CAMBODIA EXPORT DIVERSIFICATION AND EXPANSION PROGRAM PART II

Department of International Cooperation, Ministry of Commerce (DICO/MoC)

Factsheet: EIF CEDEP II

PURPOSE OF CEDEP II: The Cambodia Export Diversification and Expansion Program (CEDEP) II is designed to strengthen and diversify export supply capacity in five of the nine Trade SWAp Pillar 2 sectors that have been identified by the Government as export sectors requiring immediate, priority action. They include: rice, silk, cassava, corn, fish, tourism, garment, processed food and manufacturing assembly. CEDEP II focuses on Cassava, Marine Fisheries Products, and Tourism (specifically, skill development for the hospitality sector through the creation of the Royal Academy of Culinary Arts (RACA) intended to train kitchen and food-related staff for the hotel and restaurant sectors). It also includes an evaluation component, which intends to support the efforts of Department of International Cooperation (DICO) of the Ministry of Commerce to strengthen its capacity to monitor and evaluate substantive progress of Cambodia’s Trade SWAp. DICO serves as Cambodia’s Trade SWAp Secretariat and EIF National Implementation Unit (NIU).

Trade SWAp PILLARS

Pillar 1:
- Sanitary and Phytosanitary Standards/Technical Barriers to Trade
- Trade Facilitation
- Intellectual Property Rights
- Legal Reform
- Investment Promotion
- Core Labor Standards
- Trade Finance

Pillar 2:
- Trade Information
- Trade Support Institutions
- Value Chain Integration

Pillar 3:
- Leading and Managing Change
- Developing and Implementing Policies
- Establishing Country Systems
- Communicating Trade SWAp
- Negotiating Trade Reforms

CASSAVA Activities

The Cassava project component focuses on understanding the current condition of Cambodian cassava processing sector, updating the understanding of export opportunities and requirements, and using some of that information to help structure the sector -if appropriate- through providing the foundations to organize a cassava processor and exporter association(s).

The project works with a group of Cambodian chip processors to improve their export readiness through (1) identification of markets, development of market contacts, matchmaking with import buyers, through trade mission and trade fairs, etc; (2) work with the same group to make them Sanitary and Phytosanitary (SPS) compliant; and, (3) supporting processors in finding low costs solution to environment-friendly processing methods.

Key Expected Results
- The needs of the cassava export sector are better understood and the sector is structured to better focus the policy dialogue with the Government and improve the enabling environment;
- A group of cassava processors has been identified and made export-ready and has succeeded in developing competitive exports to new markets.

MARINE FISHERIES PRODUCTS Activities

Key activities of the project are:
- To better structure the sector of small and medium sized processors and exporters in marine fisheries products;
- Identify a group of small and medium-sized Cambodian processors that can receive targeted technical support to improve their export readiness through (1) identification of markets,
As noted in the WTO Secretariat Report for Cambodia’s 2011 Trade Policy Review (TPR)* Meeting, “with macroeconomic stability firmly entrenched by the time of Cambodia’s accession to the WTO in 2004, the country embarked on implementing far-reaching reforms to achieve rapid and sustained socioeconomic development. International trade has been crucial to achieving this goal as it has been the driving force behind much of Cambodia’s recent economic growth and poverty reduction, linking its economy more firmly to regional and global markets.”

As noted in the RGC’s report prepare for the aforementioned TPR Meeting, “Cambodia has successfully met the challenges presented by the 2008-2009 world economic crises. However, even since 2008 clearly show the extent of Cambodia’s exposure to external shock. In the period head, the Royal Government will be striving to deepen and broaden Cambodia’s integration into the world and regional trading systems. At the same time, the economy’s exposure to negative shocks transmitted through this system must be reduced. The diversification of export products and export markets is the key to accomplishing this goal.”

(*) Source: World Trade Organization (WTO)