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*USAID Cambodia MSME project*

# **USAID Cambodia Micro, Small and Medium Enterprises (MSME) Project**

**How the MSME works with the Private Sector so improve competitiveness and with the public sector to improve the business environment, laws, and regulations.**

*Implemented by*  **DAI**



## Overview

- **MSME was the first economic growth project funded by USAID**
- **Started 2005; Ends 2012, \$26.5 m**
- **Works in 17 provinces of Cambodia.**
- **Assists with 9 product value chains**
- **Benefits at least 280,000 Cambodians**



## Structure

### Component 1 Value Chain Competitiveness

- Improve competitiveness
- Vastly increase sales and investments
- Promote trust and business relationships across entire supply chains
- Expand economic space for MSMEs

### Component 2 Private Sector Voice

- Assist formation of business organizations
- Improve confidence of firms and government officers to improve the business environment
- Facilitate interesting and fun forums for the private and public sectors to interact
- Expand political space for MSMEs

### Component 3 Business Enabling Environment

- Encourage government to draft good laws and regulations by providing training and vision
- Improve relationships and encourage dialog between the private and public sectors
- Change the culture of telling the private sector to a culture of listening and responding



## **Component 2 – Private Sector Voice**

- Strengthen Private Sector Voice through
  - Public–Private Sector Dialogue (PPD)
  - Business Forums and Workshops
  - Cross-provincial and International exposure missions
  - Formation of Business Organizations such as Cooperatives, Associations and Working Groups.



## Component 3 – Business Enabling Environment

Provide Advice and Ideas

Build Awareness, Vision, and Understanding of Business Needs

Increase Interactions and Craft Better Regulations



# Our Approach

- **Include private and public sector actors in all activities**
- **Respond to requests from government officers for advice and support**
- **Approach government officers to:**
  - Draft concept notes/regulations/guidelines
  - Provide regulatory and policy training
  - Review and analyze regulations to provide ideas for improving them



# Government Advisory Assistance

- 1 • Ministry of Commerce (MoC)
- 2 • Ministry of Industry, Mine and Energy (MIME)
- 3 • Ministry of Agriculture, Forestry and Fisheries (MAFF)
- 4 • Ministry of Environment (MoE)
- 5 • Ministry of Tourism (MoT)



# Ministry of Commerce Draft Trade Remedies Law

- 18-member multi-ministerial Drafting Team
- Protects Cambodians against unfair import surges of agricultural goods
- Progress has good - draft law and sub-decree is 80% complete



## **Ministry of Industry, Mines and Energy**

- Law on Factories and Handicrafts
  - Prakas on Procedure and Formalities for Application for Establishing a Factory and Handicraft
  - Prakas on Procedure for Factory and Handicraft's Operation
- Draft Prakas on Management of Water Service Providers
- Draft Agreement on Water Service Supply
- Draft Internal Guidelines on Tariff Setting

# Ministry of Environment

- Law on Community Protected Area
- Draft Regulation on Community Protected Area
- Draft Guidelines on Community Protected Areas
- The MSME Team
  - Provided legal analysis and comments on laws, regulations and guidelines
  - Assisted two community protected areas for formalize and register according to the law



# Ministry of Agriculture, Forestry and Fisheries

- Sub-decree on Contract Farming
- Sub-decree on Animal Slaughterhouses
- Draft Law on Aquaculture
- Draft Law on Animal Health and Production
- Draft Law on Agricultural Cooperatives
- Draft Prakas on Animal Farm Management
- Draft Prakas on Fish Transportation



## **MSME Support for MAFF Regulations**

- Reviewed and commented on draft sub decrees
- Facilitated dozens of cross-provincial missions and business forums for the private and public sectors
- Facilitated several international missions to Vietnam, Philippines, Malaysia, Thailand and Singapore so government officers could observe and compare notes
- Provided examples of good laws
- Facilitated forums for private-public sector dialog on specific regulations



# Capacity Building for Gov't Officers

- Multiple retreats and trainings, both in Cambodia and Vietnam.
- Two-day retreat for 45 senior officers from 5 ministries and several offices within the Office of Council of Ministries on regulatory impact assessments and improved regulatory techniques
- Many regulatory drafting trainings for officials
- Consultative multi-ministerial workshop with private and public sectors officers to introduce concepts of legal transparency in rulemaking, and elicit responses to a proposed “rule on rule” concept note
- Presentations at consultative working group on administrative law reform.



# Public Legal Awareness

- Several workshops on new slaughterhouse rules to discuss issues about various rules governing the swine industry
- Nationally broadcast interviews with the Director of Agricultural Extension about agricultural regulatory compliance issues for farmers and traders and advantages of agricultural cooperatives.
- Facilitated business forums to disseminate regulations concerning factories and handicrafts and to solve business problems for SMEs
- Facilitated trainings for Fisheries Administration for filing procedures of fisheries offenses for FiA officers and authorities from 15 provinces
- Facilitated meetings with Department of Animal health and Production to discuss animal transportation concerns with the private sector
- Facilitated workshops with Fisheries Administration on the transportation of fish and fish products



## **Other Important Roles of MSME**

- Assisted the formation of Agricultural Cooperatives/Community Working Groups/Eco-Tourism Based Community
- Assisted the formation of the Cambodia Private Water Service Providers Association
- Facilitated Strategic Communication Trainings to 400 private persons and public officers
- Facilitated local and international exposure trips



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**Questions ?**