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The World Bank

Report No: ISR11617

Implementation Status & Results
Cambodia
Cambodia Trade Development Support Program (RETF093573) (P109648)

Operation Name: Cambodia Trade Development Support Program (RETF093573) (P109648)
Project Stage: Implementation
Seq.No: 7
Status: ARCHIVED
Archive Date: 16-Sep-2013

Country: Cambodia
Approval FY: 2009
Product Line: Recipient Executed Activities
Region: EAST ASIA AND PACIFIC
Lending Instrument: Specific Investment Loan
Implementing Agency(ies):

Key Dates

Board Approval Date	07-Jan-2009	Original Closing Date	31-Mar-2012	Planned Mid Term Review Date	13-Oct-2012	Last Archived ISR Date	28-Jan-2013
Effectiveness Date	09-Mar-2009	Revised Closing Date	31-Jan-2014	Actual Mid Term Review Date	12-Nov-2010		

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The Trade Development Support Program will contribute to increase the Royal Government of Cambodia's efficiency informulating and implementing effective trade policies.

Has the Project Development Objective been changed since Board Approval of the Project?

○ Yes ◉ No

Component(s)

Component Name	Component Cost
Component 1a: Technical Barriers to Trade (TBT) and Sanitary and Phyto-Sanitary (SPS)	2.00
Component 1b: Trade Facilitation	2.50
Component 1c: Other Legal Reforms and RGC WTO Obligations	1.20
Component 2: Performance Monitoring	1.00
Component 3: Institutional and Human Capacity	4.85
Component 4: Implementation Support to the TDSP	0.80

Overall Ratings

	Previous Rating	Current Rating
Progress towards achievement of PDO	Moderately Satisfactory	Moderately Satisfactory
Overall Implementation Progress (IP)	Satisfactory	Satisfactory
Overall Risk Rating	Moderate	Moderate

Implementation Status Overview

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The TDSP became effective in March 2009 and will be extended to a new closing date of March, 2015 for recipient execution and September, 2015 for Bank-execution. The extension is currently in process. The formal closing date of the trust funds at time of writing is June, 2014.

The PDO is on the way to being achieved, as demonstrated by the achievement of
1. a functioning trade SWAp,
2. strong M&E unit, following up all agencies to ensure results are achieved
3. automation of Ministry of Commerce
4. development of a national trade portal
5. development of a trade repository (that links to the trade portal)
6. automation of trademarks
7. automation of certificates of origin
8. roll-out of Customs automation to all 21 checkpoints
9. decreased transaction times for imports and exports, faster port handling and reduced inspections
10. sub-decree on Non-Tariff Measures drafted

The project now boasts a number of early results that contribute to the program development objectives. A results framework that links SWAp Roadmap indicators and TDSP indicators to project-level performance has allowed for monitoring and evaluation at a granular level, as was the original intention of the program. This has been enabled by the endorsement of the trade sector-wide approach (SWAp) roadmaps since December 2011.

Donors to the trust fund have shown their enthusiasm for the program and their support for the current management arrangements by making replenishment funds of $6 million available and advocating an extension of the TDSP to March 2015 in order to meet the original program development objectives.

The Ministry of Commerce appointed new program managers in 2012.

The program status remains Satisfactory for program implementation and Moderately Satisfactory for progress towards development objectives, with an upward bias. These ratings will be reviewed in November 2013.

Locations

No Location data has been entered

Results

Project Development Objective Indicators

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Indicator Name	Core	Unit of Measure		Baseline	Current	End Target
Regular practice of a streamlined RGC-led process for consultation and financing, and satisfactory progress in implementing the Trade Swap.	☐	Text	Value	Trade SWAp approach agreed; initial annual work plan ready for implementation	The Sub-Steering Committee chaired by the Minister of Commerce is meeting every 3 months and the Implementing Committee is meeting every month. SWAp Roadmaps are in use (though SWAp pillar group meetings need to be be made more regular) and results framework is in place for assessing the contribution of projects to the SWAp roadmaps. Diagnostic Trade Integration Strategy Report is being drafted. The DTIS will contribute to the RGC's 5 Year Plan, called the National Strategic Development Plan 2014-18 and the so-called Rectangular Strategy used by the Government to implement reforms. Contribution from TDSP to the DTIS conclusions would be highly favorable to the PDOs.	Completion of fourth annual progress report and agreement reached on further TDSP support; evidence of progress in Trade SWAp implementation in APR
			Date	01-Jan-2009	31-Oct-2012	01-Feb-2014
			Comments			

Intermediate Results Indicators

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Indicator Name	Core	Unit of Measure		Baseline	Current	End Target
Increased coverage of SPS regulations and support services	☐	Text	Value	Incomplete regulatory system on SPS; occasional non-compliance with WTO agreements on SPS	Standards for rice varieties have been developed; fisheries value chain analysis underway.	Products Quality and Safety is enhanced in line with international standards requiring SPS compliance
			Date	01-Jan-2009	31-Oct-2011	01-Feb-2014
			Comments	as in PAD	A project entitled "Better Quality and Safety of Fish and Fishery Products for Improving Fish Trade Development in Cambodia" valued at more than $1 million is underway at Fisheries	
Improved compliance with WTO agreement on TBT	☐	Text	Value	Incomplete regulatory system on TBT; occasional non-compliance with WTO agreements on TBT	Standards for rice and for various domestically produced goods have been developed.	Products Quality is enhanced in line with National Technical Regulations and international standards
			Date	01-Jan-2009	31-Oct-2012	01-Feb-2014
			Comments	as in PAD	Projects to support the improved compliance with WTO agreements on TBT include: (i) Strengthening the capacity of the Institute of Standards of Cambodia (ISC); (ii) Development of Completed Drafts of National Standards for Rice and Strengthening the Capacity of Conformity Assessment Body – Phase 1.	
Evidence of satisfactory progress in the 12 point action plan	☐	Text	Value	Progress under 12-point action plan: Achievements in this action plan include point 1: Establishment of a cross agency trade facilitation/ investment climate reform team; point 3: "Replace 45 documents with the Single Administrative Document"; point 4: "IntroduceRisk Management to target inspections"; point 6: "Automated Single	A new 12-Point Plan has been drafted, agreed between Ministries but not yet endorsed by the Sub-Steering Committee on Trade. A request has been received from GDCE to carry out a NSW Business case. A study tour was conducted to demonstrate NSW modalities in other countries. ASYCUDA roll out complete.	12 Point Action Plan substantially complete. An increase in Cambodia's ranking on the Logistics Performance Index.

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				Window" (the ASYCUDA automated system in place in Sihanoukville);and point 7: "Introduce flat fee & service level agreement" (recurring cost of automated customs operations have been estimated); point 8: streamlining process and reduce cost of commercial registration, point 12: some forms of monitoring and reporting of PSD progress have been reported to the bi-annual Government Private Sector Forum.		
			Date	01-Jan-2009	31-Oct-2011	31-Mar-2012
			Comments	as in PAD	Additional activities under recipient-execution include: GDCE Capacity Enhancement program ($613,000) comprising (i) A National Customs Intelligence System developed and implemented. (ii)A Strategic Plan for Customs Marine Enforcement developed. (iii) Compilationof trade statistics improved. (iv) Business Plan for the Inspection of Petroleum Products completed. (v) A legal data base of decisions related to Customs laws and regulations developed and staff trained in its use, resulting in fewer cases brought to court and orlost. (v) Post-clearance audits, investigation, intelligence gathering, and anti-smuggling capacity improved. A special training program for	

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					staff to prepare them to the new operating principles and practices implemented;	
Increased efficiency and effectiveness of functions performed in critical MoC departments and targeted agencies	☐	Text	Value	Weak capacity of several MOC's departments and other agencies	The M&E team at DICO has played a key role in targeting weaknesses for the implementing unit to follow up. Training in finace and procurement has taken place for key staff members. Ongoing capacity building in all line ministries is taking place through a projectwith Royal School of Administration.	MoC functioning as a change agent / champion in terms of using trade to increase economic development and social welfare in Cambodia in coordination with other Line Ministries and stakeholders
			Date	01-Jan-2009	31-Oct-2012	31-Mar-2012
			Comments	as in PAD		
A transparent, consistent and sustained trade monitoring system grants regular access to trade information by stakeholders.	☐	Text	Value	Weak and fragmented M&E system in place	National trade portal under construction, including trade respository. SWAp roadmaps are being revised in line with DTIS.	Implementation of M&E system, implementation of trade portal and some evidence of automation of the functions and activities of MOCand key trade agencies.
			Date	01-Jan-2009	31-Oct-2012	01-Feb-2014
			Comments	as in PAD		
Evidence of higher compliance of legal framework with WTO obligations.	☐	Text	Value	review of Legal Action Plan indicates patchy compliance of Cambodian trade regime with WTO accession protocol	draft sub-decree on NTMs soon to be issued. Prakas on transparent fees and charges for trade-related agencies has been issued. Customs Valuation agreement is somewhat implemented.	Draft, finalization and review of key trade related laws
			Date	01-Jan-2009	31-Oct-2012	01-Feb-2014
			Comments	as in PAD	Recipient execution: The e-commerce law is under draft and the commercial law project is being revived after an 18-month hiatus to support the work program resulting from the WTO TPR and the ASEAN gap assessment. Both projects are funded by TDSP and will bring Royal	

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					Government Cambodia into compliance with WTOand ASEAN obligations.	
Average time for imports / exports (days)	☐	Text	Value	6.5/4.5	5.1/2.4	4.5/2.5 More simple, transparent and cheaper import, export and transit procedures and processes practiced
			Date	31-Aug-2004	31-Oct-2012	30-Sep-2015
			Comments	Source: 2004 Investment Climate Survey	Source: 2007/2008 and 2012 Investment Climate Surveys	
Proportion of containers physically open (%)	☐	Text	Value	100%	20.6% for imports, 8.3% for exports	Overall reduction in the number of
			Date	13-Jan-2009	31-Oct-2012	01-Feb-2014
			Comments	% of containers selected for red-channel inspection at the main ports with risk management system	% of containers selected for red-channel inspection at the main ports with risk management system functioning (e.g. Sihanoukville port, Phnom Penh International Airport, Dry Ports).	

Data on Financial Performance (as of 09-Jul-2013)

Financial Agreement(s) Key Dates

Project	Ln/Cr/Tf	Status	Approval Date	Signing Date	Effectiveness Date	Original Closing Date	Revised Closing Date
P109648	TF-93573	Effective	14-Jan-2009	14-Jan-2009	09-Mar-2009	31-Mar-2012	31-Jan-2014

Disbursements (in Millions)

Project	Ln/Cr/Tf	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P109648	TF-93573	Effective	USD	12.35	12.35	0.00	6.98	5.37	57.00

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Disbursement Graph

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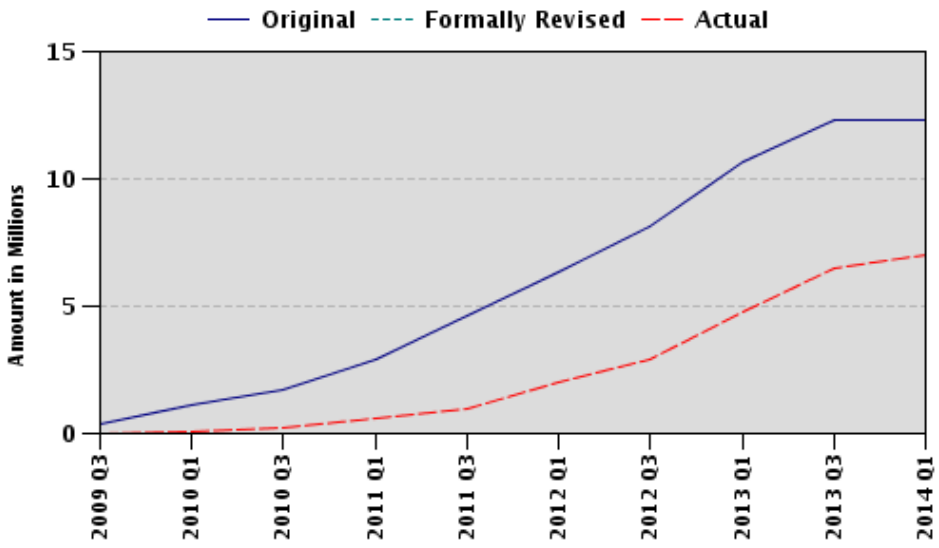

Key Decisions Regarding Implementation

Replenishment funds of $6 million are available and the trust fund will be extended to September, 2015 (recipient-executed trust fund to March, 2015) in order to meet the original program development objectives.

Restructuring History

Level two Approved on 19-Dec-2010, Level two Approved on 19-Mar-2012

Related Projects

P115669-KH-Strategic Approach for Pillar 1 of SWAp

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