

LOT 3 - ROM ASIA / PACIFIC Trade Development Support Program



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Debriefing

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Trade Development Support Program EU-ROM Mission

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Outline Of the Presentation

- 1) ROM Methodology
- 2) Project Summary
- 3) Preliminary Findings
- 4) Conclusions and Recommendations
- 5) Q&A and Discussions

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New ROM Methodology

- 1) New ROM Handbook released in Feb. 2015
- 2) Strengthen project management functions
- 3) Logical framework approach
- 4) Three phases: (a) Desk review phase (1 day); (b) Field phase (7 days); (c) Reporting Phase (2 days)
- 5) Four criteria (i.e. relevance, efficiency, effectiveness, sustainability) + EU visibility
- 6) Grade by traffic lights: **Green** – good/very good; **Yellow** – with problems; **Red** – with serious deficiencies

Trade Development Support Program Project Snapshot

- **TDSP: Multi-donor trust fund managed by WB**
- **Executing agency: DICO/Ministry of Commerce**
- **Budget: US\$21.40 mil. EU contributed €11.9 mil.**
- **RETF \$15.45 million; and BETF \$5.95 million**
- **Effective Date: 9 March 2009 for 5 years; extended 3 times, RETF: 14 Aug. 2016; BETF: 14 Dec. 2016**
- **Overall objective: to increase Cambodia's efficiency in formulating and implementing effective trade policies**
- **Four components (TBT/SPS, TF, legal reforms, Performance monitoring, capacity building)**
- **Remarkable progresses made; on the way to achieve the objectives; however, fund disbursement and sustainability are concerns.**

Preliminary Findings: Relevance

- **Highly relevant to the needs/priorities of RGC particularly to the CITS and Roadmap**
- **Trade SWAp approach – linking trade with poverty reduction – the ownership is high**
- **TBT/SPS, TF, legal reforms/WTO compliance and human and institutional capacity building are of high relevance and crucial importance.**
- **TDSP is also relevant and consistent with the country strategies of EU and WB in Cambodia.**
- **TDSP continues to be highly relevant after six years to respond to fast changes of the country.**
- **Grade on Relevance: GREEN**

Preliminary Findings: Efficiency

- Got delayed in the implementation and extended three times – no possibility for more extension
- Slow disbursement of project funds – risking for not use of allocated funds at the end of project
- Many factors contributed to the situation: (1) DICO and IAs are in a steep learning curve; (2) complicated procurement/financial rules (3) no financial incentives for IAs any more; (4) commitment & capacity constraints of some IAs
- Progress made and further efforts required
- Implementation mechanism is sound – WB provided the TA but also PM capacity building

Grade on Efficiency: **YELLOW**

Preliminary Findings: Effectiveness

- **Some remarkable achievements made**
 - Automation of Customs through ASYCUDA (from 11 to 54 checkpoints) – reducing costs and corruption – Cambodia jumped 46 places in LPI since 2010 – a star
 - Automation of business registration, certificates of origin, trademark registration, SPS certificates, etc - leading to more efficiency and avoid corruption
 - Institutional capacity building (DICO, many MOC departments -TTRI, TPD, in-line ministries (customs, standards) and the private sector (CCC, CEO briefing)
 - Many strategic studies carried out (CTIS, Roadmap, action plans , sectoral and thematic topics)
 - TA in legal reforms – Sub-Decree on NTMs; on IPR legislative and regulatory framework; E-Commerce Law
 - Information dissemination (trade portal, automation, education and training, etc)
- More...

Preliminary Findings: Effectiveness

- **Some rooms for improvement:**
 - Some IAs don't necessarily have full commitments to the project and also have capacity constraints – thus the results are uneven.
 - Some may need a systematic approach – for example, the fisheries – an entire food safety system is needed for the sector in order to address the root cause.
 - Heavily rely on consultants to deliver the outputs – raising the issue about the real institutional capacity – some target IAs have a few committed staff but the entire institutional capacity is still weak.
 - Many outputs produced – some led to outcomes (TF and automation) – some still hard to lead to outcomes, for example, difficult to tell how some trainings have improved work performance/efficiency, etc

Grade on Effectiveness: **GREEN/YELLOW**

Preliminary Findings: Sustainability

- **High ownership and commitments of the senior leadership lead to sustainability of the project.**
- **Many TDSP activities have the built-in sustainability (automation, ToT, training modules, etc.)**
- **Institutional capacity building also leads to possible sustainability – however, still new and some are weak**
- **Financial sustainability – without the continuation of donors, most actions cannot sustain and some institutions cannot even survive – aid dependent.**
- **As a LDC, Cambodia will rely on the development assistance for a while in order to sustain its effort in Trade SWAp – Thus, EU and WB are encouraged to continue their trade-related assistance**
- **Grade on Sustainability: **YELLOW****

Preliminary Findings: EU Visibility & Cross-Cutting Issues

- **DICO and WB have complied with the EU visibility provisions through the TDSP implementation.**
- **However, EU has become less visible through a trust fund – This is a reality.**
- **Not fully integrated three cross-cutting issues in the design and implementation of TDSP, although there are some linkages to those issues**
 - **Gender equality – sex-disaggregated data scattered and not analyzed;**
 - **Environment – some activities will have environmental linkages (fisheries, TBT/SPS, etc.)**
 - **Governance – strong as the automation will have positive impact on anti-corruption efforts – the project follows the rules and procedures, thus improved the transparency and accountability**

Conclusions and Recommendations

- **Main Conclusions:**
 - TDSP is well on its way to achieve the overall objectives of the project.
 - It is unlikely that the project will fully utilize the allocated funds at the end of the project – perhaps €1 million will remain unspent.
 - TDSP has made many achievements which put Cambodia as the front runner of ASEAN and LDCs.
 - Further trade reforms & capacity building are required – Cambodia could have a demonstration effect for ASEAN Member States and other LDCs.
 - Will be a good investment for EU, WB and other interested donors to continue their efforts in order to ensure the sustainability of TDSP.

Conclusions and Recommendations

- **Key Recommendations:**
 - DICO and WB need to make joint efforts to speed up the implementation and maximize the use of the funds
 - DICO may accelerate the process of procurement and financial payments – if necessary, short-term consultants may be hired to assist DICO.
 - IAs could be consulted in the procurement process in order to select the right goods and services and also to speed up the process
 - DICO and WB should monitor the project to ensure the outputs will be transformed into expected outcomes
 - Try to integrate the cross-cutting issues into the project, for DICO and IAs should start to collect and analyze the sex-disaggregated data
 - DICO, WB and IAs should strengthen their communication and consultation mechanisms.

Conclusions and Recommendations

- **Key Recommendations:**
 - EU, WB and other donors should continue investing in Cambodia in this strategic trade sector
 - In addition to trade policy and regulations, future trade projects should address the productive capacity, particularly the agriculture and SMEs
 - Private sector participation should be strongly encouraged in future trade projects
 - Future trade projects could be closely linked with ASEAN/CLMV regional trade programs – ARISE+
 - Approach unconventional donors for their interests (for example, Canada, China)
 - Promote Cambodia's leadership role in ASEAN and WTO/LDC group on trade matters

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Q&A

**Comments, Suggestions and
Discussions**

**THANK YOU VERY MUCH
FOR YOUR COOPERATION**



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