

Technical assistance matrix from overview

1 Technical assistance matrix

<i>Observations</i>	<i>Type of action</i>	<i>Agencies responsible/external support</i>	<i>Time frame</i>
<i>Policy actions to enhance competitiveness</i>			
<i>Macroeconomic policy</i>			
<ul style="list-style-type: none"> ▪ Improve budgetary performance through revenue mobilization. ▪ Increase access to credit and lower its cost. 	<ul style="list-style-type: none"> ▪ Strengthen macroeconomic management capabilities. ▪ Develop sound banking and payments systems. ▪ Establish a financial market relying on government securities and other riel denominated assets. 	<ul style="list-style-type: none"> ▪ Ministry of Economy and Finance ▪ National Bank of Cambodia ▪ World Bank ▪ IMF ▪ UNDP ▪ ADB and several donors 	
<i>Trade policy</i>			
<ul style="list-style-type: none"> ▪ Support WTO accession. ▪ Build institutional capacity. 	<ul style="list-style-type: none"> ▪ Continue ongoing assistance with Cambodia's legislative reform under WTO accession. ▪ Establish WTO consistent valuation procedures. ▪ Strengthen and institutionalize trade protection measurement and trade policy review (see below). ▪ Advise on techniques for measuring levels and impacts of trade protection and taxation. ▪ Advice and training for trade policy evaluation and reporting. ▪ Assist specific reviews (for example, the cascading tariff), export controls and taxes, implications of binding at different levels. ▪ Review export marketing arrangements for relevant sector studies. ▪ Strengthen the IF Steering Committee. 	<ul style="list-style-type: none"> ▪ Ministry of Commerce ▪ Japan, Canada, Singapore ▪ ESCAP ▪ German Technical Cooperation (GTZ) ▪ Ministry of Commerce ▪ Ministry of Economy and Finance ▪ Affected sector Ministries ▪ IF Steering Committee ▪ Affected sector Ministries 	

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1 **Technical assistance matrix** (continued)

Observations	Type of action	Agencies responsible/external support	Time frame
<i>Policy actions to enhance competitiveness (continued)</i>			
<i>Trade facilitation: customs</i>			
<ul style="list-style-type: none"> ▪ Reduce the degree of unofficial interventions and increase transparency, to enhance customs efficiency. ▪ Reduce institutional duplication. ▪ Introduce equitable enforcement of the law. ▪ Strengthen capacity in customs administration and improve incentives for staff. 	<ul style="list-style-type: none"> ▪ Simplify the tariff and associated arrangements including trade preferences and duty exemptions. ▪ Support computerization and automation of procedures and information systems. ▪ Clarify the roles and responsibilities of the several overlapping agencies involved in border inspection. ▪ Support the establishment of an independent appeals office on custom matters. ▪ Support professionalization of officials with appropriate rewards, accountability and recruitment of young computer literate people. ▪ Support computerisation in related agencies. 	<ul style="list-style-type: none"> ▪ IMF ▪ JICA ▪ ADB ▪ ESCAP 	
<i>Trade facilitation: transport</i>			
<ul style="list-style-type: none"> ▪ Reduce the cost of transport by improving quality and reducing unofficial fees and charges 	<ul style="list-style-type: none"> ▪ Examine options for road use charges (i.e. examine the implications of fund raising and fund sharing at local levels of road funds raised by way of fuel taxes, property taxes and concessions for toll road operations). ▪ Review models of port management. ▪ Determine how unofficial fees and charges are used. Do they go to private use or are they used for semi public activities? What services, if any, flow from these charges? Does the incidence vary across regions and provinces? Do such facilitation fees support provincial government activities? ▪ Assess how customs services should be designed and delivered in a zone situation. ▪ Identify the management model to be followed, pricing for land and access to the zone, who should supply power, telecommunications etc and pricing for these services, and investment incentives. 	<ul style="list-style-type: none"> ▪ JICA ▪ ADB ▪ IMF ▪ JICA 	

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1 Technical assistance matrix (continued)

Observations	Type of action	Agencies responsible/external support	Time frame
<i>Policy actions to enhance competitiveness (continued)</i>			
<i>Diversified agriculture and agro-processing</i>			
<ul style="list-style-type: none"> ▪ Young computer literate Cambodians are already breaking into international IT and data processing ▪ Maximize opportunities to break into new 'niche' products. ▪ Weak information base ▪ Strengthen infrastructure ▪ Strengthen markets for key assets: credit and land. ▪ Bedding in of new land law is crucial. ▪ Rice has been the focus of R&D and extension. 	<ul style="list-style-type: none"> ▪ Establish 'incubators' which nurture cooperation on production, markets, technology and information. ▪ Identify 'success' models and build on them. ▪ Explore other sources of building information bases. ▪ Assess comparative advantage in new crops such as spices and processed vegetables. ▪ Identify specific infrastructural needs that are likely to have high pay-offs in transport, energy and telecommunications. ▪ Increase access to credit. What specifically should be done in the land market? ▪ Broaden R&D to include new and small crops. ▪ Clarify barriers to trade in rice and other goods as a basis for their eventual dismantling. 		
<i>Handicrafts</i>			
<ul style="list-style-type: none"> ▪ Lack of 'critical masses' capable of acquiring and using information at low unit costs. ▪ Weak links between crafts people and markets because of poor information base. 	<ul style="list-style-type: none"> ▪ Facilitate the building of relationships and systems that enable people to work out of small production units and households to produce products to a specification and identified demand. ▪ Identify obstacles to the use of IT in production and marketing. ▪ Develop synergies between tourism and handicrafts. 		

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1 Technical assistance matrix (continued)

Observations	Type of action	Agencies responsible/external support	Time frame
<i>Policy actions to enhance competitiveness (continued)</i>			
<i>Freshwater fisheries</i>			
<ul style="list-style-type: none"> ▪ Sub-optimal fisheries marketing and distribution due to current single exporter arrangement. ▪ Poor information base. ▪ Various jurisdictions are involved in the determining the collection and allocation of the fisheries resource. ▪ Yields are well down. ▪ Market recognition and development is poor. 	<ul style="list-style-type: none"> ▪ Build on emerging IT data management capacity to develop information systems into households on markets and production. ▪ Evaluate of the 10 per cent export tax, the 4 per cent distribution tax and the fishing export licensing fee, production and marketing decisions in fish exports and the impact of having a sole exporter. Assess effect on formal versus informal activities and implications for government revenue and exporting. ▪ Assess the impact on incentives for short-term exploitation of extending lease periods to four years. ▪ TA is needed to facilitate linkage between fisheries industry participants and markets - buyers and processors - local and foreign. ▪ Investigate the extent and impacts of the allocation of fisheries access by non-transparent methods. ▪ Clarify the role of different agencies in fisheries. ▪ Build private sector capacity for meeting health and quarantine standards for fish exports into developed country markets. ▪ Identify mechanisms to assemble statistics - for marketing and for management. ▪ Facilitate development of private sector organizations and support education and development of industry networks. ▪ Support clarification of roles of different ministries and agencies in the sector. 	<ul style="list-style-type: none"> ▪ Ministry of Fisheries ▪ ADB ▪ ESCAP 	

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1 Technical assistance matrix (continued)

<i>Observations</i>	<i>Type of action</i>	<i>Agencies responsible/external support</i>	<i>Time frame</i>
<i>Policy actions to enhance competitiveness (continued)</i>			
<i>Garments</i>			
<ul style="list-style-type: none"> ▪ Increase understanding of the true competitive advantage of garments. ▪ Overcome existing tariff and quota restrictions (e.g. on local content requirements and product standards). ▪ Achieve a more efficient and equitable distribution of quota rents. ▪ Increase labor market flexibility in garments sector. 	<ul style="list-style-type: none"> ▪ Determine the capacity of Cambodian producers to compete post 2005, compare costs and quotas facing main competitors and assess prospects for productivity gains. ▪ Assess the impacts of existing preferential arrangements on Cambodia's cost structure. ▪ Increase capacity to analyze impact of market access restrictions and to negotiate better. ▪ Determine the distribution of benefits/rents arising from the existing system and develop alternative options. ▪ Explore alternative profit-sharing system such as flexible year-end bonuses instead of minimum wage. ▪ Examine role of small and medium firms. ▪ Examine options for promotions of Cambodian product. ▪ Conduct analysis of EBA initiative and GSP access. ▪ Provide assistance with quality and standards. ▪ Examine options for saving on wastage in production. 	<ul style="list-style-type: none"> ▪ Ministry of Commerce ▪ Ministry of Social Welfare, Labor and Veteran Affairs ▪ Council for the Development of Cambodia. ▪ IMF Resident Customs Adviser. 	

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1 Technical assistance matrix (continued)

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<i>Policy actions to enhance competitiveness (continued)</i>				
<i>Tourism</i>				
<ul style="list-style-type: none"> ▪ Develop a strategic vision based on empirical data and which takes into account the fact that many inputs into tourism are sourced from foreign supplies 	<ul style="list-style-type: none"> ▪ Support the collection of basic industry statistics and their analysis. 	<ul style="list-style-type: none"> ▪ Ministry of Tourism ▪ Ministry of Interior 		
	<ul style="list-style-type: none"> ▪ Examine of the net benefits of tourism to Cambodia? 	<ul style="list-style-type: none"> ▪ Ministry of Health ▪ Ministry of Public Work 		
	<ul style="list-style-type: none"> ▪ Assess of tourism's potential and development of a tourism strategy. 	<ul style="list-style-type: none"> ▪ ADB 		
	<ul style="list-style-type: none"> ▪ Evaluate of the appropriate role of government in regulating, setting charge and standards. 			
	<ul style="list-style-type: none"> ▪ Develop inter-ministerial working groups to raise the profile of tourism and to ensure that cross-sectoral constraining issues (health, transport, safety) are addressed. 			
	<ul style="list-style-type: none"> ▪ Take advantage of cultural and ecological attractions to broaden tourism focus. 			
	<ul style="list-style-type: none"> ▪ Develop synergies between handicrafts and tourism. 			
<i>Labor services</i>				
<ul style="list-style-type: none"> ▪ Improve the regulatory framework for export of labour services. 	<ul style="list-style-type: none"> ▪ Examine the relative weight of different factors in the explaining the weak performance of export of labour services. 	<ul style="list-style-type: none"> ▪ Ministry of Social Welfare, Labor and Veteran Affairs (MSWLVA) ▪ Ministry of Interior 		
	<ul style="list-style-type: none"> ▪ Review how other countries in the region have regulated labour exports. 	<ul style="list-style-type: none"> ▪ Ministry of Foreign Affairs and International Cooperation. 		
	<ul style="list-style-type: none"> ▪ Streamline passport application procedures 			