I don’t know how to make some food, but my future is cooking. In the School, they’ll show me how to do this - how to prepare the food, how to cook. I am happy because when my studies finish, I will have a job and I can open a small restaurant by myself.”

— ACAC Chef Student, Ms. SAN Sreyleak,
(Cambodia Daily News - December 20, 2016)
This semester newsletter gives an update on Cambodia’s Trade SWAp program activities, for which the Ministry of Commerce has played a central role in coordination, implementation, monitoring, and mobilizing financial and technical resources to support Government’s and private sector trade development strategies.

2017 will be a key year for Cambodia: the country was chosen as the Coordinator for the Least Developed Countries (LDC) group at the World Trade Organization (WTO), taking over from Benin. The Ministry of Commerce, as the lead agency for multilateral trade affairs, will provide much-needed support to fellow LDC WTO members with the prime objective to complete successful negotiations at the 11th WTO Ministerial Conference to be held on December 11-14, 2017, in Buenos Aires, Argentina.

Thanks to the Government’s commitment for trade development for sustainable growth, and good collaboration from Development Partners (DPs), Cambodia has maintained its GDP growth at an average of 7% annually for the last decade. The economic growth has benefited from the support provided by Aid for Trade program, such as the Enhanced Integrated Framework (EIF, Tier 1 & Tier 2) and the Trade Development Support Program (TDSP) implemented by the Ministry of Commerce. Cambodia's foreign trade increased up to nearly $30 billion in 2014. At the same time, the poverty rate has declined from 53.2% in 2004 to about 11.5% in 2015.

Aid for Trade program implementation translates into increased poverty reduction and sustainable growth. These results were fueled by key factors such as partnership approach, country ownership, and a sustainable trade development agenda. To ensure long term, sustainable results beyond 2016, the Ministry of Commerce with support from the EIF program formulated a Medium-Term Plan for Aid-for-Trade (MTP) 2016 – 2020. The MTP includes 10 priority thematic clusters for sustainable trade development. The MTP was presented to traditional and non-traditional development partners in 2016 to seek pledges for support. As a result, the EU, IFAD, EIF and CBI were among a few donors indicating support was forthcoming in years to come. The first involvement of IFAD and CBI complements MoC’s strong engagement with agricultural sector as well as capacity building for government officials needing to upgrade their skills and knowledge on regional and international trade matters.

The Ministry of Commerce is grateful to the traditional development partners such as EIF, EU, ADB, UNIDO, SIDA, UNDP for providing support and continuous assistance. Partnerships are key to the Ministry of Commerce’s drive to deliver both impact and sustainability in support to the Royal Government of Cambodia’s economic diversification and poverty reduction goals.

We are always interested to hear from our readers especially providing suggestions on the contents presented in this newsletter. In the meantime, enjoy the reading.
ENHANCED INTEGRATED FRAMEWORK (EIF) SUPPORTS CAMBODIA IN BUILDING TRADE CAPACITY OF OFFICIALS AND PRIVATE SECTOR WITH $300,000 FOR PHASE II - 2017 – 2018

Building on its financial support for past and current projects, EIF has committed to fund $300,000 toward the implementation of Cambodia’s Sustainability Support Project from 2017 to 2018. The fund will support the Government of Cambodia in building greater capacity of Government’s trade-related agencies and the private sector to achieve results and take ownership.

Since 2010, EIF has provided financial support of $8,160,918 for trade development effort. These include the support for EIF Tier 1 project with budget of $1,493,900, and for EIF Tier 2 projects with budget of $6,667,018 - EIF Tier 2 CEDEP I (High Value Silk, Milled Rice, and M&E Components): $3,383,429, and EIF Tier 2 CEDEP II (Academy of Culinary Arts of Cambodia, Cassava, Marine Fisheries and M&E components): $3,283,589. EIF Tier 1 and Tier 2 CEDEP I projects were closed in mid-2016, and CEDEP II, which started in 2014 is scheduled to close in August 2017.

The results of implementation and stocktaking activities indicated that the EIF plays a key role in ensuring clarity in Cambodia’s trade ambitions as the country moves along the path to prosperity. Since 2001, EIF, then known as Integrated Framework (IF) has accompanied Cambodia on its journey toward to economic growth and poverty decline through trade. Cambodia has always been at the forefront of the implementation of the programme as acknowledged by Dr. Ratnakar ADHIKARI, EIF Director, “Cambodia’s trade and development pathway is symbolic of the EIF’s stance for partnership approach, country ownership, and the results for sustainable development.”

With the approval of SSP, Cambodia and EIF have committed to fill in the remaining gaps left by previous projects and to further strengthen capacity gap in the National Implementation Unit (NIU), Government line ministries and private sector. This is to ensure that all stakeholders have capability to contribute to the country’s trade development agenda. In addition, the SSP will make sure that the Ministry of Commerce is ready to implement the three other projects namely, Accelerating Inclusive Markets for Smallholders (AIMS), a loan from IFAD; e-Trade-for-All, administrated by UNCTAD; and upcoming EU Trade Programme to be implemented in 2018. “These projects would contribute to the sustainable economic growth and trade development in the country, especially the contribution to the Government’s poverty alleviation goal,” said H.E. Pan Sorasak, Minister of Commerce.

For the last six years, EIF Tier 1 has supported Cambodia in strengthening trade development through capacity development, trade mainstreaming and policy formulation. In term of capacity development, the projects has contributed to increase capacity of the Ministry of Commerce and stakeholders to provide inputs toward trade agenda. It also support the formulation of two key documents namely Cambodia Trade Integrated Strategy (CTIS) and Medium Term Plan (MTP). CTIS is the third generation Diagnostic Trade Integrated Study (DTIS) that identified trade development priorities for 2014 – 2018. On the other hand, MTP was developed to prioritize trade clusters for future technical support.

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Today, the Ministry of Commerce hosted a dissemination workshop on “Results and Success of EIF Program: New Approach to Sustainable Institutions and Health Export Markets”, with Government line ministries representatives, private sector stakeholders, and Development Partners (EU, ADB, UNDP, UNIDO, IFC). Participants have learned key lessons learned and witnessed achievements of the EIF program implementation in Cambodia in the past six years, and discussed next development steps for the country’s trade development agenda as described in the EIF-sponsored Medium Term Plan for Aid-for-Trade (MTP) 2016-2020.

Since 2008, Ministry of Commerce has successfully implemented Cambodia Diagnostic Trade Integration Strategy (DTIS) and the updated Cambodia Trade Integration Strategy (CTIS 2014-2018) Road Maps through a customized capacity building program for Government institutions and private sector, and spearheaded the Cambodia Export Diversification and Expansion Program Phase I (CEDEP I) enhancing exports of high value silk, milled rice in line with Cambodia’s Trade Sector Wide Approach (Trade SWAp). With financial support from the EIF program, MoC helped ensure major challenges faced by Cambodian silk companies and milled rice.

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**Continued from P.3 - EIF Secretariate Supports...**

Under the milled rice component of CEDEP I, the project has helped rice exporters to export milled rice worth $100 million – 51% of which is fragrant rice, awarded the World’s Best Rice Award for three consecutive years in 2012, 2013 and 2014. In 2012, Cambodia’s milled rice exports reached 205,000 metric tons and increased up to 538,396 metric tons in 2015 (IFC’s report, 2015). Milled rice project contributed to the exposure of Cambodian rice to 71 markets destinations in 2012, including 12 new markets (EU and USA) in 2015. The project has also helped the approval of the Cambodian milled rice standards and help set up DNA analyses of Cambodian fragrant rice varieties. The same as milled rice component, high-value silk has provided support to 14 silk companies, whose profits have grown gradually from US$633,933 in 2012 to US$1,103,908 in 2015. The profit margin of total sales for those 14 companies was 46% in 2012 and increased to 49% in 2014 and gradually to 58% in 2015. Export of silk products by the 14 companies has grown by 41% during 2012 – 2014, and each company exported worth an average amount of US$43,321 in 2014.
milled rice exporters were addressed timely and effectively. Those included skill gaps in product design, complexity of export procedures, insufficient capacity for export, difficulty to meet international standards, lack of market intelligence.

H.E. Pan Sorasak, Minister for Ministry of Commerce, expressed his appreciation to the EIF program in Cambodia. He said EIF has played a key role in the enhancement of technical skill, product diversification and market development for milled rice and high value silk. He also stressed that with the EIF Tier 1 support in providing capacity, the Ministry of Commerce, especially Department of International Cooperation (DICO) was equipped with strong capacity to manage, formulate and monitor Aid-for-Trade. He thanked the EIF, current and past EIF donor facilitators including Asian Development (ADB) and European Union (EU), whose spirit and energy have largely contributed to the poverty reduction and contributing most to sustainable growth were: (1) partnership approach, which capacity in Government line ministries built through a strong coordination platform for trade development agenda; (2) country ownership, which a strong political will and commitment of Cambodia to manage trade and development agenda; and (3) sustainable development through the support provided to the Cambodia Rice Federation (CRF) and the Silk Development Committee (SDC).

As a result of MoC’s intervention with EIF support, it is reported that, for silk sector, the monthly average income from silk weaving increased by 100% from 2012 to 2014 among the enterprises participating in the project. These 14 project beneficiary companies created 88 new jobs, developed 127 new silk designs and increased exports of Cambodian silk products by 73% since 2012. For milled rice, Cambodian rice millers have successfully upgraded their ability to comply with export requirements by meeting quantities, quality and SPS standards, as major milled rice exporters received HACCP. In compliance with international standards, the EIF-funded project facilitated US$ 100 million of rice exports during the project implementation—50% of which is fragrant rice, that contributed to Cambodian rice being awarded the World’s Best Rice Award for three consecutive years in 2012, 2013, and 2014.

The two EIF flagship projects, namely the EIF Tier 1 institutional capacity building project and the EIF Tier 2 Cambodia Export Diversification and Expansion Program (CEDEP) were approved by EIF Board in 2009 and 2012 respectively, and implemented by MoC in partnership with the International Finance Corporation (IFC) for the rice sector and the International Trade Centre (ITC) for the silk sector. The projects were designed for EIF Tier 1 to enhance the national capacity to formulate, implement, manage and monitor a pro poor trade policy that is consistent with country’s NSDP, and for CEDEP I to support the priority sectors of high value silk and milled rice, key to the country’s acclaimed export diversification. The Ministry of Commerce, based on the successful results, launched a sister program in 2014 –CEDEP II- to increase exports of cassava, marine fisheries products and enhance skills in the hospitality sector.
The Ministry of Commerce (MoC) achieved remarkable results under the EIF funded “Cambodia Export Diversification and Expansion Program (CEDEP) – High-Value Silk Component.” The project was designed to promote high-value silk exports and increase the competitiveness of the Cambodian silk sector to support diversification and poverty reduction through employment creation and income growth, particularly for women. The high value silk component was implemented by International Trade Center (ITC) in cooperation with the Ministry of Commerce.

In the past, Cambodian silk weavers and processors find it difficult to sustain their business, due to limited numbers of quality designers, lack of a national textile school and limited capacity of weavers to meet the design requirements of buyers as regards to weaving, dyeing and other processing operations. However, things have turned for the best due to the support of EIF from 2012 onward. The supporting activities provided by EIF through the Ministry of Commerce, included the promotion of silk exports, the improvement of business plan, the creation of new product lines and designs, the provision of skills upgrading, and participation in market exhibitions and international trade fairs.

In testimony to the achievement made under this programme, SentoSaSilk, one of Cambodia’s producers of custom-made dresses and retailers of silk fabrics, won international awards and increased sales by 30%-40% in 2015 after receiving ITC coaching and support.

“We developed a brand identity, new product designs and marketing materials, and we established new sales contacts. We were able to design new collections matching market demand; ‘Thanks to the EIF project, we are now developing a new project in Kandal province, the Sot Reaj Centre, to develop Cambodia’s textiles and support 1,000 families.’”

— Mrs. Seng Takaneary, CEO, SentoSaSilk

The key results identified were the increased export sales of handmade high-value silk products by Cambodian silk exporters, and improved quality and product design of handmade Cambodian silk products to meet export market demand and from international visitors. During the implementation period running until mid-2016, the project provided support to 14 silk companies, mostly women-owned, whose profits have grown gradually from $633,933 in 2012 to $1,103,908 in 2015. The profit margin of total sales for those companies was 46% in 2012 and increased to 49% in 2014 and gradually to 58% in 2015. The export of silk products also grew by 41% during 2012 – 2014, with each company exported for an average of $43,321 in 2014.

Another activity indicated in work plan of the programme was capacity building. From 2012 up to March 2016, the high-value silk component provided three training courses on contemporary fashion trends, design and product development to more than 40 participants of which 36 were women from 20 silk companies. To support improved product design, the project facilitated 4 study tours and marketing missions for 13 silk companies in the France, Germany, and the USA. After being trained and participated in study tours, the companies could design approximately 127 new products.

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The project was closed in March 2016. Building upon this achievement, the Royal Government of Cambodia, through the Ministry of Commerce, is committed to sustaining the sector through the revitalization of sericulture in Cambodia. The Cambodia National Silk Strategy was prepared with ITC’s advisory support to provide a five-year plan to achieve, by 2020, “a modernized silk sector producing high-value products providing sustainable income for women and men.” To support the implementation of this strategy, the Ministry of Commerce established the Silk Sector Development and Promotion Commission to address remaining issues affecting the silk sector development in Cambodia. The Commission also provides technical support to stakeholders in silk sectors to ensure sustainability in terms of sector and capacity development. With institutional framework in place, the strategy was launched by the Ministry of Commerce and the Silk Sector Development and Promotion Commission in April 2016.

Another envisaged outcome is to create the National Institute for Silk and to launch Cambodia’s national silk day. Even though the EIF project had ended and yielded good results, the sector is still facing chronic problems as the three-year project could only cover selected issues being identified in 2012. The remaining issues will be addressed using different mechanism after the completion of the project.

In this regards, the Ministry of Commerce technical team, led by H.E. MAO Thora, Secretary of State, recently visited Khmer Golden Silk and Phnom Srok Village farmers and weavers in Banteay Meanchey province, International Khmer Traditional Textile (IKTT), and Centre National de la Soie (CNS) in Siem Reap. The field mission was conducted to obtain the much-needed information for the consideration to establish national silk institute and national silk day. During the visit, the team met with Khmer Golden Silk representative, Ms. Morn Saroeuth, and her community group of silk weavers, and also met with CNS manager, Ms. Seng Kanika, and Mr. Pav Eang Khoing, Silk Production Director for Artisans Angkor. All reaffirmed collaboration with the Ministry of Commerce towards the successful implementation of Cambodia’s National Silk Strategy 2016-2020 and the creation of the National Institute for Silk. Meanwhile IKTT, another key partner, has not provided their commitment.

In addition, during the field mission, the team discussed the achievements of the CEDEP I – high-value silk component, Cambodia National Silk Strategy 2016 – 2020, and pertinent issues. Emphasis was made on reinforcing sustainability for the silk sector by reviving Cambodian sericulture, preserving Cambodian silk culture and sector, which will help generate jobs for women in rural areas and could be used as a mean to reduce poverty. The creation of the National Silk Institute and Cambodia’s National Silk Day were considered the best options to revitalize sericulture in Cambodia. H.E. Pan Sorasak, Minister of Commerce, fully supported and endorsed in principle this request during the 26th Sub-Steering Committee on Trade Development and Trade Related Investment (SSC-TD-TRI) meeting that took place in September 2016.

With this initiative, H.E Pan Sorasak, called on all interested development partners to continue or start supporting Cambodia trade development agenda and ensuring that trade-related assistance for the next five years is aligned with the priorities set in the MTP 2016-2020 and that results such as those we reached in the Tier 1 and CEDEP I project can be up scaled, continued and would contribute to our Sustainable Development Goals. He said,

“The Government is increasing its direct support to the sector, partnering with the private sector, so as to make our trade development sustainable in the long run.”

— H.E. Pan Sorasak, Minister, Ministry of Commerce

It is noted that the National Silk Institute will be a major Government’s institutional capacity development endeavor. If it is successful, the silk institute will play a leading role in investing in a long-term training and extension services, as well as to allocate substantial farmland for sericulture in Cambodia. The institute itself will allow the Government to establish a framework for partnership with the private sector to invest in and develop the silk sector, and deliver on the Government’s responsibilities as a partner.
Four New Cambodian Standards on Codes of Practice for Fishery Products Developed to Help Processors Meet Domestic and International Market Requirement

Back in July 2015, the Cambodia Export Diversification and Expansion Program (CEDEP) – Marine Fisheries Product component conducted assessment of Cambodian Standards on Fish and Fishery Products and Foods. The assessment found many deficiencies in the existing standards particularly with reference to lack of Good Manufacturing Practice (GMP)/Good Hygienic Practice (GHP) criteria preventing specific marine fisheries products from meeting global food safety requirements. The assessment report also provided significant recommendation that to help processors in developing their products meeting international requirement, both for domestic and international markets, the development of standard on Code of Practices (CoPs) is a must. These new standards will facilitate integration of Cambodian products into potential ASEAN markets.

In collaboration with the Institute of Standards of Cambodia (ISC), Marine Fisheries Component of Cambodia Export Diversification and Expansion Program II (CEDEP II) hosted a two-day consultation workshop on the draft codes of practices for dried shrimp, frozen shrimp, fish sauce, and chilled and frozen crab meat from 27–28 September 2016 at the Institute of Standard of Cambodia.

Chaired by H.E. Chan Borin, Director General of ISC, and more than 30 dynamic representatives from government institutions, academia, and private sector were at attendance. The workshop aimed to review draft codes of practices for four fishery products (dried shrimp, frozen shrimp, crab meat and fish sauce) and to collect further inputs from stakeholders before submitting to Technical Committee for further review.

In his welcome remark, Mr. Sok Narin, Head of UNIDO Operation in Cambodia pointed out that the codes of practices would be complementary to existing standards and would provide guidance to producers to comply with Cambodian standards to promote quality and safety of products.

H.E. Chan Borin expressed his appreciation to both ISC officials and UNIDO team for drafting the codes of practices. He also stressed the need for private sector to make use of the codes of practices stating that, "while the government has been working to integrate into ASEAN community and to establish bilateral trade agreements with importing countries, Cambodian processors need to comply with quality and safety requirements of those importing countries."

Following the workshop and its recommendations, the Codes of Practice (COPs) were submitted to inter-ministerial Technical Committee for further discussion. The committee reviewed the COPs and forwarded them to National Standards Council (NSC) for its approval.

On 22 December 2016, the National Standards Council headed by H.E. Cham Prasidh, the Minister of Industry and Handicrafts reviewed the new standards and approved them. The Minister in his remarks appreciated the efforts of CEDEP II in developing the new Cambodian Standards on Codes of Practice for four important fishery products and encouraged the ISC to develop more such standards on codes of practice to assist the private sector.

Marine Fishery CEDEP is funded by Enhanced Integrated Framework (EIF) and implemented jointly by UNIDO and Fisheries Administration of Ministry of Agriculture, Forestry and Fisheries. The project aims to create policy dialogue mechanisms and improve enabling environment for constructive interaction between the public sector and various stakeholders in the marine fishery business to tackle issues facing their competitiveness and productivity. Equally important, it will build capacity of processors, traders and cooperatives to comply with quality and safety requirements of domestic market and importing countries as well as improving their market access.
On 23 December 2016, a delegation from Ministry of Commerce (MoC) led by H.E. MAO Thora, Secretary of State, along with Mr. SOK Narin, UNIDO Head of Operations, CEDEP II and Department of International Cooperation (DICO) team visited E Chei Ngov Heng Food Production, and Kampot Seafood, in Kampot City. These companies are CEDEP II - Marine fisheries component’s beneficiaries. The purpose of the mission was to gather some preliminary first-hand, directly from company representatives, information on existing marine fisheries practices, especially marine fisheries processing. The team also inquired on the challenges faced by the processors and engaged in dialogue between local and central government officials to raise awareness and to promote the export competitiveness of the sector through newly developed Cambodia Standards on Codes of Practice (COPS) and implementation of Hazard Analysis and Critical Control Points (HACCP) and its supporting systems.

During the daylong mission, the team observed gradual improvement in quality and safety of the processed crabmeat and marine fish sauce and noted remarkable progress that has been made over the past 2 years. This achievement is mainly due to timely MoC’s intervention through CEDEP II, together with its development partners, UNIDO. The beneficiaries have taken up refurbishment of processing facilities to meet HACCP pre-requisite requirements and undertook preparation of HACCP documents. It is noted that to obtain HACCP certification, EIF funded marine fisheries project co-financed 50% of financial support for refurbishments and other technical supports such as training, certification cost, including test kits to the companies. The progress of the implementation of HACCP is very satisfactory in spite of challenges and it is hoped that the two companies will get HACCP certification by early 2017.

Discussions with two company representatives revealed a keen interest on the development of common market for local marine fisheries products to help producers to reduce costs of renting private market space. The CEDEP II - Marine Fisheries Component is willing to co-finance the establishment of common market up to $5,000 to cover the cost of improvement of an existing store, which originally belong to Mr. Chan Sitha, Director of Ngov Heng Food Production. In addition, the two companies requested the Government, especially the Ministry of Commerce to support further market development and trade facilities. On the other hand, the producers expressed concern on the difficulty in accessing additional financing, with low interest rates, from financial institutions for their future business operations. The project was also briefed on their efforts on capacity building, the introduction to the use of new technologies, business matching with local retails chains, contributing to improved production of the value chain.

As solutions, H.E. Mao Thora proposed three recommendations to ensure that the project achieves its objectives and development goal, before the close of the project. Those included regular progress monitoring and report by the relevant working group on implementation of HACCP in both the processing facilities; CEDEP II to draft an Agreement Letter on Common Market to be signed by representatives from MoC, UNIDO and project beneficiaries; and the project to arrange meeting of Alliance of Marine Fisheries Associations of Cambodia members to develop terms and conditions on the use of common market.
The Ministry of Commerce (MoC) in collaboration with Enhanced Integrated Framework (EIF), and other Development Partners are currently implementing Cambodia Export Diversification and Expansion Program – CEDEP II under Trade SWAp program of MoC which includes Cassava, Marine Fisheries, Academy of Culinary Art of Cambodia and Monitoring and Evaluation and Core Team function of Department of International Cooperation (DICO). The program began in 2014 to address the limited capacity of exporters and processors, and the Government officials from line ministries to understand the situation of Cambodian cassava, marine fisheries products and hospitality sectors for market development, SPS compliance to meet international requirements and for better access to training on kitchen skill for Cambodian kitchen staffs.

Organized by the DICO – EIF National Implementation Unit, and presided over by H.E. MAO Thora, Secretary of State, MoC, on July 13, 2016 at 7 Makara Hotel, Kampong Cham province. The workshop brought together some 80 participants from Government line ministries, Provincial Department of Commerce, and officials from MoC.

In his keynote address, H.E. MAO Thora, spoke on the efforts of the RGC through MoC in promoting Cambodian export markets and capacity development for government staff. He also highlighted the significance of CEDEP II in strengthening and diversifying export supply capacity in five of the nine Trade SWAp Pillar 2 sectors that have been identified by the Government as export sectors requiring immediate, and prioritized actions. They included cassava and marine fisheries products, and tourism (skill development for hospitality sector). "We are so proud that Cambodia has moved from least developing countries to low middle income countries; which mainly contributed by the effectiveness and efficiency of the implementation of RGC’s NSDP and the Aid-for-Trade development assistance," said the Secretary of State.

Speaking on the occasion, Kampong Cham Province representative, H.E. KEO Narith, Deputy Provincial Governor, stated that the regional dissemination initiative is a milestone in Kampong Cham province’s continued commitment to support provincial department of commerce, private sector in addressing skill gap and limited access to trade information. This initiative certainly affects the trade development effort and people’s livelihood of the province.

CEDEP is designed to strengthen and diversify export supply capacity in five of the nine Trade SWAp Pillar 2 sectors that have been identified by the Government. CEDEP II focuses on Cassava, Marine Fisheries Products, and Tourism (specifically, skills development for the hospitality sector through the creation of the Royal Academy of Culinary Arts (RACA) intended to train kitchen and food-related staff for the hotel and restaurant sectors). It also includes an evaluation component, which intends to support the efforts of DICO to strengthen its capacity to monitor and evaluate substantive progress of Cambodia’s Trade SWAp. DICO serves as Cambodia’s Trade SWAp Secretariat and EIF National Implementation Unit (NIU).
ALLIANCE OF MARINE FISHERY ASSOCIATIONS OF CAMBODIA (AFAC) CREATED TO BOOST DIALOGUE MECHANISM BETWEEN MARINE FISHERY PRODUCERS AND POLICY MAKERS.

With the support from CEDEP II-Marine Fisheries Component and collaboration with Ministry of Commerce (MoC), United Nations Industrial Development Organization (UNIDO) organized a regional workshop on the creation of Alliance of Marine Fisheries Associations of Cambodia (AFAC) on October 7, 2016 at Preah Sihanouk Provincial Department of Commerce, Preah Sihanouk province. The workshop was held to discuss the formation of AFAC and to elect Head of AFAC as well as to consult with all stakeholders on the creation of the common market, a mechanism to further support the AFAC.

H.E. Phay Bunvannak, Deputy Governor of Preah Sihanouk province witnessed the discussions and formation of AFAC. “I am proud to be part of today’s discussion on the formation of the Alliance and creation of the common market, which will serve the interest of AFAC and promote its functionality and sustainability,” he said.

“AFAC plays essential roles in identifying issues related to marine fisheries sector and representing all actors as a collective voice to inform and advocate for government support,” said H.E. Penn Sovicheat, Director General of Department of Domestic Trade.

The election took place between four candidates from Kampot, Koh Kong and Preah Sihanouk provinces. As a result, Mr. Chin Samnang was elected as President of AFAC while other three candidates were nominated as Deputy Presidents. As a step forward, board members of AFAC will meet to finalize the statute of AFAC and to work together to launch the common market. It should be noted that the workshop agreed on the proposed terms and conditions for the use of the common market.

Prior to this, a consultation workshop on the possible creation of Apex association for marine fishery was successfully organized by CEDEP II on August 8-9, 2016 in Kampot. The workshop was co-chaired by H.E. Mao Thora, Secretary of State of Ministry of Commerce, and H.E. Ly Saveth, Vice Governor of Kampot province. It brought together 30 stakeholders from Kampot, Preah Sihanouk, Koh Kong, Kampong Speu, and Phnom Penh.

In the opening session, H.E. Mao Thora urged all the producer associations to work together in strengthening competitiveness of producers and to reach a consensus in forming Apex or alliance of fishery producers group since the project is coming to an end next year.

The workshop also arranged for a study visit to Kampot Pepper Promotion Association and to Kampong Speu Palm Sugar Association for participants to gain real insight into successful experiences of these associations and their sustainability. As a way forward, the workshop agreed to create common market to serve common interest and immediate benefit of members of the Apex body to be formed in the near future. It also agreed to hold another meeting to finalize Apex association’s legal text and other relevant and necessary terms and conditions.
On August 11, 2016, Cambodia National Implementation Unit of Ministry of Commerce (NIU), organized a regional dissemination workshop on the “Trade SWAp, Enhanced Integrated Framework, and Cambodia Export Diversification and Expansion Program Phase II (EIF CEDEP II) Project: Finding, Monitoring and Evaluation, Results and Impacts” in Battambang province. The program was attended by 80 participants consisting of CEDEP II coreteam members from Government line ministries, officials of provincial departments of commerce, provincial chamber of commerce, and representatives from private sector project beneficiaries. The workshop was aimed at disseminating the results of CEDEP II projects implementation, best practices and lessons learned and to explain on the importance of Aid-for-Trade, and project sustainability that are currently part of the MoC’s trade agenda. The goal of the workshop was strengthening capacity and export diversification, focusing on five of the nine products and services, identified in the Cambodia Trade Integration Strategy (CTIS) 2014-2018, towards meeting the requirement of international market.

On that occasion, H.E. Mrs. Tekreth Kamrang, Secretary of State, Ministry of Commerce, opened the workshop, which included presentations by Ministry of Commerce (MoC) staff on the reform process such as RGC’s national development strategy and Medium Term Plan (MTP) 2016-2020. The presentation also touched upon the role of MoC in project implementation, project ownership, essentials of Aid-for-Trade and its contribution to trade sector development, and the results of EIF CEDEP II. During the discussion, active involvement of private sector representatives provided insight on the current status of their compilation and dissemination practices as well as their plans for improvement towards meeting the requirements of the international markets. MoC staff also used this occasion to exchange views with each participant to further elaborate and enhance the future Trade SWAp program.

On behalf of H.E. Pan Sorasak, Minister of Commerce, H.E. Mrs. Tekreth Kamrang lauded the excellent cooperation and proactive participation demonstrated by H.E. Deputy Provincial Governor of Battambang along with key participants from the seven provinces. “I am delighted and keen to continue working with the Government to reach the goal of poverty reduction. The trade development program, especially the CEDEP program, has played a key role in poverty alleviation in Cambodia. With sustainable economic development, the poverty rate fell from around 53% in 2014 to 13% in 2015,” she stressed. In addition, Her Excellency mentioned that the sustainable economic development is not only about poverty reduction, but it also contributes to the political stability and peace. She encouraged all participants to share “lesson learned and best practices from each other’s experience,” which is a valuable and persuasive tool for future project implementation.

The CEDEP II project of the MoC began in 2014, supported by a grant from the EIF and other donors. The MoC has commissioned Main Implementation Entities (MIEs) to implement on its behalf. Cassava project is implemented by United Nations Development Program (UNDP), Marine Fisheries component is implemented by United Nations Industrial Development Organization (UNIDO), and Academy of Culinary Arts of Cambodia (ACAC) implemented by Shift360. Department of International Cooperation (DICO) of the MoC is responsible for monitoring and evaluation (M&E) aspect of the program.
MARINE FISHERY COMPONENT OF CEDEP II CONDUCTED TRAINING ON GOOD HYGIENE PRACTICES AND LEGAL FRAMEWORK IN MARINE FISHERIES IN KAMPOT PROVINCE

Marine Fisheries Component of Cambodia Export Diversification and Expansion Program II (CEDEP II) successfully conducted training on good hygienic practices and legal framework in marine fisheries in Kampot Province from July 21 to July 22, 2016. The training was presided over by Dr. Chhoun Chamnan, Core team member and representative of Fisheries Administration. Mr. Sar Sorin, Head of Kampot Fisheries Cantonment, and members from Department of International Cooperation (DICO) of Ministry of Commerce led by the Director, Mr. Chhieng Pich were present in the occasion. The training brought together 55 processors, traders, and fishermen, seventy percent of whom were women.

The training was held to enhance the capacity of small scale processors, traders and fishers to meet food safety requirement of local markets, and to raise awareness on in-country legal requirements for fish-related business. It is part of capacity building program for smallholders, intended to prepare them to respond to local market demand and ultimately for market expansion.

In his opening remarks, Dr. Chamnan welcomed the training program and encouraged participants to be attentive to training and apply the skills and knowledge gained in the training to their daily operations. He also expressed his appreciations in involving provincial fishery cantonment trainers as training resources. It should be noted that the training was mainly delivered by officials of Kampot fishery cantonment and Fishery Administration.

According to pre- and post-training assessment, participants significantly improved their knowledge in the subject, and hoped to receive further trainings.

About CEDEP II: Marine Fishery Marine Fishery is a program funded by Enhanced Integrated Framework (EIF) and implemented jointly by UNIDO, Fisheries Administration (FiA) and Ministry of Commerce (MoC) to improve the competitiveness of Cambodia’s fish and fishery products for better market access thereby contributing to national economy.
Tourism is one of the main drivers for growth in Cambodia. International tourist arrivals grew by 4.4% in 2015 to reach 1,184 million worldwide in 2015, based on the latest UNWTO World Tourism Barometer. Some 50 million more tourists (overnight visitors) traveled to international destinations around the world last year compared with 2014. Asia and the Pacific reported growth of 5% with 13 million more international tourist arrivals last year to reach 277 million, with uneven results across destinations.

Based on World Travel and Tourism Council, travel and tourism have contributed about $7.6 trillion, or about 10% of world GDP, and 277 million jobs, or about 1 in 11 jobs in the global economy. With annual GDP growth of Cambodia averaged 7% a year for the last decade, tourism has contributed 8.4% in 2015, resulting in job creation of 4.5%.

Currently, the Royal Government of Cambodia is seeking to double the numbers of international arrival by 2020 i.e. to achieve roughly 7 million visitors a year. To reach this objective, it is imperative that Cambodia expands and diversifies its offer including restaurants, hotels, tour guide, and entertainment services.

Despite tourism industry in the country showing a positive sign, it is suffering from a serious shortage of skill staff and kitchen. Based on Asian Development Bank, tackling the skill gap is a key challenge facing Cambodia if it is to uphold its impressive tourism growth.

Cambodia’s Minister of Tourism, H.E. Thong Khon, said that tourism industry still lack skilled labor to meet expected double-digit growth by 2020. He said that only about 20% of the workers in the tourism industry have professional training. Currently, the industry already employed about 620,000 people, but the industry will need more than 1 million employees by 2020. “The number will need to rise dramatically by 2020 to help the growth forecast for the industry… to acquire sustainable growth, the service and hospitality must achieve high standards,” said the Minister.

That is why, in early 2014, the MoC with support from EIF setup a school of culinary arts and hospitality called “Academy of Culinary Arts of Cambodia” or ACAC. Today, a Swiss-based NGO called Shift360 is taking responsibility for the school operation and project implementation. ACAC aims to train Cambodian culinary staff, cooks, and chefs to meet the fast-growing needs of the hospitality industry in Cambodia.

ACAC is a hospitality training center offering an internationally recognized diploma in the culinary arts that aligns with ASEAN standards and Swiss work ethos. The school’s vision and mission as the premier culinary training institution in the country are to train Cambodian youth to be competent, skilled and professional players in the hospitality. Furthermore, it is committed to deliver the best culinary training for excellence, practice, and professionalism and that reflects the modern culinary industry and current trends. The ACAC is Cambodia’s first Public-Private Partnership (PPP), bringing government and private sector together to address skills development and unemployment challenges in Cambodia.

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MINISTRY OF COMMERCE SHARED EXPERIENCES AND LESSON LEARNED WITH THE DELEGATION FROM ETHIOPIA

Cambodia is one of the least developed countries to receive Aid for Trade and trade-related technical aid since Cambodia's WTO accession in 2004. WTO through the EIF has supported Cambodia in preparing the first DTIS in 2002. Subsequently, the DTIS was updated two more times in 2007 and 2014, becoming the first country to do so.

The successful completion and update of DTIS allowed Cambodia to attract interest worldwide on its implementation of Aid-for-Trade programs. Between 2014 and 2016, the Ministry of Commerce received several visits from many countries and agencies who were interested in understanding more on Cambodia's achievements, challenges and success stories. These include Nepal, Bhutan, Laos, Myanmar, Vanuatu, and two Korean universities.

Therefore, in the spirit of international cooperation, Cambodia was proud to welcome a Ethiopian delegation composing nine members from the Ethiopian government, who visited Cambodia from December 19 – 23, 2016. The experience sharing and site visit programs were the key events organized for the delegation.

In her welcome remark, H.E. Mrs. Tekreth Kamrang, Secretary of State, Ministry of Commerce, extended a warm welcome to delegation. “With the successful experiences in trade reform agenda and Aid-for-Trade program implementation, the ACAC has brought together key stakeholders from important areas in Cambodian society. These important connections, with the curriculum that represents international and ASEAN standards, promises that students who graduate from the ACAC will gain the skills and experience needed to succeed in their future careers.”

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Swiss Hotel Management School Lucerne (SHL), a school with over 100 years of experience, is the technical training partner and has developed the Academy’s program to reflect international and ASEAN culinary principles. Cambodian people can trust the ACAC to deliver the highest quality education to its youth. Those include vocational training and on-the-job work experience which prepares young people for a successful career in the hospitality and tourism. It offers high-quality vocational training that direct impacts a booming specialized sector that also helps address the current skill gap and a high youth unemployment rate in the country.

It took more than three years to develop, and carry out the Academy of Culinary Arts of Cambodia but now the ACAC building is completed and the newly-finished kitchen is state of the arts. The Academy is ready to receive registration and welcome students for the short-term courses starting in December 2016, as well as the up-skill training starting in January 2017 and the 2-year-diploma starting in March 2017. As a public-private-partnership, the ACAC has brought together key stakeholders from important areas in Cambodian society. These important connections, with the curriculum that represents international and ASEAN standards, promises that students who graduate from the ACAC will gain the skills and experience needed to succeed in their future careers.
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the World Trade Organization has selected Cambodia to be the Coordinator of Least Developed Countries (LDCs) Group at WTO for the mandate of 2017," she said. This role will need dedication and commitment from all levels to gain common benefits for all LDCs and it will raise the Cambodian profile in the global scene.

In addition to seminar provided by the Ministry of Commerce (MoC), a site visit for the delegation to a number of project beneficiaries around Phnom Penh was organized to give some other insights of small and cottage industry in Cambodia. At the Academy of Culinary Arts of Cambodia (ACAC), Mr. Pierre Tami, ACAC Director, and his colleague, Prof. Markus Kalberer, shared experiences of ACAC, including the academic curriculum to meet the ASEAN and international standards. Mr. Pierre Tami also invited the delegation to visit some specific areas of kitchen, classrooms, each with the capacity of 20 seats, barista bar, showroom kitchen with 60 seats, student restaurant, VIP restaurant, café. ACAC director told Ethiopian delegation that ACAC, a private and public partnership project, is the first leading school to offer up training course and the diploma in kitchen and hospitality in Cambodia.

Cambodia’s success in implementing Aid-for-Trade program is mainly due to the formulation of the Trade SWAp, which ensures the MoC has capacity to manage, oversee, and achieve results under the program. The SWAp aims to coordinate the efforts and financial support of the Cambodian Government, private sector, and Development Partners on a single, shared strategy to develop Cambodia’s trade.

Currently, Department of International Cooperation (DICO) of MoC, as the National Implementation Unit has carried out two programs through the Trade SWAp. Twenty-nine projects received support from the Trade Development Support Program (TDSP), and 7 received support from EIF Tier 1 and Tier 2. The two programs focused on cross-cutting issues, products and services promotion, and capacity development.

This kind of visits and experience sharing program is an example of a South-South cooperation and a good example of cross-country experience in the region.
Today, Project Steering Committee (PSC) meeting of Cambodia Export Diversification and Expansion Program (CEDEP II–Marine Fishery component) held at Raffle Hotel Le Royal. The event was organized jointly by United Nations Industrial Development Organization (UNIDO), Ministry of Commerce (MoC) and Fisheries Administration (FiA). The meeting was presided over by H.E ENG Cheasan, Director General, Fishery Administration and Her Excellency TEKRETH Kamrang, Secretary of State, Ministry of Commerce. The meeting brought together more than 20 participants representing MoC, FiA, UNIDO (project implementing entity) and relevant private sectors.

This 4th PSC meeting was organised to disseminate the progress made so far in the CEDEP II (Marine Fisheries) program against planned activities and to agree upon the work plan for the remaining phase of the program. The meeting reviewed the progress of the project and the proposed activities for further project implementation.

HE Tekreth Kamrang appreciated the project for obtaining HACCP certification of the first seafood processing in the country with global recognition. This will definitely make a big contribution to the ongoing efforts of the MoC in trade development and reforms and encourage the industry for improving export competitiveness.

"Bringing out of Export Manual for fishery products, creation of Alliance of Marine Fisheries Association of Cambodia (AFAC) and development of four new Cambodian Standards on code of practice on marine fishery products play a major role in meeting the objectives of Strategic Planning Framework for Fisheries," said H.E. Eng Cheasan.

He also reiterated that the outcomes of CEDEP II will have to be further sustained in forthcoming EU assisted programs called CAPFish- aquaculture and CAPFish- capture fisheries and to take fishery sector to the next level by building on achievement made and lessons learned in this CEDEP II.

Mr. Chhor Kunthy of Kampot Seafood appreciated hard work of the project along with his staff in implementing HACCP pre-requisites and passing the HACCP certification audit. PSC members appreciated the progress of the project contributing to the success of the event as significant inputs were made. Furthermore, they also agreed on the proposed activities for project extension for sustainability and capacity building actions.

About CEDEP II: Marine Fishery:

Marine Fishery is a program funded by Enhanced Integrated Framework (EIF) and implemented jointly by UNIDO and Fisheries Administration (FiA) and Ministry of Commerce (MoC) along with relevant private sector beneficiaries to improve the competitiveness of Cambodia’s fish and fishery products for better market access thereby contributing to national economy.

moc.gov.kh/tradeswap | facebook.com/CambodiaTradeSWAp/
San Sreyleak was taught how to cook by her mother in a cramped, makeshift kitchen boiling well water over a handmade fire in their hometown in Pursat province. She can easily fry up pad thai or beef lok lak, and recently worked in Thailand for a year as a street noodle vendor.

But the aspiring chef has dreamed of learning to cook international cuisines with proper appliances in a professional kitchen and eventually opening her own small restaurant.

“I don’t know how to make some food, but my future is cooking,” Ms. Sreyleak was the first student to enroll in the country’s first culinary institute, the Academy of Culinary Arts Cambodia (ACAC), which opened admissions for its first cohort earlier this month for a two-year degree program.

In March, Ms. Sreyleak and her classmates will begin cooking courses in a pristine, spacious kitchen in Phnom Penh filled with appliances imported from Switzerland.

“There’s a huge demand for quality chefs. That’s why the academy was founded,” said Markus Kalberer, the school’s dean. “Everyone is basically complaining that there is no education in the culinary sector.”

While Mr. Kalberer acknowledged the work that NGOs have been doing in Cambodia to train chefs and servers, he said the output was far below the country’s need.

According to Luu Meng, one of Cambodia’s most prominent chefs and restaurateurs, that need is only expected to grow as the Tourism Ministry has projected a continued increase in the number of restaurants through at least 2020. “The going-up of the restaurant is always happening,” he said. “For sure, we have requested a lot of skilled employees, and also we...
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need more basic knowledge for employees.”

At the academy, students will split their time between two semesters of cooking and theory courses—such as hygiene, business management and English—and two spent doing internships in the field.

“It’s not just a cooking class,” said Nicole Loretan, the academy’s sales and marketing manager. “They learn it all, because when they come out, they need to be at an international level.”

“If they apply in Singapore or whatever, they cannot just come and say ‘yeah, what did you learn the last two years?’ ‘Khmer cuisine,’” she said, explaining that students would learn cooking techniques from around the world.

Anyone who has completed 12 years of education—regardless of whether they have passed the national high school completion exam—is eligible to apply, Ms. Loretan said.

A full degree costs about $3,000 for Cambodians, and just over $6,500 for foreign students. The end result for successful participants is an Asean-standard degree certified by Swiss Hotel Management Academy Lucerne, a school opened in 1909 to help provide a similar supply of workers to meet culinary demands in Switzerland.

Sothea Seng, a chef at Mahob Khmer Restaurant in Siem Reap who has worked overseas, said the academy was a welcome addition to the industry.

“I want to see our young chefs able to create new food. So in order to do that, they need to learn about ingredients, the source of ingredients and also the vitamins of each ingredient and what goes well together,” he said.

“To be honest, they are talented but…they don’t have the proper schools or whatever that they can learn from those details.”

As the launch of the degree program draws near, the academy is still working to find chefs and teaching assistants to join its staff. Aside from himself, Mr. Kalberer said, one Cambodian teaching assistant had been hired, with two more chefs and two assistants still wanted.

“That’s the biggest challenge we have right now: to find [a] faculty which can deliver the quality we want to deliver,” he said.

And while the program’s launch was intended to be modest, taking on an initial 40 students compared to the eventual goal of 200 per cohort, so far Ms. Sreyleak is the only one to complete registration, with an additional 10 in the process, Ms. Loretan said.

But Ms. Sreyleak has little doubt that things will come together and she’ll walk away prepared to effectively heat up a kitchen.

“In the school, they’ll show me how to do this—how to prepare the food, how to cook,” she said. “I’m happy because when my studies finish, I will have a job and I can open a small restaurant by myself.”

UPCOMING EVENTS

KEY ACTIVITIES UNDER EIF PROGRAM

4. Regional Dissemination Workshop on “Trade SWAp, EIF, CEDEP II Projects.
6. A join ES and TFM Supervision Mission for Tier II CEDEP II.
7. CEDEP II Final Evaluation, June 2017.