

QL-2013



KINGDOM OF CAMBODIA  
Nation Religion King

Ministry of Economy and Finance

Public Financial Management Reform Committee  
Reform Committee Secretariat

No. 044 MEF/SCS

Phnom Penh, 03 MAY 2013

**Ms. Leah April**  
Senior Public Sector Management Specialist  
The World Bank Cambodia Country Office  
113 Norodom Boulevard, Phnom Penh, Cambodia.

**Quarterly Interim Unaudited Financial Reports (IDA Grant H241-KH) as at 31 March 2013**

Dear Leah,

SCS is pleased to send you Quarterly Interim Unaudited Financial Reports (IFRs) of Public Financial Management Reform Program as at March 31, 2012. IFRs comprises of (1) Analysis of program financial performance (2) Sources and Uses of Fund by Expenditure Type and Group (Component) (3) Procurement Plan and Tracking (4) Contract payment of Goods, Consultant's Service, Training/workshops and IPA and (5) the Program Progress Report. However the Program Progress Report is under view and will be sent to the World Bank later. Should you have any comments on the IFRs will be highly appreciated.

Thank you for your kind assistance and cooperation.

Yours faithfully, *Dr*

**Dr. Sok Saravuth**  
Steering Committee Secretariat Manager

CC:

- H.E. Aun Porn Moniroth**  
Chairman of the PFM Steering Committee
- H.E. Hang Chuon Naron**  
Permanent Vice Chairman of the PFM Steering Committee

**Royal Government of Cambodia  
Ministry of Economy and Finance  
Public Financial Management Reform Program**

IDA Grant H241-KH

Interim Unaudited Financial Report: Analysis of Financial Performance  
For the Period: First Quarter Ending March 31, 2013

Interim Unaudited Financial Report (IFR) is produced quarterly and form part of overall project reporting with financial arrangements of IDA grant through the World Bank and Royal Government of Cambodia. The attached reports provide information on the program financial position, financial expenditures, program performance, and report on procurement monitoring on goods and consultant services.

The Interim Unaudited Financial Reports (IFR1, IFR2, and IFR3) summarize funds received from the World Bank, Royal Government of Cambodia, and program uses of fund by expenditure type and component (group/function). The report explains the variance of the actual expenses against estimated budget for current quarter and year to date budget.

The Procurement Monitoring Reports (IFR4 and IFR5) describe the status of the procurement implementation comparing with the procurement plan. Annex I to Annex IV, supporting to the financial report describes in details on the current quarter and cumulative contract expenditure reports of consultants, goods, training/workshop, and International Procurement Agent (IPA) since the program started until reporting date. Annex V describes the quarterly program progress report and its issues.

**Activities of the Steering Committee Secretariat (SCS)**

**A-Financial Management**

**1-Receipt of Funds**

In the first quarter of the year 2013, PFMRP received the funds from the following sources:

- |   |   |              |
|---|---|--------------|
| • Funds from IDA Grant                  | - | US\$ 302,378 |
| • Funds from IDA Grant – Direct Payment | - | US\$ 333,006 |

Total Funds Received		US\$ 635,384
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**2-Use of Funds**

The following table summarizes the actual used of fund by components and categories of PFMRP contributed by Royal Government of Cambodia (RGC), Multi-Donor Trust Fund (MTDF) and IDA Grant during this quarter:



## 2-1 Use of Funds by Project Activities

Project Components	Uses of Funds/Contribution by Financiers in Q1-2013 (in USD)		
	RGC	IDA H-241	Total Q1-2013
Revenue Management	-	-	-
Budget Formulation	-	11,402	11,402
Budget Execution	-	35,601	35,601
Policy Group	-	32,178	32,178
General Support Group	-	165,591	165,591
International Proc. Agent (IPA)	-	370,529	370,529
Line Ministries	-	-	-
<b>Total</b>	-	<b>615,302</b>	<b>615,302</b>

## 2-2 Use of Funds by Project Categories

Project Categories	Uses of Funds/Contribution by Financiers in Q1-2013 (in USD)		
	RGC	IDA H-241	Total Q1-2013
1-Goods	-	220	220
2-Consultant Services	-	86,518	86,518
3-Training Workshop / Study Tour	-	120,012	120,012
4-Incremental Operation Cost (IOC)	-	38,022	38,022
5- MPBI & POC	-	-	-
6- International Proc. Agent (IPA)	-	370,529	370,529
<b>Total</b>	-	<b>615,302</b>	<b>615,302</b>

## 3-Disbursements and Grant Withdrawals of the Program

During this period, PFMRP/SCS submitted applications for withdrawal and direct payments which amounted to US\$ 635,384. The applications were processed and the Pooled Account was replenished and transferred with no significant interruption or delay.

As at 31 March 2013, the cumulative expenditure amounted to US\$ 23,388,672 proceed for the implementation of PFMRP, which represent 53.92% of the total fund from multi-donor of 43.38 million dollar (RGC 0.43 M\$, IDA 14 M\$, AUD 2.54 M\$, Europe 17.23M\$ & SIDA 4.12M\$ & DFID 5.04 approximately 43.38 million US Dollars).

## 4-Summary Sources of Fund

### 4-1 The World Bank-IDA Grant H241-KH

Beginning August 12, 2011 the bank has switched the project to be financed by IDA 100%. This IDA agreement was signed between the World Bank and Government to extend the project by November 15, 2013 and contract amendments will be finished by the same day. The project received fund amounted to US\$ 635,384 for the current quarter through the replenishment mechanism and directly payment from the World Bank. The cumulative expenditure to date is US\$ 13,356,590. The disbursement rate has reached 95.40% of total agreed funding per financing agreement (US\$ 14,000,000).



#### **4-2 The World Bank-MDTF TF 054547-KH (Closed in April 11, 2012)**

Project designated account is a pooled account containing fund received from Multi-Donor Trust Fund and IDA Grant. This trust fund was closed in April 11, 2012. The disbursement from the World Bank-MDTF into project was US\$ 9,463,117. Disbursement rate has reached 73.73% of total agreed funding per financing agreement (according to the latest modification of grant agreement effective from 05 August 2011, financing amount from parents MDTF to recipient MDTF increases from US\$ 9,835,000 to US\$12,835,000). The balances amounting to US\$ 3,371,883 was cancelled and the World Bank informed that the fund was carried forward to new trust fund.

The new MDTF has been established to assist the RGC in implementing PFMRP under the stage 2/Platform 2 until November 14, 2016. This new trust fund is being processed by the World Bank.

#### **4-3 Counterpart Fund**

As of 31 March 2013, cumulative fund received from counterpart were US\$ 704,635. It has been used in contribution with Multi-Donor Trust Fund for MBPI payment from 2005 to December 2009 as per the financing agreement. However the MBPI was terminated by Royal Government of Cambodia's decision effective from January 1, 2010.

#### **4-4 The World Bank- PHRD Grant (JPN 54627-KH)**

The cumulative disbursement is US\$ 24,069. The grant was closed. It was reported details in annual report 2006.

### **5-Budget Performance**

The budget projection for 2013 is under review by the World Bank and expected to receive no-objection in April 2013. The analyses between the performance and the budget of the program will be provided in the next quarter.

However, through the actual program implementation, the total disbursement during the first quarter 2013 was US\$ 615,302, mainly for Consultant Service, Training & Workshop and Independent Procurement Agents that were approved in late 2012 and brought forward to 2013 and other outstanding commitments.



## **B-Procurement Activities**

### **1. Key Activities**

Summary of key activities undertaken by the procurement officer is attached in **Annex 1** and listed all packages where activities have been undertaken with regards to the defined outputs, i.e. receipt of TOR/Technical requirements, PRC Approved/WB NOL, Bid closing, WB NOL and submission of Evaluation Recommendation to PRC approval, PRC negotiated contract with consultant, WB NOL/SCS signed contract with consultant.

### **2. Procurement Plan/Tracking forms**

The up-date and approved procurement plans 2013 is under review by the World Bank and expected to receive no-objection in April 2013. However, the status of planned, scheduled and actual completed procurement activities are shown in the relevant Procurement plan/Tracking forms in **Annex 1**.

### **3. Summary of Output Achieved for Q1-2013 (January – March 2013)**

Cat.	Planned and Actual Output	First Quarterly - 2013 (T1)			
		No. Package	Percentage (%)	Total value of package	Percentage (%)
Service	Planned	13		528,113.00	
	Actual	13	100%	520,186.50	98.49%
Goods	Planned	1		49,000.00	
	Actual		0%		0%
Planned Total		14		577,113.00	
Actual Total		13	92.85%	520,186.50	90.13%

#### **Service: 13 packages were completed as below:**

- CS-01/13 Extended contract 10.5 months for Officer Manager of Steering Committee Secretariat (SCS)
- CS-02/13 Extended contract 10.5 months for Procurement Officer of Steering Committee Secretariat (SCS)
- CS-03/13 Extended contract 10.5 months for Accountant of Steering Committee Secretariat (SCS)
- CS-04/13 Extended contract 10.5 months for Procurement Assistant of Steering Committee Secretariat (SCS)
- CS-05/13 Extended contract 10.5 months for Administrative Officer of Steering Committee Secretariat (SCS)
- CS-06/13 Extended contract 10.5 months for Bookkeeper of Steering Committee Secretariat (SCS)
- CS-07/13 Extended contract 10.5 months for IT officer of Steering Committee Secretariat (SCS)
- CS-08/13 Extended contract 10.5 months for IT Auditor of Internal Audit Department (IAD)
- CS-09/13 Extended contract 10.5 months for Internal Audit Specialist of Internal Audit Department (IAD)
- CS-10/13 Extended contract 10 months for 10 business Analysts for IT Department (ITD)
- CS-11/13 Extended contract 120 working days for International Internal Audit Adviser of Internal Audit Department (IAD)
- CS-12/13 Extended contract 85 working days for FMIS Functional Adviser for Information Technology Department (ITD)
- CS-13/13 International Consultant Revenue Policy and Administration Implementation Adviser (90 day for three trips) for EPFPD, The status: signed contract.

#### **Goods: 1 package that cannot be completed as planned:**

- G-16/13 Procurement of one station wagon vehicle for SCS, Status: sign contract with supplier in progress.



#### 4. Planned Procurement for Q2-2013 (April – June 2013)

Cat.	Planned & Actual Output	Second Quarterly T2	
		No. Package	Total value of package
Service	Planned	3	137,000.00
	Actual	1	107,250.00
Goods	Planned	2	59,000.00
	Actual	-	-
Planned Total		5	196,000.00
Actual Total			107,250.00

#### Service:

- CS-23/12 International Individual Consultant to assist Cambodian Government in carrying out key procurement reform activity (120 day for three trip) for DPP, The status: Signed Contract
- CS-14/13 Change Management International Consultant, 50 days with 2 trips for ITD, The status: Awaiting request from ITD and reallocation budget for it.
- CS-21/12 Accountant Receivable Software (ARS) Database Design Consultant (Local Consultant) for FID (4 months), The Status: REOI, Re- advertises and will close on 26 April 2013.

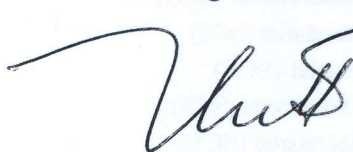
#### Goods:

- G-17/13 Procurement of one station wagon vehicle for SCS to coordinate all line Departments of MEF, The status: awaiting W.B respond
- G-18/13 Printing Audit Regulations (500 books=\$10,000) for IAD, The Status: The request for printing and sample books is processing approval

#### C-Key Issues and Its Impact on the Overall Project Implementation

We focus on the issues related to financial management and procurement. The issues and challenges for the program implementation will be reported separately in the Progress Report (Annex v).

Steering Committee Secretariat Manager *Ra*



**Dr. Sok Saravuth**  
Date: May 3, 2013

Royal Government of Cambodia  
Public Financial Management (PFM) Reform Program  
Interim Unaudited Financial Reports  
For The First Quarter Ending March 31, 2013

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- Annex V Quarterly Progress Report (will be submitted later)



**Ministry of Economy and Finance**  
**Public Financial Management and Reform Program**  
**Statement of Financial Position**  
For the Quarter Ended March 31, 2013

	(In US\$)	(In US\$)
<b>Cash Balance</b>		
Petty Cash	311	
Designed Account	732,958	
Received from Counterpart	159,739	
Advance to Capacity Developmen	10,370	
		903,378
<b>Uses of Fund</b>		
Goods	2,877,612	
Consultant's service	3,971,290	
Training/Workshops	4,478,414	
Incremental Operating Cost	555,715	
Merit Based Pay Initiative	3,111,830	
Inter. Procurement Agent	6,049,530	
Priority Operation Cost	2,344,283	
		23,388,672
		24,292,050
<b>Fund Received</b>		
MD trust fund	8,675,019	
MD trust fund-direct payment	788,098	
IDA Grant	9,551,563	
IDA Grant-direct payment	4,548,666	
Government counter part fund	704,635	
Bilateral Assitance - ADB	-	
Bilateral Assitance - France	-	
Bilateral Assitance - IMF	-	
Bilateral Assitance - JICA	-	
Bilateral Assitance - UNDP	-	
Trust Fund TF054627 (closed)	24,069	
Other	-	
		24,292,050



**Ministry of Economy and Finance**  
Public Financial Management and Reform Program  
**Consolidated Report: Project Sources and Uses of Fund by Category**  
For the Quarter Ended March 31, 2013

	Current Quarter	Year to Date	Cumulative to Date	Current Budget	Year to Date Budget	Cumulative Budget	Current Variance Date	Year to Variance	Cumulative Variance
<b>Opening Balance</b>									
Petty Cash	749	749	-	-	-	-	-	-	-
Designed Account	644,277	644,277	-	-	-	-	-	-	-
Received from Counterpart	159,739	159,739	-	-	-	-	-	-	-
Advance to Budget Formulation	6,762	6,762	-	-	-	-	-	-	-
Advance to Budget Execution	16,519	16,519	-	-	-	-	-	-	-
Advance to Capacity Development	55,250	55,250	-	-	-	-	-	-	-
A-Total	883,296	883,296	-	-	-	-	-	-	-
<b>Sources of Funds</b>									
Receive from CounterPart fund	-	-	704,635	-	-	-	-	-	-
Receive from IDA grant	302,378	302,378	9,551,563	-	-	-	-	-	-
Receive from IDA-direct paymen	333,006	333,006	4,548,666	-	-	-	-	-	-
Receive from Multi-Donor TF	-	-	8,675,019	-	-	-	-	-	-
Receive from MD-direct payment	-	-	788,098	-	-	-	-	-	-
Receive from TF054627	-	-	24,069	-	-	-	-	-	-
B-Total fund received	635,384	635,384	24,292,050	-	-	-	-	-	-
<b>Uses of Funds</b>									
Goods	220	220	2,877,612	-	-	3,664,693	(220)	(220)	787,081
Consultant's service	86,518	86,518	3,971,290	-	-	5,660,045	(86,518)	(86,518)	1,688,755
Training/Workshops	120,012	120,012	4,478,414	-	-	7,081,732	(120,012)	(120,012)	2,603,318
Incremental Operating Costs	38,022	38,022	555,715	-	-	1,076,642	(38,022)	(38,022)	520,927
Merit Based Pay Initiative Pay	-	-	3,111,830	-	-	3,111,830	-	-	-
Inter. Procurement Agent	370,529	370,529	6,049,530	-	-	2,845,000	(370,529)	(370,529)	(3,204,530)
Priority Operation Cost	-	-	2,344,283	-	-	4,034,041	-	-	1,689,758
C- Total Uses of Fund	615,302	615,302	23,388,672	-	-	27,473,981.04	(615,302)	(615,302)	4,085,309
<b>Closing BL (A+B-C)</b>	<b>903,378</b>	<b>903,378</b>	<b>903,378</b>						
<b>Represented by</b>									
Petty Cash	311	311	311						
Designed Account	732,958	732,958	732,958						
Received from Counterpart	159,739	159,739	159,739						
Advance to Capacity Development	10,370	10,370	10,370						
	<b>903,378</b>	<b>903,378</b>	<b>903,378</b>						

(Note: The Budget is not indicated due to it was not net approve by the WB during the reporting period)

**Ministry of Economy and Finance**  
 Public Financial Management and Reform Program  
**MTDF TFS4547-KH: Sources and Uses of Fund by Category**  
 For the Quarter Ended March 31, 2013

	Current Quarter	Year to Date	Cumulative to Date	Current Budget	Year to Date Budget	Cumulative Budget	Current Variance	Year to Date Variance	Cumulative Variance
<b>Opening Balance</b>									
Petty Cash	-	-	-	-	-	-	-	-	-
Designed Account	-	-	-	-	-	-	-	-	-
Advance to Revenue Management	-	-	-	-	-	-	-	-	-
Advance to Budget Formulation	-	-	-	-	-	-	-	-	-
Advance to Budget Execution	-	-	-	-	-	-	-	-	-
Advance to Capacity Development	-	-	-	-	-	-	-	-	-
A-T total	-	-	-	-	-	-	-	-	-
<b>Sources of Funds</b>									
Receive from Multi-Donor TF	-	-	8,675,019	-	-	-	-	-	-
Receive from MD-direct payment	-	-	788,098	-	-	-	-	-	-
B-Total	-	-	9,463,117	-	-	-	-	-	-
<b>Uses of Funds</b>									
Goods	-	-	1,841,899	-	-	-	-	-	(1,841,899)
Consultant's service	-	-	2,169,069	-	-	-	-	-	(2,169,069)
Training/Workshops	-	-	2,356,694	-	-	-	-	-	(2,356,694)
Incremental Operating Costs	-	-	206,559	-	-	-	-	-	(206,559)
Merit Based Pay Initiative Pay	-	-	1,859,496	-	-	-	-	-	(1,859,496)
Priority Operation Cost	-	-	1,029,400	-	-	-	-	-	(1,029,400)
C- Total	-	-	9,463,117	-	-	-	-	-	(9,463,117)
<b>Closing BL (A+B-C)</b>									
	-	-	<b>0</b>						
<b>Represented by</b>									
Petty Cash	-	-	-	-	-	-	-	-	-
Designed Account	-	-	-	-	-	-	-	-	-
Advance to Budget Formulation	-	-	-	-	-	-	-	-	-
Advance to Budget Execution	-	-	-	-	-	-	-	-	-
Advance to Capacity Development	-	-	-	-	-	-	-	-	-