

**The World Bank**

Cambodia Trade Development Support Program (RETF093573) (P109648)

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

EAST ASIA AND PACIFIC | Cambodia | Economic Policy Global Practice |
 Recipient Executed Activities | Specific Investment Loan | FY 2009 | Seq No: 9 | ARCHIVED on 30-Mar-2015 | ISR18082 |

Implementing Agencies:

Key Dates**Key Project Dates**

Board Approval date:07-Jan-2009

Effectiveness Date:09-Mar-2009

Planned Mid Term Review Date:13-Oct-2012

Actual Mid-Term Review Date:12-Nov-2010

Original Closing Date:31-Mar-2012

Revised Closing Date:31-Mar-2015

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 in formulating and implementing effective trade policies.

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

No

Components

Name

Component 1a: Technical Barriers to Trade (TBT) and Sanitary and Phyto-Sanitary (SPS):(Cost \$2.11 M)

Component 1b: Trade Facilitation:(Cost \$4.37 M)

Component 1c: Other Legal Reforms and RGC WTO Obligations:(Cost \$1.09 M)

Component 2: Performance Monitoring:(Cost \$0.53 M)

Component 3: Institutional and Human Capacity:(Cost \$3.26 M)

Component 4: Implementation Support to the TDSP:(Cost \$4.09 M)

Overall Ratings

| Name | Previous Rating | Current Rating |
|--------------------------------------|---------------------------|---------------------------|
| Progress towards achievement of PDO | ● Moderately Satisfactory | ● Moderately Satisfactory |
| Overall Implementation Progress (IP) | ● Satisfactory | ● Satisfactory |



Overall Risk Rating

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● Moderate

Implementation Status and Key Decisions

TDSP Overall Progress - the mission team notes good progress in all components of TDSP, with several program development objective (PDO) indicators now achieved. The overall PDO of increasing the capacity of Government officials to formulate and implement new trade policies has markedly improved since the program began. Given that many sub-components of the TDSP have been achieved, and a substantial amount of funds remain undisbursed, the TDSP Steering Committee under the chairmanship of the Senior Minister and Minister of Commerce has identified an ambitious reform agenda to be undertaken over the program timeline using the undisbursed funds. These reforms will lead to improved Doing Business and Logistics Performance ratings for Cambodia, and higher foreign investment in Cambodia leading eventually to new, better-paid jobs for the Cambodian people.

Risks

Systematic Operations Risk-rating Tool

| Risk Category | Rating at Approval | Previous Rating | Current Rating |
|--|--------------------|-----------------|---|
| Political and Governance | -- | -- | ● Moderate |
| Macroeconomic | -- | -- | ● Moderate |
| Sector Strategies and Policies | -- | -- | ● Moderate |
| Technical Design of Project or Program | -- | -- | ● Moderate |
| Institutional Capacity for Implementation and Sustainability | -- | -- | ● Substantial |
| Fiduciary | -- | -- | ● Moderate |
| Environment and Social | -- | -- | ● Low |
| Stakeholders | -- | -- | ● Low |
| Other | -- | -- | -- |
| Overall | -- | -- | ● Moderate |

Results

Project Development Objective Indicators

- Regular practice of a streamlined RGC-led process for consultation and financing, and satisfactory progress in implementing the Trade Swap. (Text, Custom)



| | Baseline | Actual (Previous) | Actual (Current) | End Target |
|-------|---|--|--|---|
| Value | Trade SWAp approach agreed; initial annual work plan ready for implementation | <ul style="list-style-type: none"> - 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. | <ul style="list-style-type: none"> - 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-Jan-2015 | 31-Mar-2015 |

Overall Comments

Intermediate Results Indicators



► Increased coverage of SPS regulations and support services (Text, Custom)

| | Baseline | Actual (Previous) | Actual (Current) | End Target |
|-------|---|---|---|---|
| Value | Incomplete regulatory system on SPS; occasional non-compliance with WTO agreements on SPS | <ul style="list-style-type: none"> - 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 offices 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 to increase formal exports of fish. UNIDO consultants are assisting the FiA of the Ministry of 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 | <ul style="list-style-type: none"> - 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 offices 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 to increase formal exports of fish. UNIDO consultants are assisting the FiA of the Ministry of 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 | Products Quality and Safety is enhanced in line with international standards requiring SPS compliance |



| | | | | |
|------|-------------|---|---|-------------|
| | | underway at Fisheries (though implementation has been delayed due to the complications of contracting with a UN agency). Another project, currently being implemented by the Institute of Standards of Cambodia (ISC) has developed standards for the various rice varieties. | contracting with a UN agency). Another project, currently being implemented by the Institute of Standards of Cambodia (ISC) has developed standards for the various rice varieties. | |
| Date | 01-Jan-2009 | 11-Jun-2014 | 31-Jan-2015 | 31-Mar-2015 |

► Improved compliance with WTO agreement on TBT (Text, Custom)

| | Baseline | Actual (Previous) | Actual (Current) | End Target |
|-------|---|--|--|--|
| 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 the Institute 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. | - 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 the Institute 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 | 11-Jun-2014 | 31-Mar-2015 |



► Evidence of satisfactory progress in the 12 point action plan (Text, Custom)

| | Baseline | Actual (Previous) | Actual (Current) | End Target |
|-------|---|---|---|--|
| Value | <p>Progress under the 12-point action plan:</p> <p>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: "Introduce Risk Management to target inspections"; point 6: "Automated Single 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.</p> | <ul style="list-style-type: none"> - 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) the share 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 implementing a national single window. - Funding has been approved for the rollout of automated Customs software (called ASYCUDA) to 11 additional sites, increasing Customs' ability to control and tax excise shipments - valuations increasingly adhere to the WTO Valuation Agreement. | <ul style="list-style-type: none"> - 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) the share 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 implementing a national single window. - Funding has been approved for the rollout of automated Customs software (called ASYCUDA) to 11 additional sites, increasing Customs' ability to control and tax excise shipments - valuations increasingly adhere to the WTO Valuation Agreement. | 12 Point Action Plan substantially complete. An increase in Cambodia's ranking on the Logistics Performance Index. |
| Date | 01-Jan-2009 | 11-Jun-2014 | 31-Jan-2015 | 31-Mar-2015 |

► Increased efficiency and effectiveness of functions performed in critical MoC departments and targeted agencies (Text, Custom)

| | Baseline | Actual (Previous) | Actual (Current) | End Target |
|-------|---|---|---|---|
| Value | Weak capacity of several MoC's departments and other agencies | <ul style="list-style-type: none"> • RGC institutions are effectively integrating, coordinating and implementing trade related reforms through Trade SWAp. • SSC and IC are well-functioning committees | <ul style="list-style-type: none"> • RGC institutions are effectively integrating, coordinating and implementing trade related reforms through Trade SWAp. • SSC and IC are well-functioning committees | MoC functioning as a change agent / champion in terms of using trade to increase economic |



| | | |
|--|---|---|
| <p>providing on-going strategy and leadership, securing buy-in for implementation of Road Maps from other stakeholders.</p> <ul style="list-style-type: none"> - • 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 Department of 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), (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 Law have 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 | <p>providing on-going strategy and leadership, securing buy-in for implementation of Road Maps from other stakeholders.</p> <ul style="list-style-type: none"> - • 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 Department of 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), (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 Law have 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. • TDS has provided | <p>development and social welfare in Cambodia in coordination with other Line Ministries and stakeholders</p> |
|--|---|---|



| | | | | |
|------|-------------|---|---|-------------|
| | | 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 | various capacity enhancement programs implemented in various trade related agencies such as GDCE, ISC, and CAMCONTROL | |
| Date | 01-Jan-2009 | 11-Jun-2014 | 31-Jan-2015 | 31-Mar-2012 |

► A transparent, consistent and sustained trade monitoring system grants regular access to trade information by stakeholders.
(Text, Custom)

| | Baseline | Actual (Previous) | Actual (Current) | End Target |
|-------|---|--|--|--|
| Value | Weak and fragmented M&E system in place | <ul style="list-style-type: none"> 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. Automation activities for trademarks and certificates of origin are in progress. The automation of Customs (thru ASYCUDA World System) has been rolled-out in all 21 checkpoints and will be expanded 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. | <ul style="list-style-type: none"> 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. Automation activities for trademarks and certificates of origin are in progress. The automation of Customs (thru ASYCUDA World System) has been rolled-out in all 21 checkpoints and will be expanded 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. | 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 | 11-Jun-2014 | 31-Jan-2015 | 31-Mar-2015 |
|------|-------------|-------------|-------------|-------------|
|------|-------------|-------------|-------------|-------------|

► Evidence of higher compliance of legal framework with WTO obligations. (Text, Custom)

| | Baseline | Actual (Previous) | Actual (Current) | End Target |
|-------|---|--|--|--|
| Value | review of Legal Action Plan indicates patchy compliance of Cambodian trade regime with WTO accession protocol | <ul style="list-style-type: none"> - 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 Business reforms. - • Review of Excise Legislative Framework Administration hasbeen completed and new excise law had been proposed in the study report prepared. <p>has been drafted</p> | <ul style="list-style-type: none"> - 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 Business reforms. - • Review of Excise Legislative Framework Administration hasbeen completed and new excise law had been proposed in the study report prepared. <p>has been drafted</p> | Draft, finalization and review of key trade related laws |
| Date | 01-Jan-2009 | 11-Jun-2014 | 31-Jan-2015 | 31-Mar-2015 |



► Average time for imports / exports (days) (Text, Custom)

| | Baseline | Actual (Previous) | Actual (Current) | End Target |
|-------|-------------|-------------------|------------------|--|
| Value | 6.5/4.5 | 2.75/2.4 | 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 | 31-Jan-2015 | 30-Sep-2015 |

► Proportion of containers physically open (%) (Text, Custom)

| | Baseline | Actual (Previous) | Actual (Current) | End Target |
|-------|-------------|---|---|------------------------------------|
| 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. | 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-Jan-2015 | 31-Mar-2015 |

Overall Comments

Data on Financial Performance

Disbursements (by loan)

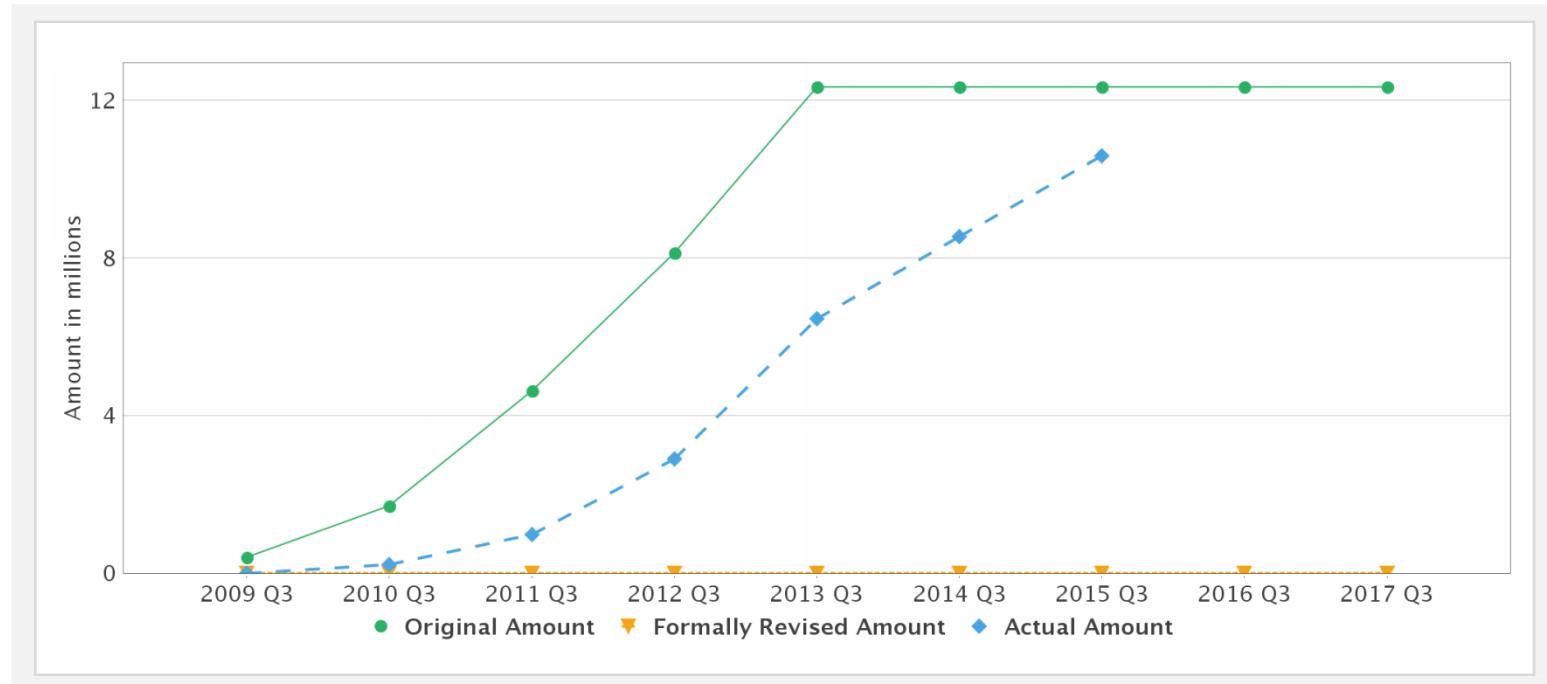
| Project | Loan/Credit/TF | Status | Currency | Original | Revised | Cancelled | Disbursed | Undisbursed | Disbursed |
|---------|----------------|-----------|----------|----------|---------|-----------|-----------|-------------|--|
| P109648 | TF-93573 | Effective | USD | 15.45 | 15.45 | 0.00 | 10.60 | 4.85 | <div style="width: 69%; background-color: #66cc66; float: left;"></div> <div style="float: right;">69%</div> |

Key Dates (by loan)

| Project | Loan/Credit/TF | Status | Approval Date | Signing Date | Effectiveness Date | Orig. Closing Date | Rev. Closing Date |
|---------|----------------|-----------|---------------|--------------|--------------------|--------------------|-------------------|
| P109648 | TF-93573 | Effective | 14-Jan-2009 | 14-Jan-2009 | 09-Mar-2009 | 31-Mar-2012 | 31-Mar-2015 |



Cumulative Disbursements



Restructuring History

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

Related Project(s)

P147231-Cambodia Trade Development Support Program - Additional Financing