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The World Bank

Report No: ISR15415

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: 8 | Status: ARCHIVED | Archive Date: 27-Jul-2014

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	16-Sep-2013
Effectiveness Date	09-Mar-2009	Revised Closing Date	31-Mar-2015	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	

Implementation Status Overview

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The Senior Minister of Commerce wants to increase Cambodia's position in the Doing Business indicators by as many as 20 rankings. The Customs agency (GDCE) wish to implement an automated National Single Window. A work program has been agreed to use TDSP funds to achieve those goals.

The following crucial projects must be implemented in the coming year:

- Automation of key trade related processes including abolition of unnecessary rules of origin, automation of ministry procedures related to company registration, IPR and Trademarks, introduction of epayment systems for government services.

A facilitating environment around business and trade procedures is being put in place:

- A national trade portal that will make trade rules and regulations publicly searchable.
- A trade repository containing a database of all relevant rules for goods and services trade.
- Automated applications for certificates of origin.
- ASYCUDA World is being rolled-out to an additional 11 customs and border checkpoints, leading to faster port handling and reduced inspections, and more predictable application of import/ export duties.
- A Sub-Decree on Non-Tariff Measures (NTMs) should be ratified, an NTM Committee established and a draft E-Commerce law adopted by the National Assembly. These efforts are being supported by judicial training.

Solid results already achieved by TDSP include:

- Cambodia has jumped 46 places in the Logistics Performance Indicators in since 2010. This makes it a star reformer among LDCs.
- Export clearance times have halved over the past four years, saving time and money for exporters.
- Physical inspection of goods at the border has decreased.
- The NTM work program initiated by the World Bank during Cambodia’s chairmanship of ASEAN has been adopted by all ASEAN countries.
- Strengthened institutional and human capacity in MoC and trade-related agencies through export and SME training, Market Analysis and Market Mapping Training conducted by ITC, review of core functions at the Ministry of Commerce, development of training syllabus and course programs for intellectual property in major universities in Cambodia, awareness training program of Customs procedures, and on-going training in project supervision, M & E, and project management in all agencies.

Achievements under the SWAp include:

- A National Single Window Blueprint has been finalized for Customs (GDCE).
- The DTIS (the Cambodian Diagnostic Trade Integration Strategy) has been updated, partially funded by TDSP and featuring World Bank analytical input to chapters on IPR, Trade Facilitation and Customs.
- The Trade SWAp continues to play the main role of coordinating trade policy between Ministries and between development partners.
- The institutional capacity of MoC to coordinate and manage trade-related technical assistance has increased. The Trade SWAp Secretariat has been functioning effectively as a National Implementation Unit under the Department of International Cooperation (D/ICO), Ministry of Commerce, coordinating activities of the Trade SWAp Roadmap Pillar Working Groups and funding from multiple development partners.
- Technical assistance and capacity building at the MoC has resulted in a strong M & E Unit at the Department of International Cooperation of the Ministry of Commerce that is able to follow up all agencies’ implementation progress to ensure results are achieved.

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Locations

Country	First Administrative Division	Location	Planned	Actual
Cambodia	Krong Phnum Penh	Phnom Penh		✓

Results

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Project Development Objective Indicators

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	- New strategic outcomes are in place following the completion of the Cambodia Diagnostic Trade Integration Strategy (DTIS). - SWApstructure has been revised under the new Minister of Commerce to ensure it is more flexible and responsive to the needs of implementing agencies. - An M&E unit has developed a results framework that encompasses the TDSP, the EIF and the SWAp. The M&E unit monitorsprogress towards development objectives on a monthly basis. - • The Sub-Steering Committee onTrade Development and Trade RelatedInvestment (SSC-TD-TRI) chaired by the Minister of Commerce is meeting every 3 months. - • The strengthened capacity of DICO is helping the Ministry of Commerce to be more strategic in planning and implementing development assistance activities.	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	11-Jun-2014	31-Mar-2015
			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	- Many Non-Tariff Measures (NTMs) are related to phyto-sanitary standards (SPS). A review of NTMs regulations is underway through an NTM review committee at MEF to see if the measures are scientifically justified. If not, they will be considered market access barriers to be abolished by the Government. - The WB task team is providing guidance to MAFF to put in place an automated system of phyto-sanitary reporting that will allow exports of rice and vegetables to be certified through 5 provincial officies instead of at the central ministry, saving time for exporters. The inspection process is becoming more credible through training for provincial inspectors. - A large-scale intervention in the fisheries value chain is upgrading the capacity of processors and producers in order toincrease formal exports of fish. UNIDO consultants are assisting the FiA of the Ministryof Agriculture, Forestry and Fisheries to implement this project. Another project outside of TDSP and being financed by ADB is "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 (though implementation has been delayed due to the complications of contracting with a UN agency).Another project, currently being	Products Quality and Safety is enhanced in line with international standards requiring SPS compliance

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Improved compliance with WTO agreement on TBT	☐	Text	Value	Incomplete regulatory system on TBT; occasional non-compliance with WTO agreements on TBT	- The reform of Non-Tariff Measures (NTMs) has a direct impact on TBTs, because technical barriers are often used to limit market access. The Sub decree on NTMs and the establishment of the new NTM Committee will create policy space to review and abolish unnecessary TBTs. Additionally, as mentioned in previous ISRs, There are two large-scale projects underway to address TBT compliance at theInstitute of Standards of Cambodia (ISC). Standards for rice and for various domestically produced goods have been developed and endorsed by the private sector. Accreditation of ISC by an international standards-setting body may take place in 2015 using TDSP funding.	Products Quality is enhanced in line with National Technical Regulations and international standards
			Date	01-Jan-2009	11-Jun-2014	31-Mar-2015
			Comments	as in PAD		
Evidence of satisfactory progress in the 12 point action plan	☐	Text	Value	Progress under the 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 Window" (the ASYCUDA automated system in place in Sihanoukville);and point 7: "Introduce flat fee & service	- Cambodia's LPI ranking has risen by 46 places to 83rd out of 160 countries, up from 129th four years ago, which can be attributed to: (1) the time to clear cargoes at the customs has fallen from 5.9 days in 2010 to only 1.4 days in 2014; and (2) theshare of consignments selected for inspection has fallen from 29% in 2010 to 17% in 2014. - The Trade MDTF provided strategic support to the National Single Window Blueprint that encompasses every facet of formulating and	12 Point Action Plan substantially complete. An increase in Cambodia's ranking on the Logistics Performance Index.

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				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.	implementing a national single window. -Funding has been approved for the rollout of automated Customs software (called ASYCUDA) to 11 addtional sites, increasing Customs' ability to control and tax excise shipments - valuations increasingly adhere to the WTO Valuation Agreement.	
			Date	01-Jan-2009	11-Jun-2014	31-Mar-2015
			Comments	as in PAD	All activities mentioned in the update of 10/31/2013 have been completed.	
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	• RGC institutions are effectively integrating, coordinating and implementing trade related reforms through Trade SWAp. • SSC and IC are well-functioning committees providing on-going strategy and leadership, securing buy-in for implementation of Road Maps from other stakeholders. - • The MoC currently benefits from several projects of combined value $2.88 million: (i) Rules of Origin: Operational procedures and training ($110,000); (ii) export training and SME program ($49,000), (iii) capacity building for Departmentof Trade Statistics and Information ($110,000) (iv) IP Teaching and Training ($110,000), (v) E-Commerce Law Drafting($124,900), (vi) Institutional risk management at Camcontrol ($105,550),	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

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					(vii) Strengthening MoC Core HR Functions ($234,540), (viii)Value chain information unit ($240,000), (ix) MoC ICT Master Plan including Certificate of Origin automation ($1.8 million). - • Information and educational campaigns, including capacity building for Provincial and Municipal Investment Sub-Committees (PMIS) on the Investment Lawshave been carried out by CIB/CDC at sub-national levels, business associations, and private sectors. - • MoC HR Capacity and Development Plan has been fully developed to identify institutional and individual capacity needs. • Trade Curriculum at the Royal School of Administration has been completed including training materials and course syllabus. • TDSP has provided various capacity enhancement programs implemented in various trade related agencies such as GDCE, ISC, and CAMCONTROL	
			Date	01-Jan-2009	11-Jun-2014	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	• The development of a national trade portal has started and will be in full swing by the end of the third quarter 2014. The repository is being populated with relevant legislation in goods and services.	Implementation of M&E system, implementation of trade portal and some evidence of automation of the functions and activities of MOCand key trade agencies.

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					• Automation activities for trademarks and certificates oforigin are in progress. • The automation of Customs (thru ASYCUDA World System) has been rolled-out in all 21 checkpoints and will beexpanded to 11 additional checkpoints, thereby increasing Customs' (GDCE) ability to control excise shipments. - A results framework that links SWAp Roadmap Indicators and TDSP indicators to project-level performance has enhanced monitoring and evaluation of individual activities. An updated DTIS Update was launched on 18 February 2014.	
			Date	01-Jan-2009	11-Jun-2014	31-Mar-2015
			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	- Sub-Decree on NTMs has been submitted to Council of Ministers and sent back for revisions twice. Approval imminent. - Strategic guidance to the Law on Copyrights and Marks has been provided. - Ecommerce law has been revised and the Minister of Commerce is personally lobbying for it to be passed by Council of Ministers before end of year - unnecessary Certificates of Origin have been abolished following advice from the World Bank on Doing	Draft, finalization and review of key trade related laws

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					Business reforms. - • Review of Excise Legislative Framework Administration hasbeen completed and new excise law had been proposed in the study report prepared. has been drafted	
			Date	01-Jan-2009	11-Jun-2014	31-Mar-2015
			Comments	as in PAD	A WTO Trade Facilitation Gap Assessment was carried out 23-27 June 2014 to identify areas to be addressed in the legislative reform agenda.	
Average time for imports / exports (days)	☐	Text	Value	6.5/4.5	2.75/2.4	4.5/2.5 More simple, transparent and cheaper import, export and transit procedures and processes practiced
			Date	31-Aug-2004	11-Jun-2014	30-Sep-2015
			Comments	Source: 2004 Investment Climate Survey	The GDCE Time Release study has just been shared with the World Bank (the figures above show that the PDO targets have now been exceeded.)	
Proportion of containers physically open (%)	☐	Text	Value	100%	The percentage of containers selected for red-channel inspection at the main ports using risk management tools (e.g. Sihanoukville port, Phnom Penh International Airport and Dry ports) is 20.6% for imports and 8.3% for exports.	Overall reduction in the number of
			Date	13-Jan-2009	11-Jun-2014	31-Mar-2015
			Comments	% of containers selected for red-channel inspection at the main ports with risk management system		

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Data on Financial Performance (as of 30-Jun-2014)

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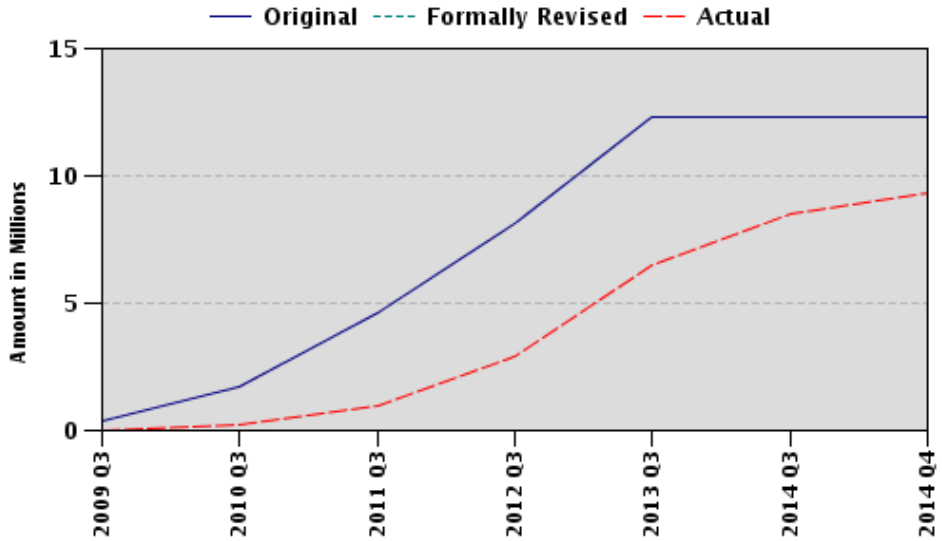
Financial Agreement(s) Key Dates

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-Mar-2015

Disbursements (in Millions)

Project	Ln/Cr/Tf	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P109648	TF-93573	Effective	USD	15.45	15.45	0.00	9.30	6.15	60.00

Disbursement Graph



Key Decisions Regarding Implementation

Replenishment funds of $3 million have been accepted into the recipient-executed fund. The remaining $2.8 million has been accepted into the Bank-executed trust fund.

Restructuring History

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

Related Projects

P147231-Cambodia Trade Development Support Program - Additional Financing

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