



# "Support to the Government-Private Sector Forum Project"

*Project Updates & Next Steps . . .*

*14<sup>th</sup> August 2014*

- ❖ Background
- ❖ Project update - milestones
- ❖ Next Steps... (Proposed Project Extension)

*The objective is to improve Cambodia's business environment through enhancement of Public and Private Sector Dialogue.*

The project will address the following problems:

- ❖ BMOs lack capacity to provide high quality analytical and evidence-based input into the policy and law-making process, and lobby for change. The lack of a methodology to collect and analyze information results into poor formulation of evidence-based policy advocacy.
- ❖ Issues identified by the BMOs are complex, requiring specialized expertise to be analyzed and understood thoroughly. This type of expertise is not readily available within the BMOs.
- ❖ Some of the reforms necessary to improve the business environment in Cambodia can be implemented only over the mid-long term, with an important investment in time and human/financial resources. Several of these reforms are currently tackled under the Trade SWAp, led by the Ministry of Commerce, with the coordinated support of several Development Partners.
- ❖ The private sector contribution to the identification of strategic objectives and building blocks is limited. The findings of the BMOs should be systematically fed into the regular update of the Trade SWAp Roadmaps in order to ensure appropriate follow up.

## **Background**

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### **Expected Outcomes**

It is expected that when the project is completed, the 10 PSWGs will have developed the capacity to perform the following tasks:

- Implement and update a systemic approach to collect information from their members, analyze the information and identify policy issues to be brought up in the dialogue with the government.
- Identify issues where additional analytical work is needed. Develop Terms of Reference for specialized consultants to complete the analytical work. Recruit the Consultants and provide them with the necessary support to complete the studies.
- Feed the issues identified into the Trade SWAp roadmaps for further consideration on mobilizing human and financial resources for their resolution.

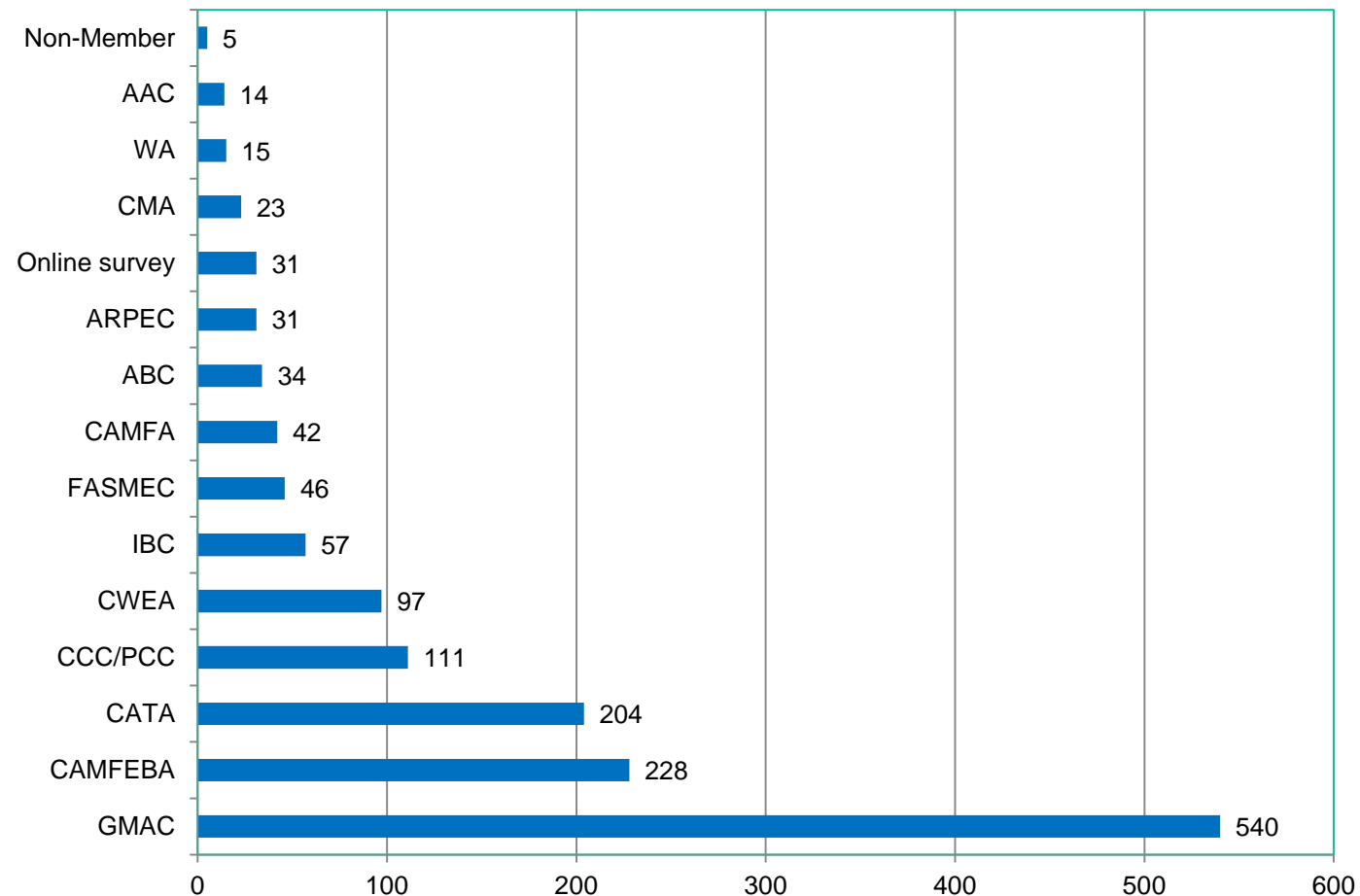
### ***1. PSWG Collaborations & Capacity Strengthening***

- Provide on-going supports and capacity building to PSWG secretariats, especially the weak PSWG and PSWG no secretariats (A, B, C, G, I, J) and CCC officials to function as PSWG secretariats.
- Established systematic approach to implement and update to collect Information from members, analyse the information and identify policy issues to be brought up for dialogue with the government counterparts.
- Strengthened Collaboration with Provincial Chambers of Commerce resulting from a direct project interventions.

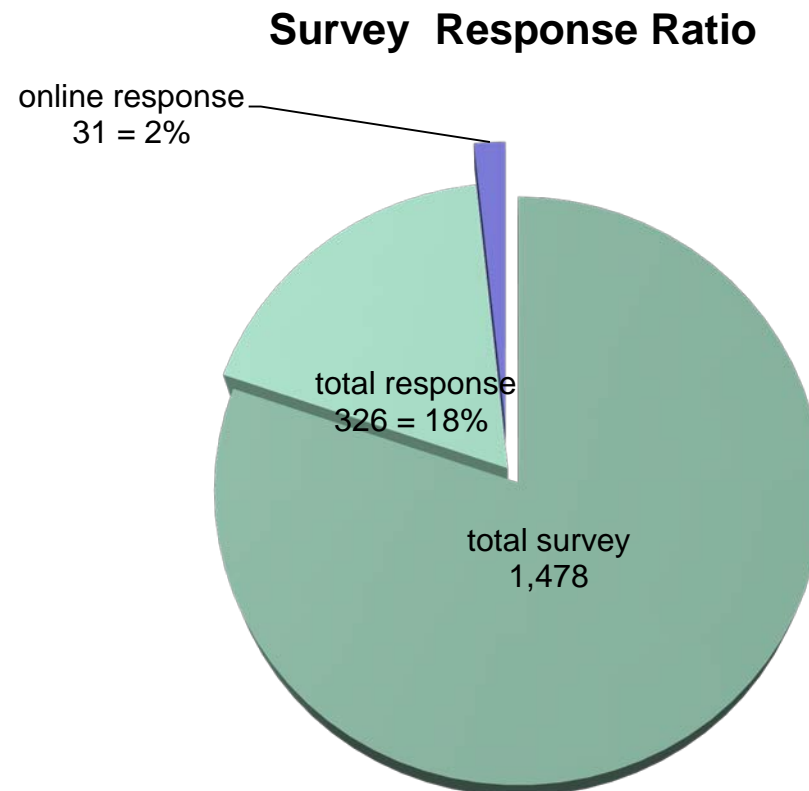
## 2. Members' Survey and Priority Issues Identification

Sample of 1,447 companies/business operators

### Survey Target Group



Amongst 1,478 companies/operators, only 326 completed the surveys, 10% of which done *online* or 2% of the total survey. 96% of total respondents are companies & business operators and the remaining 4% respondents from MBOs/Business Associations.



# Project Updates

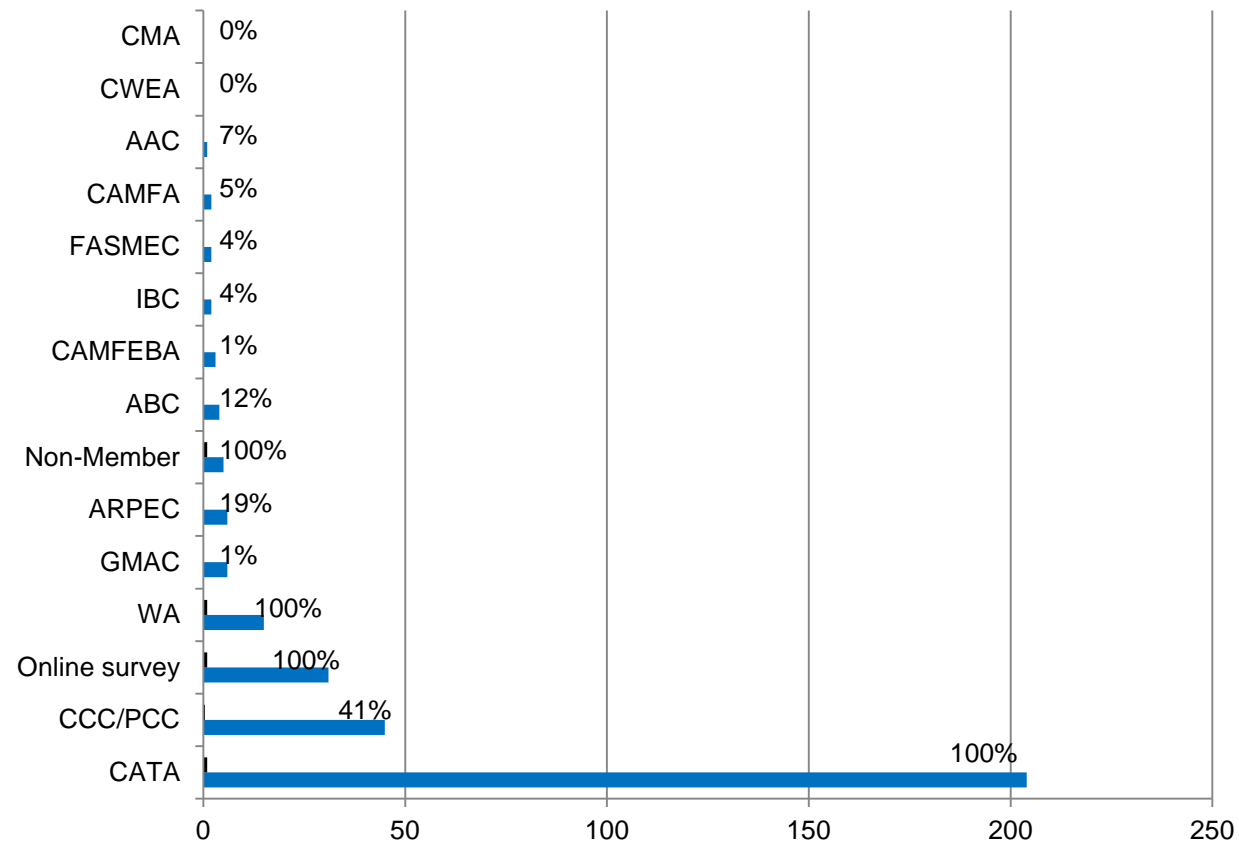
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## Survey-issue collection

This figure shows breakdown of respondents under each MBO grouping.

The low responses attribute to several factors noticeably garment factories' workers went on strikes, heated political atmosphere and year end commitments.

**Breakdown of Response Rate**





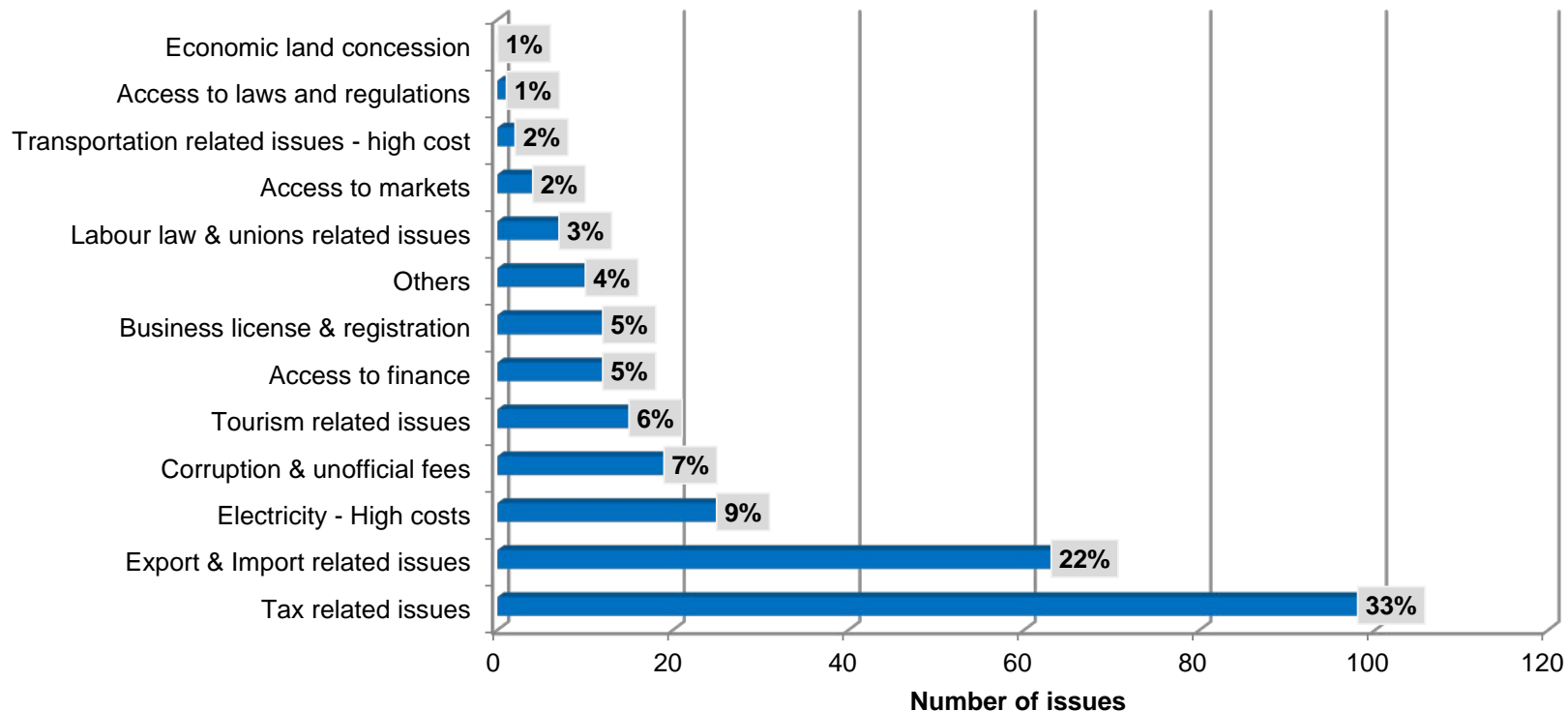
# Project Updates

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## Survey-issue collection

Of companies/business operators' responded: 33% have issues with tax ranging from complicated tax declarations, tax valuations & unofficial fees, inspections & audits to advance profits tax reimbursement; 22% have issues related with Exp/Imp procedures e.g. customs clearance applications are too slow, Many hidden costs, overlapping inspections, issuance of CO etc.

### Issues Grouping



### Survey outcomes:

- ✓ PSWGs used the issues collected to discuss with GWGs for solutions
- ✓ Unresolved and selected key issues put forward to the forum and seek solutions from the Prime Minister
- ✓ Top 10 hot issues were distributed during the 17th G-PSF on March 04, 2014
- ✓ Two critical issues identified & selected for further studies:
  1. Tax related issues
  2. High Electricity Cost

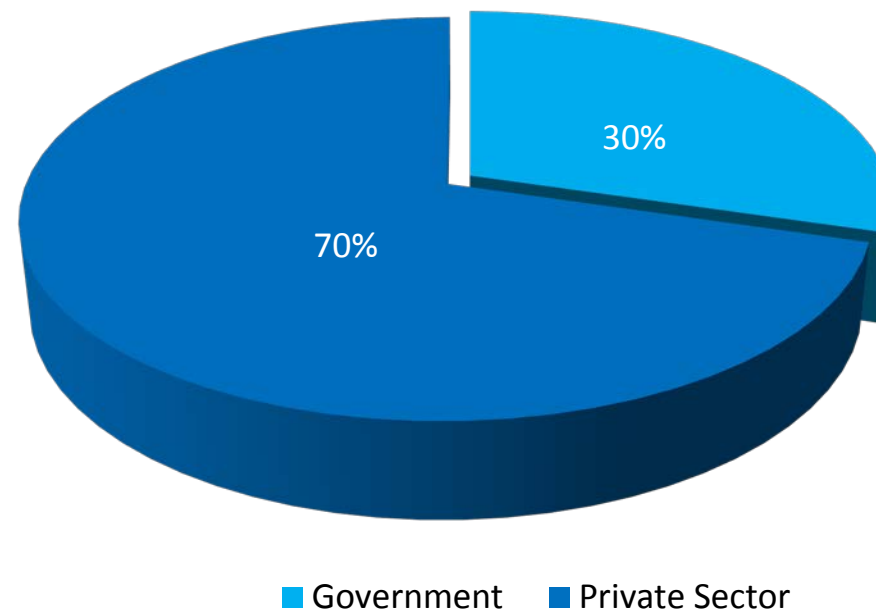
### 3. Partnership with Higher Education Institutions

Five Universities have been identified and MoU of cooperation was signed on 16<sup>th</sup> June 2014.



#### 4. *Sub-National Workshops*

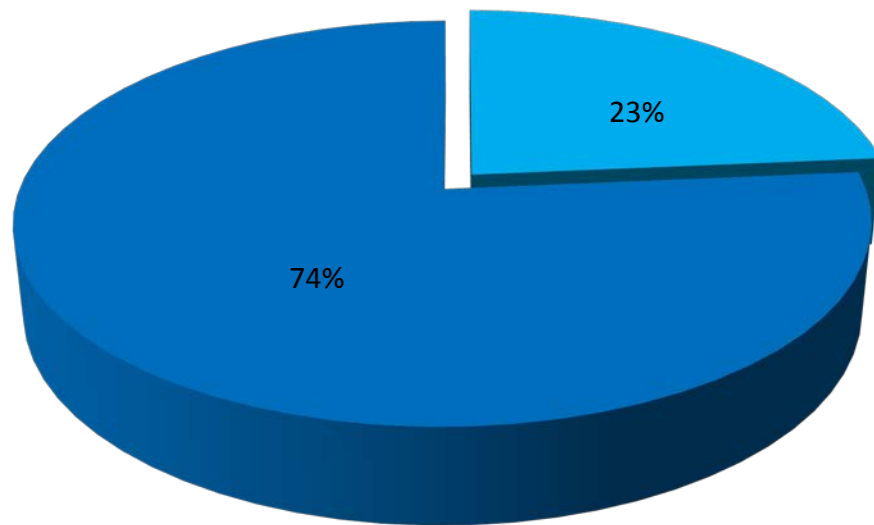
- ❖ 4 sub-national workshops were conducted to provide knowledge of G-PSF and PPD in general
- ❖ 240 participants attended all four workshops from 7 provinces, 71 from government and 169 from provincial private sector.



## Provincial PPD / Sub-national G-PSF

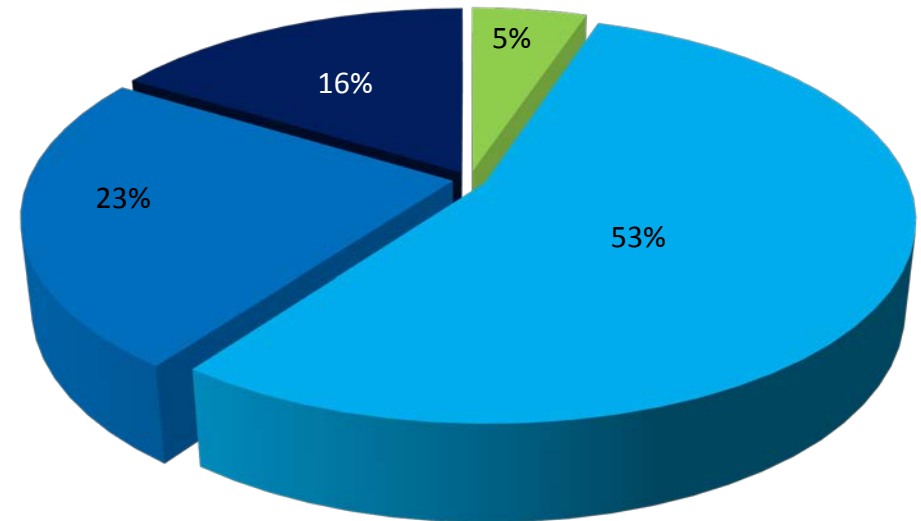
The responses collected from the survey during the workshops, 100% of participants expressed their desire to have Provincial PPD/G-PSF to be established.

Preferred Coordinator of Provincial PPD



- Facilitated by Provincial Office
- Facilitated by Provincial Chamber of Commerce

Frequency of the Provincial PPD



- Once a year
- Twice a year
- Three times a year
- Four times a year

- Recruiting 2 international consultants to undertake in-depth studies:
  - Tax related issues
  - Energy related issues - Electricity costs and Supplies
- Recruiting consultants to develop website and database development (ToRs are being finalized)
- First issue of Newsletter is being developed

# Outstanding & Emerging Tasks

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## Outstanding tasks

- ❖ 2 in-depth studies on Tax and Energy
- ❖ Develop newsletters
- ❖ Website & database development
- ❖ Conduct remaining 6 provincial workshops
- ❖ Quarterly reports into Trade SWAp, coordinate with Trade SWAp
- ❖ Organise one national workshop (possible linkage between PSWGs and Trade SWAp)

## Emerging and critical tasks

- ❖ Development framework for provincial PPDs
- ❖ Draw up SOPs to guide the functionality of PSWG.

## **Next Step . . .**

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### **Proposed Project Extension**

- Project was approved for 15 months started on 01 October 2012 (down from 2 years initial planned).
- Implementation had not begun until April 2013 when Lead Consultant was recruited.
- Request for project extension until March 2015 (if approved, actually project duration will be 2 years)
- Proposed budget revision to complete outstanding and emerging key tasks
  - **NO ADDITIONAL FUNDING IS REQUESTED.**



## **Proposed Project Extension Justifications**

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Challenges for project implementation:

- The political environment during the pre-election/election period that hindered the implementation and availabilities of key stakeholders to cooperate with the project
- The project had to alter the original approach and methodology to carrying out survey from online-base to direct survey e.g. re-design the implementation approach, sampling selections, training, data entry/collection etc.
- Challenging recruitment process

## **Proposed Project Extension Justifications**

- ❖ Under budgeted to cover some project tasks
  - Actual working day required to design and conduct member surveys increased (changes in methodology/approach), no support for in-depth study (lead consultant supposed to provide briefing and support to international consultant in carrying out the study...)
  - Under budgeted for some tasks, over budgeted for other, require reallocation/shifting
- ❖ Original budget was estimated for International Lead Consultant
- ❖ Due to budget constraints during the final stage of approval process, the international consultant position was replaced by national consultant and working days was reduced

## **Proposed Project Extension** **Budget Revision**

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- ❖ The proposed revised budget is within original approved budget:
  - Original budget approved US\$260,339
  - Revised budget requires budget-lines allocation and readjustment
- ❖ The requested budget revision will cover:
  - Additional office equipment for newly established working group and communication improvement
  - Additional 90 working days for lead consultant to complete the remaining tasks and 47 working days to perform new tasks (SOPs for PSWGs and Provincial PPDs framework etc.)

## Main Budget Headings

	<b>Description</b>	<b>Original Budget</b>	<b>Revised Budget</b>
1	Capacity Development	69,262.25	41,132.25
2	Identification of Technical Issues and Further Studies	80,500.00	80,200.00
3	Coordination with Trade SWAp	15,261.25	15,261.25
4	Project Coordination and Monitoring	95,315.00	102,065.00
5	Development Provincial PPD Framework		7,500.00
6	Develop Standard Operating Procedures for PSWGs (including some equipment)		14,180.00
	Total	260,339	260,339

Requests for IC's consideration:

1. Project extension until March 2015
2. Lead Consultant's contract extension
3. Approval for Revised Budget (budget reallocation, ***NOT additional funding request***)

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*Thank you*