

ROYAL GOVERNMENT OF CAMBODIA

**SUB-STEERING COMMITTEE ON TRADE DEVELOPMENT
AND TRADE RELATED INVESTMENT (SSC.TD-TRI)**

**MINUTES OF THE
SSC.TD-TRI MEETING**

24/11/2010

Background:

The meeting report summarizes discussions, conclusions and recommendations gathered by the SSC.TD-TRI, of the Royal Government of Cambodia.

According to the Grant Agreement, the SSC is chaired by Senior Minister, Minister of Commerce with the representative from the Donors contributing the Multi-Donor Trust Fund (MDTF) for the Trade Related Technical Assistant in Cambodia, excepted the United Nations Industrial Development Organization, senior officials from the Recipient in ministries and agencies in which said trust fund activities will be implemented or sought; and other development partners and stakeholders might be invited as observers without the right to vote, for the purposes of:

- a) setting policy directions for the Program activities;
- b) ensuring that operations are in conformity with the Program's objectives and policies and approving annual work programs;
- c) coordinating the Program as part of the overall Trade SWAp, and
- d) approving monitoring report; and

the said steering committee will base its decisions on recommendations from the government's SSC.TD-TRI.

The Recipient shall maintain, throughout the implementation of the Program, the SSC.TD-TRI, chaired by the Ministry of Commerce, with representation from ministries participating in the Trade SWAp, which will be responsible for providing direction and oversight in the implementation of the Trade SWAp.

Agenda #1: Review and approve findings of mid-term review of TDSP and presentation of new set of roles and responsibilities by MoC

HE. Senior Minister:

We have today the meeting in the agenda that address the issues related to SSC.TD-TRI. I've to skip the opening remark in order to save time. What we've to reviews today is about the mid term review that the WB within the team that come some reports and this MTR has been circulated to all of you. I'd like to discuss this MTR, Especially in the points in Annex 4. In this connection, I'd like to open the floor and before open the floor maybe the WB restrict a little bit about the problem that they've discounte/found during their MTR and submit it to our SSC for discussion. Maybe, Mr. Stephan Guimbert addresses these issues; please the floor is yours.

Mr. Stephane Guimbert,

Thank you very much Excellency and let me to pay my respect and condolence to the people that on Monday night (22 November 2010) to their families and those that injured. Over the past, we were conducted the MTR the TDSP with our DPs (EC, DANIDA, the UNIDO) and essentially our finding found two main issues. 1st TDSP and Trade SWAp have been developed a number of processes and adopted some proposals and couple

month ago. Some of the proposal would be approved today. However our precision is to push more strategic proposals in the next couple of weeks, So that the quality and the impact of the program can increase and we know that you've a number of the proposal making around comparison within the MoC for instant or around exploring in systembility of your export markets and potential to support business association and research and Trade. We've hopeful do able to the important of the development of this strategic proposals. So that, the brand name if you want of the Trade SWAp and TDSP become associated with significant improvement with the Trade environment. That's one area of our finding. Second area of our finding is more of implementation side where's associated with the effort of DICO led by H.E. PAN Sorasak and the whole team to reach out the line ministries quite a number of your partner in CDC, GDCE in various ministries where encouraged the participate in the Trade SWAp and TDSP by all these efforts. However, it is important now significantly improved the incredibility of the ministry to deliver the resource by fixing a number of implementation bottom neck and a lot of them have to do with procurement issues. Procurement has been extremely slow on the program. Part of it was expected because of all our project take from 9-10 months for the first start of period and likely we were pass our started period and would be important to increase procurement implementation and it's more important in this the only that program has incredible goal of the participate in of the agencies who otherwise are willing to continue with the process of the Trade SWAp, so in the spirit of two main finding.

We are first agreed on first two benchmark tried really to turn around the program. Once will be the approval of the number of the strategic proposal before increased the strategic of the program and two the quality of the benchmark of the approved a number of procurement. Will be implemented in a couple months and in the Annex 4 that you've in the package included with the agenda is essential list a number of recommendations which we felt it necessary to meet those two benchmark. I think from our point of view is hey of substantial of the finding with the direction of the benchmark and we can discuss more specifically with more suggestions in Annex 4. Thank you very much.

HE. Senor Minister.:

Thank you, Stephane for briefly on this. Are there any people to share the view on this? Excellency PAN Sorasak, first.

H.E PAN Sorasak:

Good morning, my respect to Excellency Senior Minister, Excellencies Minister delegate, Excellencies, Ladies and gentlemen. The MTR come on the rights time which allowed us to evaluate ourselves and believed that the review to become to the point that we'd like to listen more and get some guidance's from the Senor Minister on how to improve of our works in Trade SWAp. We're willing to put more efforts if you'll to make it more streamline and also make it more efficient, so that it will respond to the needs from both sides the government as well as the donors. So with this, I'd like to just to give the floor

back to Excellency Senor Minister and I'm really glad to have this meeting happened, So that we can move forward on this aspect.

HE. Senor Minister:

Thank you, Excellency PAN Sorasak for your comment too on these issues; I think we've to acknowledge the results of the MTR of the bank. I personally have also meeting with MTR team and we've to go along with those two benchmark's we've set together that we've to approve the three strategic proposals that's going to be submitted to us today and at the same undertaken reviewing the procurement issues. I've issued the Prakas yesterday. The composition of the people who are undertaking the procurement we've those minor procurement, general procurement and those with a larger scale (major procurement) at every level. One think that surprise me a lot is that almost two years I'm not been informed we're supposed to appoint a national project director/national project manager/national procurement director. This is supposed to be in line with the MEF for procurement and I think we've tried ourselves to inline with MEF and do the necessary appointment. Based on Julian Clark sent me a draft today I'll issues a Prakas pointing Excellency DITH Tina, under the secretary of state as a national procurement director. So that, some bodies take of the TDSP properly. We've to separate to procurement and the management of the whole projects. The whole manage project is still under the management of H.E PAN Sorasak and under my help and my umbrella. But for the procurement, it should be separated and independent, So that they can deal in more with the guideline with MEF and the course of the DPs as well. So for, that procurement we've to sign today and for Mr. Suon Prasith as the project manager as well. So this is the main think that we've in the agenda #1.

I'd like to the agreed #2 to review and approval the proposals of the TDSP that was recommended by the inter-ministerial committee chaired by H.E PAN Sorasak. I knew that IC had the meeting on the 15/October/2010 and I'd like to have Excellency PAN Sorasak submits the results to the meeting.

Agenda #2: Review and approval of proposals of TDSP recommended by IC

First of all I'd like to go directly to project. But first of all, I'd like to give the introduction of receiving the proposals for. We've been in Dec 09 and April 10, 2010 the previous SSC has been endorsed 11 projects for the implementing Agencies (IAs) to implement and this project has been underway and procurement has been work. The idea of the project is we wanted to cluster 7 since the SSC doesn't want it. We should look into a single project.

HE. Senor Minister:

No cluster, it may concern of our development partners is to have efficiency in procurement and let's tried and see whether we see the good procurement and we've the good project then. To this end, I agreed to have Excellency Dith Tina to chair IPR with a small team with this project we've a small team as soon as possible. Thank you.

H.E PAN Sorasak:

We're in the process of reviewing and the selection is the project base, not clustering. So that is the process now. So next week shall be the other reviewing projects should be resubmitted to the IC for discussion, anything else? Mr Julian Clark, WB: Just on MAFF in particular, the ministry then had sent us to put them together. What was happened the individual department was submitted to TDSP without going through their secretary of state's without the minister knew. So some of those proposals are not quite inline their export strategies. So, now we are time to move the proposals to be in line with export strategy. That was the clusteration approach that some process are now taken place with their care off.

HE. Senor Minister:

Thank we've to ask the ministries to have in line with their M&E mechanism needs and manage the project. For example the agriculture, Excellency secretary of state is here when his goes back tell the minister that we've several projects to submit here and those projects are proved how to manage controlling on those projects. Monitor their implementation so; there should be the internal mechanism within the MAFF to try and make sure the project can/to be implemented smoothly. I think for the other ministries as well. Is that OK?

Mr. Julian:

Excellency, I think the investment and Camcontrol proposals. Yes, there are two the dissemination of investment law, Senor Minister. One of a small technical point that we might revisit the budget of the project of investment law project and some small SEZs are not functioning well and the implementation can wait till those SEZ come online. And I think their might modification of the project. I think some those operational issues we might be after to monitor for those are not having license for operation, Senor Minister.

H.E Sok Chandara:

For whatever related to SEZ, you can work directly with me and you've to send the email. As you know Mr. Stephane will have confirmed to you within 24 hours have a respond. So it would be a problem or having a meeting what so ever. Thank you, Julain said, Thank your Excellency that is fine with me. Thanks Senor Minister as long as you can CC or BCC to me it would be OK and the more we can share the information is better. Because people like me, Excellency Sok Chandara, Ouk Rabunn, HE.Pan Sorasak can know and also So you've everybody there involved. So that everybody should know. Next we discuss the SCC-TD.TRI schedule to meet next year.

Agenda #3: Discuss and approve meeting schedule of SSC for 2010-2011 (including an SSC in December 15 and January to finalize the first 3 strategic proposals)

Mr. Stephane:

The intension is led to you and we would like to the opportunity to have the SSC to review the proposals and the progress, but how frequency of the necessary with is adequately is up to you.

HE. Senor Minister:

Can we setup in every two months have a SSC meeting. If it's a project necessary needed one in between the inter wall. Stephane: yes, we can say in a modern way to have one in every two months or turning day into the email. I know tough enough to have your Excellencies time busy and getting together is extremely not very easy.

HE. Senor Minister: So, can we go electronically? So you send the proposal to everybody and then you collect the answer from all the reply. Some consultation or whatever you call it.

H.E PAN Sorasak:

Of course, it's just something that I'd like to include on how we can streamline the approval process though especially the SSC because we know that they're all busy and we can find the mechanism to approve this and you mentioned about the internet and email. I was discussed with Julian and Stephane once and you said that you want to have a face to face approval that it was, first initially, manipulate the SSC meeting. So if you want to have project approved electronically, you've to revisit the grant agreement on TDSP.

Mr. Stephane: There's no needed to relate with legal issues here. I just tried to fine. But it doesn't become a bottom neck in the meant while we can keep approving it they come electronically and I'd not have any problem with it and the donors have finance here don't have any problem with it as long as we can get together tackle where we are.

HE. Senor Minister:

I think, we've to agree other channel of going to the email and all emails have to convey to his Excellency PAN Sorasak and H.E PAN Sorasak has to consult with all the SSC members and check by verifying all the replies from various line-ministries. And then submit to me, after that I can check the output of the members of the SSC that they replied email to me so that, you know immediately. We do not need really need all the times of the formal meeting of the SSC they can do it almost daily basic it's faster if H.E Sok Chandara in his email 3 times a day, I'm five times a day. So we can reply very fast and now a day within the iPad you can see H.E Ouk Rabunn replies so far straight away. Of course, when you sent the email don't forget send sms, so that we know there is email waiting. That, we reply very fast and ok, now we go to other agenda.

Agenda #4: Presentation of annual report and concept note

It's the WB goes to annual report, OK Stephane the floor is yours. Thank you, Excellency, Stephane mentioned. This report the multi-donor trust fund, we've in our legal agreement we've at less one a year, we've to report to the SSC. So that you hold them accountable with you what are the priorities for the coming years. We don't do the report at first year become we have a couple of months and this report is covering fiscal year ten is from July 2009 – June 2010. So that I'm going very quickly with the objective o MT/DTF to show you the number in terms of the finances, look at the Bank Excellency part of the Trust Fund (TP). I explain in a more detail in a minute and the reception of the executive that we had discussed before of the TDSP and conclude by just reminding the report putting the monitoring and the requirement are for this program. Your Excellency, if you don't need more explanation of why we engage with this because your leadership of moving toward the Trade SWAp and the donors side tempt to reduce the bit of the costs for you to do biz with us. If we're pulling fund better to have one set of process rather than one set of donors. And the way of TF is structured provide both funding of this project for discussed and provide the WB team to support the implementation and commission of the study with appropriate that we discuss in a minute.

.....See the power point presentation slide (1) 16M is keeping changing a corroding to the exchange rate of against US Dollar.

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- Taking a lot of activities within the 18 months to build our capacity ion the WB and
 - Next SSC would be able to endorse the Roadmap1 and Roadmap3

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- WB works within GMAC by recruiting EMC to study the shortens of export process

Logistic is very important and the most actors plan in the export sector of the region. With discuss that benchmark to meet the program and express concern by the donors and the process of implementation.

WB is looking at the M&E. we're also commissioned of partners

Like EU monitoring.

I'm looking forward to hear your question and view also the most priority area that we would work in the coming years. More analysis is useful for the policy matters and also where you think one if IC should lead the line-ministries develops the proposals to submit to the Trade SWAp. Thank you very much.

Senior Minister:

Thank you very much, Stephane, for this briefing in the annual report and congratulate to the WB and the DPs to come up with this report. At that time, I think that we need to and try and to make sure the report of the next year more positive in what we're doing. And I would like to urge my colleague that have the project submit it into IC and to SSC to make sure the project is implemented efficiently I'd like to instruct the IC to inform all the project managers that every SSC in our agenda we've to listen to the report of the project manager one-by-one, so that, we know exactly what is the status of each project, so that, we can provide guidance right away. No, what we're doing here we don't have the report of the progress of those project managers. But, we've to appoint properly each project manager, so that this person could report to the next SSC. This should be a standard in our agenda. Whatever, we've the SSC immediately we come with a long list of progress report by looking from the project manager, so that we can provide guidance at least once in every two months. So it's not too late and by the end the year I believe that through this process we push them to work harder and to be able to report. So that we don't need to wait 6 months or one year to discover this problem their late because of this and that we can solve the problem in two months time. So, this is some things that I'd like to add more to the next agenda of the SSC and maybe opened the floor. H.E Sok Chandara, nothing so we agreed in this report H.E Ouk Rabunn. I want to check with the Ministry of Interior, H.E Secretary of state. We've developed the sub-national level some project that related to one-stop services and so we call all services under one roof in some specific districts it's now the time to see the final thing undertaken some DPs or not? I see it's related our Trade SWAp. Maybe we can also look over if there is no DPs support so far. We can maybe this is part of next year project that we can propose. Excellency understands it? Now no money to implement before German support.

Senior Minister:

Before one-stop-services they had 2-3 pilot projects. i.e. Siem Reap, Battam Bang and one other phase I can't remember. They do it a pilot project when they put all services in one place. So when you come to register your company, trade, and factory license whatever you go to that place. We call one stop-service for SMEs. So in the provinces, this is a major company so that we talk about SMEs. So now they are expanding to several more places before they received the assistance from the Konrate de Novoaire foundation, yes for the pilot project and now we move 3-4 services. They start to expand without financial assistance. I don't know how they do it and I think it would be very good for us to get the IC for DPs to sit down with the MoI and see how we can support because it's not related to the MoI it's just a place of commune and district level. We've one office here and all people related ministries we send one or two people sit there under one same roof and then we deliver the services that we suppose to deliver at each specific location. So that It's something going in line with the procedures as well. So I don't know if possible you can find any possible assistant consultancy to develop this project. Support this in the long-run people come to the place to register everything. It's a public place where all public services together to be provided under one roof. I think that is quite a good project, but I don't know they are running with financial support from

UNDP and they said that it's conducted under the Konrate Donor??? And it's just a foundation cannot support in that way. Maybe we can find money from the TF for that, Can I have the initial comment on this?

Stephane:

It seems very interesting idea. The idea could find the consultant to come and take stock of whether the ministry and lesson learnt as a matter of fact the WB is also helping the ministry I think different window of one-stop-services like "driver license" not for "SMEs" but it's the same concept so that it would be a lesson learnt there. And then use the consultant that can deploy in the next 3 months to build the proposal for IC and SSC to reviews. I think it is a good idea.

Senior Minister:

Base on SME, the government had decided setup those not for one-stop-services for all ministries but one-roof for all ministries and all service under one roof and this I believed has been decided by the Prime Minister two months ago. Now, we're going to the project implementation how to implement after the decision has been taken. So we're to develop a project to get financial support from the initiative from the government. I think the MoI should take the lead on this issue and come afterward to other ministries to observe.

Agenda #5: Wrap up and Closing Remark

Senior Minister:

We take note of the WB annual report and once again I'm expressed deep great attribute to all DPs to support the Trade SWAp initiative I hope next year we come with better and more positive results. Do you have anything else to add? If, there is nothing else I've to wrap up. After this I've assign the National Director of Project in charge of procurement and a part from this I've to assign the National Project Manager. So, they can take responsibility as soon as possible.

Everybody are appreciated with their works that the DPs has done especially the jobs undertaken by Stapane, Julian, Vannara and Lyna for all support to the team. After this, I'm going to appoint procurement director; So that apart from this we have a National Procurement Director can take responsibility as soon as possible. I'd like to thank you to all for coming into this meeting and wish you all the best. The session is adjourned.

Thanks.