



Kingdom of Cambodia
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Supporting the Reform Process: the Trade Development Support Program's Objectives, Projects and Achievements

Presented by
Dr. Renato M. Lee
International Monitoring and Evaluation Adviser,
Department of International Cooperation
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Outline of Presentation



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- **Project Results Framework of Trade SWAp, TDSP, and EIF**
- **The Trade SWAp and the Pillar Roadmap Indicators**
- **The TDSP Components**
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- **Achievements and Results**
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Program Development Objective of Trade Development Support Program



Program Development Objective (PDO): To increase the Royal Government of Cambodia's efficiency in formulating and implementing effective trade policies.

Higher Level Objectives of the Program:

- Faster export growth; and
- Improved governance to enable private sector development.

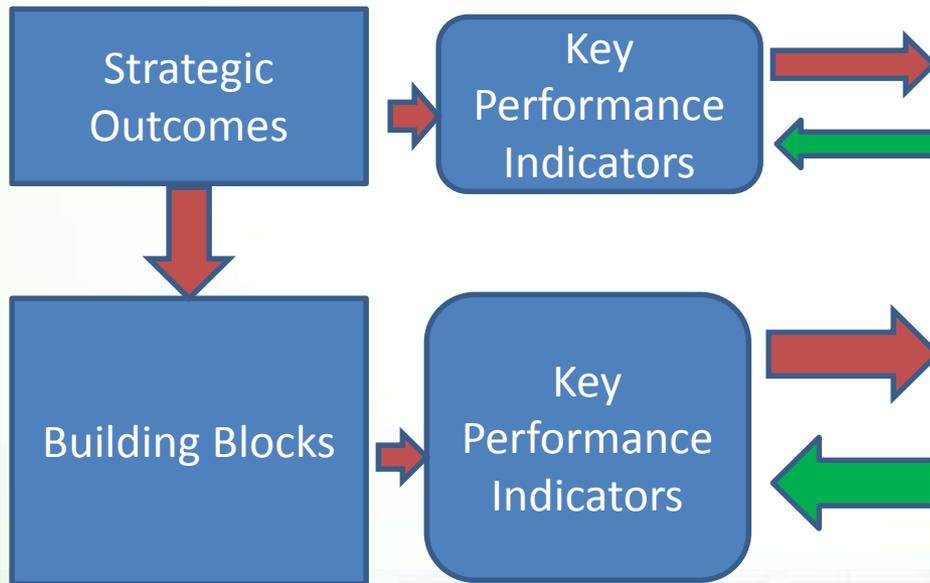


Link between the Trade SWAp Road Map and the TDSP/EIF Program Results Framework



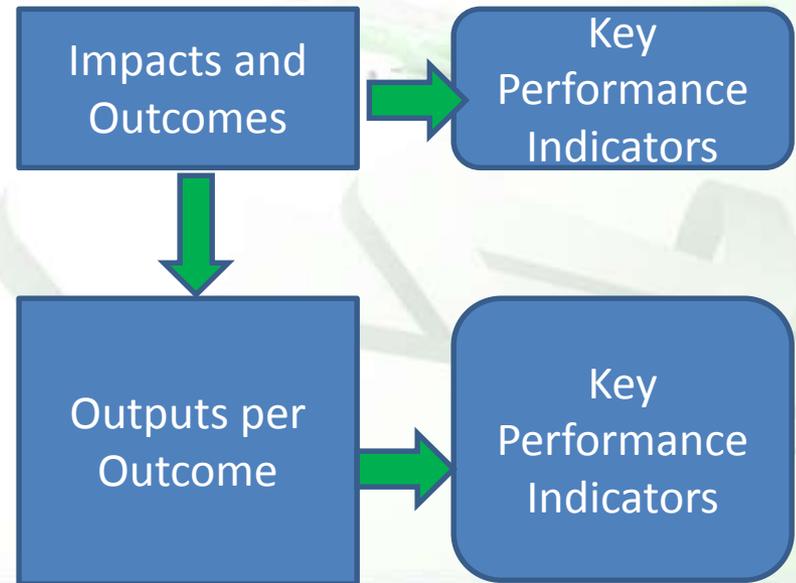
Trade SWAP Road Map

Trade SWAP Framework



TDSP/EIF Programs

TDSP/EIF Program Results Framework





Strategic Framework of Trade SWAp Cambodia

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Trade SWAp Goals

Trade SWAp Goal 1: Job creation and poverty reduction impacted positively by trade expansion

TSG 2: Exports expand as a result of diversification of

TSG 3: RGC increases capacity to formulate, implement trade policies and strategies

TSG 4: RGC's responsiveness to private sector needs increases as a result of better dialogue

TSG 5: RGC improves its planning, implementation and monitoring capacity by implementing Trade SWAp

Pillar Outcomes

Pillar I: Reforms and Cross-cutting Issues for Trade Development

Strengthen competitiveness of current exports, promote export diversification by improving formulation and implementation of trade policies and regulations

Pillar 1 Outcome 1: Products safety and quality improves with a positive impact on export and public health

P1O 2: Trade flows increase as a result of more simple and more transparent import, export and transit procedures and processes

P1O 3: Exports of products protected under Cambodian IPR regime increase

P1O 4: The trade related legal system is upgraded and completed in compliance with international standards and obligations

P1O 5: Trade related investment increases

P1O 6: Respect of core labour standards improves competitiveness and productivity of export

P1O 7: SMEs, particularly in agriculture, get easier and formal credit to scale up their activities and improve export performance

Pillar II: Product and Service Sector Export Development

Strengthen supply capacity of the 19 product and service sectors identified in the 2007 Trade Integration Strategy

Pillar 2 Outcome 1: RGC is equipped with tools to Guide Development and Monitor Progress in the Supply Capacity of Product and Service Exports.

P2O 2: Supply Capacity in all or most of the 19 Sectors Identified in RGC's 2007 Trade Integration Strategy Strengthened.

P2O 3: The delivery of Trade Support Services at the local level is improved through strengthened business associations, local chambers of commerce, PDOs, government extension services, public-private dialogue.

Pillar III: Capacity Development

Strengthen the capacity of the RGC and Cambodian Trade Stakeholders to implement, update and manage RGC's trade development agenda and to negotiate the country's interests in trade and trade-related investment forums

Strategic Outcome 1: Capacity of RGC to integrate, coordinate, implement trade sector related reforms

SO 2: Effective approach for development and implementation of trade policies is in place

SO 3: Core institutional system and skills in place to ensure effective performance of trade-related institutions

SO 4: Wide awareness of Trade SWAp opportunities and results among stakeholders

SO 5: Trade negotiations capacity of designated RGC institutions strengthened



Trade Development Support Program's Program Development Objectives and Results



The TDSP Program Development Objective (PDO) is to “increase RGC’s efficiency in formulating and implementing effective trade policies”.

On the trade policy front, major achievements are on the trade **facilitation side** – with modest progress on legal reforms and very limited progress on SPS and TBT. In trade facilitation, the continuous expansion of the customs automation system; the elimination of the requirement for annual certificate of origins registration; and a customs valuation system have translated into significant progress in trade facilitation.



Status of TDSP Results



PDO	Project Outcome Indicators	Status
<p>The objective of the TDSP is to increase RGC's efficiency in formulating and implementing effective trade policies</p>	<p>Regular practice of a streamlined, RGC-led process for consultation and financing between RGC policy-makers and implementing agencies and between RGC and donors, and satisfactory progress in implementing the Trade SWAp as evidenced by Annual Performance Reviews and third-party analysis</p>	<p>Regular Sub-Steering Committees and Implementation Committees. Trade SWAp roadmaps / CTIS updated. Annual Progress Report produced in 2013. One third-party review (December 2011); plus EU 'Results Oriented Missions' and WTO 2011 TPR.</p>
Intermediate Outcomes	Intermediate Outcome Indicators	Status
<p>1. Trade Policy Formulation and Implementation</p>		
<p>1a. Sustained progress in trade policy formulation and implementation in the areas of SPS and TBT</p>	<p>(i) Increased coverage of sanitary and phyto-sanitary (SPS) regulations and support services (ii) Improved compliance with WTO agreement on technical barriers to trade (TBT) (iii) Evidence of increased clarity / rationalization in institutional responsibilities for SPS and TBT</p>	<p>SPS: progress only in developing standards for rice varieties; project under implementation on fisheries. TBT: project under implementation at Institute of Standards of Cambodia. Potential future improvement as part of the non-tariff measure workprogram</p>
<p>1b. Sustained progress in trade policy formulation and implementation in the area of trade facilitation ("12 Point Action Plan" and its successors)</p>	<p>(i) Evidence of satisfactory progress in the 12 point action plan (and its successors) (ii) Proportion of containers physically open (%) (iii) Average time for imports / exports (days)</p>	<p>Strong progress, including development of new 12-point action plan and establishment of a business case for the National Single Window. Improvement in LPI ranking in 2012 and 2014. Time to clear customs from 5.9 days in 2010 to 1.4 days in 2014 (LPI). % containers opened reduced.</p>



Status of TDSP Results



Intermediate Outcomes	Intermediate Outcome Indicators	Status
1c. Sustained progress in trade policy formulation and implementation in the area of legal reform and other WTO obligations	Evidence of higher compliance of Cambodia legal framework with WTO obligations	Some progress in drafting and implementing trade-related laws (including draft e-commerce law). Progress in developing legal framework for Intellectual Property Rights and dissemination.
2. Increased transparency and user feedback mechanisms on trade-related processes	A transparent, consistent and sustained trade monitoring system grants regular access to trade information by stakeholders	Robust Trade SWAp roadmaps in place. Continued practice of investment climate surveys; but possibly weakening of dialog with private sector. Improved trade statistics. Other results in preparation (in particular Trade Information Website). Plethora of KPIs and M&E frameworks.
3. Strengthened institutional and human capacity in MoC, and other trade-related agencies	Increased efficiency and effectiveness of functions performed in critical MoC departments and targeted agencies	Foundations built around DICO and Trade SWAp. Progress in MoC capacity to develop and execute proposals, but less in other agencies (see below). Upcoming creation of Trade Training and Research Institute.



Summary of Status of ICT Projects at MOC



Certificate of Origin Automation by CrimsonLogic Pte. Ltd.

- Software Requirements Specifications (SRS) being finalized.
- Prepared Systems Design and Architecture.
- Implementing Exporter Portal and Officer Backend.
- Plan for first system demonstration in December 2014.
- Planning to go live in March 2015.

Electronic Payments with Local Banks

- Finalized batch file format for office payment.
- Working with Canadia and ACLEDA Banks to finalize communication protocol and data exchange format for online payments.
- Prepared draft MOU.

Certificate of Origin Interim Solution by MOC

- Implementing batch printing of the same CO forms.
- Revising the pre-printing of CO stationary with carbon copy and rolling paper for DOT matrix printers.
- System went live in June 2014; processed over 17,450 COs; 412 companies registered.



Summary of Achievements of the Cambodia in the Logistics Performance Index and the ASYCUDA World System



- Cambodia's ranking rose 46 places in the World Bank's Logistics Performance Index between 2010 and 2014.
- Customs clearance fell from 5.9 days to 1.4 days over the same time period.





Summary of Outcomes Achieved under the Trade SWAp

Cambodia's progress in reforming and modernizing its import, export and transit operations has contributed to the following outcomes:

- Procedures for issuing and applying Certificates of Origin (COs) have been abolished where unnecessary and, when needed, simplified through an automated system.
- An automated customs solution has been rolled out in 21 border checkpoints
- The duration of customs clearance fell from 5.9 days (2010) to 1.4 days (2014).
- The duration of physical inspection fell from 29% (2010) to 17% (2014).
- Cambodia's ranking rose 46 places in the Logistics Performance Index between 2010 and 2014.
- The Ministry of Commerce's capacity to define and implement policy priorities has strongly improved. This is reflected in the Diagnostic Trade Integration Strategy for 2014 to 2018.
- Cambodia reduced poverty from 53% (2004) to 20% (2011). Increasing rice exports and new jobs in export manufacturing contributed to poverty alleviation.



Summary of Projects Completed under TDSP/1



- **Top 10 Products (TPD/MOC)** – produced 16,800 booklets of “Cambodian Potential Products” published in 2011, and distributed in Korea, Japan and other trade exhibitions in Cambodia and other countries; produced 2,000 copies of digital CDs of “Cambodian Top Ten Products.”
- **Export and SME Training (TPD/MOC)** - Export Procedures Handbook were distributed to SMEs and more than 50% of participants were able to have access to international markets.
- **Capacity Building for DTSI (DTSI/MOC)** – 235 copies of Statistical Yearbook for 2011 were printed and distributed; and capacities of DTSI officers and staff has improved in terms of Market Analysis, Market Mapping, Investment Mapping and other Trade Information Tools.
- **Customs Valuation System (GDCE/MEF)** – Customs Valuation System was developed for more accurate valuation of goods imported and exported in Cambodia.
- **Awareness Program on Customs in Cambodia (GDCE/MEF)** – 42 GDCE officers and 42 economic operators and traders were informed on latest Customs guidelines, procedures, and policies.
- **Enhancing IP Teaching and Training (DIPR/MOC)** – 11 major universities in Phnom Penh and about 2,000 students were provided with lectures on Intellectual Property Rights.



Summary of Projects Completed under TDSP/2



- **Raising Awareness on the Law on Investment (CIB/CDC)** – Investment Law, Booklets and other Investment materials were printed and distributed (28,333 copies in Khmer, 20,000 copies in English)
- **Strengthening Institutional Risk Management at Camcontrol (Camcontrol/MoC)** – Risk Management Unit at Camcontrol reorganized; and new Risk Management System at Camcontrol adopted.
- **Value Chain Information Unit (TPD/MOC)** – Product profile on rubber and pepper were published and distributed.
- **Development of Trade Curriculum (RSA/MCS)** – 20 Trade Curriculum and Course Modules developed together with manuals, tests, exercises, audio visual aids, and trainer's guides.
- **Capacity Enhancement Program of GDCE (GDCE/MEF)** – National Intelligence System, Business Plan for Marine, Outreach and Training for SEZs, Compilation of Trade Statistics, Petroleum Products and Excise Enhancement Studies, and Excise Legislative Framework Review were completed.



Projects to be closed by March 2015



1. **Rules of Origin Operational Procedures (DMUL/MOC)** – 7 workshops and training on Rules of Origin completed.
2. **Strengthening the Institute of Standards of Cambodia (ISC/MIH)** – 5 working groups in standards setting formed, 7 product standards adopted and approved by National Standards Council, and 9 product standards under review.
3. **Support to E-Commerce Law Drafting (DLAD/MOC)** – E-commerce law drafted and now with the Council of Ministers for discussion.
4. **Review of Commercial Laws (DNLC/MOC)** – Review the Anti-Dumping Law and Safeguards investigation procedures.
5. **Strengthening MoC Core HR Functions (DOP/MOC)** – Capacity Building Plan for MoC officials and staff developed, and basic training on English and computer on-going.
6. **Implementing Agency Capacity Enhancement Program (RSA/MCS)** – Training Needs Assessment Completed and course programs drafted.
7. **Better Quality and Safety of Fish and Fishery Products (FIA/MAFF)** – Market assessment and Food Safety Risk Assessments were carried out; Laboratory equipment now under procurement process.
8. **Support to Government –Private Sector Forum (GPSF/CCC)** - 1,700 individual companies and business operators participated in the members survey; MOUs were signed with major universities; 17th GPSF was conducted; GPSF for better business environment dialogue were conducted in Kampot, Sihanoukville, Koh Kong, and Kampong Cham.



List of Projects to be Extended up to August 2016



1. ICT Master Plan (GDIT/MoC)
2. Development of Completed Drafts of National Standards for Rice and Strengthening the Capacity Assessment Body (ISC/MIH)
3. Strategic Proposal for ASYCUDA World System (GDCE/MEF)
4. Development of a Stronger National IP System (DIPR/MOC)
5. Streamlining and Automation of Business Registration (DBR/MOC)
6. Automation of Phytosanitary Certificates (GDA/MAFF)
7. MOC Trade Training and Research Institute (TTRI/MOC)



Lessons Learned/1



First, a traditional lesson in trade facilitation, specifically on the improvement of operations at the Customs and at the Camcontrol.

Second, getting the trade environment right requires a lot of complementary actions and sustained engagement, specifically on the issuance of certificates on SPS, Certificate of Origin, Business Registration, IPR and Trademark registration.

Third, reduction of costs of importation and exportation with the introduction of ASYCUDA World System and other trade logistics reforms.

Fourth, communicating the results of Trade SWAp require coordinated action and cooperation among stakeholders.



Recommendations



- 1. The first task is to identify a small number of strategic objectives for TDSP completion.** The TDSP results framework was designed in 2009 prior to the preparation of the revised Trade SWAp roadmap for 2014 to 2018. Thus, the TDSP Results Framework may need further revision to conform with indicators in the CTIS update for 2014 to 2018.
- 2. The second priority task is to ensure timely improvement of the capacities of implementing agencies** in order to cope with strategic outcomes and objectives of projects being implemented.
- 3. Once these tasks are completed, DICO, the Bank, and DPs may wish to determine whether strategic outcomes for TDSP and EIF are being achieved by hiring an independent evaluation agency or an expert**



Thank You!

