State Actor Component
OWSO	One Window Service Office

PCO	Project Coordination Office
PIM	Project Implementation Manual
PIP	Project Implementation Plan
PSA	Public Service Announcement
Q&A	Questions and Answers
RFP	Request for Proposal
RGC	Royal Government of Cambodia
RMM	Risk Management Matrix
RULE	Royal University of Law and Economics
SAC	Secretariat of the Arbitration Council
SAG	Stakeholder Advisory Group
SSS	Single Source Selection
TAF	The Asia Foundation
ToR	Terms of Reference
TVK	National Television Kampuchea
VOD	Voice of Democracy (VOD) FM 106.5
WB	World Bank
WMC	Women's Media Centre of Cambodia

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I. SUMMARY OF PROGRESS

1. In Brief, the New Context:

During 6-12 June 2011, the World Bank team conducted Demand for Good Governance (DFGG) Project Mid-Term Review (MTR) on the Arbitration Council Foundation (ACF)'s project activities. The objective of this mission was to assess the implementation of the components including the Financing Agreement, the Annual work plans and budgets 2009-2011, as well as the Arbitration Council (AC)'s sustainability strategy. As a result of this mission, ACF revised its annual work plan 2011 to meet the Project Development Objective of the DFGG Project, namely *to contribute to an effective governance environment for private sector development by enhancing the extent to which a well-functioning labour arbitration system builds workers' and employers' confidence that labour disputes will be resolved effectively and fairly*. Based on the findings and recommendations of the Project MTR, the Arbitration Council Foundation's work during the second half of the DFGG project will address the related challenges of: (i) addressing issues of financial and institutional sustainability; (ii) enhancing the quality and credibility of the core dispute resolution services the AC offers; and (iii) building durable relationships with its key government and non-government partners (unions and employer organisations). This does not entail a major restructure of the ACF's sub-component of the DFGG project, but rather what the MTR describes as 'core business'.

2. Key Outputs

Component 1: Institutional Integrity and Sustainability: Independence, Credibility, and Sustainability

In response to Component 1, ACF has executed a number of activities, including ACF Board of Directors' Meetings, Representatives of the AC's Meetings, Regular Arbitrators' Meetings, and organised arbitrator working groups. These activities play an important role in maintaining the AC's institutional integrity and sustainability. ACF held the above activities as follows:

Board of Directors' Meeting:

On 23 August 2011, ACF organised a Board of Directors' meeting and discussed the revision of the annual work plan 2011 and future AC facilities as part of its sustainability plan. Eight participants (4 women) attended this meeting. After it received updates on the adjustments in the DFGG project from the ACF Management Team, the Board provided the team with advice on the specifications and desirable elements for the future AC building, which specifically includes the facilities designed to provide convenience to disabled clients and other persons.

Representatives of the Arbitration Council Meeting:

There was no meeting of the Representatives of the AC organised during this reporting period.

Regular Arbitrators' Meeting:

For a special Regular Arbitrators' Meeting, ACF plans to be held on 8 October 2011.

Arbitrator Working Group:

An Arbitrator Working Group has finalised the draft Conflict of Interests Policy (CoI), in an effort to elevate its good governance to preserve the trust and confidence of the employers, unions, and workers in the integrity of the AC and its dispute resolution services. This Working Group consisted of four arbitrators (Mr. Pen Bunchhea, Mr. Mar Samborana, Ms. Sin Kimsean, and Mr. Liv Sovanna) and three ACF legal staff. In late September 2011, the Working Group held a series of discussions as preparation for presenting its recommendations to the AC at the Regular Arbitrator Meeting scheduled for 08 October 2011. The discussions centered on providing further improvement on the draft CoI, including provision of the preamble section to clarify the purpose of the CoI, introduction of the time period that a conflict of interest situation is reduced, and clarification on the extent of disclosure of the policy once adopted by AC. A regular arbitrator meeting has been scheduled for 08 October 2011 for the Working Group to present its draft COI for inputs from AC members before the policy is finalised and put in place for implementation.

Khmer Translation of a Negotiation Textbook Titled "Getting to Yes":

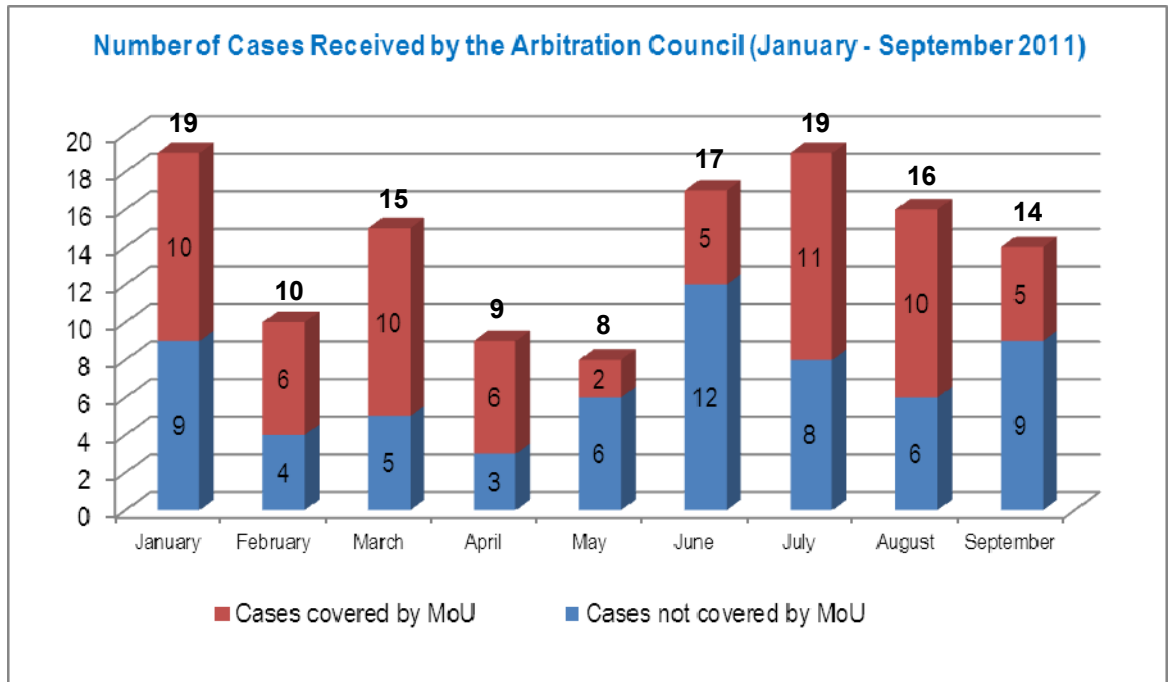
To generate some income to help sustain the AC services, ACF has acquired the right to translate and sell a world best-selling book on negotiation entitled *Getting to Yes: Negotiating Agreement without Giving In*, revised edition by Roger Fisher, William Ury and Bruce Patton. During the reporting period, the agreement has been signed between ACF and Houghton Mifflin Harcourt Publishing Co., and US\$500 in license fee has been paid by ACF. The Capacity Building & Outreach Consultant, whose procurement was proposed in the revised work plan 2011, will be translating this book as part of his/her overall responsibilities under the consultancy.

Component 2: Labour Dispute Resolution

Labour Dispute Resolution:

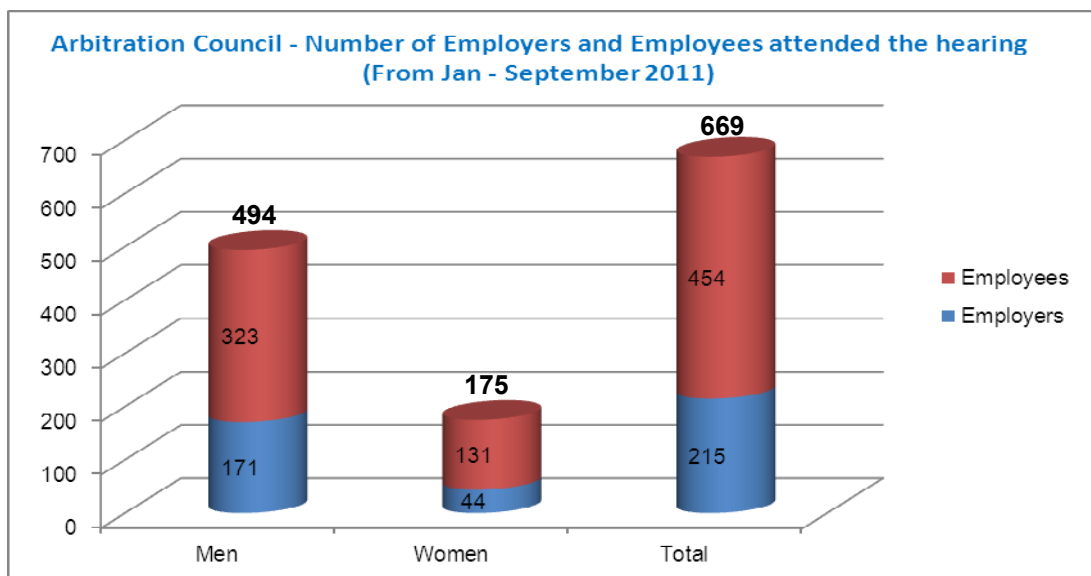
The AC has continued to address and resolve the labour disputes it receives within 15 days or a reasonable extended timeline as agreed by the disputing parties. Quick and responsive service is important to the AC's continued ability to respond to the dispute resolution needs of the enterprises and workers.

During the third quarter of 2011, 49 cases were brought to the AC (79/11-127/11). On average, AC received 16 cases per month, which was higher than 14 cases period received by AC during the third quarter of 2010. Among them, 26 (53%) cases were cases covered by Memorandum of Understanding involving binding arbitration on rights disputes in the garment industry. In resolving the collective labour dispute cases in the third quarter of 2011, (not taking into account the actual registration dates as some of the cases were pending from the previous reporting quarter), the AC successfully conciliated 9 cases, and issued arbitral awards for 39 cases. At the end of the reporting period, 15 cases were pending at the AC. Since May 2003 until September 2011, the AC has addressed 1,105 cases.



The 49 dispute cases above involve 43 enterprises and 49,643 workers. For all of the cases, the AC was able to address them in a speedy and transparent manner.

Since 2011, the hearings were attended by 669 participants: 215 employer representatives (22%) and 454 (68%) employee representatives. Among them, 44 out of the 215 employer representatives (20%) were women, and 131 out of the 454 employee representatives (29%) were women. The chart below indicates the number of employers and employees who attended the hearings from January to September 2011.



Capacity Building of AC/F and SAC

During this reporting period, ACF organised four training events for AC/F and SAC staff. These training sessions were provided in order to improve the staff capacities as well as the quality of AC's services. The courses covered the following topics:

- *Effective Arbitration Training:* On 30-31 July and 6-7 August 2011, at Phnom Penh Hotel ACF organised training on Effective Arbitration for 38 participants (16 women) including arbitrators of the AC, SAC and ACF staff members and inspectors and conciliators of the Ministry of Labour and Vocational Training (MoLVT). The training was conducted by Dr. Allen Ponak and Dr. Daphne Taras, industrial relations experts from Canada as part of their two-weekend training programme. This training covered a wide range of topics AC considers relevant to Cambodian mediation and arbitration environment, which includes the code of ethics for mediators and arbitrators, conflict of interests, comparison of the Cambodian labour arbitration system to that of North America, arbitral decision writing, discipline and discharge, contract interpretation and application, challenges in arbitration, and the road ahead in arbitration from the experience of arbitration system in North America. Dr. Allen Ponak is an emeritus professor of Industrial Relations in Haskayne School of Business, University of Calgary; and director of the Industrial Relations Research Group. He also co-authored *Union-Management Relations in Canada* (5th), a leading textbook in Canada. Currently, he also serves as the Vice President of the National Academy of Arbitrators, a peak professional arbitrator association in North America. Dr. Daphne Taras is Dean of the Edwards School of Business at University of Saskatchewan and she has published over 50 journal articles and book chapters.
- *In-house information session on Conflict and Reconciliation in the Middle East:* On 20 July 2011, at the ACF office Mr. Julian L. Brody, a Jurist Doctor candidate at the University Of Michigan School Of Law who interned with ACF from June to July 2011, held an information session on Conflict and Reconciliation in the Middle East for 12 ACF staff (8 women). The session discussed various mediation strategies that have been utilised by the international community in their attempt to resolve the conflict. At the end of this course, the participants understood the different ways of reconciliation attempted by different players in the Middle East.
- *Khmer Unicode training:* On 8 September 2011, at the ACF office Mr. Vandeth Dararoath, Communications Officer, and Mr. Teng Chesda, Legal Officer, delivered a training session on Khmer Unicode, a simplified font for typing in Khmer language, to 7 ACF & 3 SAC staff (5 women). Following the session, participants started to use the Khmer Unicode for typing more complex words for drafting their documents. With the simplified typing, the Khmer Unicode allows ACF staff to type faster and as compared with the traditional Limon typing fonts. That will assist in staff's effort to foster their work productivity. In addition, compact discs containing Khmer Unicode software, Unicode related software, and 2 training videos on how to use Khmer Unicode were distributed to arbitrators for their learning and practicing of the Khmer Unicode.
- *ACF staff members learn the effective use of radio for communications:* On 9 September 2011, at ACF office Mr. Vijay Khurana, an Australian volunteer with Cambodian Center for Independent Media (CCIM), delivered a presentation on effective use of radio for communications to ACF staff members. Vijay's presentation

provided a number of useful tips to ACF in connection with using radio as a communications medium to raise the public awareness about the work of the AC and labour dispute resolution in Cambodia.


“Vijay’s points especially ones that topics should be interesting and that the radio program should engage the audience through call-ins and prizes gave us a new insight into our approach to future radio programs,” said Mr. Y Samphy, ACF Manager of Training & Communications, who attended the presentation.

Prior to his arrival in Cambodia, Vijay was a popular Disc Jockey on the premier youth radio station called Triple J on the Australian Broadcasting Corporation.

Component 3: Partnerships and Stakeholder Outreach and Training

Establishing and Maintaining Partnerships

During this reporting period, ACF worked closely with its strategic partners: MoLVT, and employer and worker representatives. To raise awareness, share information, and offer forum for communication between AC and its strategic stakeholders, ACF organised some training and dialogue activities.

- *Training for officials in partnership with the Ministry of Labour and Vocational Training (MoLVT):* On 12-13 July 2011, at ACF office ACF in partnership with MoLVT organised two-day training for 20 MoLVT officials (2 women) from across Cambodia, including Kampot, Koh Kong, Siem Reap, Battambang, Pailin, PreahVihea, Prey Veng, Kep, Uddar Meanchey, Banteay Meanchey provinces. The overall theme for the training dealt with labour law with the focus on general working conditions, such as employment contracts, wages, conciliation and inspection techniques. The joint training was the result of a series of consultations between the MoLVT and the ACF since early 2011. The training was a part of a larger series of training sessions, two of which had been delivered at ACF office on 24-25 May and 14-15 June 2011 for the MoLVT’s conciliators, inspectors and labour officers from all over Cambodia. Following the training, the participants reported that they have increased understanding of the Labour Law and conciliation and inspection techniques to assist them in maintaining industrial peace in Cambodia. ACF and the MoLVT conciliators and inspectors also exchanged contact information of one another with a view to ensuring effective communication and coordination in respect of labour dispute resolution.
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- *Meet & Greet with Employees’ Representatives:* On 22 July 2011, at Phnom Penh Hotel ACF organised a Meet & Greet between arbitrators on the Employee Arbitrator List and 41 union federation/ employee representatives (10 of 41 women). During the event, AC and ACF updated the participants on the AC work and labour dispute

resolution, general information about the AC and labour dispute resolution. The arbitrators and employee representatives exchanged their feedbacks on the work of the AC discussed the impact of the Memorandum of Understanding involving binding arbitration and the role of the AC within the industrial relations environment in the garment industry. In particular, the employee representatives reported that they see more peaceful industrial relations in the garment industry as a result of the MOU. They extended their request to the ACF that, the MoU should allow new union federations that have been formed after the MOU signing, to become signatories when it is renewed, with the belief that the union federations are interested in being covered by the MOU and accept binding arbitration decisions of the AC.

- *Employee and employer representatives discuss benefits of binding arbitration:* On 26 August 2011 at Phnom Penh Hotel, AC Arbitrator Liv Sovanna delivered a session on the benefits of binding arbitration of AC to 39 employee and employer representatives (11 women) discussed benefits of binding arbitration of the AC. The session was a part of the Workshop on Collective Bargaining Agreement: Pathways to Good Workplace Cooperation organised by Integrating Human to Quality. During the session, the participants discussed the interconnection between acceptance of binding arbitration decisions and the maintenance and promotion of wages and productivity.
- *Factory visit:* On 19 August 2011, ACF organised a visit to Grant Textile Garment for ACF staff. During the visit, ACF staff made careful observation about the cutting line, sewing line, washing section, quality control section, and packaging section at the factory. The staff also participated in a brief meeting with union representatives at the factory, where they gained some understanding about of how industrial peace is maintained between the management of the factory and union representatives at the factory. The factory visit was useful to the staff's work to the support the AC dispute resolution because more than 90% of the labour dispute cases before the AC come from the garment industry.



Dissemination of Publications and Other Information

ACF has employed various communication tools in order to disseminate and raise awareness of the AC dispute resolution services. During this reporting period, ACF maintained and developed its own database and website, Facebook, Twitter, and other publications.

- *Database and website:* The database and AC website in Khmer and English was updated. ACF has decided to drop the component on Chinese language in the website due to lack of technical staff to develop and maintain it. A wide range of documents and information about the AC, labour dispute resolution process, are DFGG project documents are available for the public to view and download. In particular, ACF has made accessible to the public the guides to disputing parties about how to utilise labour dispute resolution process and AC dispute resolution procedure, published decisions of the AC, complaints-handling mechanism at the AC, AC code of

professional ethics, and other information. For the employers and workers, the information assists them in understanding their rights and responsibilities under the Labour Law and within the Cambodian industrial relations.

Despite its functionality, AC website will require further improvement to ensure that it is user-friendly and easy for content management. To achieve that, ACF has planned to upgrade the website after it receives necessary clearances to proceed.

- *Facebook and Twitter:* ACF has continued updating its Facebook and Twitter in order to share information and educational documents about labour dispute resolution and the work of the AC with a wider audience.
- *Second Quarterly Newsletter 2011 in Khmer and English:* 500 copies of the quarterly newsletter of the AC for April-June 2011 were printed and delivered to stakeholders. Soft-copy version of the newsletter has been posted on the AC website for the public to view and download. That issue contains the following articles:
 - Latest statistics of labour dispute resolution at the AC;
 - ACF partners with the labour ministry to improve officials' skills
 - Factory blaze does not qualify as "Act of God": AC ruling
 - Managers learn about labour law and the fundamentals of workplace relations
 - Employers meet and greet with arbitrators for 5th time
 - U.S., French experts share knowledge and experience with AC community
- *Annual Report 2010 in Khmer and English:* The Annual Report 2010 has been finalised. 250 copies in English and 500 in Khmer will be printed and distributed in late October 2011. The soft-copy version of the report has been uploaded on the AC website for the public to view and download.
- *Third Quarterly Newsletters 2011 in Khmer and English:* During the reporting period, articles for the third quarterly newsletter have been drafted. The text will be sent to printing house for format and printing in October 2011, and the soft-copy version will be uploaded on the AC website.

Media Relation and Promotion

In a continued effort to raise awareness about the AC and labour dispute resolution process, ACF has produced a training video and public service announcement in radio clip and television clip. Specifically, ACF executed the following activities:

- *Production and broadcast of training video and public service announcement:* The one-minute Public Service Announcement concerning labour dispute resolution process and the work of the AC was televised on 1st - 14 August 2011, twice per day on SEA TV from Mondays to Fridays between 07:00 pm and 07:30 pm; and on TV5 on Saturdays to Sundays between 11:30 am to 01:00 pm. The radio clip was aired on Women Media Center (WMC)'s FM102 radio five times per day, every day from 1 August until 20 August 2011. ACF has made the educational tool available for the public to view and download on the AC website and on Youtube.com at

<http://youtu.be/7tmEXAGR6ro> . Through the monitoring from Youtbue.com, there were 323 viewers for the spot.

- *Training video:* The production of the training video on case preparation and presentation before the AC has been completed. 1,000 compact disks have been produced and shared with members and stakeholders of the AC. Both the televised public service announcement and the training video have been broadcast for view by the disputing parties in the waiting area of the AC office since the beginning of August 2011.
- *IR in Press updates:* ACF monitored news as usual during the reporting period. Mass fainting in various factories, draft union law, beer promoters' protest for company's compliance with the AC rulings, and AC rulings involving a factory called June Textiles were the main stories in local newspapers in English and Khmer, including Deum Ampil News Daily, The Phnom Penh Post, The Cambodia Daily, Rasmey Kampuchea, and Cambodia Express News, German Press Agency DPA, Reuter, and radio (Radio Free Asia, Radio France International and Voice of America).
- *Labour dispute resolution process presented on Radio FM 106.5:* Mr. Y Samphy, ACF Manager of Training & Communications spoke about labour dispute resolution process in a talk show on Voice of Democracy FM 106.5 on 23 August 2011. During the talk show, Mr. Samphy explained to the audience about the AC system and labour dispute resolution process in Cambodia.

Stakeholder Training

- *Labour conciliation and inspection training for ministry officials:* As alluded earlier, on 12-13 July 2011, at the ACF office, ACF in partnership with the MOLVT conducted training for conciliators, inspectors and labour officers. There were 20 participants (4 women) from 10 provinces (Kampot, Koh Kong, Siem Reap, Battambang, Pailin, PreahVihear, Prey Veng, Kep, UddarMeanchey, and BanteayMeanchey). Based on ACF's interview with the participants after the training, the following were the findings regarding the training:



"I learned a lot about the Arbitration Council and the kind of disputes: collective and individual," said Ms. An Soly, a Labour Inspector who attended the training.

"Laws and regulations are always updated, so there are always new things to learn," said Mr. Nak Nag, Deputy Head of Labour Office in Pailin. *"I learned from the instructors and also from other attendees from other provinces. This is a golden opportunity to learn."*

Mr. Ngim Pheap, Deputy Head of the Labour Office in Prey Veng, stated, *"I understood the Arbitration Council... I wish to have more training to deepen my knowledge."*

- *Training for Legal Clinic Students of the Royal University of Law and Economics:* On 14 July 2011, at the Royal University of Law and Economics Ms. Sou Sorphea, ACF Director of Legal Services, delivered training on labour dispute resolution and the AC to some 20 (10 women) Legal Clinic Students. A Q&A follow-up session was organised at the ACF office on 18 August 2011. During the session, the students discussed and exchanged with Arbitrator Live Sovanna of AC regarding his hands-on experience in conciliation and arbitration of labour disputes.



“I learned [labour dispute resolution and the AC] once in year 3 at Royal University of Law and Economic; however I have learned a lot from this training, especially the overall proceedings at the Arbitration Council,” said Leng Mouy Keang, who attended the Q&A session. “I understand that this alternative dispute resolution [referring to the AC] provides benefits to both workers and employers.”

- *Union representatives learned case preparation before the AC:* On 22 July 2011, at Phnom Penh Hotel Ms. Sou Sorphea, Director of Legal Services, trained some 41 union federation and employee representatives (10 of 41 women) on case preparation for AC proceedings. During the session, the participants exchanged feedbacks and questions on labour dispute resolution at the AC. The emphasis was on how to be well prepared before the AC regarding cases involving termination of employment contracts. The training was followed by the Meet & Greet event between arbitrators on the employee list and union representatives



- *Rotary Peace Fellows learn labour dispute resolution in Cambodia:* On 9 Aug 2011, ACF hosted a visit by 19 peace fellows (9 women) of the Rotary Peace Center of Chulalongkorn University, Thailand. Arbitrator Ann Vireak presented to the group the labour dispute resolution process at the AC and received approximately ten questions related issues that appear the most before the AC, standard wages in Cambodia, benefits of tripartite structure of the AC, definition of individual labour disputes, the role of culture differences in conflicts, and perception of fairness in industrial relations.



“The presentation was really helpful for [the Rotary Peace Fellows] to gain knowledge about the functions and features of the Arbitration Council for industrial peace,” said Jenn Weidman, Deputy Director of Rotary Peace Center at Chulalongkorn University, after the presentation.

The session was followed by a factory visit to Grand Textile Garment to observe the production and operation of the garment factory and how labour relations are maintained between worker representatives and management.

- *Japanese law students learn labour dispute resolution in Cambodia:* On 29 August 2011, Arbitrator Nhean Somunin delivered training on labour dispute resolution for 16 law juniors (9 women) from Aoyamagakuin University in Tokyo, Japan. The topics covered types and definition of labour disputes, conciliation process at the Ministry of Labour and Vocational Training, and mediation and arbitration process at the AC. Labour Law Professor Hisaaki Fujikawa, who led the student group, said that the knowledge Arbitrator Nhean Somunin shared with his students was useful for his labour law class.



“I really appreciate your taking of valuable time to share with my students your knowledge in labour dispute resolution process in Cambodia,” he said. *“It will be very useful for our class on Japanese and South-East Asian Labour Law, which will begin right after we return to Japan.”*

Professor Fujikawa majors in South-East Asian Labour Law and is a member of the Japanese-Asian Law Study association, consisting of 10 Japanese famous labour law professors. He is responsible for Cambodia, Indonesia, Malaysia and Singapore. This was his second visit to the AC in 2011.

Partnership with IHQ under DFGG NSAC Partnership Grants

Under DFGG NSAC Partnership Grants, AC has worked closely with IHQ in aiming to raise the awareness about the AC and labour dispute resolution to workers and employers. During this reporting period, AC implemented the following activities:

- *Collective bargaining agreement training for workers, management:* Arbitrator Liv Sovanna gave a presentation on the importance of collective bargaining in maintaining industrial peace and the AC’s role in the collective bargaining. During the session the 39 worker and employer representatives (11 women) from garment and footwear factories exchanged discussion on the opportunities and practical challenges in negotiating a collective bargaining agreement in the environment of multiple unions at their enterprises. The session was organised by Integrating Human to Quality (IHQ) at Phnom Penh Hotel on 26 August 2011, as part of the Workshop on Collective Bargaining Agreement: Pathways to Good Workplace Cooperation.

- *Consultation for DFGG NSAC Grants 2012:* During the reporting period, ACF engaged in a series of consultation meetings and exchanges with IHQ and Cambodian Federation of Employer and Business Associations (CAMFEBA) regarding their applications for partnership grants under NSAC managed by The Asia Foundation. ACF provided comments and feedbacks to IHQ based on its up-to-date priorities under DFGG Project. ACF also supported the application by CAMFEBA for the partnership grant.

Component 4: General Operation and Project Management

Equipment and Occupancy

In July 2011, ACF revised its Annual Work Plan 2011 based on the findings and recommendations of the DFGG Project Mid-Term Review conducted in June 2011. ACF implemented all items set out in the revised AWP 2011. Salaries and benefits, and other expenditures were paid for ACF staff and expended for support to the AC dispute resolution work under the Project.

Project Monitoring and Evaluation

To monitor the progress and capture the results of the DFGG Project – Component to support the AC, ACF continued to fully maintain its M&E system. ACF monitored its performance output on monthly and quarterly basis, such as labour dispute cases received, success rate for resolution of labour disputes, legal toolkits, capacity building programmes, materials produced and disseminated to the stakeholders. During this reporting period, ACF revised its Annual Work Plan 2011 based on the findings and recommendations from the WB during its DFGG Project Mid-Term Review in June 2011.

In the meantime, ACF continued to update and implement GGF and RMM. The updated GGF and RRM have been included in the quarterly progress reports to the RGC and the WB.

As part of the DFGG Project Management, ACF worked in close collaboration with PCO on various project management mechanisms, including Project Management Team meetings and various technical team meetings.

3. Key Results

ACF has implemented its project activities as planned. The table below demonstrates the number of labour dispute cases received, labour dispute cases resolved, and the revenue generated through tri-partite contributions as percentage of operating cost from 2009 to the third quarter of 2011.

Labour Dispute Resolution: From 2009 up to the third quarter of 2011, 452 labour dispute cases were brought by the unions and enterprises to AC. Among them, 313 cases were resolved by the AC successfully (or 72.29% as successful resolution rate). For cases that are pending during the current quarter will be carried over to the following quarter for resolution. It is important to note that, based on ACF monitoring system, it requires at

least a 60-day wait before an assessment can be made as to whether an arbitral award has been implemented.

Revenue generated through tri-partite contributions by AC as percentage of operating cost: Since 2009, US\$82,039.06 has been generated through tri-partite contribution, while the operating cost for the period was US\$1,175,746.33. Therefore, the overall revenue generated through tri-partite contributions was 6.98% of AC operating cost or 82K ahead of the target if compare to original target (5.9% or 69.7K). This revenue has been used for sustaining the operation of AC.

Table: Summary of Results/Outcomes of QPR Based Results Indicators – ACF

Results	2008 (baseline)	For Each Year							Cumulative (2009 to Current Quarter)	Comments
		2009	2010	2011				Total 2011		
				Q1	Q2	Q3	Q4			
I. # of case received, and % of cases resolved										
a.# of labour cases /disputes received	148	180	145	44	34	49	n/a	127	452	
b. # of cases followed-up	-	166	152	37	44	34	n/a	115	433	Through the ACF monitoring system, the case follow-up requires at least a 60-day wait before implementation can be assessed. Therefore, the status of implementation of issued awards that fall within the grace period has not been followed up.
c. No. of disputes /cases resolved	124 (overestimated)*	117	115	30	27	24	n/a	81	313	Some of the unresolved cases of the previous years have been carried-over in the following year.
d. % of labour dispute resolved	-----	70.48%	75.66%	81.08%	61.36%	70.59%	n/a	70.43%	72.29%	It equals to number of cases resolved divided by total of cases followed-up. Noted that the calculation takes into consideration cases from 2009 only.
II. Revenue generated through tri-partite contributions by AC as % of operating cost										
a. Revenue	n/a	\$58,250.59	\$4,454.53	\$45.30	\$19,237.15	\$51.49	n/a	\$19,333.94	\$82,039.06	Revenue received from the stakeholders.
b. Operating costs	n/a	\$267,980.00	\$556,008.00	\$123,341.83	\$114,734.26	\$113,682.24	n/a	\$351,758.33	\$1,175,746.33	Total operating cost.
c. Revenue generated through tri-partite contributions by AC as % of operating cost	n/a	21.74%	0.80%	0.04%	16.77%	0.05%	n/a	5.50%	7%	Revenue divided by Operating Cost*100
d. Target % value (or target in USD Dollars)	n/a	2.50% Or \$6,699.90	5% Or \$27,800.40	10% Or \$12,334.18	10% Or \$11,473.43	10% Or \$1,1368.22	10%	10.00% Or \$35,175.83	5.9% Or \$69,676.73	

Overall Rate of Successful Resolution

From May 2003 to 30 September 2011, the AC has received a total of 1,105 cases. To monitor the status and progress of the dispute resolution, ACF conducts case follow-up for the outcome of the cases it has received, through phone calls to the relevant dispute parties after 60-90 days of awards issued (at the end of each quarter). The success rate of the dispute resolution at the AC from May 2003 to the end of September 2011 stands at 70.14%. ACF utilises the following criteria to determine the success rate:

- facilitated an agreement between the parties to settle the dispute;
- issued an award which (even if it was opposed) has been fully or substantially implemented to resolve the dispute; or
- issued an award which (although it was opposed) has formed the basis for a post-award settlement between the parties and which resolved the dispute.

Using this outcome-based analysis, the implementation rates for all cases received by the AC up through the current reporting period are presented below.

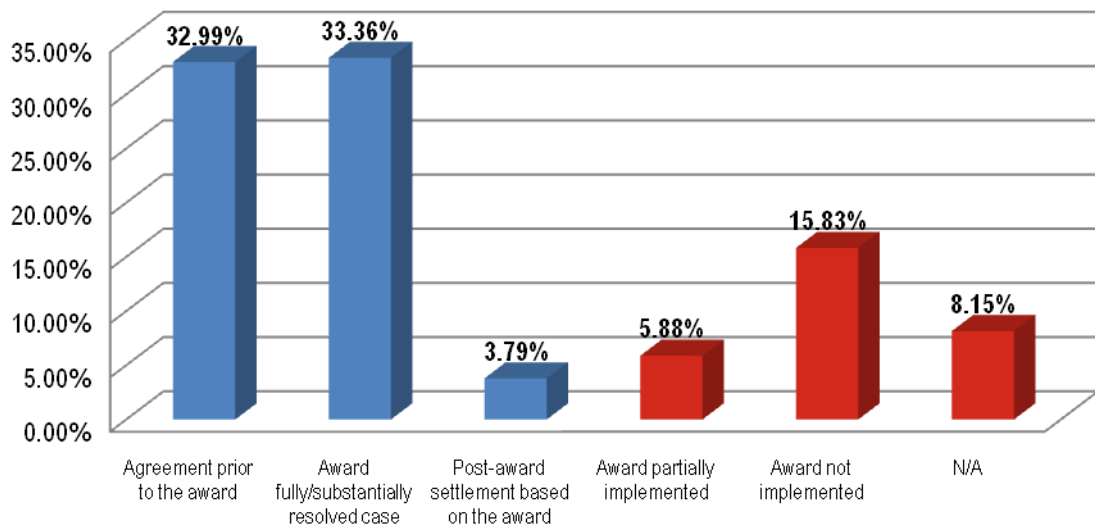
Outcomes through case 78/11		
Outcome	% of cases	# of cases
Agreement prior to the award	32.99%	348
Award fully/substantially resolved case	33.36%	352
Post-award settlement based on the award	3.79%	40
Award partially implemented	5.88%	62
Award not implemented	15.83%	167
N/A	8.15%	86
Total	100.00%	1055

Success rate = 70.14%

- = Cases settled by agreement prior to an award (32.99%)
- + Cases where the award was fully or substantially implemented to resolve the case (33.36%)
- + Post award settlement based on the award (3.79%)

The highlighted categories combine to make a success rate of 70.14%, as can also be seen in the graphic representation below.

**Overall Success Rate of Labour Dispute Resolution
(May 2003 - September 2011)**



II. CASE STUDIES/LESSONS LEARNT

ACF Executive Director Presents Development of Garment Industry MoU Implementation at Buyers' Forum: On 6 September 2011, Mr. Sok Lor, ACF Executive Director, delivered a presentation on findings and observations about the implementation of the garment industry MoU involving AC binding arbitration. Representatives of international brands participated in the forum to obtain understanding of, among other things, the development of industrial relations in Cambodia, its opportunities, and challenges for doing business in Cambodia. Their businesses with Cambodian factories plays a significant role in stimulating the private sector growth in the garment and footwear industries to the extent that the industry accounts for approximately 90% of export from Cambodia and provides more than 400,000 jobs to Cambodian workers – approximately 90% of whom women. The Executive Director reported to some 100 representatives from international brands like Nike, adidas, Puma, H&M, Walt Disney, Columbia, Gap, and union and labour organisations, that as of the end of August 2011, the AC received 113 cases and 58 of them were covered by the Memorandum of Understanding on promoting industrial relations in the garment industry MoU. At the Forum, Mr. Sok Lor informed the international brands that, by the experience of the AC, with only 5 strikes occurring under the framework of the MOU, number of strikes has decreased significantly in the first nine months of 2011. That is due a large part to the commitments under the MoU having been honoured by the concerned signatories. Compliance rate is high with 9 of 15 binding arbitral awards issued in the first quarter of 2011 being followed by disputing parties. Mr. Sok Lor also informed the businesses that, although more work remains to be done to achieve stability in industrial relations in the garment and footwear industry, the concrete data suggests that the industrial relations within the industry have become increasingly matured and therefore presenting reassurances for increase of business orders by international brands to factories in Cambodia.

The forum participants expressed a high opinion of the work of the AC on labour dispute resolution in Cambodia.

AC Recognised as Credible Institution for Resolution of Labour Disputes

Phnom Penh, Cambodia: International buyer representatives and union leaders have recognised the Arbitration Council as a credible institution for labour dispute resolution in Cambodia.

“*Our union trusts the arbitral decisions of the Arbitration Council,*” said Som Aun, President of Cambodian Labour Union Federation (CLUF), at the Buyers’ Forum organised by the ILO Better Factories Cambodia in Phnom Penh on 6 September 2011.

Ath Thorn, President of a famous union known as C.CAWDU, added that *the AC is “[an adjudicating institution] we can trust.”*

William Anderson, adidas Group’s Head of Environmental and Social Affairs Asia Pacific, commented that the AC is reliable and that he would support effective recourses after the AC process to improve labour dispute resolution.

International organisations working in the field of industrial relations also expressed a high opinion of the AC.

“*The Arbitration Council is a de facto labour court in Cambodia,*” commented David John Welsh of the American Center for International Labour Solidarity (ACILS).

The Arbitration Council is “*trustworthy and valuable for the industrial relations in Cambodia,*” said Mr. Tuomo Poutiainen, Chief Technical Advisor of the ILO Better Factories Cambodia.

III. PROJECT IMPLEMENTATION PLAN (PIP) AND ITS ACHIEVEMENTS

In 2011, ACF has proposed 62 activities for completion. Since January to September, 19 out of 64 (31%) activities were completed successfully, 36 (58%) activities were on-going and 7 (11%) activities are pending. almost of the pending activities were due to the delay in the procurement process, and they will be carried to the next quarter. The table below presents the project activities and achievements.

N ^o	Key Activities	Description of Activity	Starting Dated	Completion dated	If not achieved or delayed, reasons:
Component 1: Institutional Integrity and Sustainability					
1.1	<i>Selection/ recruitment of arbitrators</i>				
	1.1.1	Formulate a procedure for selection/recruitment of arbitrators	June 11		<u>On-going:</u> <ul style="list-style-type: none"> 7 June 11: MoLVT has issued a Prakas to re-nominate the Arbitrators for the next term (term 9).
1.2	<i>Arbitration Council governance</i>				
	1.2.1	Convene ACF Board of Directors meeting	Feb 11		<u>On-going:</u> <ul style="list-style-type: none"> 1st meeting was held on 15 February 11 2nd special meeting was held on 22 June 11 3rd meeting was organised on 23 August 2011.
	1.2.2	Organise meetings of Representatives of the AC	Jan 11		<u>On-going:</u> <ul style="list-style-type: none"> 1st was held on 25 Jan 11 2nd was 11 Feb 2011 3rd was 01 March 2011
	1.2.3	Convene Regular Arbitrator Meetings	Feb 11		<u>On-going:</u> <ul style="list-style-type: none"> 1st was held on 11 Feb 11 2nd was held on 26 March 11
	1.2.4	Organise Arbitrator Retreat			<u>N/A</u> It is planned for December 2011.
	1.2.5	Organise Arbitrator Working Group	Jan 11	Mar 11	<u>Completed:</u> The working group had completed the evidentiary guideline since March 2011. It was already distributed to each Arbitrator during the RAM on 26 Mar 11.
1.3	<i>Sustainability</i>				
	1.3.1	Procure and conduct the Study to quantify the AC value	Aug 10		<u>On-going:</u> Technical details have been discussed and agreed upon by ACF and CDRI. The contract has been scheduled for signing on 03 November 2011. The actual study will commence on 21 November 2011.

	1.3.2	Procure and produce draft sustainability strategy with Phase 1 on preparing preliminary note on sustainability issues and options and Phase 2 on finalising the strategy based on further information from the Study to Quantify AC value			<p><u>Delayed:</u> ToRs have been finalised. Advertisement to recruit a consultant to carry out the assignment will be made in November 2011.</p> <p>However, ACF started various activities for sustainability of the AC such as the MAP Project with University of Michigan Ross School of Business, discussing sustainability models with important stakeholders at SAG meeting, etc.</p>
	1.3.3	Conduct in-house strategic planning exercise and generate updated strategy from the exercise and a note on sustainability issues.	Feb 11	Apr 11	<p><u>Completed:</u></p> <ul style="list-style-type: none"> • Strategic planning training was held on 23 Feb 11 • 2nd session was held on 9 Mar 11 • 3rd session held on 22 Apr 11
	1.3.4	Procure a Sustainability & Fundraising consultant (procure the consultant and the consultant raises funds.)			<u>Postponed to 2012.</u>
	1.3.5	Engage in partnership with University of Michigan Ross School of Business to conduct study on demand for individual labour dispute resolution	Mar 11	Apr 11	<p><u>Completed:</u></p> <ul style="list-style-type: none"> • 14 Mar – 29 Apr 11: Students from Ross School of Business, Michigan University, US, conducted a study, Feasibility on Individual Labour Dispute Resolution Service
	1.3.6	Procure and conduct the soil survey and formulate building design for AC facilities			<p><u>Delayed:</u> This is due to the delay in receiving clearances of the updated procurement plan 2011.</p>
	1.3.7	Sell the AC/F publications (AA compilations,) and acquire the rights to sell “Getting to Yes” book in Khmer	Jan 11		<p><u>On-going:</u></p> <ul style="list-style-type: none"> • AC/F publications (AA compilations,) were being on sale, available at book stores and at ACF office.
Component 2: Labour Dispute Resolution					
2.1	<i>Resolution of Labour Dispute Cases</i>				

	2.1.1	Resolve labour dispute by mediation and arbitration	Jan 11		<p><u>On-going:</u></p> <ul style="list-style-type: none"> • In Q1 2011, AC received 44 cases • In Q2 2011, AC received 34 cases • In Q3 2011, AC received 49 cases • In total, 127 cases were received since 2011.
	2.1.2	SAC provides administrative support to AP	Jan 11		<p><u>On-going:</u></p> <p>Three SAC staff continued providing their administrative support to arbitration panels such as case registration, communication with disputing parties on their cases, providing assistance to the arbitration panel during hearings, assistance in drafting settlement agreements, educating the parties about the substance of the Memorandum of Understanding on Promoting Industrial Relations in the Garment Industry.</p>
	2.1.3	LSD provides legal support to AP	Jan 11		<p><u>On-going:</u></p> <p>All LSD staff continued providing their legal support to AP through training and legal research.</p>
2.2	<i>Capacity Building of AC/F and SAC</i>				
	2.2.1	Develop legal tools (benchbook)	Jan 11	Feb 11	<p><u>Completed:</u></p> <ul style="list-style-type: none"> • Legal Benchbook, 2nd Edition, 2010 was published and distributed to the Arbitrators during the RAM on 11 Feb 11 (completed since Feb 11)
	2.2.2	Deliver continued professional education: international trainers and external training abroad	Jan 11	Jul 11	<p><u>Completed:</u></p> <ul style="list-style-type: none"> • 17 – 22Jan: Arbitrator Arnold Zack, US trainer delegation delivered training sessions to AC/F and SAC. • 23 Apr 11: Ms, Susan R. Brown, US trainer delivered an advance training session to AC/F. • 19 May 11: Mr. Gilles Bélier, a prominent labour lawyer in France, exchanged his experience in practicing labour law with ACF staff and arbitrators • 30-31 Jul 11: Dr. Allen Ponak and Professor Daphne Taras delivered 2-day training on Effective Arbitration to AC/F and SAC as well as officials of Ministry of Labour and

					Vocational Training.
	2.2.3	Deliver continuing professional education: In-house training for staff and Arbitrators	Jan 11		<u>On-going:</u> There were several in-house trainings provided to AC, SAC and ACF staff.
	2.2.4	Organise exchange visits & international conferences	Jan 11	Apr 11	<u>Completed:</u> <ul style="list-style-type: none"> • 9-11 Jan 2011: Partner Economic Crisis/IFI Conference, Bangkok, Thailand • 19-26 Jan 2011: Developing a Human Rights Tool Box: An International Session for Practicing Lawyers, Stockholm, Sweden. • 20-26 Feb: DFGG exposure visit to the Philippines • 24-25 Feb 2011: 2nd Asian Mediation Association Conference -Rediscovering Mediation in the 21st Century, Kuala Lumpur, Malaysia • 1-8 Apr 11: Leadership Course on Frontiers in Development Policy organised by WB Headquarter, Washington DC.
	2.2.5	Support AC, SAC and ACF capacity building	Jan 11		<u>On-going:</u> There were several training sessions provided to AC, SAC and ACF staff.
	2.2.6	Organise ACF-SAC retreat			N/A This retreat is planned organised in December 2011.
2.3	<i>Expansion of AC services</i>				
	2.3.1	Mobile teams at regional, provincial level (partnership, outreach and training, mobile hearing, etc)	Sept 11		<u>On-going:</u> <ul style="list-style-type: none"> • On 12 September 11, a case (114/11) was heard in Siem Reap province
	2.3.2	Organise training for provincial labour officers	May 11	Jul 11	<u>Completed:</u> <ul style="list-style-type: none"> • 24-25 May: ACF conducted joint training with MoLVT at ACF Office to the conciliators and labour officers from Kampong Som, Kampong Cham, Kampong Speu, Kampong Chhnang, Phnom Penh, Kandal, and MoLVT. • 14-15 Jun: ACF and MoLVT delivered training to conciliators and labour officers. There were 20 participants from 7 provinces (Svay Rieng, Takeo, Kratie,

					<p>Stung Treng, Ratanakiri, Mondolkiri, Kompong Thom and Pursat), Ministry's Department of Labour Dispute and Department of Labour Inspection in Phnom Penh.</p> <ul style="list-style-type: none"> 12-13 July 2011: ACF and MoLVT completed the training to conciliators and labour officers from other provinces.
Component 3: Partnerships and Stakeholder Outreach and Training					
3.1	<i>Support to AC outreach training</i>				
3.2	<i>Establishing and maintaining partnerships</i>				
	3.2.1	Organise meetings of DFGG Project Collaboration Committee	Feb 11		<p><u>On-going:</u></p> <ul style="list-style-type: none"> 1st was held on 22 Feb 11
	3.2.2	Organise meetings of Stakeholder Advisory Group	Mar 11		<p><u>On-going:</u></p> <ul style="list-style-type: none"> 2nd SAG meeting was held on 4 Mar 11
	3.2.3	Organise meet & greet events between arbitrators, ACF, SAC and employee/employer	Jun 11	Jul 11	<p><u>Completed:</u></p> <ul style="list-style-type: none"> 30 June 11: Meet and Greet with Employer representatives co-organised between CAMFEBA and ACF 22 July 11: Meet and Greet between Worker Unions (Employees) and Arbitrators from Union List was organised by ACF.
	3.2.4	Maintain membership in professional bodies	Jan 11		<p><u>On-going:</u></p> <ul style="list-style-type: none"> ACF keeps it relation with other bodies
	3.2.5	Establish and maintain institutional relations with other dispute resolution bodies and other organisations, including MoLVT	Jan 11		<p><u>On-going:</u></p> <ul style="list-style-type: none"> ACF maintains its partnership with other dispute resolution bodies and other organisations, including MoLVT, CAMFEBA, and Garment Manufacturer Association in Cambodia, various union federations, confederation, and various local and international organisations operating in the field of labour relations.
	3.2.6	Liaise with OWSO, including availing to citizens the information about AC and labour dispute resolution procedures at OWSO community information centers	Aug 11		<p><u>On-going:</u></p> <p>This MoU is expected to be signed between ACF and OWSO by October 2011. Activities will include sharing of labour information for various offices of OWSO.</p>
3.3	<i>Disseminate publications and other information to raise stakeholder awareness</i>				

	3.3.1	Maintain and improve website and database	Jan 11		<u>Completed:</u> AC website has been maintained and updated, with the published arbitration awards regularly posted in both Khmer and English versions.
	3.3.2	Disseminate publications and other information about the AC through AC website and within AC premise	Jan 11		<u>On-going:</u> AC website has been maintained and updated with arbitral awards, industrial relations news, information assisting disputing parties to understand and prepare before the AC, and DFGG project documents, among other documents.
	3.3.3	Circulate via e-mails the announcements of settlement agreements and arbitral awards and AC electronic newsletters stakeholders	Jan 11		<u>On-going:</u> AC circulates its stakeholders the announcements of settlement agreements and arbitral awards and AC electronic newsletters via e-mails.
	3.3.4	Disseminate information and activities about the AC through Facebook and twitter accounts	May 11		<u>On-going:</u> ACF also employed Facebook page and Twitter to raise awareness of the work of the AC.
	3.3.5	Publish compilations of arbitral awards			N/A: No new volumes were printed during the reporting period. Volume 16 of the compilations of arbitration award will be published in the next quarter.
	3.3.6	Develop and publish other tools	Jan 11		<u>On-going:</u> ACF has produced 1 st , 2 nd and quarter newsletter and they were contributed to the stakeholders.
	3.3.7	Manage AC library and open it to the public	Jan 11		<u>On-going:</u> AC library is open to the public.
3.4	<i>Media relations and promotion</i>				
	3.4.1	Training videos	Mar 11		<u>On-going:</u> <ul style="list-style-type: none"> 1st training video was already shot and played at AC front office
	3.4.2	Broadcast AC PSA over radio and TV, viewable to employers and workers in various industrial provinces of Cambodia	Aug 11	Aug 11	<u>Completed:</u> <ul style="list-style-type: none"> AC PSA was aired for the public to view and listen on FM 102 radio, SEATV and TV5. It has been uploaded to AC website and YouTube.

	3.4.3	Radio and TV Talk Shows	Jan 11	Aug 11	<u>Completed:</u> <ul style="list-style-type: none"> 15 June 2011: Mr. Sok Lor, ACF Executive Director, spoke about labour dispute resolution process and the AC on Radio FM102.5 23 August 11: Mr. Y Samphy, ACF Manager of Training & Communications, spoke about labour dispute resolution process in a talk show on Voice of Democracy FM 106.5.
	3.4.4	Media briefing, when necessary.	Jun 11	Jun 11	<u>Completed:</u> <ul style="list-style-type: none"> 21 June 2011: ACF organised a media briefing regarding the AC ruling on 054/11-June Textile. TVK reporters attended and interviewed ACF Executive Director for Social Equity Program showed on Sundays and Mondays at 10:00 p.m.
	3.4.5	Monitor media reporting on industrial relations and AC	Jan 11		<u>On-going:</u> ACF has monitored media reporting on industrial relations and AC regularly through local and international news.
3.5	<i>Stakeholder training (including training on binding arbitration)</i>				

	3.5.1	Employees/employers	Jan 11	Jul 11	<p><u>Completed:</u></p> <ul style="list-style-type: none"> • 21 Jan 2011: Roundtable discussions with reps of employer associations and local enterprises and union federations on implementation of garment industry MoU at Himawari Hotel. • 22 February 2011: Labour dispute resolution and AC and information sharing re adjustments to AC process following MoU at Koh Pich Convention Center. • 26 March 2011, Arbitrator Kong Phallack provided training on labour dispute resolution at the AC to more than 20 worker representatives from various factories in Phnom Penh • 26 April 2011: ACF and IHQ jointly organised training on Labour Dispute Resolution for 21 management representatives from various enterprises in the Greater Phnom Penh region. • 30 June 2011: Ms. Sou Sorphea, ACF Director of Legal Services Department, presented labour dispute resolution and the AC to more than 40 employer representatives as part of a joint event by CAMFEBA and ACF organised at Hotel Cambodiana. • 22 Jul 11: Ms. Sou Sorphea, LSD Director, trained 41 union reps in case preparation • 23 July 2011: Arbitrator Sin Kimsean provided training on labour dispute resolution and the AC for local union representatives from various companies. • 25 July 2011: Arbitrator Sin Kimsean provided training on labour dispute resolution and the AC for management representatives from various companies.
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	3.5.2	MoLVT and provincial labour officers and conciliators	May 11	July 11	<p><u>Completed:</u></p> <ul style="list-style-type: none"> • 24-25 May: First priority, ACF conducted joint training with MoLVT at ACF Office to the conciliators and labour officers from Kampong Som, Kampong Cham, Kampong Speu, Kampong Chhnang, Phnom Penh, Kandal, and MoLVT. • 14-15 Jun: ACF and MoLVT kept training to conciliators and labour officers. There were 20 participants from 7 provinces (Svay Rieng, Takeo, Kratie, Stung Treng, Ratanakiri, Mondolkiri, Kampong Thom and Pursat), Ministry's Department of Labour Dispute and Department of Labour Inspection in Phnom Penh. • 12-13 July 2011: ACF and MoLVT completed the training to conciliators and labour officers from the rest provinces.
	3.5.3	Members of commune councils and One Window Service District Ombudsmen			<p><u>Delayed:</u></p> <p>It was delayed pending finalisation of the Consolidated Training Plan.</p>
	3.5.4	Court clerks			<p><u>Delayed:</u></p> <p>It was delayed due to revision of ACF training strategy following DFGG Project Mid-Term Review.</p>
	3.5.5	Judges (student or sitting judges)	Jan 11	Jan 11	<p><u>Completed:</u></p> <ul style="list-style-type: none"> • 20 January 2011: at Himawari Hotel, training on role of courts v. arbitration for sitting judges and prosecutors from all over Cambodia.
	3.5.6	Advocates	Jul 11	Jul 11	<p><u>Completed:</u></p> <ul style="list-style-type: none"> • 22 July 2011: Director of LSD Ms. Sou Sorphea trained advocates from various union federations in how to prepare and present cases involving demand for reinstatement. Those advocates appeared frequently in AC hearings. The presentation was conducted as part of the Meet & Greet with between AC arbitrators on the employee list and worker representatives.

	3.5.7	Trainee lawyers	Jan 11	Jan 11	<u>Completed:</u> <ul style="list-style-type: none"> Arbitrator Arnold Zack and Arbitrator Ann Vireak provided training on 18 January 2011
	3.5.8	Law students at universities	Jul 11	Aug 11	<u>Completed:</u> <ul style="list-style-type: none"> 14 Jul 11: Director of LSD delivered the training for RULE students in Legal Clinic Program. They were also invited to visit the AC office and attend the orientation on AC by Arbitrator Liv Sovanna. Then, another session was held on 18 July 2011 for questions and answers with Arbitrator Liv Sovanna of the AC to reinforce the students' understanding of the work of the AC. 9 Aug 11: Arbitrator Ann Vireak presented labour dispute resolution to Rotary Peace Fellows. 29 Aug 11: Arbitrator Nhean Somunin delivered a session to Japanese law students labour dispute resolution.
3.6	<i>Partnership with Integrating Human to Quality (IHQ) under DFGG NSAC partnership grant</i>				
	3.7.1	Under DFGG NSAC grants, IHQ to work with ACF to promote binding arbitration throughout activities conducted under the grant.	Jan 11		<u>On-going:</u> ACF has worked IHQ in providing several trainings to employers to promote binding arbitration throughout activities conducted under the grant.
Component 4: General Operations and Project Management					
4.1	Equipment and occupancy				
	4.1.1	Salary and benefits	Jan 11		<u>On-going:</u> Salary and benefits were provided to ACF staff in order to support the AC.
	4.1.2	Occupancy	Jan 11		<u>On-going:</u> This item will be implemented until end of year as planned.
	4.1.3	Supplies	Jan 11		<u>On-going:</u> This item will be implemented until end of year as planned.
	4.1.4	Communications and postage	Jan 11		<u>On-going:</u> This item will be implemented until end of year as planned.
	4.1.5	Equipment	Jan 11		<u>On-going:</u> This item will be implemented until end of year as planned.

	4.1.6	Contractual services	Jan 11		<u>On-going:</u> This item will be implemented until end of year as planned.
4.2	Project monitoring and evaluation				
	4.2.1	Maintain M&E system	Jan 11		<u>On-going:</u> ACF has maintained its M&E system in order to ensure the good quality of project implementation.
	4.2.2	Prepare the ToR and procure a NGO to conduct ACF DFGG mid-term follow-up study	Jan 11		<u>On-going:</u> ToR has been finalised. Pending clearances of updated procurement plan 2011, ACF expects to SSS Economic Institute of Cambodia to carry out the assignment.
	4.2.3	Result output monitoring on monthly and quarterly basis (case receive, success rate, legal toolkits, capacity building, material produce and disseminate, etc)	Jan 11		<u>On-going:</u> ACF has produced those outputs and shared to its donors and stakeholders through Monthly E-newsletter, Quarterly Newsletter, Quarterly Progress Report and Annual Progress Report.
	4.2.4	Update AWP 2011 based on the recommendations in MTR report and mid-term review AM	Jul 11	Sept 11	<u>Completed:</u> ACF has revised its AWP 2011 and submitted to PCO and cc WB on 30 July and resubmitted on 2 Sept 2011
	4.2.5	Coordinate with PCO in conducting evaluation studies of outcome indicators (i.e., institutional capacity, staff capacity building, number of partnership formed, etc.)	Jan 11		<u>On-going:</u> ACF has worked closely with PCO regarding to conducting the studies such as Baseline Study and Mid-term review and so on.
	4.2.6	Implement and update GGF and RMM	Jan 11		<u>On-going:</u> <ul style="list-style-type: none"> • 1st quarter GGF & RMM: completed. • 2nd quarter GGF & RMM: completed. • 3rd quarter GGF & RMM: completed. • 4th quarter GGF & RMM: Not yet applicable.

IV. FINANCIAL AND DISBURSEMENT STATUS

During the reporting period, ACF spent US\$113,682.24, of which US\$108,647.77 was from International Development of Association (IDA) and another US\$5,034.47 from other donors of ACF. The expenditure of IDA was pre-financed by the Australian Agency

for International Development (AusAID). The comparison of the budget plan and actual expenditure for the quarter is shown below:

	Expenditures by Categories	Budget	Actual	Difference	Depletion Rate
1A.1	Goods	1,550.00	2,302.10	(752.10)	149%
1A.1	Consulting Services	173,539.00	26,000.30	147,538.70	15%
1A.1	Training and Workshop	27,193.33	9,536.94	17,656.39	35%
1A.1	Incremental Operating Costs	50,518.38	44,233.94	6,284.44	88%
1A.1	ACF Operating Costs	51,507.83	31,608.96	19,898.87	61%
	Total	304,308.54	113,682.24	190,626.30	37%

As shown in the table above, the discrepancy between the budget plan and actual expenditure as at US\$190,626.30 indicates that ACF's expenditure was at 37% of the total budget plan for the reporting quarter. The over expenditure on Goods was due to the unsuccessful procurement of audio visual equipment from the previous quarter. The under expenditure on Consulting was as a result of the delay in the procurement of Study to Quantify the Value of the AC's Services, Enhancing the Enabling Environment for Implementation of Memorandum of Understanding on Binding Arbitration by the Arbitration Council, and expenditure on Training and workshop achieved 35% as a result of the postponement of the international internship program to Australia and the turnover of ACF staff under the ACF operating costs.

The below table is the expenditure and disbursement status of the project as of the reporting quarter.

4.1 Summary Financial Tables for Quarterly Progress Report for 2011

A. Actual Expenditure (USD)

No.	Expenditure Category	Expenditure in the III Quarter of 2011	Year to Date Expenditure 2011	% Expenditure in 2011 vis a vis AWP Target	Cummulative Expenditure from the Beginning of the project till current quarter of 2011	PAD/ Revised Total Project Amount	% Cummulative expenditure to PAD/Revised Total Project Amount
1	Civil Works	-	-		-		-
2	Goods	2,302	4,835	43%	88,301	109,950	80%
3	Consulting Services	25,883	56,415	12%	124,621	351,313	35%
4	Training and Workshop	9,537	42,731	32%	149,877	359,187	42%
5	Incremental Operating Costs	39,282	109,356	54%	335,774	732,990	46%
6	ACF Operating Costs	31,644	120,881	58%	419,305	788,245	53%
		108,648	334,218	32%	1,117,878	2,341,685	48%

B. Disbursement from IDA to ACF (USD)

No.	Expenditure Category	Disbursement in the III Quarter of 2011	Year to Date Disbursement 2011	Cummulative Disbursement from the Beginning of the project till current quarter of 2011	PAD/ Revised Total Project Amount	% Cummulative Disbursement to PAD/Revised Total Project Amount
1	Civil Works	-				
2	Goods	2,359.00	32,154.49	85,998.88	109,950.00	78%
3	Consulting Services	9,815.24	37,420.73	98,744.42	351,313.00	28%
4	Training and Workshop	3,629.20	33,269.43	140,340.54	359,187.00	39%
5	Incremental Operating Costs	19,875.27	83,477.63	296,460.40	732,990.00	40%
6	ACF Operating Costs	27,480.00	105,366.14	387,654.92	788,245.00	49%
	Total	63,158.71	291,688.42	1,009,199.16	2,341,685.00	43%

4.2 Interim Financial Report (IFR)

A. Financial Balance Sheet

Cambodia: Demand for Good Governance Project
For the Quarter Ended 30 September 2011

	<u>As of September 2011</u>	<u>As of June 2011</u>
Cash and Cash at Bank		
Petty Cash Float	2,547.75	941.68
Bank-AusAID	88,761.74	136,129.37
Bank-Stakeholders	16,104.97	21,163.78
Advance	530.00	-
Retension and security	-	-
Deposit	8,709.00	8,709.00
Payable	(1,376.96)	(1,195.29)
	115,276.50	165,748.54
Project Expenditures		
Civil Works	-	-
Goods	88,300.98	85,998.88
Consultants' Services	126,102.35	100,102.06
Training	153,903.94	144,367.00
Incremental Operating Costs	382,057.84	337,823.91
ACF Operating Costs	425,381.62	393,772.67
	1,175,746.72	1,062,064.51
Total Assets	1,291,023.22	1,227,813.05
Funds Received from IDA	1,009,199.16	946,040.45
Fund Received from AusAID	199,785.01	199,785.01
Fund Received from Stakeholders	82,039.06	81,987.57
	1,291,023.23	1,227,813.03
Surplus/ (Deficit):	0.01	-0.02

B. Sources and Uses of Funds by Category

Cambodia: Demand for Good Governance Project
Sources and Uses of Funds by Category
For the Quarter Ended 30 September 2011

Component 1A	Actual			Budget			Variance			PAD
	Current Quarter	Year to Date	Cumulative to Date	Current Quarter	Year to Date	Cumulative to Date	Current Quarter	Year to Date	Cumulative to Date	
Add	Opening Balance									
	AusAID Account	136,129.37	128,974.99	-						
	ACF Saving Account	20,953.48	14,626.04	-						
	ACF Current Account	174.39	894.41	-						
	AC Riels-Account	35.91	1,735.55	-						
	Advance	-	-	-						
	Deposit	8,709.00	8,709.00	-						
	Payable	(1,195.29)	(1,562.65)	-						
	Petty Cash	941.68	2,635.13	-						
	Total	165,748.54	156,012.47	-						
Sources:										
Receipt of Funds										
- From IDA	63,158.71	291,688.42	1,009,199.16						2,341,685.00	
- From AusAID		-	199,785.01						200,000.00	
- From Stakeholder	51.49	19,333.94	82,039.06						217,605.00	
- Other Income (document bidding fees..., etc.)		-	-						0.00	
Total Funds Received	63,210.20	311,022.36	1,291,023.23						2,759,290.00	
Total Sources	228,958.74	467,034.83	1,291,023.23						2,759,290.00	
Less	Expenditures by Category									
	- Civil Works	-	-	-			0.00	0.00	0.00	
	- Goods and Equipment	2,302.10	4,835.10	88,300.98	1,550.00	9,740.00	90,125.00	-752.10	4,904.90	1,824.02
	- Consulting Services	26,000.30	57,149.12	126,102.35	173,539.00	416,417.00	800,064.17	147,538.70	359,267.89	673,961.82
	- Training and Workshops	9,536.94	43,671.13	153,903.94	27,193.33	107,983.17	330,519.15	17,656.39	64,312.04	176,615.22
	- Incremental Operating Costs	44,233.94	123,653.90	382,057.84	50,518.38	153,651.82	489,762.67	6,284.44	29,997.92	107,704.83
	- ACF Operating Costs	31,608.96	122,449.08	425,381.62	51,507.83	156,773.48	482,612.34	19,898.87	34,324.39	57,230.72
	Total Expenditures	113,682.24	351,758.33	1,175,746.72	304,308.54	844,565.46	2,193,083.32	190,626.30	492,807.13	1,017,336.60
Closing Balance (I)	115,276.50	115,276.50	115,276.51							
Represented by:										
Balance at Designated A/C										
AusAID	88,761.74	88,761.74	88,761.74							
ACF Saving Account	16,083.43	16,083.43	16,083.43							
ACF Current Account	174.39	174.39	174.39							
AC Riels-Account	(152.85)	(152.85)	(152.85)							
Advance	530.00	530.00	530.00							
Deposit	8,709.00	8,709.00	8,709.00							
Payable	(1,376.96)	(1,376.96)	(1,376.96)							
Petty Cash	2,547.75	2,547.75	2,547.75							
Total (II)	115,276.50	115,276.50	115,276.50							
Surplus/(Deficit): (I)-(II)	(0.00)	(0.01)	(0.01)							

C. Uses of Funds by Category and by Sources of Funds

Cambodia: Demand for Good Governance Project
 Uses of Funds by Category and by Sources of Funds
 For the Quarter Ended 30 September 2011

	Current Quarter				Year to date				Cumulative to date				PAD			
	IDA Grant	Bank - AusAID	Other Donors	Total	IDA Grant	Bank - AusAID	Other Donors	Total	IDA Grant	Bank - AusAID	Other Donors	Total	IDA Grant	AusAID	Stakeholder	Total
Payment by category																
Civil Works																
Goods	2,302.10		-	2,302.10	4,835.10		0.00	4,835.10	88,300.98		0.00	88,300.98	109,950		10,000	119,950
Consulting Services	25,882.90		117.40	26,000.30	56,415.22		733.90	57,149.12	124,621.15		1,481.21	126,102.36	351,313		25,000	376,313
Training, Workshops, Seminars	9,536.94		-	9,536.94	42,731.13		940.00	43,671.13	149,877.48		4,026.46	153,903.94	359,187		87,000	446,187
Incremental Operating Costs	39,282.19		4,951.75	44,233.94	109,355.53		14,298.37	123,653.90	335,773.93		46,283.92	382,057.85	732,990	100,000	75,605	908,595
ACF Operating Costs	31,643.64		(34.68)	31,608.96	120,880.86		1,568.22	122,449.08	419,304.83		6,076.80	425,381.63	788,245	100,000	20,000	908,245
Total Payments	108,647.77		5,034.47	113,682.24	334,217.84		17,540.49	351,758.33	1,117,878.36		57,868.39	1,175,746.75	2,341,685	200,000	217,605	2,759,290

D. Uses of Funds by Project Activity

Cambodia: Demand for Good Governance Project

Uses of Funds by Project Activities

For the Quarter Ended 30 September 2011

Project Component	Actual			Budget			Variance			PAD
	Current Quarter	Year to Date	Cumulative to Date	Current Quarter	Year to Date	Cumulative to Date	Current Quarter	Year to Date	Cumulative to Date	
1A Support to the Arbitration Council (AC)										
a AC Institutional Integrity and Sustainability	656.40	5,848.39	13,638.13	20,930.00	138,495.00	280,125.34	20,273.60	132,646.61	266,487.21	169,410.00
1 Selection/recruitment of arbitration	0.00	0.00	0.00		0.00	7,113.00	0.00	0.00	7,113.00	0.00
2 Arbitration Council Governance	656.40	2,735.35	10,525.09	930.00	3,395.00	17,912.34	273.60	659.65	7,387.25	69,410.00
3 Sustainability	0.00	3,113.04	3,113.04	20,000.00	135,100.00	255,100.00	20,000.00	131,986.96	251,986.96	100,000.00
b Labor Dispute Solution	42,425.35	153,858.24	517,228.09	69,859.30	223,635.90	677,197.25	27,433.95	69,777.66	159,969.16	999,536.00
1 Resolution of labour dispute cases	35,925.40	128,073.41	409,905.94	52,921.30	159,743.90	468,876.25	16,995.90	31,670.49	58,970.31	754,974.00
2 Capacity building of AC/F and SAC	5,530.95	24,815.83	99,093.40	16,138.00	61,492.00	180,251.00	10,607.05	36,676.17	81,157.60	208,627.00
3 Expansion of AC services	969.00	969.00	8,228.75	800.00	2,400.00	28,070.00	-169.00	1,431.00	19,841.25	35,935.00
c Partnerships and Stakeholders Outreach and Training	23,280.35	54,960.49	143,158.26	143,680.17	296,147.33	587,976.52	120,399.82	241,186.84	444,818.26	467,770.00
1 ACF support to AC outreach and training	6,647.96	19,837.88	53,711.13	7,021.50	21,484.50	62,833.00	373.54	1,646.62	9,121.87	112,320.00
2 Establishing and maintaining partnerships	1,248.45	2,437.95	15,933.63	3,076.67	5,543.33	27,085.88	1,828.22	3,105.38	11,152.25	39,940.00
3 Dissemination of publications and other information	2,178.70	6,633.97	39,220.99	105,465.00	180,125.00	241,165.49	103,286.30	173,491.03	201,944.50	118,218.00
4 Media relations and promotion	11,572.80	17,359.20	19,438.00	23,457.00	68,592.00	206,832.00	11,884.20	51,232.80	187,394.00	124,380.00
5 Stakeholder training	1,632.44	8,691.49	14,854.51	4,660.00	20,402.50	50,060.15	3,027.56	11,711.01	35,205.64	72,912.00
d General Operations and Project Management	47,320.14	137,091.21	501,722.25	69,839.08	186,287.23	647,784.23	22,518.94	49,196.02	146,061.98	1,122,574.00
1 Salaries	21,827.59	61,421.61	176,635.47	28,861.50	80,734.50	233,032.50	7,033.91	19,312.89	56,397.03	448,440.00
2 Benefits	945.19	5,240.53	14,686.12	1,932.58	7,197.73	19,522.43	987.39	1,957.20	4,836.31	32,743.00
3 Occupancy	11,559.00	34,274.15	108,741.00	11,850.00	35,850.00	124,786.23	291.00	1,575.85	16,045.23	245,400.00
4 Supplies	2,692.20	8,505.27	26,645.09	1,960.00	5,810.00	23,010.00	-732.20	-2,695.27	-3,635.09	32,760.00
5 Equipment	2,302.10	4,835.10	61,676.70	800.00	7,490.00	43,875.00	-1,502.10	2,654.90	-17,801.70	74,750.00
6 Communications and postage	1,942.94	5,230.46	23,301.57	2,435.00	7,305.00	31,447.50	492.06	2,074.54	8,145.93	64,880.00
7 Vehicle and Transportation	969.66	1,493.46	29,558.20	1,900.00	3,700.00	53,540.00	930.34	2,206.54	23,981.80	68,400.00
8 Contractual services	4,594.46	15,603.63	38,206.83	4,000.00	17,100.00	53,560.00	-594.46	1,496.37	15,353.17	69,201.00
9 Project monitoring and evaluation	0.00	0.00	19,910.00	16,100.00	21,100.00	63,848.06	16,100.00	21,100.00	43,938.06	86,000.00
10 Hospitality (Reception/farewell)	487.00	487.00	2,361.28		0.00	1,162.52	-487.00	-487.00	-1,198.76	
Total Project Expenditure	113,682.24	351,758.33	1,175,746.73	304,308.54	844,565.46	2,193,083.34	190,626.30	492,807.13	1,017,336.61	2,759,290.00

4.3. Physical Progress, Procurement & Contract Management

A. Physical Progress Report by Civil Works

Cambodia: Demand for Good Governance Project

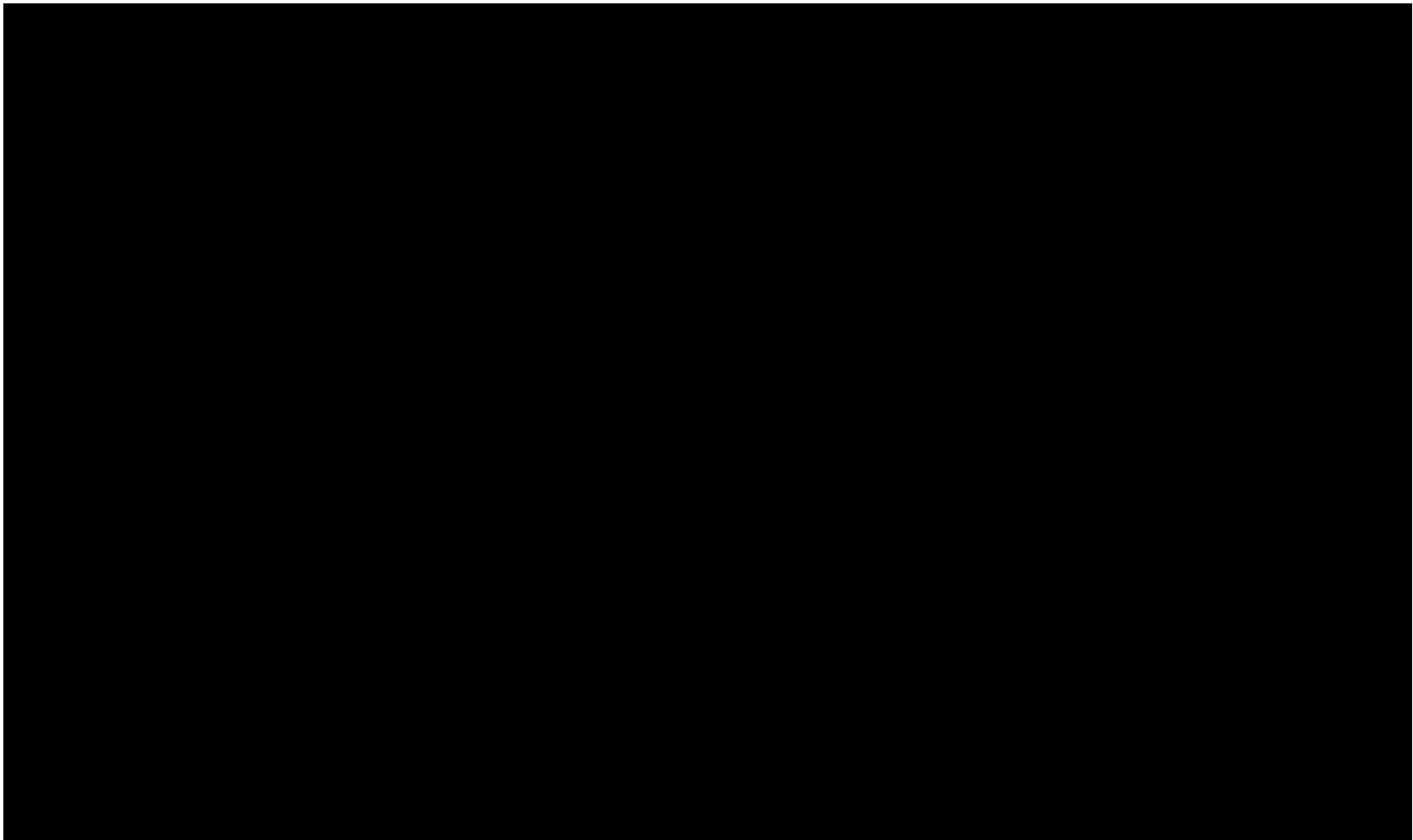
Physical Progress Report by Civil Works

For the Quarter Ended 30 September 2011

Not Applicable

B. Contract Monitoring Report

Cambodia: Demand for Good Governance Project
Contract Monitoring Report
For the Quarter Ended 30 September 2011



C. Procurement Monitoring Report – Goods

Cambodia: Demand for Good Governance Project
 Procurement Monitoring Report- Goods
 For the Quarter Ended 30 September 2011

No.	Description of Goods/Works	Contract Ref. No.	Prior (P) or Post Review (PR)	Procurement Method	Bidding Documents (BD) and Bidding Process						Bid Evaluation/ Contract Award Recommendation		Contract				
					ACF sent draft BD to Bank for approval (date)	Approval to draft BD by PRC (date)	ACF sent draft BD to the Bank's NOL (Date)	No objection to the draft BD by the Bank (Date)	BID Invitation issued (Date)	Bids Opened (Date)	ACF Sent Evaluation report/award recommendation to the Bank (Date)	No objection to evaluation report/award recommendation by the bank (Date)	Project signed Contract with the Contractor (Date)	Contractor's Name	Contract Amount	Completion date	
I. Goods																	
1	Planned	Office Equipment	ACF/DFG	Post	SH		4/Apr/11			19/Apr/11	3/May/11	20/May/11		27/May/11		7,500.00	24/Jun/11
	Actual	Lot 1: Laptop & Fax machine. Lot 2: Audio Visual Equipment	G/NS-01/11	Post	SH		12/May/11			19/May/11	7/Jun/11			17/May/11	S.I Computer	1,624.00	21/Jun/11
2	Planned	Audio Visual Equipment	ACF/DFG	Post	SH		19/Jun/11			21/Jun/11	5/Jul/11			15/Jul/11		6,000.00	14/Aug/11
	Actual	Audio Visual Equipment	G/NS-02/11	Post	SH		20/Jun/11			22/Jun/11	6/Jul/11			13/Jul/11	Narita Distribution	2,484.00	9/Aug/11
3	Planned	Office Equipment Lot 1:		Post	SH		8/Oct/11			17/Oct/11	31/Oct/11			8/Nov/11		12,000.00	29/Nov/11
	Actual	Photocopy Machine & Conference Phone. Lot 2: Digital Camera		Post	SH												

D. Procurement Monitoring Report - Consulting Firm/NGO

Cambodia: Demand for Good Governance Project
Procurement Monitoring Report- Consulting Services
For the Quarter Ended 30 September 2011

No.	Description of Services	Contract No.	Prior (P) or Post Review (PR)	Procurement Method	Shortlist and Draft Requirement for Proposal (RFP)									□ Technical Evaluation □		Final (Technical-Financial) Evaluation			Contract						
					ACF sent shortlist to the Bank (date)	No objection to the shortlist by the Bank (Date)	ACF sent Draft RFP to PRC (Date)	Approve to draft RFP by PRC (Date)	ACF Sent Draft of RFP to the Bank (Date)	No objection to Draft RFP by the Bank (Date)	ACF Issued RFPs (Date)	ACF received proposal from firms (Date)	ACF sent Tech. evaluation report to the Bank (Date)	No objection to Tech. evaluation report by the Bank (Date)	ACF Open Financial Proposal Publicity (Date)	ACF completes final evaluation	PRC and ACF negotiate contract with consultant	ACF sends draft contract and final evaluation report to the Bank (Date)	No objection to Draft Contract by the Bank (date)	Project signed contract with consultant	ACF signed contract to the Bank (Date)	Consultant's Name	Contract Value (US\$)	Contract/Delivery Completion Date	
1	3	2	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	21	22	23	24	26	27	28	
1	Planned	Study to quantify the value of AC	Post	CQS			17/May/10	24/May/10			15/Jun/10	14/Jul/10			30/Jul/10	9/Aug/10	19/Aug/10			1/Sep/10				40,000.00	30-Jan/11
	Actual	service									30/Aug/10	20/Sep/10					8/Nov/10							56,338.50	
2	Planned	Media Production for (1) one ACF through IPA public service announcement (2)	Post	CQS			21-Jun-10	7-Jul-10			12-Jul-10	11-Aug-10			1-Sep-10		29-Nov-10			14-Dec-10				45,000.00	30-Apr-11
	Actual	training video	Post	CQS							27-Jul-10	26-Aug-10			14-Sep-10		29-Nov-10			20-Dec-10		Women's Media		19,288.00	17-Jul-11
3	Planned	Media Production for two episodes of soap opera	Prior	SSS	1-Oct-11	8-Oct-11	19-Oct-11	26-Oct-11	27-Oct-11	4-Nov-11	6-Nov-11	5-Dec-11	23-Dec-11	30-Dec-11	8-Jan-12	27-Jan-12	12-Feb-12	26-Feb-12	1-Mar-12	8-Mar-12	9-Mar-12			25712.00	8-Aug-12
	Actual		Prior	SSS																					
4	Planned	Financial audit	Post	SSS	2-Dec-10	9-Dec-10									20-Jan-11		31-Jan-11	14-Feb-11	21-Feb-11	1-Mar-11	2-Mar-11			8,000.00	1-Jun-12
	Actual	Financial audit	Post	SSS	14-Dec-10	17-Dec-10									17-Jan-11		17-Jan-11	14-Feb-11	18-Feb-11	23-Feb-11	28-Feb-11	KPMG Cambodia		7,480.00	12-Jul-11
5	Planned	Enhancing the enabling environment for implementation of binding arbitration by AC	Prior	SSS	12-Nov-10	19-Nov-10	6-Dec-10	13-Dec-10	13-Dec-10	20-Dec-10	20-Dec-10	24-Jan-11	17-Feb-11	25-Feb-11	11-Mar-11	21-Mar-11	4-Apr-11	11-Apr-11	18-Apr-11	19-Apr-11	4/19/2011			200000.00	30-Mar-12
	Actual		Prior	SSS	19-Nov-10	30-Nov-10	21-Dec-10	22-Dec-10	22-Dec-10	6-Feb-11	10-Feb-11														
6	Planned	Mid-term Follow-up Study	Prior	SSS			19-Sep-11	30-Sep-11	3-Oct-11	10-Oct-11	11-Oct-11	1-Nov-11	14-Nov-11	21-Nov-11	24-Nov-11	28-Nov-11	1-Dec-11	5-Dec-11	9-Dec-11	12-Dec-11	13-Dec-12			20000.00	1-Jul-12
	Actual		Prior	SSS																					
7	Planned	Soil Investigation and Building Drawing	Post	CQS			8-Oct-11	15-Oct-11			18-Oct-11	1-Nov-11			15-Nov-11	23-Nov-11	29-Nov-11			5-Dec-11	6-Dec-11			11000.00	31-Dec-11
	Actual		Post	CQS																					

E. Procurement Monitoring Report - Individual Consultant

Cambodia: Demand for Good Governance Project
Procurement Monitoring Report- Individual Consultant
For the Quarter Ended 30 September 2011

No.	Description of Services	Contract No.	Prior (P) or Post Review (PR)	Procurement Method	ToR/EOI						Evaluation		Contract							
					ACF sent ToR and EOI Advertisement to PRC (date)	Approval to ToR and EOI advertisement by PRC (Date)	ACF sent ToR and EOI advertisement to the Bank (Date)	No objection to ToR and EOI advertisement by the Bank (Date)	Advertisement by ACF (Date)	Submission of EOI (Date)	ACF sent Evaluation Report to the Bank (Date)	No objection to Evaluation Report by the Bank (Date)	PRC and ACF negotiate contract with consultant	ACF sent draft contract to the Bank (Date)	No objection to the Draft Contract by the Bank (Date)	Project signed contract with consultant (Date)	ACF sent signed contract to the Bank (Date)	Consultant's Name	Contract Value (US\$)	Contract/Delivery Completion Date
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
A International Consultant/Specialist																				
1	Planned	ITA-Sustainability strategy	Post	IC	12/Sep/11	19/Sep/11			24/Sep/11	7/Oct/11			3/Nov/11			10-Nov-11	11-Nov-11		\$ 80,000.00	30/May/11
	Actual																			
2	Planned	ITA-Fund raising consultant	Post	IC	12/Sep/11	19/Sep			24/Sep/11	7/Oct/11			3/Nov/11			10-Nov-11	11-Nov-11		\$ 50,000.00	30/May/12
	Actual																			
3	Planned	ITA-Senior Legal Advisor	Prior	IC-SSS	15-Sep-11	22-Sep-11	29-Aug-11	6-Oct-11	10-Oct-11	24-Oct-11	21-Nov-11	28-Nov-11	5-Dec-11	8-Dec-11	15-Dec-11	22-Dec-11	23-Dec-11		\$ 60,000.00	30/Mar/13
	Actual																			
4	Planned	ITA-Pre-listed consultants for Labour Dispute (short term expert) - 3 short term legal	Prior	IC					24-Aug-11							10-Oct-11			\$ 12,000.00	30/Apr/12
	Actual																			
B National Consultants																				
1	Planned	Deputy Executive Director	Post	IC	30/May/11	10/Jun			14/Jun/11				28/Jun/11			21-Jul-11			\$ 20,000.00	30/Jul/12
	Actual																			
2	Planned	Media and Communication Consultant	Post	IC	29/Sep	5/Oct			10/Oct/11	1/Nov/11			23/Nov/11			28-Nov-11	29-Nov-11		\$ 17,000.00	31/Dec/12
	Actual																			
3	Planned	Finance & Admin. Officer	Prior	IC	22-Nov-10	29-Nov-10	30-Nov-10	8-Dec-10	13-Dec-10	27-Dec-10	17-Jan-11	31-Jan-11	7-Feb-11	11-Feb-11	18-Feb-11	24-Feb-11	25-Feb-11	Heng Kanitha	1-Apr-11	30-Mar-12
	Actual																			
4	Planned	Legal Officers	Prior	IC	1-Jun-11	3-Jun-11	3-Jun-11	20-Jun-11	21-Jun-11	7-Jul-11	22-Jul-11	29-Jul-11	11-Jul-11	10-Aug-11	17-Aug-11	19-Aug-11	20-Aug-11		18-Sep-11	17-Sep-12
	Actual																			

V. PROJECT PROCUREMENT STATUS

During this reporting period, some procurement items with large budget allocation are still pending. The consultancy to enhance the enabling environment for implementation of binding arbitration by AC is postponed to 2012. ACF anticipated that the contract can be implemented in early September 2011; however, ACF has not received the application for the assignment.

For the procurement of the Study to Quantify the Value of AC's Services, ACF and CDRI have reached agreement on the revised technical proposal. The parties will meet on 10 October 2011 for final contract negotiations. The contract will be signed on 04 November 2011, and the study is expected to begin following the signing of the contract for period of six months.

The procurement of a consultant to deliver a sustainability strategy for ACF has been delayed and advertisement for a consultant to carry out the assignment will be placed in the local media in November 2011.

The timing for the procurement of a Sustainability & Fundraising Consultant has been revised and is expected to commence in early October, for commencement of the assignment in early 2012.

For the items on ACF-CS-5 Media Production for (1) one public service announcement/develop spots (2) two episodes of a soap opera, the ToR has been revised for the production of two training videos. ACF will submit a request under Single Source Selection method of procurement for the assignment to be carried out by the Women's Media Centre of Cambodia (WMC).

A-Purchased under petty cash/purchase order

During the reporting period, ACF prepared a Request for Quotations for the following:

- Providing Rooms and Venue for 4 days of training on Effective Arbitration by Canadian professors held on 30 and 31 July and 6 and 7 August 2011
- Providing simultaneous interpretation service and use of conference equipment for 4 full days of training held on 30 and 31 July and 6 and 7 August 2011
- Printing of ACF's Annual Reports 2010 - both Khmer and English versions
- Translation of ACF's Annual Reports 2010 (English to Khmer)
- Purchase of one air-conditioner for SAC's staff office
- Printing of T-shirts for raising public awareness about the AC

B-Procurement of Goods

- Office equipment (ACF-G-1): Under the procurement plan 2011, the Bank approved on 12 April 2011, ACF-G-1 package for two lots: lot 1 for desktop and computer, and lot 2 for audio visual equipment. The contract for lot 1 has been awarded to S.I group.

Due to the unsuccessful procurement of the audio visual equipment at the first request, ACF re-advertise the invitation for re-bid (ACF-G-2) in *Reaksmey Kampuchea* on 22 June 2011. Following the advertisement, three bidders - Narita, Chheang Hout and Trust Global - collected the bidding document. The three bidders submitted their bids by the deadline and representatives of the three bidders were present for the public bid opening, held on 6 July 2011. The procurement review committee considered that Narita and Chheang Hout had offered all items which complied with the required technical specifications in the bidding documents, and Trust Global had only five items (item numbers 1,3,4,6 &7) which complied with the requirement and two items (items 2: conference microphone controller and item 5: speaker ceiling) which did not comply with the required technical specifications. Narita offered the second lowest evaluated bid and satisfied the required criteria for award of the contract. ACF notices the contract award to Narita and signed the contract on 13th July 2011. And the audio equipment was delivered and installed properly. All the items have been checked by ACF and was found to be in good condition and acceptable to ACF.

C-Procurement of Services

1- Consulting Firm/NGO

- Study to quantify the value of AC's services (DFGG-CKP-ACF-CQS-S005): During the reporting period, ACF and CDRI have discussed and reached agreement on the technical and financial aspects of the Study. ACF and CDRI expect to sign the contract on 4 November 2011. The actual work on the study will commence on 21 November 2011.
- Financial Audit (ACF-CS-7): On 1 July 2011, KPMG delivered the final reports for the audit of ACF's financial statements for the fiscal year 2010. The report has been reviewed and accepted.
- Enhancing the enabling environment for the implementation of binding arbitration by AC (ACF-CS-8): The deadline for submitting the proposal was delayed upon ILO's second request. ACF has not received the application for the assignment yet.
- Media Production NGO for (1) one public service announcement and (2) training video (ACF-CS-5): Women's Media Centre submitted the final products. The final report was submitted to ACF on 10 August 2011. ACF has reviewed and accepted the report.

2- Individual Consultant

- Media and Communications Consultant (ACF-CS-6): In the procurement plan of 2011, ACF planned to recruit the consultant in August 2011 with the value of US\$17,000.00. The ToR and EoI are being finalised. However, this package has been postponed due to various factors we consider to be outside of our control. ACF will proceed with the procurement after relevant clearances of ACF updated procurement plan 2011 has been received..

- **Effective Arbitration Training Program:** ACF has signed a contract with Dr. Allen Ponak and Dr. Daphne Taras on 1 August 2011 for period, 29 to 31 July to 5 to 7 August 2011. Under the contract, the consultants conducted four full days of training on 'Effective Arbitration' covering mediation, code of ethics, conflict of interest, decision writing, prehearing, during and after the hearing stage to AC arbitrators, ACF/SAC staff and officials of MoLVT.
- **Legal Officer (ACF-CS-11):** Two legal officers of ACF have resigned from their positions in order to undertake an overseas study program in Australia as Australian Development Scholarship scholars. In seeking their replacements, the Procurement Review Committee has been procuring two consultants to undertake the workload that plays an important role in ensuring ACF's ability to achieve the DFGG objectives. For efficiency in procurement, PRC determined to procure two legal officers at the same time. Initially, PRC intended to procure only one consultant to replace one departing officer in June 2011. However, on 12 September 2011, ACF received notice of resignation from another legal officer. PRC discussed internally among ACF and then with MEF, in consultation with relevant procurement specialists, and agreed to procure two consultants at the one time, for efficiency and due to similar ToR expected of the candidates. Therefore, on 21 September 2011, ACF submitted a notice to withdraw its request to the World Bank for no objection to negotiate a contract with only one candidate and advised that the PRC will submit another request to negotiate with two candidates at the one time.
- **Driver (DFGG/ACF/03-11):** The Driver of ACF who was recruited in July 2011 has resigned from the position for a similar job with Caritas Cambodia. His last day of the employment with ACF was on 31 August 2011. The committee decided to screen the existing short list of candidates for interview and conducted the driving test; the new driver, Mr. Ky Phansy has been selected and commenced work with ACF on 31 August 2011.
- **Housekeeper (DFGG/ACF/04-11):** the employment contract of Ms. Mao Bony, Housekeeper came to an end on 22 August 2011. To seek her replacement, ACF recruited a new housekeeper by screening existing applications and shared the announcement with staff on 23 August 2011. After interviews on 25 August 2011, the Procurement Review Committee determined that Ms. Men Sovannary was qualified for the housekeeper position and awarded the contract to her. She started work with ACF in early September 2011.

3- Recruitment of Interns

During the reporting period, four interns were selected to undertake internship with the Legal Services Department and Finance and Administration Department.

- **Local Legal Intern:** ACF offered the position of Legal Intern to Mr. Phan Chiengleng for five months, commencing on 01 September 2011.
- **International Legal Intern:** ACF offered the position of International Legal Intern to Ms. Alison Malek, a law student of the Macquarie University for a three-week period, starting from 15 September 2011.

- Translation Intern: ACF selected Ms. Hoen Sotheara to undertake her internship with the Legal Services Department for a period of three months, from 19 September 2011 to 18 December 2011.
- Finance and Administration Intern: ACF selected Ms. Phen Molita to carry out an internship program with the Finance and Administration Department for a period of three months, from 5 September 2011 to 04 December 2011.

4- Disclosure Tracking Sheet

During the reporting period, ACF has continued to upload procurement documents on the AC website, which includes:

- Revised Procurement Plan 2011
- Notification of the tender for the provision of audio visual equipment

VI. EMERGING PROBLEMS/CONSTRAINTS AND SOLUTIONS

During this reporting period, ACF has encountered four emerging problems: approval of updated procurement plan, procurement of ILO contract, overseas trip to Australia and revised project templates. The table below explains the problems encountered and actual solutions made.

No	Emerging Problems/Constraints	Proposed/Actual Solution
1	Approval of revised procurement plan 2011 took a long time. As a result, some of ACF's revised activities, e.g. procurement of soil assessment consultant and building design consultant, mid-term follow-up study, could not proceed.	ACF worked directly with the World Bank's focal person to resolve the issue. Despite that, ACF will need to wait for requisites clearances of the overall updated procurement plan 2011 at DFGG level.
2	Initiative to Contract the ILO to enhance the enabling environment for the implementation of the garment industry MoU on binding arbitration by the AC was cancelled due to lack of human resources on the ILO side to implement the contract.	ACF further postponed the proposed activity in the revised AWP 2011, pending the application from the ILO to carry out the assignment. ACF exercises constant communication with ILO regarding the application.
3	Planned overseas trip to Fair Work Australia (FWA) and other overseas institutions as part of capacity building for arbitrators and S/ACF staff was delayed. This has impacted ACF capacity building activities and the morale of concerned ACF staff.	ACF has explained the challenges to AC, ACF, and SAC staff. ACF looks forward to solution from the MEF and World Bank to this matter.
4	Revised templates for various project documents such as partnership, disclosure tracking sheets, PIM, etc. resulted in more time and resources spent on becoming familiar with them and revising information to meet the requirements.	ACF has taken on the challenge this time. However, ACF requests that ACF is given the full opportunity by concerned actors to engage in the revision process, as appropriate.

VII. COMPLAINTS SUMMARY

ACF's complaints handling mechanism (CHM) was developed and posted on AC website since 14 January 2011. Furthermore, a suggestion box is available outside the office to make it easy for complainants to raise any concerns regarding the implementation of the DFGG project. To date, AC has not received any complaints.

VIII. RISKS MANAGEMENT MATRIX

Risk Description	Impact	Risk Score without Mitigation	Revised risk after MTR	Mitigation Strategy
Strain on the collaborative and interdependent relationship between the AC/F and the Ministry.	Loss of harmonious and collaborative relationship necessary to support the Arbitration Council in its DFGG activities.	Consequence: 5 Likelihood: 4 Risk Score: 20 H	Consequence: 5 Likelihood: 2 Risk Score: 10 M	<ol style="list-style-type: none"> 1. Maintain existing institutional framework wherein ACF provides managerial, financial, and technical support to AC and SAC provides clerical and registry functions for the Council. 2. Hold regular meetings and other activities between the ACF staff and SAC staff pursuant to the <i>Agreement Between Department of Labour Disputes and Arbitration Council Foundation</i>, including monitoring and revision (as needed) of the working relationship between ACF and SAC and therefore, of the Agreement as well. 3. Transform the DFGG Project's Technical Working Group (currently composed of arbitrators, representatives from the Ministry, including SAC, and representatives from the ACF) into a DFGG Project Collaboration Committee to facilitate information sharing, consult with stakeholders and coordinate joint activities. 4. Hold regular meetings between arbitrators, the ACF staff, and SAC staff. 5. Hold regular meetings between arbitrators and Ministry conciliators, in Phnom Penh and elsewhere, which will be designed to share expertise in labour dispute resolution and develop capacity and professional relationships. It is expected that such meetings will also promote shared understanding and an appreciation of the work of each institution's labour dispute resolution professionals. 6. Continue joint training and outreach activities both by and for arbitrators, the ACF, and the Ministry. 7. Hold regular domestic and international training sessions organised by ACF that are tailored for the benefit of arbitrators and Ministry officials.
Illegal strikes, in which workers contravene the procedures laid out in the law and have gone on strike during the arbitral process.	The credibility and effectiveness of the AC are undermined.	Consequence: 4 Likelihood: 4 Risk Score: 16 H	Consequence: 4 Likelihood: 2 Risk Score: 8 M	<ol style="list-style-type: none"> 1. Cooperate with social partners in promotion of CBAs with non-strike clause and binding arbitration in exchange for the unions' agreement to give up their right to strike for a certain period of time, or at least to eliminate the practice of illegal strikes. 2. Ministry and other social partners to engage employers and unions in promotion of workplace cooperation schemes and collective

Risk Description	Impact	Risk Score without Mitigation	Revised risk after MTR	Mitigation Strategy
				bargaining agreements. 3. Ministry and ACF to expand training to stakeholders (including unions) regarding the labour dispute resolution process. 4. Ministry and ACF work together to increase the visibility of dispute resolution mechanisms so workers know the alternatives to a strike. 5. The AC will continue to issue Return-to-Work orders when the case forwarded to AC is confirmed with strike. 6. Preliminary proposals regarding direct access of parties to the AC have been raised by stakeholders as a means to reduce the length of illegal strikes. 7. DFGG funds to be provided under the Non-State Actor window in order to build capacity of unions to conduct industrial relations in the framework of the law (with limited recourse to strikes). Support also to be provided to ensure that as unions move into new sectors or areas, they organise workers in an appropriate and responsible fashion.
Improper influence exerted on the AC, especially in the selection, appointment, removal of arbitrators or in the decision-making process of arbitration panels on specific labour dispute cases.	Loss of reputation – independence, integrity and impartiality.	Consequence: 5 Likelihood: 3 Risk Score: 15 H	Consequence: 5 Likelihood: 2 Risk Score: 10 M	1. Using the process of the DFGG Project preparation to engage arbitrators, the ACF, and the Ministry, as well as unions and employer associations to set further rules to safeguard the independence and impartiality of the Council. 2. ILO's to continue its facilitating role in selection of arbitrators. 3. Development of procedures to ensure that arbitrators are not influenced by stakeholders or vested interests, including finalisation of the statement of ethical conduct for arbitrators, tentatively titled <i>Professional Guidelines for Arbitrators</i> . 4. Arbitral awards and the legal reasoning behind them to be continued being published and widely disseminated. 5. Measures to institutionalise and expand AC's partnership with other industrial relations institutions and stakeholders as listed in Section 9 on <i>Participation and Partnerships Plan</i> to ensure countervailing forces and interests prevent improper influence by particular interests. 6. Measures to raise awareness and visibility of the AC as listed in Section 12 on <i>Communication Strategy</i> .
Non-implementation of	Credibility and	Consequence: 3	Consequence: 3	1. AC to cooperate with social partners in promotion of CBAs with

Risk Description	Impact	Risk Score without Mitigation	Revised risk after MTR	Mitigation Strategy
awards	sustainability of the AC are undermined.	Likelihood: 3 Risk Score: 9 M	Likelihood: 3 Risk Score: 9 M	<p>non-strike clause and binding arbitration.</p> <ol style="list-style-type: none"> 2. Conciliators to communicate advantages of binding arbitration (which provides a final resolution and closure to a dispute) to parties at the conciliation stage before the case is referred to the AC. 3. Arbitrators to communicate with parties to explain the advantages of binding awards. 4. Educate parties in the understanding of arbitral awards. The Ministry, the AC and ACF may conduct co-training for potential parties and parties in dispute on binding awards, legal strikes, and how to read and understand the arbitral awards. 5. MOLVT and the AC to engage with other social partners and stakeholders to help train stakeholders in labour dispute resolution, and other appropriate topics. 6. The AC to continue to publish the arbitral awards on its website, which enables third parties such as MOLVT, ILO's <i>Better Factories Cambodia</i> to monitor compliance with the awards. Efforts by Non-State Actors should be supported to "name and shame" enterprises / unions which do not comply with arbitral awards.
Disproportionate reliance on AC to resolve collective disputes.	Bottlenecks in resolving disputes. Backlog results.	Consequence: 3 Likelihood: 3 Risk Score: 9 M	Consequence: 3 Likelihood: 2 Risk Score: 6L	<ol style="list-style-type: none"> 1. MOLVT to build its capacity to improve labour inspection and conciliation functions, including development of guidelines and procedures manuals for conciliation. 2. Employers and unions to build their capacity in workplace cooperation, with a view to improve their ability to prevent labour disputes. 3. The ACF will cooperate with social partners in the provision of capacity building for employers and unions in collective bargaining with a view to concluding more CBAs that provide for grievance procedures at enterprise level
Capacity of Ministry at national and provincial levels, in forwarding cases to the AC	Access of stakeholders outside of Phnom Penh to AC's services is limited or undermined.	Consequence: 3 Likelihood: 3 Risk Score: 9 M	Consequence: 2 Likelihood: 2 Risk Score: 4L	<ol style="list-style-type: none"> 1. Strengthen the capacity of conciliators in Phnom Penh and Provincial Labour Offices, including joint training and outreach provided by Ministry, AC and ACF to conciliators on labour dispute resolution, arbitration process and conciliation. 2. Ministry and ACF will continue to cooperate to build close relations and good understanding of their respective roles, the role of the AC

Risk Description	Impact	Risk Score without Mitigation	Revised risk after MTR	Mitigation Strategy
				and their mutual obligations to parties, through joint events, workshops, etc. 3. Ministry conciliators to hand out information to parties regarding the arbitration process and arbitrators (including location of the AC, what a hearing is, how to select arbitrators, where the arbitrator biography can be found, etc.)
Creation of a Labour Court ¹	A nascent Labour Court may have inadequate understanding and appreciation for arbitration and ADR frameworks. Rulings might undermine the AC awards and the body of jurisprudence that has developed.	Consequence: 4 Likelihood: 2 Risk Score: 8 M	Consequence: 4 Likelihood: 2 Risk Score: 8 M	1. Advocate for the incorporation of provisions similar to Articles 349 – 353 of the Code of Civil Procedure and Article 47 of the Prakas on the AC into the law and regulations governing the Labour Court to recognise the AC and the enforceability of AC's awards. 2. Ensure that structure and proceedings of the Labour Court are in accordance with international labour standards and consistent with national labour law and regulations. In particular, using input and technical advice of the International Labour Organization when preparing regulations for the Labour Court. 3. Train Labour Court judges in cooperation with social partners regarding the legal and jurisdictional issues at the intersection of alternative labour dispute resolution and the judicial authority.
Non-enforcement of final and binding arbitral awards by Courts	A nascent court may not have adequate understanding and appreciation for arbitration and ADR framework, especially the statutory role of the court relative to that of arbitration.	Consequence: 4 Likelihood: 3 Risk: 12 M	Consequence: 4 Likelihood: 2 Risk: 8 M	1. Conduct training/seminar for judges and students judges on the role of court and arbitration, especially provisions similar to Articles 349 – 353 of the Code of Civil Procedure and Article 47 of the Prakas on the AC into the law and regulations governing the Labour Court to recognise the AC and the enforceability of AC's awards. 2. Train employers and employees on the effects and benefits of binding arbitration and enforcement of arbitral awards 3. Inform members of the ACF Stakeholders Advisory Group on the effect of binding arbitration and relevant enforcement provisions for binding arbitral awards
Lack of understanding	Credibility and	Consequence: 4	Consequence: 4	1. Train concerned stakeholders about the substance and effect of

¹ The risks associated with the establishment of a Labour Court are currently remote, and strategically aggressive actions to contribute to the establishment of the Labour Court may be inappropriate at this time. ACF continues to observe initiatives in respect of the Court closely and intends to execute strategic actions when appropriate.

Risk Description	Impact	Risk Score without Mitigation	Revised risk after MTR	Mitigation Strategy
among concerned employers and employees/unions on the substance and impacts of binding arbitration, arising from the Memorandum on Improving Industrial Relations in the Garment Industry, reached between relevant parties on 30 September 2010	sustainability of AC undermined.	Likelihood: 4 Risk: 16 H	Likelihood: 2 Risk: 8M	binding arbitration in the MoU. 2. Raise awareness of the effect and substance of the binding arbitration MoU through media campaign, information materials, and other stakeholders' engagement activities. 3. Share with ACF Stakeholders Advisory Group the effect and substance of the binding arbitration MoU for their information and further dissemination. 4. Reinforce the impact and substance of the binding arbitration MoU at Meets & Greets events with employers and unions. 5. Collaborate with MOLVT conciliators in raising awareness of effect and substance of binding arbitration MoU among disputing parties in conciliation process
Improper expectations of the AC's dispute resolution and related services	Credibility and sustainability of AC undermined	Consequence: 2 Likelihood: 4 Risk: 8 M	Consequence: 2 Likelihood: 3 Risk: 6L	1. Continue to disclose the Complaints and Remedies Mechanism applicable to ACF 2. Update and execute the Complaints and Remedies Mechanism, to consider and respond to feedbacks about the AC and its services 3. Create proper channelling of complaints through setting up a suggestion box and e-mail account 4. Clarify expectations at Meets & Greets sessions with stakeholders

IX. RESULTS FRAMEWORK

Project Development Objective (PDO): The development objective of the proposed project is to enhance the demand for good governance (DFGG) in priority reform areas by strengthening institutions, supporting partnerships, and sharing lessons (Unchanged).								
Indicators	Baseline[Year]	Cumulative Target Values and Actual Values (<u>underline</u>)				Data Collection and Reporting		
		2009	2010	2011 (Until 3 rd Quarter)	2012 / Endline	Data Collection Instruments	Responsibility for Data Collection	Comment
PDO LEVEL INDICATORS								
1. Promoting DFGG in priority reform areas.								
1.1: % of union and employer organization leaders and representatives aware of the Arbitration Council and labour arbitration process arbitration process	41% [2010]	N/A	<u>41%</u>	N/A	10% increase	AC Enterprise/Unions survey: Baseline (mid 2010), Midline (early 2012)	ACF through EIC	
2. Mediating DFGG in priority reform areas.								
2.1: Number of labour dispute cases handled by Arbitration Council	148 [2008]	<u>180</u>	<u>325</u>	<u>452</u>	Actual value	AC records (reported in QPR)	ACF	ACF has no legitimate interest in increasing case load. Yearly variations a weak indicator of performance. (revise/drop targets)
... of which percentage resolved.	68% [2008]	<u>69%</u>	<u>70%</u>	<u>70.14%</u>	Actual value	AC records (reported in QPR)	ACF	

2.2: % of union and employer group representatives and other stakeholders that report a high confidence in the independence, credibility and effectiveness of the AC.	72% [2010]	N/A	<u>72%</u>	Actual value	76%	AC Enterprise/Unions survey: Baseline (mid 2010), Midline (early 2012)	ACF	(EIC) (revise targets) (elevated to PDO level)
4. Monitoring to inform DFGG in priority reform areas:								
4.3: Percentage of AC clients who report paying unofficial fees to arbitrators, SAC or ACF staff for resolving their labour disputes.	N/A	N/A	N/A	N/A	Nil	AC Enterprise /Unions survey	ACF	New indicator. Include in 2011/2 AC Enterprise survey (IEC)
INTERMEDIATE OUTCOME INDICATORS								
Component 1: Support to State Institutions								
IO1.1: % of Arbitration Council awards considered to be of satisfactory quality or better.	N/A	N/A	N/A	<u>79%</u> Baseline	TBD	AC expert audit (dates /2011-2013)	ACF	Bi-annual; audit by experts for a sample of AC awards. Annual Report. Delayed, scheduled for 2011.
IO1.2: Revenue generated through tri-partite contributions by AC as % of operating costs	0	2.5% \$6.7K <u>\$58.2K</u>	5% \$27.8K <u>\$4.5K</u>	10% \$35.1K <u>\$19.3K</u>	15%	ACF records (reported in QPR)	ACF	Annual; recorded in Annual Report and audited accounts
AC Specific Indicators for ACF Management Use								

1.1 Value of donor commitments that will permit the AC to operate past the end of the DFGG Project period	0	n/a	n/a	n/a	Full funding committed for ongoing donor	Reports of initial consultations with donors and progress of proposal development etc.	Donor funding agreement and commitments	ACF
1.2 Percentage of cases where AC issues an award within the 15-day period mandated by law, or within the extended deadline, if an extension has been authorized by the parties	94%	100%	100% [target 95%]	100%	96%	Quarterly collection and reporting	ACF/SAC files/database	ACF/SAC
1.3 ACF undertakes independent monitoring through NSAs	Yes	Yes	Yes	Yes	Yes	Annual Working Plans	Track in progress reports	ACF
1.4 ACF uses information from independent monitoring through NSAs to take management and/or corrective actions	Yes	Yes	Yes	Yes	Yes	Annual; record in Annual Report	Tracked/explained in progress reports	ACF
1.5 AC/ACF: (i) express interest, (ii) makes a concrete plan, and (iii) takes the first steps to undertake new or continue existing DFGG activities beyond the life of project	To be calculated in YR 4	n/a	n/a	n/a	Yes	One-off; record in Final Completion Report for project	End term survey, FGDs and KIs, of SI and NSA management and leadership; IAs progress report showing objective data	PCO in MOI through contracted research agency in consultation with ACF

X. GOOD GOVERNANCE FRAMEWORK (GGF)

	Issues	Action to Mitigate Risk	Responsibility	Target/ Monitoring	Implementation Status as of 30 September 2011	Action Plan	Revised Target Date	Any Resources Required
	1	2	3	4	5	6	7	8
9	Element 9: ACF Specific Issues							
9a	<u>Procurement</u> Responsibilities of ACF	Unless otherwise agreed between the RGC and the IDA, ACF will be responsible for the complete procurement cycle for: (1) vehicles under component 4 of its Project Proposal to be procured from UNOPS; (2) consultants for components 3 and 4 of its Project Proposal recruited through single source selection (SSS) procedures; (3) any direct contracting that has received prior approval of the IDA; and (4) such other procurement consistent with agreements and policies of RGC or IDA, including as specified in Letter	ACF will perform its procurement responsibility in according to ACF's approved guidelines and procedures, as well as other procedures and policy of RGC or IDA.	IDA to monitor through prior or post reviews.	<ul style="list-style-type: none"> • Procurement packages had been completed. Procurement of Goods: <ul style="list-style-type: none"> - Narita Distribution: Office Equipment - Yamaha Motor: Motorcycle - Sunsimeco: Audio Visual Equipment - LEECO: Office Furniture Lot 3 & 4 - MFC: Office Furniture Lot 1 & 2 - Procurement of vehicle has been completed, ACF has coordinated with PCO for procurement by PCO/IPA - Te Aik Hong: Office Equipment lot 1 - AnAnA Computer: Server Equipment Lot 1 - Te Aik Hong: Server Software Lot 2 - S.I: Desktops and Fax machine - Narita Distribution: Audio Visual 	<ul style="list-style-type: none"> • Procure the remaining packages under procurement are reflected in the revised ACF Procurement Plan, as part of AWP 2011. • Sr. Procurement Officer to continue her procurement responsibilities • Continue procuring goods and services pursuant 		

	Issues	Action to Mitigate Risk	Responsibility	Target/ Monitoring	Implementation Status as of 30 September 2011	Action Plan	Revised Target Date	Any Resources Required
	1	2	3	4	5	6	7	8
		<p>of the Ministry of Economy and Finance, No. 6721 SHV.VS, dated 15 December 2008, re “Measures to be taken in the future in relation to the use of independent procurement mechanism under the World Bank’s grant project.” In such cases, procurement shall be undertaken in accordance with the Bank’s Guidelines and the procedures specified with SOP/PM, as mandated by MEF Sub-Decree No. 14 dated February 26, 2007.</p> <p>The recruitment and hiring of short-term emergency labour arbitration experts and independent external financial auditors selected by ACF Board of</p>			<p>Equipment.</p> <p>The procurement of Service:</p> <ul style="list-style-type: none"> - Tep Chenda: Senior Procurement Officer (commenced work on 01 August 2009) - Juanita L.Rice: Int’l Technical Advisor - EIC: Baseline Study - Chum Charya: Senior Legal Officer (commenced work on 11 November 2009) - Vandeth Dararoath: Communication Officer (commenced work on 05 January 2010) - EIC: Study on Demand for AC services - Thong Sopymakara: Legal Education and Translation Officer (commenced work on 05 July 2010) - KPMG: Auditing Financial Statement 2009 of ACF - Bun Vuthy: Monitoring and Evaluation Coordinator (commenced work on 22 October 2010) 	to relevant procurement rules of the RGC and WB and ACF procurement rules.		

	Issues	Action to Mitigate Risk	Responsibility	Target/ Monitoring	Implementation Status as of 30 September 2011	Action Plan	Revised Target Date	Any Resources Required
	1	2	3	4	5	6	7	8
		Directors are not subject to IPA or other procurement guidelines or procedures.			<ul style="list-style-type: none"> - Chhen Vanny: Senior Procurement Officer (commenced work on 08 December 2010) - Heng Kanitha: Finance and Administration Officer (commenced work on 13 June 2011) - WMC: Production of Broadcast Media Tools. <p>• Procurement packages had been signed contract and ongoing:</p> <p>Service package</p> <ul style="list-style-type: none"> - KPMG: Audit of Financial Statements of ACF 2010 & 2011 (KPMG has completed its auditory assignment of ACF's Financial Statements 2010.) 			
9b	<u>Procurement</u> Need to strengthen procurement capacity.	ACF's procurements are complied with the procurement procedure of WB and MEF specified in item 9a.	ACF via procedures consistent with SOP/PM.	<ul style="list-style-type: none"> • The Procurement Officer with ACF resigned in June 2010. ACF is recruiting his replacement. • Finance and Administration Officer will be held Sr. 	<ul style="list-style-type: none"> • Implementation of procurement follows World Bank and the RGC (SOP/PM) guideline. • Senior Procurement Officer has attended the training organized by PCO and conducted by 	<ul style="list-style-type: none"> • Sr. Procurement Officer to receive ongoing on-the-job training from the International 	<ul style="list-style-type: none"> • Completed 	

	Issues	Action to Mitigate Risk	Responsibility	Target/ Monitoring	Implementation Status as of 30 September 2011	Action Plan	Revised Target Date	Any Resources Required
	1	2	3	4	5	6	7	8
				Procurement Officer	<p>the International Procurement Consultant for two months at PCO in late 2010</p> <ul style="list-style-type: none"> • Senior Procurement Officer has attended the procurement training organized by WB and MEF in March at Siem Reap. • Sr. Procurement Officer receives on-the-job training from International Procurement Consultant engaged by PCO • Sr. Procurement Officer engages in on-the-job consultation on procurement procedures and matters with the Ministry of Economy and Finance the World Bank procurement specialists. • Sr Procurement Officer has attended three days of procurement training organized by PCO and conducted by IHQ in September 2011. 	<p>Procurement Consultant engaged by PCO.</p> <ul style="list-style-type: none"> • Sr. Procurement Officer to continue consulting the procurement specialists of the Ministry of Economy and Finance and the World Bank on emerging procurement matters. • Sr. Procurement Officer will attend the 	<ul style="list-style-type: none"> • On-going • Once every two months 	

	Issues	Action to Mitigate Risk	Responsibility	Target/ Monitoring	Implementation Status as of 30 September 2011	Action Plan	Revised Target Date	Any Resources Required
	1	2	3	4	5	6	7	8
						consultation meeting with procurement staff of each IA to share the topics relevant to procurement procedures relating to the recruitment in NGO/Firm and Work category		
9c	<u>Financial Management Responsibilities of ACF</u>	ACF will be responsible for its FM function, accounting and management of fund flows, designating a Project Accountant and one accounting officer to support project accounting work. ACF is not required to install the accounting software	ACF with PCO oversight.	Finance and Admin. Department is in charge of FM management	<ul style="list-style-type: none"> ACF has designated Manager of Finance & Administration and Finance Officer responsible for FM function, accounting and management of fund flows. Executive Director is responsible for oversight. Financial auditor has completed its field work in auditing financial management for fiscal 	<ul style="list-style-type: none"> ACF Manager of Finance & Administration continues to be responsible for FM function, accounting and management of fund 	<ul style="list-style-type: none"> On-going 	

	Issues	Action to Mitigate Risk	Responsibility	Target/ Monitoring	Implementation Status as of 30 September 2011	Action Plan	Revised Target Date	Any Resources Required
	1	2	3	4	5	6	7	8
		<p>package referenced in item 2c; ACF will continue to utilize its existing accounting system and software package.</p> <p>ACF will continue its own practice of an annual external audit conducted by independent auditors selected by the ACF Board of Directors, as mandated by the ACF Statute and agreed with RGC and IDA.</p>			<p>year 2009, the final reports to be shared with relevant agencies once available.</p> <ul style="list-style-type: none"> External Auditor (KPMG) has conducted its field work for the fiscal year 2010. The audit report has been shared with the donors. External Auditor E&Y has completed its field auditory work and is expected to share its reports with PCO and ACF in due course. 	<p>flows. The Executive Director continues to be responsible for oversight.</p> <ul style="list-style-type: none"> ACF has engaged KPMG to audit ACF financial statements for the financial year ended December 2011. ACF continues to use Sun System for its accounting software and continues to maintain and update it as 	<ul style="list-style-type: none"> Field work of auditory assignment to commence in early 2012 	

	Issues	Action to Mitigate Risk	Responsibility	Target/ Monitoring	Implementation Status as of 30 September 2011	Action Plan	Revised Target Date	Any Resources Required
	1	2	3	4	5	6	7	8
						necessary		
9d	<u>Financial Management</u> Financial independence and sustainability.	ACF will prepare an Action Plan for its progressive financial independence and sustainability.	ACF	ACF to draft strategy by DFGG Mid-term Review, Action Plan to be finalized and adopted by end of year 3 of DFGG. PCO to monitor progress. IDA to review during Mid-term Review and end year 3.	ACF will draft the long-term sustainability after the completion of: (i) Study to Quantify the Values of AC Service; (ii) Sustainability Study; and (iii) Fundraising Consultant; which are the series studies. By now, the procurement of the first study commenced in late March 10; Independent Procurement Agency is handling the procurement and study is to commence following completion of the procurement.	<ul style="list-style-type: none"> ACF to produce it as part of the Sustainability Strategy of the AC 	<ul style="list-style-type: none"> First quarter of 2012 	
9e	<u>Financial Management</u> Clarification of items 2g and 2h	Petty cash transactions during overseas travel which cannot be carried out by check or transfer to bank accounts shall not be limited to US\$500; ACF will continue to retain evidence of any such transactions for audit and IDA supervision missions.	ACF	ACF will follow MEF's DSA rate	ACF has followed MEF's DSA rate. Adjustment made to the rate with non-IDA funds to allow the implementation of relevant ACF activities and to meet essential operational needs of ACF.	<ul style="list-style-type: none"> No additional actions required 	<ul style="list-style-type: none"> N/A 	

	Issues	Action to Mitigate Risk	Responsibility	Target/ Monitoring	Implementation Status as of 30 September 2011	Action Plan	Revised Target Date	Any Resources Required
	1	2	3	4	5	6	7	8
		Subject to confirmation by MEF that ACF is not bound by Anukret 10 of April 2004 and Decision Letter 2000 of April 2007, ACF may pay DSA to its project staff in accordance with its established rates and procedures.						
9f	<u>Disclosure</u> Lack of transparency of information on AC procedures and decisions	In addition to disclosure requirements under item 3b, ACF will continue to disclose on its website and by dissemination of hard copies, including new formats such as CD-ROM, full information on the arbitration process and procedures and all arbitral decisions.	ACF will be responsible for information disclosure to stakeholders and publics via website, hard copies, and soft copies Full disclosure of Project information under item 3b to commence in 2009 when DFGG effective and AC website upgrading is completed.	Regular updating of website to continue during Project implementation. PCO to monitor and IDA to verify during supervision missions.	Legal database and website improvement was completed in 2009; and ACF regularly updates website. ACF has fully disclosed Project information under item 3b at both ACF premise and AC website ACF disclosed Professional Guidelines of the AC and Complaints Handling Mechanism in ACF premises and AC website. ACF disseminates information on AC procedures and decisions in hardcopies to stakeholders.	<ul style="list-style-type: none"> Continue disclosing relevant information, based on disclosure list provided by PCO 	On-going basis. <ul style="list-style-type: none"> GGF and RMM were updated and upload on AC website in every quarter. Furthermore, they were translated into Khmer. 	
9g	<u>Civil Society Role</u>	In addition to	ACF in accordance	SAG established and	SAG was established in June	<ul style="list-style-type: none"> Organise 	<ul style="list-style-type: none"> November 	

	Issues	Action to Mitigate Risk	Responsibility	Target/ Monitoring	Implementation Status as of 30 September 2011	Action Plan	Revised Target Date	Any Resources Required
	1	2	3	4	5	6	7	8
	Low turnout of civil society representatives at relevant ACF activities and meetings.	implementing its Partnership Plans described in the PIM (item 4a), ACF will establish a tripartite Stakeholder Advisory Group (SAG) as an important platform for stakeholder consultation.	with the TOR given in the approved Project Proposal.	functional by 12 month after effectiveness	2010, its first meeting was held on 25 June 2010 SAG meeting organized in March 2011 and invited civil society organisations in labour areas like ACILS and CLEC to observe and input at SAG meetings.	the next SAG meeting	2011	
9h	<u>Complaints and Remedies Mechanism</u> Complaints relating to arbitral decisions.	The Complaints and Remedies Mechanism does not apply to the labour dispute activities of the AC; in particular, any complaint or related question regarding a labour dispute case registered with the AC will continue to be handled by the standard procedures and guidelines of the AC, the SAC and/or ACF, including via the procedures provided in the Labour Law	ACF ensures that complaints and remedies mechanism is functioning during the project life	During DFGG pre-implementation stage, PCO and IDA to agree final complaints and remedies mechanism with provision for ACF to deal with complaints on arbitral decisions.	ACF has provided provisions regarding complaints to PCO. ACF has provided PCO necessary revisions to PIM related to, <i>inter alia</i> , Complaints and Remedies Mechanism consistent with actions to mitigate risk. ACF posts Complaints-Handling Mechanisms on AC website and within AC premise. ACF has created a suggestion box, suggestion form and instruction (Khmer and English version) to be filled for any complaints	<ul style="list-style-type: none"> Update Complaints & Remedies Mechanism to reflect the latest development as a result of the MoU on binding arbitration 	<ul style="list-style-type: none"> Further actions will be taken by ACF if the environment around the complaints has changed. 	

	Issues	Action to Mitigate Risk	Responsibility	Target/ Monitoring	Implementation Status as of 30 September 2011	Action Plan	Revised Target Date	Any Resources Required
	1	2	3	4	5	6	7	8
		(1997), Prakas 99 MOSALVY, dated 21 April 2004, on the AC, and related laws and regulations.			Complaint-handling mechanism (English and Khmer version) was updated on AC website since 1st quarter 2011. Complaints and Suggestion Box made available at AC premise – 1st quarter 2011			
9i	<u>Professional Guidelines</u> Need to raise awareness of Professional Guidelines for Arbitrators	See item 6a. ACF has facilitated completion and agreement on the Professional Guidelines for Arbitrators, which ACF will display publicly at the AC chambers and on the website, and furnish a copy to the PCO and IDA.	ACF will publish on its website when agreed	Complete, adopt, publish and furnish copies to IDA during DFGG pre-implementation stage. PCO to monitor adoption. IDA to verify adoption during supervision missions.	ACF coordinated completion, adoption and furnished copy to IDA as required. ACF displays publicly at AC chambers in English and Khmer. ACF has published copy on new website.	Complete. No further actions required at this point. AC is in the final stage of voting on adoption of Conflict of Interests Policy in the fourth quarter of 2011. Once adopted, such Policy will be disclosed in addition to the Professional Guidelines for Arbitrators.		

XI. LEGAL COVENANTS AND COMPLIANCE

Per Financing Agreement, ACF kept its effort in order to align with the legal covenants. Since 2011, four activities were completed. The table below presents the activities and the results.

Activity	Responsible Agency	Expected Outputs	Expected Delivery	Result	Others
<i>Submit to World Bank / MEF financial auditors' reports 2011</i>	<i>ACF</i>	<i>Financial auditor's reports 2011</i>	<i>30 June 2011</i>	<i>Complete</i>	
<i>Submit 1st quarterly report 2011 to World Bank</i>	<i>ACF through PCO</i>	<i>1st quarterly report 2011</i>	<i>21 April 2011</i>	<i>Complete</i>	
<i>Submit 2nd quarterly report 2011 to World Bank</i>	<i>ACF through PCO</i>	<i>2nd quarterly report 2011</i>	<i>21 July 2011</i>	<i>Complete</i>	
<i>Submit 3rd quarterly report 2011 to World Bank</i>	<i>ACF through PCO</i>	<i>3rd quarterly report 2011</i>	<i>21 October 2011</i>	<i>Complete</i>	
<i>Submit annual report 2011 to World Bank</i>	<i>ACF through PCO</i>	<i>Annual report 2011</i>	<i>15 February 2012</i>		
<i>Convene meeting of Stakeholder Advisory Group (SAG) in first half 2011</i>	<i>ACF</i>	<i>SAG meeting in first half 2011</i>	<i>15 February 2011</i>	<i>Complete</i>	
<i>Convene meeting of SAG in second half 2011</i>	<i>ACF</i>	<i>SAG meeting in second half of 2011</i>	<i>28 November 2011</i>		
<i>Make best effort to seek funds from private and public sources, including trade unions and employers associations</i>	<i>ACF</i>	<i>Financial contribution for 10% in 2011</i>	<i>30 December 2011 as last day in 2011</i>		

XII. ACTIONS TAKEN ON THE RECOMMENDATIONS OF THE AIDE-MEMOIRE OF THE PREVIOUS SUPERMISSIONS OF WORLD BANK

From 6-21 June 2011, the World Bank mission had conducted the DFGG Mid Term Review Aide Memoire and met ACF management team. As results from this mission, some agreed actions were made between WB and ACF. It has noted that majority of items were completed as end of third quarter 2011. Please see the below table where it reveals the description of agreed actions and its progress as of 30 September 2011.

Area	Description of Agreed Action(s)	Date		Remark
		Requested Date (WB)	Progress as of 30 September 2011	
Reallocation	Completion of request for reallocation letter.	*30 June 2011 (Draft received)	ACF submitted its proposal for reallocation to PCO on 18 July 2011	Completed
Project Management and Capacity	Proposal to strengthen Project Management and Coordination Capacity in PCO.	July 31, 2011	ACF: N/A	Completed
	PIM revision; simplification and revisions to implementation arrangements.	August 31, 2011	ACF: N/A	
	Revised AWP from all IAs with revised budgets	July 31, 2011	ACF's revised AWP with revised budgets was submitted to PCO, and cc the Bank, on 30 July 2011. On 3 October 2011, ACF has revised its annual work plan based on bank comments. ACF has revised its budget to 617,829 and WB provided NoL on 04 October 2011.	
Disbursement	Revised disbursement schedule.	July 31, 2011	ACF's revised disbursement schedule is set out in its revised AWP was submitted to PCO, and cc the Bank, on 30 July 2011. On 3 October 2011, ACF has revised its annual work plan based on bank comments and WB provided NoL on 04 October 2011.	Completed
Procurement	Procurement actions identified in Annex 4	July 31, 2011	ACF's revised procurement plan and procurement tracking sheet were submitted to PCO for consolidation on 23 September 2011. The consolidation plan will be submitted to seek Bank's NOL following PCO's receipt of clearance from MEF. ACF's weekly tracking sheet is sent to PCO every Friday on a weekly basis. The revised procurement plan and tracking sheet will be published on ACF's website after receiving the Bank's NOL.	Completed On going November 2011
FM	FM actions identified in Annex 3	July 31, 2011	3 (ii) has implemented since September 2011 3 (iii) has implemented since September 2011	Completed

			4. - Petty Cash: the controlled petty book has used since August 2011. 4.-Reconciliation of AusAID bank account has been implemented since March 2011. - Reconciliation for verification of amount of fund receipt from IDA has been implemented in July 2011.	
Results and M&E	Dialogues over M&E framework Revised draft M&E framework completed.	July 15, 2011 July 31, 2011	ACF's revised M&E result framework is set out in its revised AWP was submitted to PCO, and cc the Bank, on 30 July 2011. On 3 October 2011, ACF has revised its annual work plan based on bank comments and WB provided NoL on 04 October 2011.	Completed
	Baselines: PCO and OWSO baselines should be finalized following revision of the M&E framework.		ACF: N/A	
Project Governance / GGF	GGF revisions included in revised AWP	July 31, 2011	ACF's revised GGF is set out in its revised AWP was submitted to PCO, and cc the Bank, on 30 July 2011. On 3 October 2011, ACF has revised its annual work plan based on bank comments and WB provided NoL on 04 October 2011.	Completed
	Internal participatory workshops on GGF twice a year	September 30, 2011		
	MEF to confirm civil society role in procurement monitoring	*June 30, 2011		
Partnership Arrangements	Quarterly reporting format agreed as a part of the PIM revisions. M&E revisions to reflect focus on the quality of partnerships. PCO to report on revised approach in interim meeting	July 31, 2011 October 2011	ACF: N/A	
	Communications	Communications actions to be set out in revised AWP	July 31, 2011	Completed
Risks	All IAs to updates their risk matrix and submit to PCO and the Bank for review in AWP.	July 31, 2011	ACF RRM has been updated and set out in ACF revised AWP sent to PCO, and cc the Bank, on 30 July 2011. On 3 October 2011, ACF has revised its annual work plan based on bank comments and WB provided NoL on 04 October 2011.	Completed
	ORAF meeting with all IAs facilitated by the Bank, new ORAF finalized	August 31, 2011	25 October 2011, ACF Director attend an ORAF meeting at the Bank	Completed
Interim Progress Review Meeting	Interim progress review meeting on the DFGG project with the Bank task team.	October 2011		
Capacity	Proposal for enhanced capacity building function to supplement the learning-by-doing approach in conjunction with	July 31, 2011	ACF shared its training plan under Component 3B with PCO on 29 July 2011, for further consolidation.	Completed

	TAF/ACF/OWSO; Capacity building action plan (project plus) to be developed (PCO and TAF) for learning component 3B;			
Operational procedures	Identification of problematic procedures, simplified reporting arrangements in place with revised PIM	July 31, 2011	ACF: N/A	
INDIVIDUAL IAs				
ACF	ACF to develop sustainability workplan and associated TORs in consultation with SAG.	Early December 2011.		
	Revise annual work plan	July 31, 2011	ACF's revised AWP with revised budgets was submitted to PCO, and cc the Bank, on 30 July 2011. On 3 October 2011, ACF has revised its annual work plan based on bank comments. ACF has revised its budget to USD 617,829 and WB provided NoL on 04 October 2011.	Completed

XIII. CONCLUSIONS AND RECOMMENDATIONS

During this reporting period, AC/F has executed its activities that help achieve the DFGG project development objectives. AC resolved the labour disputes for the private sector and workers in Cambodia that aligns with the DFGG's Project Development Objective and key results indicators. Since 2009, 451 labour dispute cases were brought by the unions and enterprises to the AC for conciliation and arbitration. As a result, 70.14 % of cases were resolved successfully. This also showed the AC's institutional ability to contribute to the improvement of the state of industrial relations and economic growth in Cambodia, through good governance. The AC actively facilitates the implementation of the Memorandum of Understanding of to Promote Industrial Relations in the Garment Industry between Garment Manufacturer Association of Cambodia and six key confederations of unions in the garment sector that became effective on 1 January 2011. To date, 62 out of 126 cases (49%) have been MoU cases. With the implementation of the MOU, Cambodian garment industry experienced a remarkable decrease in illegal strikes in the industry, with only five strikes occurring within the framework of the MOU – as compared with several dozens of illegal strikes per year in the previous years - according to the case data before the AC. As part of the plan to renew the MOU at the end of October 2011, ACF has been requested to present its findings and observations before the private sector and unions regarding the impact of the MOU and binding arbitration on the stability of industrial relations in the garment industry.

As a strategy to maintain the trust and confidence of the AC's clients and to promote its effectiveness, ACF endeavours to enhance AC's its institutional capacity by focusing on further refining its work quality. Arbitrators, staff of the SAC and ACF received several capacity building and experience sharing sessions in the field of labour dispute resolution and international best practice, including expert training by Canadian professors in July and August 2011 and in-house workshops on a wide range of topics, such as effective arbitration skills, substantive labour law in Canada, and award drafting techniques. To build up the

system of AC, a new policy on Conflict of Interests have been drafted by AC Working Group in order to demonstrate AC's integrity to the stakeholders and the general public and therefore securing their continued trust and confidence in the good governance, independence and neutrality of the AC and its dispute resolution services.

ACF has maintained good relations with existing strategic partners, including MoLVT, GMAC, CAMFEBA, trade unions and other institutions to promote the demand for good governance in Cambodia through the effective resolution of labour disputes. ACF has carried out a number of activities with the partners, such as provision of a series of joint training sessions for MOLVT officials from across Cambodia, convening meets and greets events with employer associations and unions, delivering training sessions for employer and worker representatives on labour dispute resolution and further strategies that would contribute to promoting the state of industrial relations in Cambodia.

In respect of challenges, during this reporting period ACF has encountered some difficulties which have affected ACF performance during this reporting period. Such difficulties include the delay in receiving necessary clearances on ACF updated procurement plan 2011 that has been revised following the DFGG Project Mid-Term Review conducted in June 2011.

Financial sustainability of AC beyond the DFGG Project continues to poses a serious challenge to ACF. ACF expects to raise the issue to its Stakeholder Advisory Group for resolution at its next meeting, tentatively scheduled for 28 November 2011. ACF also expects to hold a series of individual dialogues with concerned stakeholders prior to the full meeting of the Stakeholder Advisory Group. In the meantime, the sustainability consultant will be procured in November 2011 to develop the sustainability strategy for ACF. The fund-raising consultant will be procured at the beginning of 2012 to assist ACF in raising funds to sustain the dispute resolution work of the AC.

XIV. ANNEXES

Annex Table 1: Outputs Indicators

No.	INDICATORS	2009		2010		2011 (Jan-Sept)		Remark	TOTAL		
		AWP Target	Actual	AWP Target	Actual	AWP Target	Actual		AWP Target	Actual	% achievement
1	Number of Training Programs (This refers to only training which is/are provided/organised by AC/F to its stakeholders)	Actual Value	11	Actual Value	28	Actual Value	18		Actual Value	59	
<i>a</i>	<i>Total number of participants</i>	Actual Value	411	Actual Value	1102	Actual Value	639		Actual Value	2152	
<i>b</i>	<i>% female</i>	Actual Value	31% or 129 women	Actual Value	30% or 333 women	Actual Value	(32%) or 203 women		Actual Value	31% or 665 women	
2	Number of Workshops/Seminars (This refers to only training which is/are provided/organised by AC/F)	Actual Value	1	Actual Value	1	Actual Value	1		Actual Value	3	
<i>a</i>	<i>Total number of participants</i>	Actual Value	150	Actual Value	180	Actual Value	30		Actual Value	360	
<i>b</i>	<i>% female</i>	Actual Value	20% or 30 women	Actual Value	25% or 45 women	Actual Value	63% or 19 women		Actual Value	26% or 94 women	
3	Number of Study Tours	Actual Value	3	Actual Value	4	Actual Value	3		Actual Value	10	
<i>a</i>	<i>Total number of participants</i>	Actual Value	3	Actual Value	11	Actual Value	3		Actual Value	17	
<i>b</i>	<i>% female</i>	Actual Value	33% or 1 women	Actual Value	55% or 6 women	Actual Value	33% or 1 women		Actual Value	47% or 8 women	
4	Number of Arbitration Meetings conducted (including retreats)	Actual Value	4	Actual Value	5	Actual Value	5		Actual Value	14	
<i>a</i>	<i>Total number of participants</i>	Actual Value	73	Actual Value	95	Actual Value	65		Actual Value	233	
<i>b</i>	<i>% female</i>	Actual Value	38% or 28 women	Actual Value	41% or 39 women	Actual Value	22% or 14 women		Actual Value	35% or 85 women	
5	Other event (specify)	Actual Value	2	Actual Value	2	Actual Value	2		Actual Value	6	
<i>a</i>	<i>Total number of participants</i>	Actual Value	57	Actual Value	64	Actual Value	91		Actual Value	171	

	<i>% female</i>	Actual Value	25% or 14 women	Actual Value	16% or 10 women	Actual Value	23% or 21 women		Actual Value	22% or 45 women	
<i>b</i>											
6	Consolidating the process of selection of arbitrators completed (Yes or No)	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes	
7	Working Group formed (Yes or No)	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes	
a	Total members in the working group	Actual Value	8	Actual Value	13	Actual Value	13		Actual Value	34	
b	% female	Actual Value	38% or 3 women	Actual Value	62% or 8 women	Actual Value	62% or 8 women		Actual Value	56% or 19 women	
8	Administrative and legal support to Arbitration Panels given (Yes or No)	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes	
9	Development of legal tools and systems for legal and industrial relations research done (Yes or No)	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes	
10	Creating legal bench books and a legal research database completed (Yes or No)	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes	
11	'Project Collaboration Committee established (Yes or No)	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes	
12	Conducting an Annual National Industrial Relations Conference (Yes or No)	Yes	Yes	Yes	Yes	Yes	No		Yes	No	
13	Establishing an Stakeholder Advisory Group (Yes or No)	Yes	No	Yes	Yes	Yes	Yes		Yes	Yes	
14	Maintaining the AC website (Yes or No)	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes	
15	Publishing and disseminating AC awards (Yes or No)	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes	
16	Media and promotional tools										
<i>a</i>	<i>Number of AC soap operas</i>	n/a	n/a	1	0	1	n/a		1	0	0%
<i>b</i>	<i>Number of public service announcements</i>	n/a	n/a	0	0	2	1		2	1	50%
<i>c</i>	<i>Dispute resolution training video prepared (Yes or No)</i>	n/a	n/a	Yes	Yes	Yes	Yes		Yes	Yes	
<i>d</i>	<i>Use of training video in training</i>	n/a	n/a	n/a	n/a	Yes	No		Yes	No	
<i>e</i>	<i>Broadcasting public service announcement</i>	n/a	n/a	n/a	n/a	n/a	n/a		n/a	n/a	
17	DGFF Framework Document completed (Yes or No)	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes	

18	Complaint Handling System established (Yes or No)	Yes	No	Yes	Yes	Yes	Yes		Yes	Yes	
	<i>Number of complaints received</i>	Actual Value	0	Actual Value	0	Actual Value	0		Actual Value		
19	Improved financial management system launched (Yes or No)	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes	
20	Number of staffs benefited by POC/PMG systems	n/a	n/a	n/a	n/a	n/a	n/a		n/a	n/a	
	<i>%female</i>	n/a	n/a	n/a	n/a	n/a	n/a		n/a	n/a	
21	M&E System established (Yes or No)	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes	
22	Baseline Survey conducted	Yes	No	Yes	Yes	N/A	N/A		N/A	N/A	
23	Financial Management System fully functional (Conical Hat software)	n/a	n/a	n/a	n/a	n/a	n/a		n/a	n/a	
24	Procurement Management System efficiently tracks the :										
<i>a</i>	<i>On-going contracts</i>	<i>n/a</i>	<i>n/a</i>	<i>Service: 19,288.00</i>	<i>Service: 19,288.00</i>	<i>Service: 4,000.00</i>	<i>Service: 3,740.00</i>		<i>Service: 23,288.00</i>	<i>Service: 23028.00</i>	<i>Service: 98.88%</i>
<i>b</i>	<i>Completed contracts</i>	<i>Goods 30,350.00</i> <i>0</i>	<i>Goods 24,318.80</i> <i>0</i>	<i>Goods 33,398.70</i>	<i>Goods: 29,631.00</i> <i>0</i>	<i>Goods 7,500.00</i>	<i>Goods: 4,108.00</i>		<i>Goods: 71,248.70</i>	<i>Goods: 58,057.80</i>	<i>Goods: 81.49%</i>
		<i>Service: 53,880.00</i> <i>0</i>	<i>Service: 33,064.40</i> <i>0</i>	<i>Service: 49,514.00</i>	<i>Service: 41,423.73</i>	<i>Service: 56,760.00</i>	<i>Service: 27,828.00</i> <i>0</i>		<i>Service: 160,154.00</i>	<i>Service: 102,316.13</i>	<i>Service: 63.89%</i>
26	M&E system in place	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes	

Annex Table 2: Partnership Reporting

(A) Name of Partner Organization: Ministry of Labour and Vocational Training (MoLVT)

MoLVT plays a very important role in industrial relations and labour dispute resolution. The Labour Advisory Group is charged with labour and employment policies in Cambodia. The General Department of Labour, consisting of Department of Labour Dispute and Department of Labour Inspection, is responsible for conciliation of labour disputes and inspection of labour conditions.

(B) Brief description of partnership:

	Current	Planned
MoU	N	Y
IA Budget allocation	N	Y
Agreed division of labour	Y	Y

Past & Ongoing Activities

Past joint activities include (1) organisation of industrial relations conference which brings together important players in industrial relations to be informed of and discuss development of such matter in Cambodia; (2) through membership in Project Collaboration Committee (PCC) and Stakeholder Advisory Group (SAG), providing advice on various matters concerning industrial relations and sustainability of the AC; (3) publications such as textbook on conciliation and inspection and Cambodian labour regulations; (4) joint training programs for MoLVT officials such as training on conciliation by international experts, training on labour law; (5) having MoLVT staff seconded with the Secretariat of the Arbitration Council (SAC) to assist the AC in its case management; (6) forwarding collective cases to the Arbitration Council for resolution.

Planned Activities

ACF and MoLVT will continue to cooperate with each other in all the activities mentioned above. In particular, both institutions will during the life of DFGG Project and beyond work closely together on the development of AC facilities contributing to the sustainability of the AC and other matters as appropriate.

(C) Highlight how this partnership supports DFGG objectives at the project and IA level:

This partnership enhances DFGG by contributing to an effective governance environment for private sector development by enhancing the extent to which a well-functioning labour conciliation, inspection and arbitration system builds workers' and employers' confidence that labour disputes will be resolved effectively and fairly.

Partnership between ACF and MoLVT is vitally important for the work of the Arbitration Council. Both the MoLVT and AC are empowered by law to resolve labour disputes. The former by conciliation and the latter by arbitration. Both play a significant role in the development of private sector development by ensuring that businesses and workforces have reliable platforms for unavoidable labour disputes.

(D) Key outcomes to date:

There have been several outcomes achieved in this partnership. A few examples are (1) successful organisation of industrial relations conferences in 2009 and 2010; (2) ongoing consultation and assistance in the sustainability of the AC and other matters related to the development of industrial relations in Cambodia; (3) publications of textbooks on conciliation and inspection and Cambodian labour regulations; (4) joint training programs for MoLVT officials; and (5) ongoing assistance of SAC officers seconded from MoLVT in AC case management. Most importantly, MoLVT forwards collective cases to the Arbitration Council for resolution: a total of more than 1,100 cases as of 06 October 2011.

(E) Key challenges to maximizing the value of this partnership:

Challenge/constraint: SAC officers seconded from MoLVT are not covered by the DFGG funding.

Actions taken to address the challenge: Although it is difficult to seek funding to support them, ACF has secured sufficient amount for at least the end of DFGG Project.

(F) What is the agreed division of labour for 2011 and how does this address the challenges:

It was agreed after a series of consultation that ACF and MoLVT would co-organise training program for officials in charge of conciliation of labour disputes and labour inspections from all over Cambodia in May, June and July 2011. ACF provided its training room for the venue and other related costs and trainers on labour dispute resolution process at the Arbitration Council. MoLVT produced training materials and provided trainers on basic labour law, conciliation and inspection. Also it was responsible for gathering their officials from all over Cambodia to attend the training sessions.

(F) Primary contact person: H.E. Seng Sakda, Director-General of General Department of Labour, Ministry of Labour and Vocational Training

(G) Contact details: 012 666 658; email: seng_sakda@yahoo.com

Agreement to include as a partnership under DFGG definitions for IA.

Comments and endorsement by PCO:

(to be made before submitting to the Bank)

Comments by World Bank:

(A) Name of Partner Organizations: Cambodian Federation of Employers and Business Associations (CAMFEBA) and Garment Manufacturers Association in Cambodia (GMAC)

CAMFEBA is the largest autonomous and independent business association in Cambodia that unifies and strengthens the Cambodian private sector through effective representation and collaboration.

GMAC collaborates with all stakeholders to pursue a enabling business environment for the growth and development of the apparel industry, provides prompt and crucial information pertaining to industry, supports the Cambodian government in industry in the development of human capital and embraces corporate social responsibilities (CSR) in management principles so as to develop mutually beneficial relationships and sustainable business development. The association plays an important role in the development of garment industry and industrial relations through their representation and advocacy programs. It brought into existence the garment industry MoU on improving industrial relations signed with six major unions and union federations in Cambodia.

(B) Brief description of partnership:

	Current	Planned
MoU	N	Y
IA Budget allocation	N	Y
Agreed division of labour	Y	Y

Past & Ongoing Activities

Past and current activities include:

- i) Training on labour dispute resolution, case preparation before the AC;
- ii) Capacity building for employer representatives responsible for labour dispute resolution
- iii) Social events between AC community members and employer representatives from various sectors such as garment, telecom, services, etc.
- iv) Ongoing consultation pertaining to the development of industrial relations in Cambodia.

In particular, in June 2011, CAMFEBA and ACF jointly organised a Meet & Greet event between AC arbitrators and employer representatives from many sectors and training on labour dispute resolution and the AC process and case preparation and presentation before the AC. Also, ACF has been consulting with both GMAC and CAMFEBA the sustainability of the AC including the plan for permanent AC facilities.

Planned Activities

ACF and the associations will continue to cooperate with each other in all the activities mentioned above.

(C) Highlight how this partnership supports DFGG objectives at the project and IA level:

This partnership enhances DFGG by contributing to an effective governance environment for private sector development through active representation and collaboration in matters concerning labour dispute resolution and industrial relations.

This partnership also aims at educating representatives of enterprises about labour dispute resolution process and case preparation at the AC. Increased awareness of labour dispute resolution process the AC among CAMFEBA and GMAC members is one of the indicators in the project result framework of the AC.

(D) Key outcomes to date:

GMAC and CAMFEBA and ACF have jointly organised several events such as a Meet & Greet event between AC arbitrators and employer representatives from many sectors and training on labour dispute resolution and the AC process and case preparation and presentation before the AC. That contributes to the awareness raising of the AC beyond garment sector.

ACF supported CAMFEBA's applications for the DFGG Partnership Grants 2011.

Also, ACF has been in ongoing consultation with both associations pertaining to the sustainability of the AC including the plan for permanent AC facilities.

(E) Key challenges to maximizing the value of this partnership:

Challenge/constraint: CAMFEBA and GMAC is not satisfied with certain decisions of the AC especially those on attendance bonus and fixed duration contract (FDC) v. undetermined duration contract (UDC). Recently, CAMFEBA sent a letter to MoLVT requesting that these issues be settled.

Actions taken to address challenges: ACF suggested that the employer associations and union federations work cooperatively together to resolve the issues once and for all and that the AC could always help mediate these issues if it is agreeable between both sides.

(F) What is the agreed division of labour for 2011 and how does this address the challenges:

ACF and the employer associations will continue to jointly organise networking and training events for employer representatives that could help raise awareness of and capacity in labour dispute resolution and the labour arbitration process of the AC. It is hoped that such efforts will contribute to the expansion of AC services beyond garment sector. ACF is responsible for provision of expert trainers on the topics and advice on how the events should be run. It shares the costs for its members to attend these events. CAMFEBA is responsible for gathering their members for the events and other logistical arrangements.

(F) Primary contact person:

- Mr. Som Chamnan, CAMFEBA Executive Manager
- Mr. Kaing Monika, GMAC External Affairs Manager

(G) Contact details:

Mr. Som Chamnan
email: som_chamnan@camfeba.com
Tel: 012 722 371

Mr. Kaing Monika
Email: kaing@gmac-cambodia.org
Tel: 012 602 222

Agreement to include as a partnership under DFGG definitions for IA.

Comments and endorsement by PCO:

(to be made before submitting to the Bank)

Comments by World Bank:

(A) Name of Partner Organizations: Labour unions

Labour unions are the key player in advocating for workers and representing them in labour dispute resolution at conciliation process at MoLVT and arbitration process at the AC.

(B) Brief description of partnership:

	Current	Planned
MoU	N	Y
IA Budget allocation	N	Y
Agreed division of labour	Y	Y

Past & Ongoing Activities

Past and current activities include:

- i) Training on labour dispute resolution, case preparation before the AC;
- ii) Capacity building for union members, both at local and federation level;
- iii) Consultation on development and sustainability of the AC

Planned Activities

ACF and labour unions will continue to cooperate with each other in all the activities mentioned above.

(C) Highlight how this partnership supports DFGG objectives at the project and IA level:

This partnership enhances DFGG by contributing to an effective governance environment for private sector development through active representation and collaboration in matters concerning labour dispute resolution and industrial relations.

This partnership also aims at educating representatives of enterprises about labour dispute resolution process and case preparation at the AC. Increased awareness of labour dispute resolution process the AC among CAMFEBA and GMAC members is one of the indicators in the project result framework of the AC.

(D) Key outcomes to date:

Various training sessions on labour dispute resolution and case preparation were organised in partnership with labour union federations and confederation.

Also, ACF has been in ongoing consultation with labour unions pertaining to the development and sustainability of the AC including the plan for permanent AC facilities.

(E) Key challenges to maximizing the value of this partnership:

N/A

(F) What is the agreed division of labour for 2011 and how does this address the challenges:

ACF would continue providing training for union officers. Union federations and confederations would assist ACF in inviting their local unions to the training.

(F) Primary contact person:

- Mr. Ath Thorn, President of C.CAWDU
- Mr. Som Aun, President of Cambodian Labour Union Federation (CLUF)
- Mr. Vong Sovann, President of Cambodian Workers Labour Federation Union (CWLUFU)
- Mr. Sok Narith, Vice President of Cambodian Tourism and Service Workers Federation (CTSWF)

(G) Contact details:

Mr. Ath Thorn, President of C.CAWDU

Tel: 012 998 906
Email: thorn.clc@gmail.com

Mr. Som Aun, President of Cambodian Labour Union Federation (CLUF)
Tel: 012 866 682
Email: som_aun@yahoo.com

Mr. Vong Sovann, President of Cambodian Workers Labour Federation Union (CWLFU)
Tel: 012 785 890
Email: cctu@online.com.kh

Mr. Sok Narith, Vice President of Cambodian Tourism and Service Workers Federation (CTSWF)
Tel: 012 927 283
Email: narithsokk@yahoo.com

Agreement to include as a partnership under DFGG definitions for IA.

Comments and endorsement by PCO:

(to be made before submitting to the Bank)

Comments by World Bank:

(A) Name of Partner Organization: Fair Work Australia (FWA)

Fair Work Australia (FWA) is the national workplace relations tribunal of Australia. It is an independent body with power to carry out a range of functions including:

- providing a safety net of minimum conditions, including minimum wages, in awards
- facilitating good faith bargaining and the making of enterprise agreements
- granting remedies for unfair dismissal
- regulating the taking of industrial action
- resolving a range of collective and individual workplace disputes through conciliation, mediation and in some cases arbitration
- functioning in connection with workplace determinations, equal remuneration, transfer of business, general workplace protections, right of entry and stand down.

(B) Brief description of partnership:

	Current	Planned
MoU	N	Y
IA Budget allocation	N	Y
Agreed division of labour	Y	Y

Past & Ongoing Activities

- i) Exchange visits, study tours
- ii) Internship
- iii) Legal audit of AC arbitration awards
- iv) Others as appropriate

Planned Activities

ACF and MoLVT will continue to cooperate with Fair Work Australia in all the activities mentioned above.

(C) Highlight how this partnership supports DFGG objectives at the project and IA level:

This partnership allows for exchange of skills and experiences in labour mediation and arbitration between the AC and industrial relations players in Cambodia and FWA, which has had more 100 years of experience in the field. Improved capacity of AC arbitrators contributes to effective resolution of labour disputes and better industrial relations.

(D) Key outcomes to date:

- A commissioner of FWA paid a one-week visit to Cambodia in September-October 2010. Among other things, he discussed legal issues and arbitration techniques with AC arbitrators and legal support staff, trained labour conciliators of the Ministry of Labour and Vocational Training in conciliation skills, guest lectured on arbitration in Cambodia and Australia for more than 100 law students, and spoke at the National Industrial Relations Conference 2010 organised by ACF.
- A delegation of four people consisting of an AC arbitrator, ACF Communications Officer, Director of Legal Services Department, and head of Secretariat of the Arbitration Council went on a two-week internship with different departments of FWA in November-December 2010.
- Commissioner Michael Gay offered to provide legal audit of the decisions of the AC free of charge.

(E) Key challenges to maximizing the value of this partnership:

N/A

(F) What is the agreed division of labour for 2011 and how does this address the challenges:

FWA will send its commissioner to share his/her experience in Cambodia, upon ACF request. ACF can send its delegation to exchange at FWA.

(F) Primary contact person: Commissioner Michael Gay of FWA

(G) Contact details:

Mr. Michael Gay, FWA Commissioner

Tel: +61 4 1931 8049

Email: gay.c@fwa.gov.au

Agreement to include as a partnership under DFGG definitions for IA.

Comments and endorsement by PCO:

(to be made before submitting to the Bank)

Comments by World Bank:

(A) Name of Partner Organizations: Education institutions — 1) Royal Academy for Judicial Profession; 2) Lawyers Training Centers; 3) University of Michigan Law School; 4) Macquarie University; 5) University of Cambodia; 6) Mekong University of Cambodia; 7) Pannasastra University of Cambodia (PUC); 8) Royal University of Law and Economics (RULE)

These institutions provide education on labour law, labour dispute resolution and/or industrial relations. Their students are expected to be involved in these areas of work when they enter the workforce.

(B) Brief description of partnership:

	Current	Planned
MoU	N	Y
IA Budget allocation	N	Y
Agreed division of labour	Y	Y

Past & Ongoing Activities

Past and current activities include:

- i) Provision of training on labour dispute resolution and labour arbitration of the AC
- ii) Internship opportunity with ACF
- iii) Observation of AC hearings
- iv) Others as appropriate.

Planned Activities

ACF will continue to cooperate with these education institutions in all the activities mentioned above.

(C) Highlight how this partnership supports DFGG objectives at the project and IA level:

This partnership allows ACF to educate law and business students at these education institutions about labour dispute resolution, the AC process and industrial relations. That will increase awareness of labour dispute resolution and the labour arbitration process at the AC among these students who are prospective users of the AC services when they enter the workforce.

(D) Key outcomes to date:

- ACF conducted training on labour dispute resolution for PUC law students in 2010.
- PUC and ACF co-organised a mock arbitration in September 2010.
- ACF agreed to give guest lecture to UC students, upon request from any professor there.
- A law student at the University interned with ACF Legal Services Department from 30 May 2011 to 29 July 2011.
- A student from Macquarie University interned with ACF in September-October 2010.
- ACF Legal Advisor gave guest lecture on Arbitration in Practice to MUC law students in September 2010.
- RULE Legal Clinic Students received training on labour dispute resolution and labour arbitration at the AC in July followed by a Q&A session with an arbitrator at the training room of the AC.
- Every year, ACF conducted training sessions on labour dispute resolution and the AC process for RAJP and Lawyers Training Center students.

All these contribute to awareness raising of the AC and labour dispute resolution among people who are expected to be involved in industrial relations when they enter the workforce.

(E) Key challenges to maximizing the value of this partnership:

N/A

(F) What is the agreed division of labour for 2011 and how does this address the challenges:

ACF will continue providing training on labour dispute resolution, labour arbitration process at the AC and industrial relations, upon request from these education institutions. It will also work closely with them to coordinate internship opportunity.

(F) Primary contact person:

- Professor Nicholas J. Rine, Clinical Professor of Law University of Michigan Law School
 - Dr. Phillip Dews, UMC Deputy Vice Chancellor
 - Mr. Kong Phallack, Dean of PUC Faculty of Law
 - Ms. Buoy Thida, RULE Professor of Law
 - Mr. Khim Kiri, Lecturer of RULE Legal Clinic Program
 - Mr. Ang Eng Thong, Dean of Lawyers Training Center
 - Mr. Pen Bol, Officer in charge of Basic Training for student judges of Royal Academy for Judicial Professions
 - Ms. Siek Theory, Officer in charge of Basic Training for court clerk students of Royal Academy for Judicial Professions
-

(G) Contact details:

Professor Nicholas J. Rine, Clinical Professor of Law
Email: nickrine@umich.edu

Dr. Phillip Dews, UMC Deputy Vice Chancellor
Email: aseandirectory@hotmail.com

Mr. Kong Phallack, Dean of PUC Faculty of Law
Tel: 012 712 255
Email: phallacklaw@gmail.com

Ms. Buoy Thida, RULE Professor of Law
Tel: 012 499 977

Mr. Khim Kiri, RULE Lecturer of Legal Clinic Program
Tel: 088 772 2221
Email: khimkiri@yahoo.com

Mr. Ang Eng Thong, Dean of Lawyers Training Center
Tel: 016 851 213
Email: ltc@online.com.kh

Mr. Pen Bol, Officer in charge of Basic Training for student judges of Royal Academy for Judicial Professions
Tel: 012 445 332
Email: vibool@yahoo.com

Ms. Siek Theory, Officer in charge of Basic Training for court clerk students of Royal Academy for Judicial Professions
Tel: 097 888 5858

Agreement to include as a partnership under DFGG definitions for IA.

Comments and endorsement by PCO:

(to be made before submitting to the Bank)

Comments by World Bank:

(A) Name of Partner Organizations: Civil Society Organisations — 1) Integrating Human to Quality (IHQ); 2) The Asia Foundation (TAF); 3) East-West Management Institute (EWMI); 4) American Center for International Labour Solidarity (ACILS); 5) ILO Better Factories Cambodia (ILO-BFC); 6) ILO Labour Dispute Resolution Project (ILO-LDRP); 7) ILO Workers Education Project (ILO-WEP); 8) Community Legal Education Center (CLEC); 9) Cambodian Center for Human Rights – Cambodian Business & Human Rights (CCHR-CBHR); 10) Worker Information Center (WIC)

These civil society organisations work on the areas of labour rights, labour dispute resolution and industrial relations and/or support such organisations.

(B) Brief description of partnership:

	Current	Planned
MoU	Y (IHQ, CCHR-CBHR)	Y
IA Budget allocation	N	Y
Agreed division of labour	Y	Y

Past & Ongoing Activities

Past and current activities include:

IHQ

- i) Selection of worker and employer representatives for the project
- ii) SWOT analysis to identify and work with the selected unions to develop their communication strategy with their audiences, union members, other unions and the management
- iii) Development of training strategies
- iv) Promotion of binding arbitration by the Arbitration Council
- v) Training on binding arbitration by the Arbitration Council
- vi) Promotion of CBA

TAF

Consultation with each other concerning NSAC.

Selection of non-state actors to do the following:

- i) Training on topics related to labour law and industrial relations;
- ii) Establishment of a one-stop shop for information about labour dispute resolution;
- iii) Production and dissemination of a guide to labour dispute resolution;
- iv) Award Compliance Monitoring;
- v) Facilitating better organisation and increased stakeholder capacity in areas where unions and/or employer organisations are inactive or non-existent;
- vi) Formation of an independent Industrial Relations (IR) Society;
- vii) Formation of a labour law review journal.

EWMI

- i) Sharing lessons and experience in production of broadcast media tools, legal matters and organisation of public events.
- ii) Supporting Legal Clinic Program at RULE

ACILS

- i) Training on labour dispute resolution, case preparation before the AC;
- ii) Others as appropriate

BFC

- i) information dissemination;
- ii) consultation with each other in event organizing;
- iii) Others as appropriate

ILO-LDRP

- i) Cooperation and relationship building with Ministry of Labour Vocational Training
-

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- ii) Consultation with each other on various issues related to LDR and IR in Cambodia
 - iii) Cooperation in provision of training related to labour law and industrial relations
 - iv) Others as appropriate.

ILO-WEP

- i) Consultation with each other on various issues related to LDR and IR in Cambodia
- ii) Sharing contact list of worker unions
- iii) Other as appropriate.

CLEC

- i) Joint training;
- ii) Consultation with each other on development of programs and industrial relations;
- iii) Others as appropriate.

CCHR-CBHR

- i) Provision of training related to labour dispute resolution
- ii) Giving suggestions on development of the project
- iii) Others as appropriate

WIC

- i) Dissemination of information related to labour dispute resolution
- ii) Provision of training on labour dispute resolution to workers working near WIC centers
- iii) Others as appropriate

Planned Activities

ACF will continue to cooperate with these civil society organisations in all the activities mentioned above.

(C) Highlight how this partnership supports DFGG objectives at the project and IA level:

IHQ

This partnership expanded the outreach of ACF to educate worker and employer representatives about labour dispute resolution process. It also contributes to the promotion of binding arbitration by the AC.

TAF

This partnership expanded ACF's outreach efforts to educate worker and employer representatives about labour dispute resolution process. It could also contribute to emerging projects that together bring about industrial relations and effective enforcement of, and compliance with, the labour law. Last but not least, it could improve access to information about labour law and labour dispute resolution in Cambodia.

EWMI

This partnership aims to improve staff capacity to perform their work better and raise awareness of the labour dispute resolution and labour arbitration of the AC among RULE Legal Clinic Students supported by EWMI.

ACILS

This partnership aims at educating staff of ACILS and union officers about labour dispute resolution process and case preparation at the AC. Their increased capacity, users of AC services and their supporters, is essential for effective dispute resolution by the AC and more broadly, improved industrial relations in Cambodia.

BFC

ILO's Better Factories Cambodia monitors and reports on working conditions in more than 200 Cambodian garment factories according to national and international standards, including their compliance with awards of the Arbitration Council. This partnership contributes to the effectiveness of the AC dispute resolution and ensures that enterprises and workers in Cambodia can live up to both national and international labour standards.

ILO-LDRP

ILO Labour Dispute Resolution Project (ILO-LDRP) assisted in the establishment of the AC and supported it until 2009 when ACF received the grants from the World Bank's DFGG. This partnership contributes to the

increased party credibility in the AC dispute resolution services. ILO-LDRP had a great deal of experience in industrial relations in Cambodia.

ILO-WEP

ILO-WEP has good relationship with labour unions both inside and outside Cambodia. ACF partnership with this project allows ACF to have easy access to labour unions which play an important role in labour relations. The ultimate goal of the AC is to improve labour relations in Cambodia.

CLEC

CLEC is one of the most outstanding programmes for labour relations. Currently it has been working closely with unions and union federations. ACF partnership with CLEC expands ACF outreach to workers and unions about the labour law, labour dispute resolution and the AC process.

CCHR-CBHR

This partnership allows ACF to reach out to employers and workers outside garment industry regarding education about labour dispute resolution and the AC process. This could contribute to ACF efforts in expanding the LDR services beyond garment industry.

WIC

This partnership allows ACF to reach out directly to garment and textile workers regarding education about labour dispute resolution and the AC process.

(D) Key outcomes to date:

IHQ

- ACF and IHQ worked together to select worker and employer representatives for training.
- IHQ consulted ACF in the development of the tools for SWOT analysis to identify and work with selected unions to develop their communication strategy with their audiences, union members, other unions and management.
- IHQ developed their training strategies in consultation with ACF.
- ACF supported IHQ's applications for the DFGG Partnership Grants 2011.

TAF

- TAF organised a forum in which ACF was invited to display its products.
- TAF consulted the ACF for the next round of NSAC grants.
- Integrating Human to Quality (IHQ) was selected under the partnership grants to partner with ACF.

EWMI

- ACF organised the mock arbitration organised at Pannasastra University of Cambodia (PUC) in September 2010, in consultation with EWMI.
- ACF staff learned from EWMI staff production of broadcast media tools since the latter were experienced in production of Scale of Justice.
- ACF trained EWMI's sponsored Legal Clinic students in alternative labour dispute and labour dispute resolution.

ACILS

- Various training sessions on labour dispute resolution and case preparation were organised for ACILS staff.
- ACF and ACILS coordinated radio show on labour dispute resolution on 23 August 2011.

BFC

- ACF contributed to the development of the Joint Garment Training Directorate initiated by BFC.
 - ACF discussed with BFC AC sustainability issues and effective implementation of the garment industry MoU concerning binding arbitration by AC.
 - ACF informed BFC staff of the adjustments to AC process following the garment industry MoU concerning binding arbitration by AC.
 - BFC contacted ACF from time to time for assistance in arbitral awards of the AC.
-

-
- ACF contributed to the conduct of Buyers Forum 2011 in September 2011 by providing comments on the sessions concerning the development of industrial relations and Mr. Sok Lor, ACF Executive Director, speaking at the forum.
 - BFC and ACF are in consultation with one another regarding the development of a capacity building program for labour inspectors of the Ministry of Labour and Vocational Training.

ILO-LDRP

- ILO-LDRP organised training of trainers on collective bargaining for legal educators of labour union federations, in which ACF trainer taught on the topic of legal framework for collective bargaining in Cambodia on 25 August 2010.
- ACF consulted from time to time with ILO-LDRP regarding the appointment of new arbitrators of the AC.
- ACF regularly disseminated information about the work of the Arbitration Council to ILO-LDRP.
- From time to time, former ILO-LDRP Technical Advisor provides feedback and suggestions as to the development of the Arbitration Council.

ILO-WEP

- ILO-WEP helped promote awareness of, and understanding in, the garment industry MoU concerning binding arbitration by the AC among labour unions.
- ACF regularly disseminated the arbitral award announcements to ILO-WEP.

CLEC

- CLEC-WRG helped promote awareness of, and understanding in, the garment industry MoU concerning binding arbitration by the AC among labour unions.
- ACF regularly disseminated the arbitral award announcements to ILO-WEP.
- ACF conducted training for legal staff of American Center for International Labour Solidarity (ACILS) and advocates of labour advocates from unions and union federations in February, and June 2010.

CCHR-CBHR

- ACF provided comments on the implementation and development of CCHR-CBHR project.

WIC

- ACF spoke to workers about labour dispute resolution process at the labour's day event organised by WIC in 2010.
- ACF informed WIC staff of adjustments to AC process following the garment industry MoU concerning AC's binding arbitration.

(E) Key challenges to maximizing the value of this partnership:

IHQ

Sustainability of the partnership may be an issue. IHQ was selected to partner with ACF under NSAC grants of DFGG, for only a limited period of time.

ILO-LDRP

ILO-LDRP is to be concluded by the end of 2010.

(F) What is the agreed division of labour for 2011 and how does this address the challenges:

IHQ

Division of work was clearly discussed between ACF and MoLVT during the formation of the project. ACF and IHQ will work together for their project to continue into 2012 and beyond.

TAF

TAF would inform ACF of the announcement of the next round. ACF would share it with potential partners.

EWMI

Both EWMI and ACF would welcome each other's request for exchanges of lessons learned and experience.

ACILS

ACF would continue providing the training and cooperation in other programs upon request by ACILS.

BFC

ACF and BFC would continue working together on a case-by-case basis. Both organisations are regular partners since the establishment.

ILO-LDRP

ACF has started seeking DFGG fund for the AC component to contract the ILO to continue the work ILO-LDRP did for improved industrial relations, part of which was the garment industry MoU concerning binding arbitration by the AC.

ILO-WEP

Nothing concrete was agreed on for 2011. However, both ACF and ILO-WEP agreed to contribute to any project collaboration.

CLEC

ACF and CLEC will continue to work together to provide training for labour unions and union federations. They also will disseminate information about development of programs and industrial relations to each other.

CCHR-CBHR

ACF agreed to participate in the project by providing feedback and speak at future forums organised by CCHR-CBHR.

WIC

WIC agreed that ACF could organise events for workers at any of their centers and that it would help collect workers for such events. Also, WIC agreed to keep any of ACF's publications and information materials at their centers upon request.

(F) Primary contact person:

Ms. Ann Vireak, IHQ Executive Director

Tel: 012 471 476

Email: vireak@ih2q.org

Mr. Gavin Tritt, TAF Country Representative

Tel: 023 210 431

Email: gtritt@asiafound.org

Mr. Steven Austermler, Legal Education Advisor

Tel: 012 304 496

Email: austermiller@ewmi-praj.org

Mr. David John Welsh, ACILS Cambodia Country Director-Lawyer

Tel: 077 222 020

Email: dwelsh@solidaritycenter.org

Mr. Tuomo Poutiainen, BFC's Chief Technical Advisor

Email: poutiainen@ilo.org

Mr. John Ritchotte, Specialist in Labour Administration and Labour Relations of ILO Sub-Regional Office for East Asia

Email: ritchotte@ilo.org

Mr. Yim Serey Vathanak, ILO-WEP National Project Coordinator

Email: yim@ilo.org

Mr. Moeun Tola, CLEC-WRG Programme Coordinator

Tel: 012 921 961

Email: tola@clec.org.kh

Mr.ChakSophy, CCHR-CBHR Project Coordinator

Tel: 012 663 516

Email: chak.sophy@cchrcambodia.org

Ms. Ly Pheareak, WIC Programme Manager

Tel: 012 299 130

Email: phearakly@gmail.com

(G) Contact details:

Agreement to include as a partnership under DFGG definitions for IA.

Comments and endorsement by PCO:

(to be made before submitting to the Bank)

Comments by World Bank:

(A) Name of Partner Organization: Government institutions – 1) Ministry of Interior (MOI)- One Window Service Office (OWSO)

One Window Service Office Project (OWSO) is a component of the Demand for Good Governance Project (DFGG), funded by World Bank's Grant and Government's Contribution. One Window Service Office is an office that provides public services to the citizens, businessmen, small entrepreneurs, students, etc. The public services provided through the One Window Service Office are effective, efficient, transparent, accountable, timely, reliable, inexpensive and with good quality.

(B) Brief description of partnership:

	Current	Planned
MoU	N	Y
IA Budget allocation	N	Y
Agreed division of labour	N	Y

Past & Ongoing Activities

- (i) Dissemination of information about labour dispute resolution and work of the AC in OWSO offices and on each other's websites
- (ii) Cooperation in organisation of public forums based on planned activities of each other
- (iii) Consultation with one another regarding development of EIC materials
- (iv) Others as appropriate

Planned Activities

ACF and MoLVT will cooperate with OSWO in all the activities mentioned above.

(C) Highlight how this partnership supports DFGG objectives at the project and IA level:

This partnership allows ACF and OWSO to work together in creating demands for good governance in the DFGG priority reform areas. For ACF, this means it could raise awareness of the work of the AC beyond garment sector and outside the Great Phnom Penh areas. The lesson sharing and consultation fit well with the mission of DFGG Project to increase capacity of its IAs.

(D) Key outcomes to date:

- Draft MoU is being discussed and expected to be finalised by the end of October 2011.

(E) Key challenges to maximizing the value of this partnership:

N/A

(F) What is the agreed division of labour for 2011 and how does this address the challenges:

To be decided in the MoU.

(F) Primary contact person: Mr.Buon Heng, Communications & Partnership Consultant

(G) Contact details:

Mr.Buon Heng, Communications & Partnership Consultant
Tel: 012 773 444
Email: b.heng@ncdd.gov.kh

Agreement to include as a partnership under DFGG definitions for IA.

Comments and endorsement by PCO:

(to be made before submitting to the Bank)

Comments by World Bank:
