



Role of a Trust Fund Donor

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DANIDA | INTERNATIONAL
DEVELOPMENT COOPERATION

Context: European Union and Trade Development

- EU – one of Cambodia's main partners in trade and also in development cooperation. Our two –way trade amounted to almost Euro 900 million in 2010. Almost 75% of Cambodia's export enter the EU market under the "Everything but Arms" preferential market access scheme.
- Danish Trade policy and priorities
 - Overall assist Cambodia's efforts to participate in the globalisation process
 - Support effective trade policies that lead to transparent and effective trade-related transactions and export competitiveness
 - Employment creation for the hundred of thousands of young unskilled people entering the labour market annually
 - Diversification of production and export
 - Link to Danish development assistance (Fisheries and Forestry)
 - Commercial interest

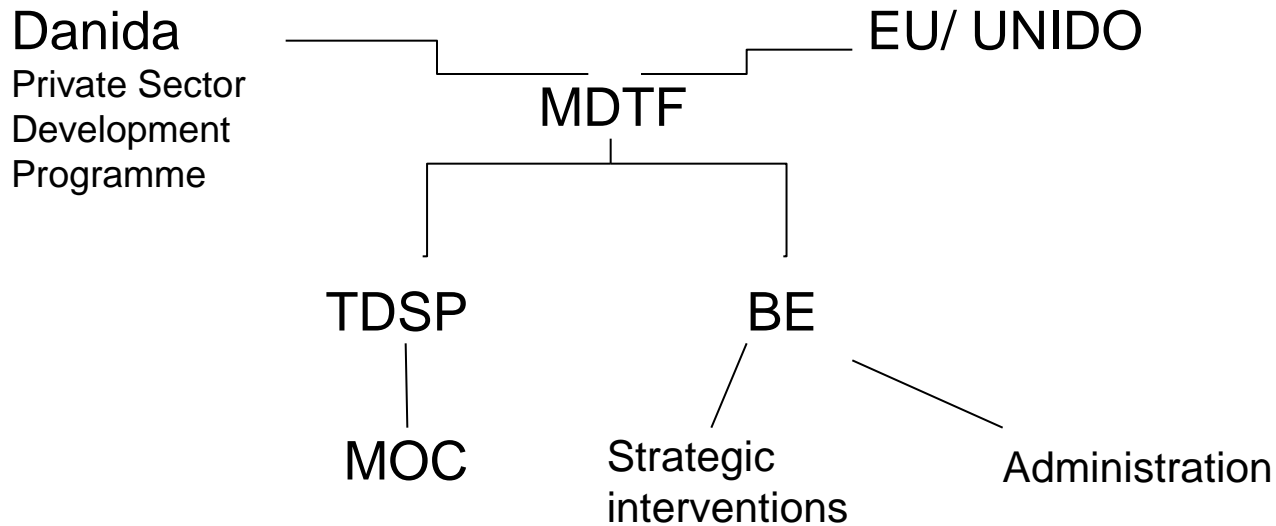
Danish Support to the Trade Sector in Cambodia

- Danida's engagement in Cambodia:
 - Forestry, Fisheries, Land, Decentralisation & De-concentration, Human rights and good governance, climate change and trade
- Private Sector Development Programme:
 - 2009 – 2011. App. 7 million USD for Support to Private sector development in Cambodia. Support to Multi Donor Trust Fund (Danida, EU and UNIDO app 16.5 million USD) supervised by WB.
 - Main activities
 - Increased RGC's efficiency in trade policy formulation and implementation (WTO obligations)
 - Develop a transparent, consistent performance monitoring system. Support to surveys and monitoring tools to assess progress in implementing the Government's trade strategy and to provide evidence-based feedback
 - Strengthen institutional and human capacity to be able to formulate and implement the governments trade policy

Continued

- Trade Development Support Programme (TDSP) USD 12.35 million:
 - Majority of the funds under Multi Donor Trust Fund to support (TDSP) and to support the Trade Sector Wide Approach
 - pillar I - legal reform and cross cutting issues
 - pillar II – product and service development and
 - pillar III- capacity development.
 - Launched in the beginning of 2009. Danida: Administration agreement with WB. Grant agreement between the WB Group and RGC.

Structure of the MDTF for Trade-Related Assistance



Defining the Role of a Donor in the Trade Sector

- Level of engagement. Define the role and expectation.
 - DP: Division of labour – passive, active or lead
 - Political and technical level
- Identifications of communication channels and coordination mechanism
 - Dialogue with government and private sector
- Partnership Principles
 - Define the partnership principle (SWAp, PBA, cross sectoral integration)
 - Need for a strategic framework
 - Paris declaration on Aid effectiveness (harmonisation and alignment)
 - TDSP: Partners Principles agreed with RGC and WB

The Role of the Trust Fund Donor

- To provide funds! – provide technical assistance and grants
- Engage in the policy dialogue
 - Danida – Donor priorities: Promote good governance, gender, youth
- Enforce accountability: Monitor the implementation and evaluation of the programme activities and overall policies (efficiency / effectiveness) (participate in joint support and review missions)
 - Coherence between National development strategies and sector strategies (outcome level)
 - Set directions for the programme implementation and benchmarks (POC and strategic proposals)
 - Tax payers money – value for money!
- Implementation of the partnership principles
 - Trust fund manager (WB)/ Government - Donor

Continued

- Promote the Sector
 - National and International scene
 - To share experiences and lessons learnt
 - Danida: Promotion of the Fishery sector under pillar 2 of the TradeSWAp Cambodia "Better Quality and Safety of Fish and Fishery products for Improving Fish Trade Development in Cambodia".
- Sustainability and exit strategies
 - Time frames and achievements made



Thank you!