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ARISE Plus Cambodia Newsletter



Latest news and upcoming project activities

A service by ARISE Plus Cambodia

Editorial

As another unusual year draws to a close, we look ahead to 2022 with high hopes for Cambodia's expanding role within the increasingly dynamic ASEAN region.

On 28 October, Cambodia assumed the ASEAN chairmanship from Brunei. Cambodia's one-year rotation as ASEAN chair provides an opportunity to continue our support to Cambodian government officials in building capacity in trade policy making and, crucially, implementation of agreed commitments to further regional integration.

The big trade news in ASEAN is of course that the Regional Comprehensive Economic Partnership Agreement (RCEP) will come into force on 1 January 2022, creating the world's largest trading bloc and presenting new opportunities and challenges for Cambodia.

In more good news, we are pleased that Cambodia has been able to lead the way in reopening its borders, thanks to Cambodia's vigorous vaccination campaign. Many of the SMEs we support depend on tourists in various ways, and we hope that the quarantine-free entry implemented in mid-

November will put the tourism sector on a path to recovery.

Below, our project newsletter highlights some of the exciting reforms in trade facilitation which we support, such as implementing digital solutions for pre-arrival and pre-departure processing as well as the upcoming expansion of the Best Trader Incentive Mechanism.

The trade policy work continues on several fronts. Among these, our technical support on trade data is already showing major progress thanks to the committed team of statisticians within Cambodian Customs, and we can expect a substantial improvement in the quality and timeliness of Cambodia's international merchandise trade statistics in the coming months.

Finally, we congratulate the 10 newly certified Cambodian pre-audit consultants, who have successfully completed a rigorous training program and passed a difficult international exam. They are now able to offer advice to Cambodian SMEs pursuing ISO 9001:2015 (**Quality Management System**), ISO 22000:2018 (**Food Safety**) or ISO 45000: 2018 (**Occupational Health and Safety**) certificates.

Best wishes for a happy and healthy 2022,

Christine Bowers, Head of Project

PROJECT HIGHLIGHTS:

TRADE FACILITATION

- » Launching of the National Committee for Trade Facilitation
- » Technical review of Cambodia's Risk Management
- » WCO Risk Management (RM) Compendium Awareness Raising Workshop
- » Endorsement of the Digitizing Global Trade Project (DGT)
- » Private sector consultation workshop under the Digitizing Global Maritime Trade Project (DGMT)

TRADE POLICY

- » Support for the Capacity Development of Cambodian Customs in Trade Statistics
- » FTA Feasibility Studies – Inter-ministerial Kick-off Meeting

EXPORT DIVERSIFICATION OF SMES

- » SME Talk Series (3rd and 4th edition)
- » Connectivity support for three business associations on PPD framework
- » Expansion of Cambodia's pool of certified pre-audit consultants for key ISO standards
- » Get to know our newly-supported SMEs

REPORTS AND RESOURCES OF INTEREST

Trade Facilitation

Launching of the National Committee for Trade Facilitation – completed



This interagency mechanism was established last year through Sub-Decree 18 in February 2020 called the 'National Committee for Trade

Facilitation (NCTF)'. Setting up an NCTF is a commitment under the WTO TFA and shall enable an integrated and inclusive planning and monitoring of trade facilitation related initiatives among all relevant stakeholders in Cambodia. The Secretariat for the NCTF was established in late 2020 and

Upcoming project events

January 2022

FTA Feasibility Study – Consultative Workshop on Methodology

February 2022

Launching of the Trade Negotiation Practitioner Manual for Cambodia

February 2022

charged with organizational and administrative matters around the NCTF. On 11 October 2021, ARISE Plus Cambodia supported the Secretariat in organizing the much-anticipated launch of Cambodia's NCTF. HE Dr Chou Vichit, Minister Delegate Attached to the Prime Minister, Secretary of State of the Ministry of Economy and Finance, and the Chairman of the NCTF chaired the online meeting. The NCTF reviewed Cambodia's progress in implementing the WTO Trade Facilitation Agreement (TFA) and endorsed the draft National Roadmap for Trade Facilitation 2022-2025. Ninety-six participants from relevant ministries, the private sector, and donors/development partners (including the EU, GIZ, IMF, JICA, Swisscontact/GATF, UNCTAD, and UNDP) joined the meeting. At the end of the session, milestones have been set out to support the implementation of the WTO TFA and the implementation of the national roadmap for trade facilitation.

A Trade Facilitation Action Plan, to drive implementation of the above Roadmap, is being developed and expected to be finalized and endorsed by the first quarter of 2022. ARISE Plus Cambodia has been pleased to continue supporting the Secretariat with development partner coordination, by collecting and consolidating comments to finalize the action plan.

Technical review of Cambodia's Risk Management

Headline

Under the cooperation activities between ARISE Plus Cambodia and GDCE for progressing the **implementation of a modern, effective and efficient risk management system** to be operated by GDCE, a team of ARISE Plus Cambodia's consultants completed a comprehensive technical review of the customs' risk management system, accompanied by **58 practical recommendations** for effective risk management to be implemented in the short to medium term.

Among them, a subset of **23 recommendations** has been identified by the Department of Customs Audit (DCA) of GDCE as the key priorities for potential cooperation with ARISE Plus Cambodia and other development partners moving forward. One such priority is the development of Risk Registers, with the aim to identify, evaluate, and prioritize risks with technical support of ARISE Plus Cambodia. The Risk Register development support complements the other on-going cooperation activities around the enhancement of **ASYCUDA's** risk management feature, where the effectiveness of the IT system is dependent on solid risk profiling and risk targeting of priority risks.

Training Workshop on Handbook of Analysis for Trade Negotiations

March 2022

Training Workshop on FTA Potential Analysis

April 2022

Consultative Workshop on Preliminary Results of FTA Potential Study

News from beyond the project

Germany renews support for UNCTAD's e-commerce and digital economy work

24 November 2021– The BMZ signed an agreement to provide €500,000 over the next two years to boost the organization's research, technical cooperation and consensus-building activities aimed at making e-commerce and the digital economy.

[Article](#)

RCEP coming into force on 1 January 2022

15 November 2021 – The 15 countries in the Regional Comprehensive Economic Partnership (RCEP) held an elegant virtual signing ceremony. The basic structure includes 20 chapters, making RCEP a comprehensive trade agreement that includes commitments in areas like goods, services, investment, intellectual property rights, competition, trade remedies, standards, e-commerce and dispute settlement.

[RCEP](#)

Official launching of KhmerSME

28 October 2021 – KhmerSME provides the public with information on business registration and business operations of SMEs and MEs with various official documents related, etc. It also provides information on the SME business operations, export and import in Cambodia, ASEAN countries and other trading partners of

Workshop on Authorized Economic Operator (AEO) Programme – conducted



On 18 October 2021, ARISE Plus Cambodia co-organized a “**Workshop on Authorized Economic Operator (AEO) Programme**” with GDCE and in partnership with JICA. The workshop is part of our cooperation activities with GDCE to make its **Best Trader Incentive Mechanism (BTIM)** compliant with the WTO-TFA Art. 7.7 on Authorized Operator as well as compliant with the AEO standard of the

WCO SAFE Framework. Compliance with the SAFE Framework would then open possibilities for Cambodia to conclude mutual recognition arrangements (MRA) with ASEAN Members States as well as other important trading partners, allowing Authorized Economic Operators in one country to benefit from expedited procedures also in the partner country.

This half-day, virtual workshop brought together representatives from GDCE and other government agency officials, traders, and other Cambodia’s private sector actors, both large and small and medium enterprises (SMEs), to discuss the status quo and priorities as well as opportunities for reforms in Cambodia’s Best Trader Incentive Mechanism (BTIM). The event featured presentations and group discussions, interactive and informative sessions with participants sharing their perspectives and drawing upon their experience and knowledge of current BTIM implementation, as well as exchange with international and regional AEO experts. The event allowed GDCE to share its vision for an upgraded BTIM with other stakeholders in AEO implementation. ARISE Plus Cambodia also proposed a **capacity building plan**, including roles and responsibilities, timeline, and key milestones.

Endorsement of the Digitizing Global Trade Project (DGT) – achieved

On 8 November 2021, ARISE Plus Cambodia, GDCE and DHL Express met discuss Cambodia’s participation in the **Digitizing Global Trade Project (DGT)**. The DGT project is a public-private partnership funded by the German Federal Ministry for Economic Cooperation and Development (**BMZ**) and Deutsche Post DHL (**DPDHL**), implemented by GIZ in collaboration with DHL Express Cambodia.

The DGT project aims to digitize trade over a three-year timeframe, reducing time and/or costs for import of express shipments and export of goods, which will contribute towards Articles 7 (Release and clearance of goods) and 10 (Formalities relating to export and to transit) of the Trade Facilitation Agreement (TFA).

The DGT project is piloted in 6 countries: **Cambodia, Côte d’Ivoire, Ghana, Kenya, Montenegro and Rwanda**. For Cambodia, the project is divided into two components: 1) strengthening pre-arrival processing for express shipments, and 2) simplification and digitization of export procedures, and export promotion. ARISE Plus Cambodia would continue to be GDCE’s local facilitator for the participation in the project.

At the meeting, Cambodia’s participation in the DGT project was endorsed and activities in both components are now being prepared.

Private sector consultation workshop under the Digitizing Global Maritime Trade Project (DGMT) – conducted

On 25 November 2021, ARISE Plus Cambodia, GDCE and the United Nations Conference on Trade and Development (UNCTAD) co-organized the “**Private Sector Consultation Workshop for the Digitizing Global Maritime Trade Project (DGMT)**”. The DGMT project is a public-private partnership implemented by GIZ to enable GDCE to gain digital access to advance sea cargo information in order to further enhance risk-based pre-arrival/pre-departure processing in Cambodia. This will lower time and cost to the trading community through expediting the release of cargo for both inbound and outbound maritime shipments, as stipulated in **Articles 7.1 and 7.4 of the Trade Facilitation Agreement (TFA)**.

The half-day virtual workshop brought together related customs and other government agency officials, traders (importers and exporters), customs brokers, freight forwarders, carriers, and other Cambodian private sector actors, both large and small and medium enterprises (SMEs) including members of the BTIM program. The event informed the private sector about the planned implementation of maritime pre-arrival/pre-departure processing and the new IT platform for maritime cargo reporting, called AYSHUB, as well as collected input from the private sector on needs and recommendations for the upcoming implementation of PAP/PDP for maritime shipments.

Trade Policy

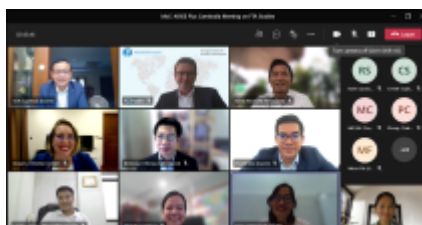
Support for the Capacity Development of Cambodian Customs in Trade Statistics – underway

To support the **capacity development of GDCE** in compiling, analyzing, producing, and disseminating International Merchandise Trade Statistics (IMTS), ARISE Plus Cambodia engaged Mr. Bülent Tungul, a leading international IMTS expert, to work with GDCE on a series of activities. Following a virtual workshop in July on **Awareness Raising and Technical Exchange on IMTS**, the international expert developed and finalized a Situation Assessment Report on IMTS in Cambodia, outlining specific recommendations to improve the IMTS production and dissemination systems of GDCE.

The international expert then worked with the GDCE team to improve the IMTS production and dissemination databases and deliver a series of training sessions on IMTS2010 and data analysis. The international expert also completed a draft of the Policy and Procedural Guideline on IMTS in Cambodia and the development of Correlation Tables between the ASEAN Harmonized Tariff Nomenclature 2017 (AHTN2017) and various international classifications.

The next steps will be additional training for GDCE on the Guideline, followed by a roll-out at selected regional customs offices. The consultant assignment will conclude with GDCE's issuance of the first national trade statistics report of Cambodia, expected by mid-2022.

FTA Feasibility Studies – inter-ministerial kick-off meeting conducted



To provide information for Cambodian policymakers on the potential gains and losses that may result from the respective FTA the Cambodian government has planned to sign (ex-ante) or has already signed (ex-post), ARISE Plus Cambodia commissioned a series of **three FTA Feasibilities Studies** to a consortium of two research

institutes: Asian Vision Institute (AVI) and International Economics Consulting (IEC). Specifically, the FTA Feasibility Studies will examine the economic, social and human rights, and environmental impacts of three FTAs to be selected by the government. Furthermore, this research project also aims to sustain capacity for both the Cambodian negotiation team and domestic research institutions through on-the-job training and consultation workshops. As an intermediate outcome, the initiative will contribute to enhancing the institutional and human capacities for the preparation for trade negotiation, as well as the formulation and implementation of trade-related policies.

On 26 August 2021, ARISE Plus Cambodia organized an inter-ministerial kick-off meeting virtually to introduce the study, discuss the government partners' expectations, and seek inputs on the proposed study implementation strategy. The meeting was chaired by H.E. Sok Sopheap, MoC Secretary of State, and attended by 40 participants, including officials from the MoC, Ministry of Economy and Finance (MEF), and GDCE. Based on the inputs from the workshop, the study team is developing a study concept note, outlining the study scope and methodology. The concept note will be consulted with relevant line ministries and non-governmental stakeholders in late December.

EXPORT DIVERSIFICATION OF SMES

SME Talk Series (3rd and 4th edition) – completed



© Eurocham Cambodia

The **third edition** of the SME Export Talk series, on “**Logistics Providers for Export**”, organized by ARISE+ Cambodia in partnership with EuroCham took place on 14th September. The approximately 90 participants learned about the current trends of the logistics sector in Cambodia, as well as the impacts of COVID-19 on SMEs and the operations of logistics firms. Experts from the field of export logistics discussed how to choose a freight forwarder suitable to your product, the challenges an SME may face, and tips to streamline the export process. The discussion also provided both an academic overview of the topic, as well as real-world examples of firms exporting using third-party logistics providers.

Matching relevant food safety standards is integral to being able to export food and beverage products - specially to developed markets. A variety of organizations offer certifications in food safety, but their requirements can often seem overly complex, and it is easy to get lost in the myriad of documents and bodies to choose from.

To help alleviate this challenge, ARISE Plus Cambodia organized **the fourth** SME Export Talk, on “**Food Safety for Export**” with more than 140 live attendees. The audience learned about the legal requirements to export food & beverage, food safety standards & certifications, and the role of laboratory analysis. This event also raised awareness on various good practices to implement a systematic approach to identifying food safety hazards.

[Recorded session Logistics Providers for Export](#)

[Recorded session Food Safety for Export](#)

Connectivity support for three business associations on PPD framework – completed

The Cambodian Chamber of Commerce, Cambodian Rice Federation and Battambang Chamber of Commerce have each recently procured a set of the latest video conferencing equipment as part of a Public-Private Dialogue (PPD) networking process that ARISE+ Cambodia promotes. This

equipment will enable the organisations to help their members participate in online business matching events, workshops, and conferences at the international, national, and provincial levels.

Each supported business association will organise an IT training for their executive staff to enhance online communication and networking capabilities for SME-exports and PPD.

Expansion of Cambodia's pool of certified pre-audit consultants for key ISO standards – completed



Many Cambodian SMEs strive to obtain the **international quality standard certifications** required for export. One of the obstacles they face is the lack of local consultants to guide them through the necessary processes and develop the relevant documentation to pass the certification audit and obtain the requested certification.

One of the objectives of ARISE+ Cambodia is to engage with the private sector (SMEs) and promote their participation in the AEC's single economic space. To archive, this objective is essential that the SMEs are international certificate. In response to the lack of local expertise, ARISE+ organized a series of certification programs to build a pool of qualified consultants available in Cambodia to meet present and future demand for pre-audit advisory services for SMEs.

A competitive selection process, 48 candidates went through one or more of the following training programs: **(1) ISO 9001: 2015 IRCA Auditor & Lead Auditor Training, (2) ISO 22000: 2018 IRCA Auditor & Lead Auditor Training, (3) ISO 45001: 2018 IRCA & Auditor Lead Auditor Training, and (4) Management System Consulting Skill Training.**

Of these, **10 individuals** received International Register of Certificated Auditors (IRCA) certification for either ISO 9001:2015 (Quality Management System), ISO 22000:2018 (Food Safety) or ISO 45001: 2018 (Occupational Health and Safety). Since completing the course, some of these consultants are already providing services to local SMEs.

Get to know our newly-supported SMEs

INDOCHINA RICE MILL

Indochina Rice Mill (IRM) is a Cambodian SME producing different qualities and types of vermicelli made from local rice flour. The production process creates high value-added along the local rice value chain since IRM sources raw, low-quality paddy from nearby provinces such as Kampong Chhnang, Kampong Cham, and Kampong Thom.

The company expects to explore higher value market segments in ASEAN, particularly in Indonesia, which has a very high population and similar food habits to Cambodia. Already, IRM obtained “**HALAL**” certification from the Cambodian Muslim Association to help it enter the Indonesian market. ARISE+ Cambodia supports IRM in obtaining two certifications: ISO 9001:2015 and HACCP., which will improve the capacity of IRM to comply with food safety regulations indicated by the Indonesian authorities.

WAT Chocolate

WAT chocolate, an SME located in Siem Reap, only uses



ingredients from Cambodia, including cocoa beans grown in Mondulkiri province. So far, the company has achieved great success in selling its range of premium chocolate bars to local up-market places, such as luxury hotels in Phnom Penh.

Even if domestic sales partially compensate for the impacts of the COVID-19 pandemic, the company's future development and potential growth will depend on entering more sophisticated export markets. ARISE+ will assist Wat Chocolate in achieving their export goals by obtaining international standards & certifications related to food safety. Those certifications are critical for meeting the requirements of the regulators in the targeted destination countries (France, Singapore, Dubai and Japan).

Reports and resources of interest

Market Information Newsletter | CBI

The Center for the Promotion of Imports (CBI) provides excellent information, by sector and sub-sector, to support exporters hoping to enter the European market.

[CBI Market Information Newsletter](#)

Least Developed Countries's notification obligations under the WTO Trade Facilitation Agreement | WTO

This article shows the Notification obligations under the WTO Trade Facilitation Agreement and Five reasons why "the struggle is real" for Least Developed Countries.

[Article](#)

Asia-Pacific Trade Facilitation Report 2021 | ESCAP

This report reviews the impact of trade facilitation initiatives in Asia and the Pacific since the coronavirus disease (COVID-19) pandemic began and discusses how to increase supply chain resilience.

[Report](#)

A primer on quantifying the environmental benefits of cross-border paperless trade facilitation | ARTNet/ ESCAP

Trade facilitation, and particularly the implementation of cross-border paperless trade, have the potential to significantly reduce these environmental burdens.

[Publication](#)

Are We Building Back Better? | UN Environment programme

Evidence from 2020 and Pathways for Inclusive Green Recovery Spending

[Publication](#)

A Step-by-Step Guide to FTA Optimization | ATC & Thomson Reuters

This guide is for Global Trade and Supply Chain executives who want to deepen their understanding of FTA and leverage it as a strategic tool to optimize their supply chains.

[Publication](#)



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