

EIF Focal Points Global Workshop in Geneva

DAY 2 (July 9): Programme Implementation and M&E

Talking points for HE Pan Sorasak, Secretary of State, EIF Focal Point, Cambodia

Module 5: EIF Project and Programme Implementation

“A country experience in project development (Focal Point Cambodia, Pan Sorasak): How to identify, develop and implement an EIF TF project? “

1- Recent EIF history in Cambodia

Cambodia was selected as one of three pilot scheme countries in 2001: DTIS launched in January 2002 an enhanced TRTA programme (action matrix) was put in place. The basic purpose of IF was to embed the trade agenda into a country's overall development strategy (i.e. the PRSP) and to ensure Trade Related Capacity Building is coherent to the trade policy aims of the country. For Cambodia, one of the targets was the completion of the WTO accession process

The overarching challenge of the DTIS 2002 success was to **design a sound trade policy framework with:**

- *A coherent trade strategy that is closely integrated with a country's overall development strategy.*
- *Effective mechanisms for consultation among stakeholders: government - the enterprise sector - and civil society.*
- *Effective mechanisms for intra-governmental policy co-ordination.*
- *A strategy for enhanced collection, dissemination and analysis of trade related information.*
- *Trade policy networks, supported by indigenous research institutions.*
- *Networks of trade support institutions.*
- *A commitment by all key trade stakeholders to outward-oriented regional strategies*

In 2007, it was both critical and timely to review the DTIS. Critical and Timely to :

- Takes stock of Cambodia's successful integration into the world economy (IF, access to WTO)
- Potential new products and markets;
- It recognizes the changing nature of competitiveness in international markets;
- Strengthen positive linkages between export development and poverty reduction

The third focus of the DTIS update was on capacity development for trade:

- Government capacity to operationalize and implement its trade agenda needs strengthening → EIF Tier 1
- Government capacity to update, identify, and formulate its trade development agenda needs strengthening → EIF Tier 1
- Capacity of exporters and trade support institutions must be strengthened; -> EIF Tier 2

2- Decision to apply

In the framework of the launch of the Trade Sector Wide Approach in Cambodia, the Ministry of Commerce wanted to give the following as priorities in its decision to apply to the Tier 1 proposal:

- Enhance the capacities of D/ICO to act as an effective and efficient NIU for Cambodia TRTA;
- Strengthen line ministries capacities to actively participate in sector-wide approaches, coordinate inter-ministerial TA and feedback to NIU, with a particular emphasis on Trade related issues; and
- Increase knowledge and awareness in-country (S-SC, Govt officials, provincial dept. officials, private sector) and abroad (IF agencies, other LDCs, regional organizations) of Cambodia's TRTA experience and successes enabling exchange of experience and best practices.

3- Proposal development

The proposal was initiated through support provided by the UNDP / Trade Related Assistance for Development and Equity (TRADE) sponsored by UNDP Cambodia, using IF Windows 2 funds. The EIF focal point provided overall guidance, coordination and leadership to the team in charge of developing the proposal.

The newly created department of international cooperation (D/ICO) of the Ministry of Commerce, which is hosting the National Implementation Unit, was tasked with the development of the proposal in consultation with other line ministries and key development partners.

The team work and inputs were moderated and facilitated by the then UNDP Trade Capacity Development Adviser, Mr. Sven Callebaut, who will later on today facilitate a break-out session on how to develop a Tier 1 proposal. The adviser provided knowledge and skills on EIF, aid-for-trade and mainstreaming mechanisms while D/ICO brought in the vision, trade development agenda, line ministries engagement and expectations from Trade SWAp. This ensured a smooth and healthy capacity transfers between the adviser and the team.

The team took the main objectives and recommendations of the DTIS update, combined with the steps for Trade SWAp development and sought ways to be able to ensure an early engagement from line ministries as well as proper, stable and transparent mechanisms to mobilize resources from all development partners. The first building block of this proposal was a thorough analysis of the National Implementation Arrangements (NIA) constraints and devising ways and means to overcome those.

4- Proposal schedule

The proposal was developed over one year, with almost weekly work session, and consisted of the following steps:

1. Strengthen D/ICO/NIU for managing TRTA: Sub-decree on the creation of DICO, November 2007
2008
2. Update DTIS and Trade SWAp launch: December 2007
3. Define national EIF strategy (Jan 08)
4. Establish NIU (Feb 08)
5. Set EIF objectives, prepare work plans/needs (May 08)
6. Consult with local and international partners (May 08 – May 09)
7. Formulate 3rd draft Tier 1 proposal (October 08)
8. TFM Capacity & Financial Assessment (November 2008)
9. Revision of proposal using New Tier 1 Guidelines (April 2009)
10. TAC1 meeting (May 2009)
11. Review by EIF Executive Board (Expected July 2009)

5- Key elements of project development

The proposed EIF Tier 1 outcomes are threefold:

- O1: Enhanced institutional capacity to coordinate and implement trade related policies and Trade Related Project effectively and efficiently
 - O2: Enhanced Management capacity within the relevant line ministries involved in the implementation of Trade Related Projects
 - O3: Enhanced public and private sector's knowledge and awareness on the policy implication of trade and private sector development. Share experience of Cambodia with other LDCs
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- Outcome 1 proposes to build and develop over time a strong National Implementation Unit in the D/ICO of MoC able to coordinate, manage, update the trade development agenda of Cambodia. The NIU will count on the workforce of D/ICO officials as well as liaison officers on 6 line ministries and key government institutions. The NIU will build on experiences of Windows 1 and 2 projects and the core team of ministry officials involved with it.
 - Outcome 2 proposes to continue engaging line ministries (MAFF, MIME, CDC, MEF, CoM) and the Royal School of Administration in increasing their participation in trade mainstreaming, benefit from the Trade SWAp approach and ensure a better participation in NSC and related forum discussions. Liaison offices will be created, staffed and equipped in all these institutions, functioning as information channels between the demands/requests from line ministries and donor resources made available through D/ICO or bilateral means.
 - Outcome 3 proposes to raise awareness and participation of other stakeholders in the Trade SWAp, in particular of the private sector in order to overcome and smooth the constraints identified in the NIA on private sector participation in trade mainstreaming and trade development assistance. Similarly, taking advantage of Cambodia's experience as an IF pilot country, the tier 1 proposal will serve to increase coordination among LDCs, share experience, lessons learnt and best practices on IF, trade mainstreaming and participation in AidForTrade efforts.

6- Key features of proposed implementation

The key features of our Tier 1 implementation will be the following:

- Focus on capacity enhancement of D/ICO officials assigned to NIU position
- Increased government participation and contribution in the EIF execution so as to ensure long term sustainability, devising exit strategies early in the implementation process
- Creation of liaison offices in line ministries to increase and accelerate their participation in AFT efforts
- An implementation committee has been set up to monitor the implementation and avoid duplication and overlap with other DPs initiatives, in particular the Multi Donor Trust Fund supporting Trade SWAp implementation (TDSP).
- Use of government procedures and mechanisms for financial, fiduciary procurement aspects of the programme, in line with Aid Effectiveness principles, including used of the Government "Merit Based Performance Initiative" for salary supplement.
- Use of the Cambodia Trade SWAp website web-based tracking tools
- Early training and awareness raising on how to develop sound project proposals by line ministries for consideration by the NSC for Tier 2 and other fund sources.
- Regular consultations with UNOPS, EIF ES and other LDCs for increased experience-sharing

7- Lessons learnt and best practices, “food for thought”

- 1- **NEED FOR FLEXIBILITY:** EIF can be useful to put in place several key basic tools for a Sector Wide Approach for a country’s Trade Sector -- or Trade SWAp – consistent with the Paris Principles on Aid Effectiveness. EIF needs to recognize that it is not Geneva, but the countries that should be in the driver seat, and that there are limits to one-size-fit-all designs for EIF implementation at the country level
- 2- **NEED FOR CONSIDERATION OF LDC STATUS:** the skills, knowledge and subsequently funds needed to develop a Tier 1 proposal are immense: EIF needs to recognize the “up-front” technical assistance investment required to put in place the various building blocks even before a Tier 1 proposal can be developed. Cambodia was lucky to have UNDP and other DPs willing to help. It might not be the case of other less well-off countries.
- 3- **NEED FOR TRAINING AND GUIDANCE:** in addition to guidelines and TFM capacity assessment mission, EIF ES could organize some specific training on the different steps of the Tier 1 proposal development, perhaps for group of countries. Similarly, group training activities could take place on specific elements of interests to LDCs in Tier 1 and Tier 2 proposal development and other trade mainstreaming actions
- 4- **NEED FOR METHODOLOGY AND TRANSPARENCY:** Cambodia is considering sharing its IF, SWAp and EIF Tier 1 development expertise with other LDCs, looking back at its experience since 2001. We would like to encourage the EIF ES to develop a standard methodology for EIF Tier 1 and 2 proposal developments and other trade mainstreaming actions and post it on a dedicated website, available in French and English.