

**Opening Remarks of
H.E. Dr. CHAM Prasidh
Senior Minister, Minister of Commerce,**

In the occasion of the

**11th Ordinary Meeting of the Sub-Steering Committee on
Trade Development and Trade-Related Investment**

Ministry of Commerce, August 16, 2012

Excellencies,

Mr. Mathew Verghis, Lead Economist for East Asia Pacific and Sector Manager in East Asia for the Poverty Reduction and Economic Management Unit, World Bank,

Mr. Enrique Aldaz-Carroll, Senior Country Economist, World Bank, Cambodia,

Representatives of Cambodia's Development Partners,

Representatives of Line Ministries,

Distinguished Participants,

On behalf of the Ministry of Commerce and in my capacity as Chairman of the Sub-Steering Committee on Trade Development and Trade-Related Investment (SSC.TD-TRI), it is my pleasure to welcome you all to the Ministry of Commerce at the occasion of the 11th ordinary meeting of this Sub-Steering Committee.

During the last SSC meeting in May this year, I called for the meeting presentations and discussions to focus on progress and results towards achieving the SWAp goals. This request was translated into several actions. The Ministry commissioned a review of the Trade SWAp "five years after" to look back at the progress made in materializing the shared vision for trade sector development we hoped to achieve back in 2007. The review shall guide us to improve the way we envisage trade sector development, the way we address bottlenecks faced by our exporters and pave the way for even more challenging outcomes. The review shall also provide guidelines on how to address shortcomings in the update of our Diagnosis Trade Integration Strategy, bearing in mind the on-going formulation by the Royal Government of Cambodia of key policy documents looking at the period 2013-2017.

Similarly, I have instructed the Department of International Cooperation of the Ministry of Commerce, acting as a Secretariat for the Trade SWAp to increase reporting on results and progress against the SWAp Pillar Road Maps strategic outcomes and building blocks and moved away from reporting on process and disbursement only. After more than three years, both the Trade Development Support Programme (TDSP) and the Enhanced Integrated Framework project for Cambodia (EIF Tier 1) have had enough opportunities to contribute to the development objectives they are meant to achieve, or the reason for their existence should be questioned!

In that regard, I wish to invite other development partners active in the trade field to share with the audience how their own programmes and projects are contributing to the SWAp goals. As we embark on the DTIS update, we shall seek ways and means to better incorporate all development partners, line ministries and other stakeholders' progress and achievements into our SWAp result framework. For this to happen, stronger and leaner monitoring and evaluation capacities should be built in the Ministry of Commerce. I am encouraged by the joint support provided by TDSP and EIF towards strengthening D/ICO and implementing agencies' M&E capacities.

Yet, a number of challenges remain: the lack of capacities in implementing agencies to formulate far-reaching proposals supporting the SWAp goals, the uncertainty surrounding the amount of funds available for new project proposals, the slow disbursements faced by some implementing agencies and the over-reliance on consultants for project management duties keep denting the SWAp performance. On this aspect, I cannot emphasize more the need of our IAs to closely work with their consultants to enable the knowledge transfer that is preciously a lasting asset.

Extra efforts being requested from D/ICO should not go unnoticed either. The recent termination of the Priority Operating Costs (POC) scheme and changes in the programme management happening at the same time risk choking the limited capacities found in D/ICO to support all trade-related technical assistance projects. To overcome those constraints, constant capacity development efforts are needed. This includes a combination of short and long term training opportunities, exchange programme and exposure missions. The continuing freeze on overseas training for our government officials is an aggravating factor that must be addressed with no further delays.

We have been pleased to receive a 22-month extension of the Trade Development Support Programme (TDSP) earlier this year. We are confident that this extension will allow us to reach the programme development objectives. As a result, we called implementing agencies to work more closely with D/ICO to formulate new strategic proposals supporting the Government trade development strategy and our efforts to expand and diversify our export base. The SWAp Pillar Working Groups joined forces to improve the formulation and prioritization of strategic proposals to be considered for TDSP funding, some of which I expect would be presented during this meeting.

To do this, I call on all current and future implementing agencies to use the institutional mechanisms put in place by the Ministry of Commerce that promotes good governance in the use of our Aid-for-Trade resources, namely the Pillar Working Groups, SWAp implementation Committee and the present Sub-Steering Committee on Trade Development and Trade-Related Investment. To support this, eligible line ministries and agencies must make use of the SWAp Pillar Road Maps that are providing, in a concise way, the expected outcomes and impacts of our trade-related projects as well as indicators to measure progress.

We are very pleased and encouraged to observe the continuous implementation of the Enhanced Integrated Framework (EIF) programme in Cambodia, not only through the EIF

Tier 1 project, but also through the formulation of ambitious Tier 2 projects, supporting the SWAP Pillar 2 on “products and services development for export” of our Trade SWAp and through the Trade SWAp Review currently on-going.

I am pleased to report that a first proposal, titled “Cambodia’s Exports Diversification and Expansion Programme I (CEDEP I) focusing on Milled Rice Exports, Silk Exports and EIF M&E was approved by the EIF Executive Board on August 2, 2012. The project, implemented with the support of IFC and ITC has a three-year duration and a combined budget of 3.1 million dollars.

A 2nd proposal called “Cambodia’s Exports Diversification and Expansion Programme II (CEDEP II) is now in the hands of the EIF Executive Secretariat for its appraisal. The proposal seeks for increased support to make more producers and processors of marine seafood and cassava export-ready and better training for our hospitality industry personnel. The encouraging signals and support we have received from the EIF Executive Secretariat make us confident that CEDEP II could be approved in the 4th quarter of the year.

Before that, we call on the ADB Cambodia resident mission to consider positively our request to become our new EIF donor facilitator following the decision from UNDP to step down in view of the role it will play as an Implementing Entity for CEDEP II component on cassava exports.

While all those achievements have been made possible through effective leadership by the Ministry of Commerce, the support and inputs provided by all line ministries, private sectors and development partners alike have been highly valuable.

Several development partners have made progress in the formulation and the implementation of their respective trade-related assistance programmes and we encourage them to share the results with us today.

I wish to take the opportunity to thank all Cambodia’s development partners for their continuous support to our ambitious trade development agenda and thank them in advance for any comments and suggestions they might provide today.

With this in mind, I declare the 11th meeting of the Sub-Steering Committee on Trade Development and Trade-Related Investment open.

Have a fruitful meeting.

Thank You.