



Cambodia Medium Term Plan (MTP) for AfT and Preparation of Five Concept Notes

Debriefing by UNDP Team
October 2, 2015

Ministry of Commerce

Phnom Penh

Two Tasks

The UNDP Team has been given two Tasks by MoC:

1. Prepare a Medium Term Plan for Aid for Trade
2. Prepare Five Concept Notes

Preparation of Medium Term Plan

MTP Task

- Prepare Medium Term Plan (MTP) to support implementation of Cambodia's *Trade SWAp Road Map 2014-2018*
- MTP to identify where implementation of Road Map Action is underway and receives TA (or no TA needed) and where implementation has yet to start and additional TA may be needed
- MTP to review best way to strengthen mechanisms in Sub Steering Committee on Trade Development and Trade-Related Investment to monitor progress and achievements against the Road Map targets

Process April-September 2015

- April 2015 mission to review Cambodia's progress in implementing its *Trade SWAp Road Map 2014-2018*
- Based on review, Team identifies ten cluster areas where implementation is at early stage or not yet started and where additional TA is needed
- Stakeholders and DPs provide comments at the request of DICO
- Team revises ten clusters based on comments
- DICO shares revised ten clusters with Senior Minister
- Senior Minister consults with Sub-Steering Committee on Trade Development and Trade-Related Investment
- Senior Minister and Sub-Steering Committee requests Team to prepare five priority Concept Notes

Structure of MTP Report

- INTRODUCTION
 - Objective of the MTP
 - Methodology
- SITUATION ANALYSIS
 - CTIS 2014-2018: Key Themes and Priorities
 - Trade SWAp Road Map 2014-2018: 20 Outcomes
 - Progress to Date in Implementing the Trade SWAp Road Map (based on April 15 review)
- AREAS IN NEEDS OF ADDITIONAL TA SUPPORT
 - 10 Clusters for Additional Resources Mobilization based on Analysis Developed in April-May 2015
 - Validation of 10 Clusters by Stakeholders and Development Partners, and Prioritization by the Sub-Steering Committee on Trade Development and Trade-Related Investment (June 23, 2015)
 - Project Concept Notes: Preparation of Concept Notes for the 5 Clusters prioritized by S-SC and Senior Minister
- STRENGTHENING TRADE MAINSTREAMING
 - Trade SWAp Outcome Targets compared to Targets in NSDP and Key Line Ministries Plans and Strategies;
 - Recommendations for Monitoring Implementation of Trade SWAp Road Map as a “Program”, not a basket of “Projects”.
 - Recommendations for Increased Mainstreaming of Trade in Next NSDP



The Five Concept Notes

1. Trade Policy, Legal and Regulatory Reform
2. Trade Facilitation and Logistics
3. SPS and Other Quality Systems for Trade
4. Private Sector Structuring
5. Development of Inclusive Value Chains

Preparation of Five Concept Notes

5 Concept Notes Task

- Prepare 5 Concept Notes to be used by MoC to mobilize additional TA support from Development Partners in the 5 priority clusters designated by the Senior Minister and the S-SC. Additional TA support to focus on areas of Trade SWAp Road Map lacking current support.

Process during September 2015 Mission

- Meet with IAs to discuss their ideas about the 5 Concept Notes
- Meet with DPs to discuss their ideas about the 5 Concept Notes
- Review relevant documents
- Review One-Pager proposals prepared by IAs in Spring 2015 at the request from DICO
- Agree with DICO on how to structure the 5 Concept Notes



Structure of Five Concept Notes

- Situation Analysis for the Cluster
 - Major themes under the cluster
 - Major initiatives and actions already taken
 - Linkages with national policies, including sectoral strategies, where appropriate
- Cluster Results
 - Key issues to target under the Cluster: Outcomes and Actions from the Trade SWAp Road Map covered by the Cluster
 - Key strategic directions for the Cluster
 - Possible startup projects for the Cluster
- Funding and Implementation Modalities
 - Current support to the Cluster
 - Indicative amount needed for additional TA support
 - Possible aid implementation modalities for Cluster

Concept Note #1: Trade Policy, Legal and Regulatory Reform

Trade SWAp Road Map

- Cluster #1 captures Actions under Trade SWAp Outcome 1 (Trade Policy Reform and Trade Negotiations), Outcome 6 (IPRs), and limited list of Actions scattered across other Trade SWAp Outcomes

Strategic Directions

- Implement Legal and Regulatory Reform: *2012-2015 Work Program on Legal Reform*
- Strengthen implementation of trade-related laws by strengthening enforcement capacity and the “rule of law”
- Formulate Trade Policy 2015-2025
- Develop Sector Policies based on Value Chains analytical work

Possible Startup Areas

- Identify for early completion and conclude specific legal reforms included in *2012-2015 Work Program on Legal Reform* Formulate 2015-2025
- Prepare Trade Policy focusing on impact of changing market access conditions (tariff preferences and RoOs.) To incorporate findings from CTIS 2014-2018, 5 short-term impact studies prepared by WB at request of SM, new value chain studies prepared under TTRI, other relevant materials
- Support analysis of NTMs by NTR team
- Strengthen enforcement of IP laws (especially marks, collective marks, GIs) through strengthening of HR and systems in relevant agencies

Concept Note #2: Trade Facilitation and Logistics

Trade SWAp Road Map

- Cluster #2 captures Actions under Trade SWAp Outcome 2 (Trade Facilitation) and Outcome 3 (Trade Logistics) as well as selected Actions under Outcome 1 (Trade Policy and Legal Reform) and selected Value Chains Outcomes

Strategic Directions

- Implement National Single Window (NSW)
- Formulate and Implement National Trade Logistics Plan
- Implement ATIGA and Trade Facilitation Agreement (WTO “Bali Package”)

Possible Startup Areas

- Make progress on WTO-Trade Facilitation Agreement. Classification across categories A,B, C and planning with DPs for implementation of Actions under B and C based on TA. Support ratification of TFA
- Review institutional arrangements among Cambodian line ministries and between Cambodia and counterpart in VN and Thailand to create shared Border Point offices/inspection facilities at key crossings
- Support initial work on National Trade Logistics Plan, once CDC has completed its initial work with the Consultative Group on Trade Logistics set up as part of IDP implementation

Concept Note #3: SPS and Other Quality Systems for Trade

Trade SWAp Road Map

- Cluster #3 captures Actions under Trade SWAp Outcome 4 (Technical Standards and SPS Requirements) and more limited set of Actions under several Value Chain Outcomes

Strategic Directions

- Establish coherent WTO- and ASEAN-compatible legal and regulatory frameworks for SPS and other quality systems
- Develop SPS systems from “Farm to Fork”, including strengthening SPS practices and controls at farm and producer levels
- Achieve international accreditation of Cambodian labs for relevant parameters

Possible Startup Areas

- Complete amendments to Law on Standards (current law non WTO compliant)
- Complete drafting of Food Law
- Assemble group of experts to review core SPS-related laws to eliminate contradictions, and achieve coherence and WTO-compliance, including Law on Standards, Food Law, Law on Plant Health and SPS, Law on Animal Health and possibly others. Clarify respective responsibilities of ISC and Cambodia’s CODEX Committee
- Adopt 250 or so ASEAN harmonized standards not yet adopted by Cambodia

Concept Note #4: Private Sector Structuring

Trade SWAp Road Map

- Cluster #4 captures Actions across most of the Trade SWAp Value Chains Outcomes as well as from Outcome 17 (Skills for Exports), including creating PPPs for TVET

Strategic Directions

- Sector associations are able to articulate positions and dialogue with Government through G-PSF and other venues
- Private Sector and Government develop PPP arrangements to narrow the semi-skilled and skilled labor gap, invest in common facilities (e.g. storage in rice sector), or other areas to support investment in “public goods”
- Private sector increases capacity in Marketing, Promotion, and Branding for exports
- Private sector is able to meet international SPS and other quality standards

Possible Startup Areas

- Strengthen branding/export promotion tools such as Collective Marks in Rice, High Value Silk, possibly other sectors
- Support finalization and adoption of PPP law prepared by MEF
- Bridge semi-skilled and skilled labor gap by developing a Cambodian culture of professions in key export sectors such as garments, tourism, and others in order to compete and move up the value chain in AEC single market

Concept Note #5: Development of Inclusive Value Chains

Trade SWAp Road Map

- Cluster #5 captures Actions from Trade SWAp Outcomes focusing on priority Value Chains not yet receiving focused attention (including Outcomes 9A and 9B on SEZs and Light Manufacturing Assembly and Outcome 10 on Processed Food) as well as from Outcome 5 (Investment Environment for Exports)

Strategic Directions

- Develop export capacity in priority sectors identified by Government needing focused attention, including sectors analyzed in CTIS 2014-2018 and the Industrial Development Policy (IDP) such as Food Processing and Manufacturing Assembly
- Develop business and investment environment supportive of Inclusive Value Chains including through deepening of backward linkages

Possible Startup Areas

- Support CDC implementation of newly adopted Laws on Investment and Law on SEZs through preparation of relevant Anukrets and Prakas once Laws have been adopted by the Assembly
- Develop relevant investment promotion, legal, and policy tools (such as PPP or policy on promotion of backward linkages) to attract new investment in key priority export sectors such as manufacturing assembly in SEZs, food processing modern facilities, storage in rice sector, etc. and increase multiplier effect



Next Steps by MTM Team

- Draft Concept Notes: end-October 2015
- Draft MTP Report: November 2015

Next Steps by DICO & relevant institutions

1. Upon receiving the draft concept notes, DICO will play the coordinating role to get comment and inputs from the relevant institutions, and send it back to MTP team;
2. DICO will get approval from MoC management and SSC on the five concept notes;
3. Dissemination workshop will be conducted aiming at mobilizing DPs support;
4. DICO and relevant institutions start to look for DPs support;
5. Develop project proposals for interested DPs;
6. DICO will recruit consultants to develop another five concept notes and process them following the above steps;



Thank you