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CAMBODIA MSME 2/BEE PROJECT

QUARTERLY REPORT No. 5

(OCTOBER 1 - DECEMBER 31, 2009)

TASK ORDER NO. 04

JANUARY, 2010

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QUARTERLY REPORT No. 5

TASK ORDER NO. 04

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Introduction

Pursuant to the requirements of the Cambodia Micro, Small and Medium Enterprise 2/Business Enabling Environment (MSME 2/BEE) Contract No. EEM-I-00-07-00009-00, Task Order No. 4, Development Alternatives, Inc. (DAI) is pleased to submit the Fifth Quarterly Report covering the period October 1 – December 31, 2009.

Background

The Cambodia MSME 2/BEE project, referred to throughout this document as MSME 2 or the MSME Project, is implemented by a consortium led by DAI. Consortium partners include Nathan Associates, Emerging Markets Consulting (EMC), Equal Access, Indochina Research Limited (IRL), and Development & Training Services, Inc. (dTS).

The Cambodia MSME 2 project is managed by Chief of Party, Mr. Curtis Hundley and supported by Deputy Chief of Party, Ms. Vishalini Lawrence; Value Chain Advisor and Component Team Leader, Mr. Sun Boreth; Private Sector Voice Component Team Leader, Mr. Chan Narith; and during this quarter, Public Sector Strengthening Component Leader, Dr. Ly Sopheap. The core technical team is comprised of 24 Cambodian Value Chain Advisors, Business Enabling Environment Specialists, Communications Specialists, Water and Sanitation Specialist, Monitoring and Evaluation Specialist and Monitoring and Evaluation Coordinator, including three dynamic females. In addition, the Phnom Penh office and field offices in Prey Veng, Battambang, Kampong Thom and Kampong Cham are supported by ten Administrative, Finance and IT staff.

Project Objectives and Approach

The MSME Project operates in twelve provinces in Cambodia: Battambang, Siem Reap, Kampong Thom, Kampong Cham, Kampong Speu, Kandal, Kratie, Prey Veng, Svay Rieng, Pursat, Takeo and Kampot. The MSME 2 project improves the performance of firms in several value chains, supports public-private dialogue and strengthens the capacity of the public sector through targeted technical assistance. Program strategies include:

1. Leverage and expand the value chain efforts in the swine, aquaculture, and clay tile value chains, where a market exists from which information can flow to improve relationships and expand the incomes throughout the value chain, add additional agricultural value chains, such as high-quality fruit, in addition to non-timber forest products, such honey and resin, through an innovative market-led, value chain centered approach in biodiversity;
2. Take an innovative approach to expanding access to safe drinking water and rural sanitation using a value chain approach to engage the private sector and develop sustainable private sector enterprises that will continue the project's efforts after project activities end;
3. Improve the ability of the MSMEs with whom the project engages, to organize effectively among themselves through interest groups, working groups, or associations and then engage with the government to improve their business enabling environment;

4. Support the Government-Private Sector Forum (G-PSF) process by assisting the efforts of the IFC to make the G-PSF sustainable;
5. Assist various levels of the government to create a better business enabling environment by improving their ability to draft and implement good legislation, and helping them effectively communicate with other government agencies and officers and the private sector; and:
6. Facilitate the Garment Industry Productivity Center to create sustainable Cambodia development skill training.

The project improves firm productivity, builds relationships across the selected value chains, and increases investments in enterprises to improve competitiveness. MSME 2 assists enterprises to become and remain cost competitive relative to other national and regional firms, while improving quality and capabilities to provide a consistent supply of quality products to local and national markets. The project facilitates business membership organizations (BMOs) among the MSME clients to develop service based associations that facilitate delivery of technical and business training and help lobby for improvements to the business enabling environment; making their businesses more competitive and profitable.

This quarterly report provides an update of significant activities and achievements in the three Program Technical Components, Operations, Communications and Media Outreach, Monitoring and Evaluation.

Summary of Project Highlights in the First Quarter

- The Tourism team facilitated a workshop at the Cambodiana hotel on 23 November 2009 for the Hidden Treasures Cambodia Contest Award Ceremony. There were 58 tourism participants, including 13 women tour operators.
- The MSME Project has conducted assessments of aquaculture and swine retail markets in 11 target provinces: Kampong Thom, Kampong Cham, Svay Rieng, Prey Veng, Kampot, Kampong Speu, Takeo, Pursat, Kandal, Siem Reap and Battambang.
- A Swine Business Forum was conducted On Friday, 18th December 2009 at Phnom Penh Hotel. Participants were from twelve MSME target provinces and included 226 private sector participants (including 22 women) and public sector staff from MAFF, MoC, OCOM, DAHP, PDAFF, OAHP, MFIs and NGOs.
- A one day training program on anti-dumping procedures, led by International Trade Advisors, Steve Parker and Andrew Stephens, was held for 22 people (including 3 women) from MoC, MIME, MAFF, Customs and Council of Jurists.
- The number of people who visited Cambodia MSME's web site was 1,422 persons.
- The Cambodia MSME 2 advertised, collected and assessed proposals for a Fruit Value Chain Market Assessment.
- Five new staff were recruited: 1 - Mr. Sam Ean Sithiyut- Water Infrastructure Engineer, 2 - Mr. Kuy Mears Samnang- Regulatory Drafting Expert, 3 - Ms. Sharee Bauld- Tourism Coordinator, 4 - Mr. Iv Eang- Finance Coordinator, 5 - Mr. Kent Helmers- Technical Advisor.
- Finalized the Internal Evaluation report to gauge effectiveness of Rule Making Trainings and

submitted final report to USAID.

- Four consultants provided technical assistance to the project during the quarter. They were Ms. Nabanita Sen, M&E advisor, Ms. Tanja Lumba- updating the TAMIS system to include Year 2 workplan, Ms. Merrelene Peramune on association strengthening and Ms. Bagie Sherchand on Honey Value Chain Strategy development.

Component 1: Strengthening Value Chains

Summary of Actions, Activities and Accomplishments This Quarter

Interest Group Formation

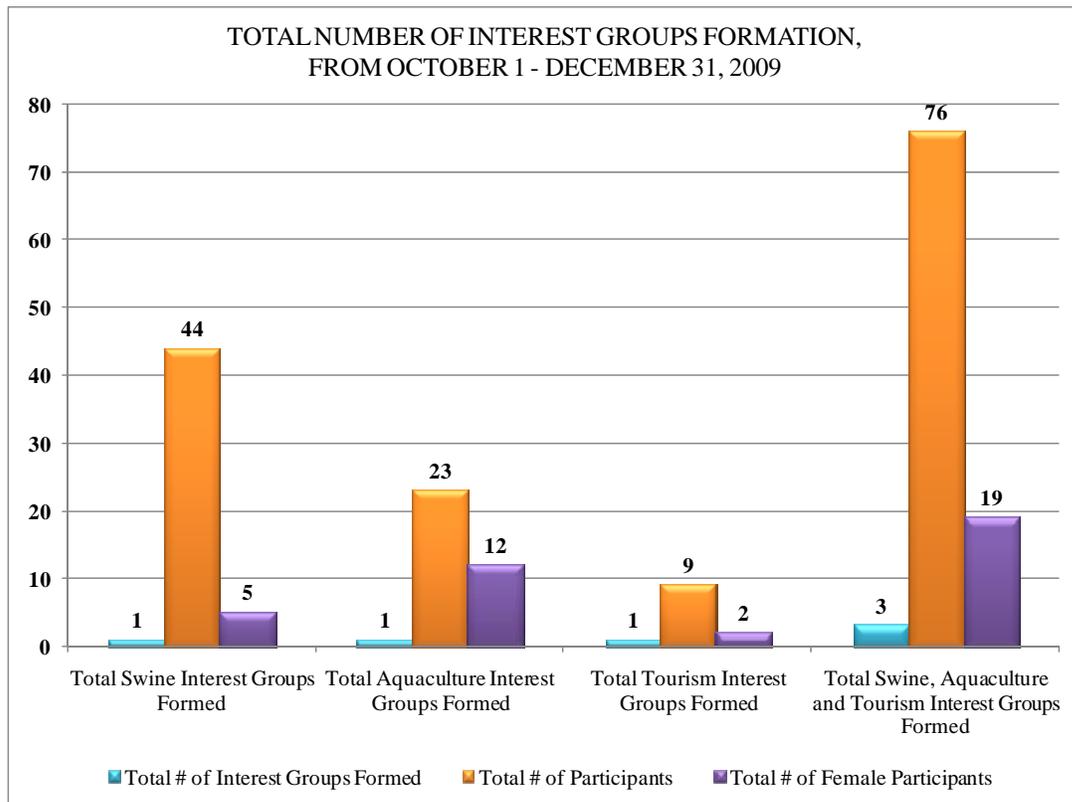
Forming Interest Groups is one of the first steps to identifying leading entrepreneurs to include in MSME 2's client roster. Interest group meetings are forums at which entrepreneurs identify key business and technical constraints, and where discussions of potential interventions and solutions are facilitated. This quarter, USAID Cambodia MSME Project has formed several interest groups by value chains as below and in

Figure 1:

- The Swine value chain team facilitated the formation of one Interest Group in the province of Battambang for a total 44 swine entrepreneur, including 5 women.
- The Aquaculture team facilitated formation of an Aquaculture and Swine Retail Interest Group in Kampong Cham province (Oraing Ov District, Phsa Oraing Ov Market). The group consists of a mix of aquaculture and pork retail enterprises, with a total of 23 Clients, including 12 women. In forming the interest group, the Deputy Oraing Ov District Governor, Mr. Chheng Bun Ra participated in and chaired the meeting and he provided advice to retailers on market upgrading concepts. He welcomed USAID Cambodia MSME Project support including its program work in Oraing Ov District.
- The Tourism value chain team facilitated the formation of one Tourism Interest group on community based tourism in Banteay Mean Chey province (Banteay Chmar commune). The groups consist of a total 9 tourism entrepreneurs, including 2 women.

These Interest Groups will receive support interventions that often include participation in embedded technical training, value chain specific business forums, cross-provincial exposure visits, international technology and governance exposure visits or participation in trade fairs.

Figure 1 - Total Interest Group Formation



Case Study 1 – Aquaculture Business Grows With Help From the Cambodia MSME Project

Aquaculture business grows with help from the USAID Cambodia MSME Project

The USAID Cambodia MSME Project works with leaders with the passion to improve their business and the desire to encourage growth in their communities



Mr. Keo Heng uses the Project's aquaculture business manuals and posters to provide training to his clients.



At his request, the Project delivered 200 copies of aquaculture business manuals and posters for Mr. Heng to use in the trainings and share with other producers. He has trained 350 neighboring producers in eight communes in his district.

Seeing sales growth in fingerlings and the many community people who attend trainings, we observe that people are now raising fish, not only for family consumption, but also to generate income. By selecting and working with a leading client, such as Mr. Keo Heng, the Project reaches hundreds more.

Among thousands of dusty rural households in Baset district, Kampong Speu province, Mr. Keo Heng's home stands out. It is green with trees and surrounded by several dozen well-prepared fish ponds. The neighbors don't hesitate to point out that they see him as a real entrepreneur in the village.

When asked what makes him so successful and unique, the 47-year old father of seven replies with a smile that there are three keys to his success: *hard work, good communications and being nice to people.*

Mr. Heng is an outstanding aquaculture producer in Trapang Chuk village. He began his aquaculture business in 2000, and has been so successful that he became a trainer in the village, providing knowledge, skills and experience to several hundred of his neighbors.

"It is not easy to make a success. I failed many times in my aquaculture business, but personal drive and motivation kept me working on it. In the end, things worked out for me," he said.

He cautioned that raising fish is not an easy job; one needs to put a lot of effort into it, such as designing fish ponds, managing water, selecting and caring for fingerlings, and feeding. ***"One must have passion to try again if it fails and try best to achieve it,"*** he said. Passion and technical ability are not the only requirements, according to Mr. Heng. ***"Once we have fish or fingerlings in hand,"*** he said, ***"we need the ability to sell them and this is another skill."***

"I have learned the technical skills through my personal experience, some short courses by development partners and lately with support from the USAID Cambodia MSME Project. The project exposes me to really good ideas on how to succeed in business," he claimed.

Mr. Keo Heng became the client of the USAID Cambodia MSME Project in early 2008 when the project expanded its coverage area to Kampong Speu. By participating with Cambodia MSME, he received technical and business training, attended business forums, and participated in local and international exposure visits to the Philippines and Vietnam. Through the Cambodia MSME Project he learned that personal relations are critical to a successful business.

"Communications is an important key to success," he said. ***"Good communications means many people know me and my business. People come to visit me often and buy my fish and fingerlings. I realize this key and build good relationships with other producers, traders, input supply companies, retailers, consumers, NGOs and government officers and wider communities."***

Mr. Heng's personal motivation makes him an ideal trainer. Cambodia MSME Project staff encouraged him to provide trainings to other producers. He has trained 350 producers through 30 trainings in eight communes in Baset district.

"As a fingerling wholesaler, my business depends on producers," he said. ***"If they succeed in raising fish, then I success in selling fingerlings. Providing technical skills training isn't enough; I also visit them and coach them."***

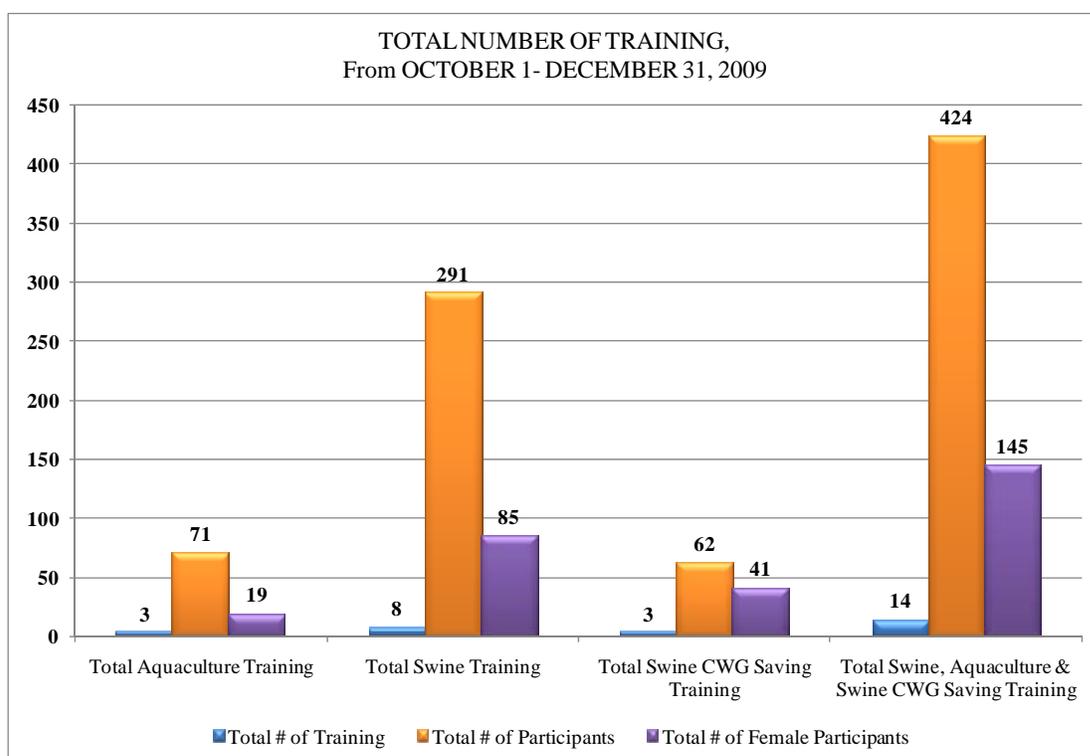
At the moment, Mr. Keo Heng makes an income of around US \$5,000 per year. With this income, he supports five of his children who attend universities in Phnom Penh and another two at secondary school. His business has tripled each year, thanks in part to the knowledge, skills and relationships gained from working with the USAID Cambodia MSME Project.

Embedded Technical Training

Embedded technical training is one of the guiding principles of MSME 2's value chain approach, to introduce interventions that are sustainable. Embedded technical training helps value chain clients gain new knowledge and skills to improve the productivity of their business, improve their business-to-business relationships and help them increase sales and outreach for their products and services. Embedded technical training activities during the last quarter are presented by value chain below and in Figure 2:

- The Aquaculture team facilitated three embedded technical training in the provinces of Kampong Thom, Siem Reap and Kampong Cham. A total of 71 clients participated, including 19 women.
- The Swine value chain team facilitated eight embedded technical trainings and technical feed making trainings in the provinces of Kampot, Kampong Cham, Pursat, Takeo, Kratie, Kampong Thom, Kandal and Prey Veng for a total of 291 clients, including 85 women.

Figure 2 - Total Embedded Technical Trainings



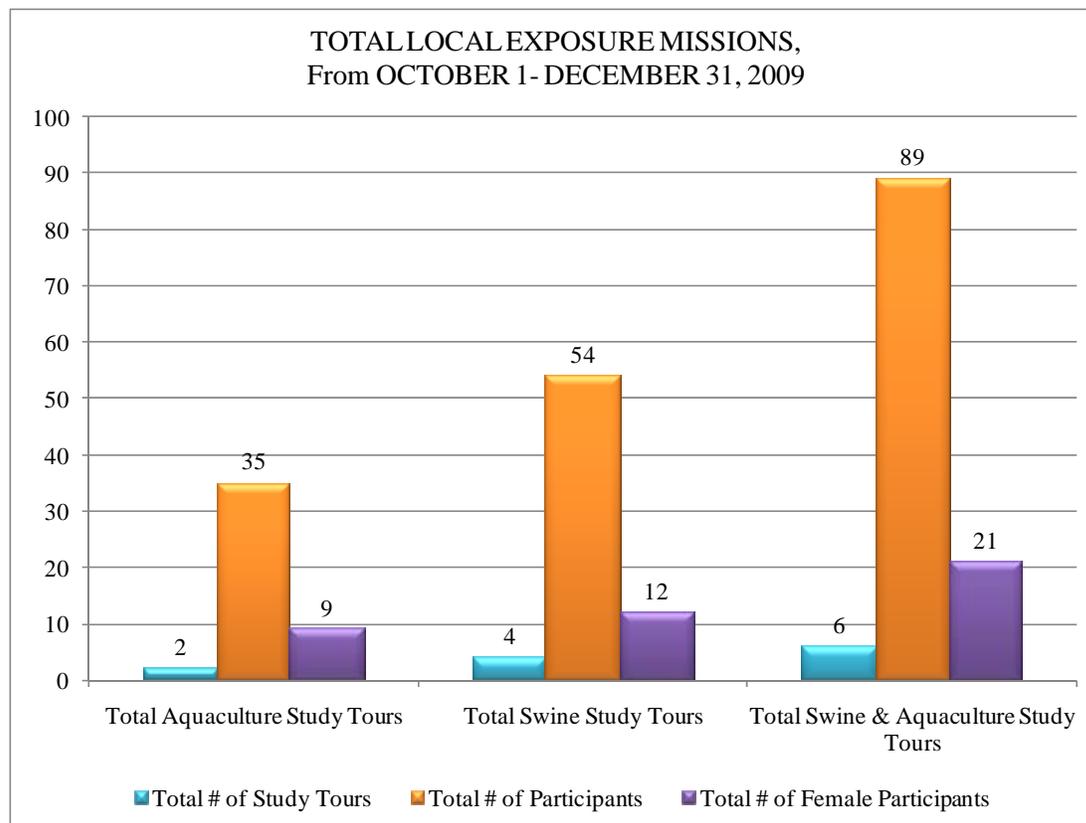
Cross-Provincial Exposure Missions

Cross-provincial exposure missions are designed to increase awareness among value chain clients of improved production techniques, new models of swine and aquaculture farm management, new breeding technology, and ways in which successful entrepreneurs plan and invest in their businesses. This quarter, several cross-provincial exposure missions were conducted as below and in

Figure 3 by value chain:

- The aquaculture value chain team facilitated two cross-provincial exposure missions. One mission was for entrepreneurs from Kampong Cham on a visit Prey Veng province. The second mission was for entrepreneurs from Kampong Thom on a visit to Kampong Cham and Kandal provinces. A total of 35 aquaculture entrepreneurs, including 9 women, participated in these missions.
- The swine value chain team facilitated four cross-provincial exposure missions on the topic of feed making. Reciprocal province cross-visits were held for groups from Kampot and Kampong Cham provinces and for groups from Kandal and Kampong Speu provinces. A total of 54 swine entrepreneurs, including 12 women participated in these missions.

Figure 3 - Total Cross-Provincial Trips



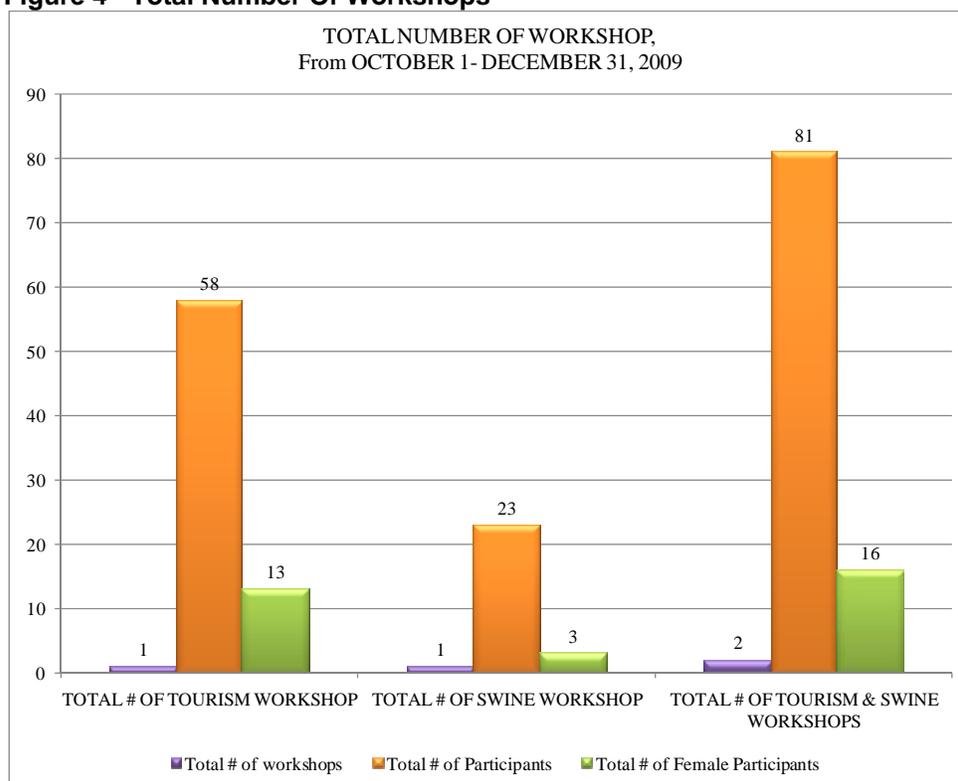
Workshops

Workshops serve as an important forum for discussion, where clients, partners and project staff can interact and engage directly with one another. The topics of discussion may vary, but the activities entail the participatory approach taken by swine and tourism teams, and the continued commitment to support economic development and better governance initiatives in Cambodia. Below and in

Figure 4 are the Workshops this quarter by value chain:

- The swine team facilitated a workshop in Siem Reap province to identify the issues of swine business to prepare the swine public-private sector dialogues in Phnom Penh in December. Participants were 23 swine private sector clients, including 3 women.
- The tourism team facilitated the Hidden Treasures Cambodia Contest Award Ceremony at the Cambodiana Hotel 23 November 2009. There were 58 tourism tour operator participants, including 13 women.

Figure 4 - Total Number Of Workshops



Case Study 2 - USAID Cambodia MSME Project promotes secondary tourism destinations where local communities gain more

USAID Cambodia MSME Project promotes secondary tourism destinations where local communities gain more

The USAID Cambodia MSME Project promotes sustainable tourism that improves the livelihoods of local communities



Mr. Flynn Fuller, Mission Director of USAID gives his opening speech for the Winner's Ceremony



H.E. Thok Sokhon, of the Ministry of Tourism, delivers an award to one of the winning tourism communities.



Participants visit products and services displayed by the winning tourism communities.

In addition to the world renowned Angkor Wat, Cambodia is considered to be rich in cultural, natural and historical attractions that could enhance the tourism sector and boost economic growth. There are several hundred local tourism sites yet to be discovered

Recognizing the real potential impact of tourism in income generation for local communities, the USAID Cambodia MSME Project started an ambitious initiative in strengthening the tourism value chain. The *Hidden Treasures Contest* showcased environmentally sound and socially sustainable tourism communities.

In November 2009, the *Hidden Treasures Contest Winners 2010* were announced to raise awareness about the winning destinations and to encourage tourism. Six destinations among fourteen applicants were selected based environmental and social sustainability, attractiveness, accessibility and marketability. All destinations are community-managed.

“Cambodia is now famous for tourism and large annual tourist increases. The economic growth opportunities from tourism have the potential to provide income and job opportunities for all Cambodians, particularly in provincial destinations where the incidence of poverty is its highest,” said by Mr. Curtis Hundley, Chief of Party of Cambodia MSME Project.

Hundley says the longer term objective of the initiative is to build sustainable relationships between many stakeholders at these destinations, incorporating communities, tour operators, services, and product suppliers.

“This initiative is designed to facilitate key relationships within the tourism value chain to enhance these secondary destinations, through the provision of technical and business skills assistance, to increase productivity and competitiveness.”

The awards ceremony is the first step in raising the awareness of these secondary Among the ‘rewards’ for contest winners, is the provision of information on their products and services posted on the Mekong Tourism Coordination Office website. These products and services include guided boat tours, bike tours through the rural Cambodian countryside, traditional dance and music performances, village home-stays near interesting sites, ancient temples, bird watching and much more. The six winning destinations will benefit from having their products and services marketed more broadly.

H.E. Thok Sokhon, Director of the Ministry of Tourism’s Department of International Cooperation and ASEAN, agreed that secondary site tourism provides direct income to local people and helps promote environmental and social sustainability. “We have to work together to reduce poverty and protect the environment. We need to encourage people to understand this; otherwise, they will not get involved,” he said.

“I see no reason why Cambodia, with all these attractions, can’t achieve something similar to Hawaii, a US state, where 60 percent of tourists are repeat tourists. This would generate significant revenue for small businesses and local community-run tourism sites,” he said.

Assessment of Province Aquaculture Retail Markets

To improve aquaculture value chain market networks, the USAID Cambodia MSME Project has assessed the condition of aquaculture retail markets in 11 project target provinces for the purpose of piloting upgrades to retail market facilities. The provinces and markets included in the assessment are shown in Table 1.

The assessment aimed to identify priority retail market upgrades to improve market function. To achieve this, MSME Project staff held discussions with all types of actors in each aquaculture retail market including Retailers, Fish Trader, Cam-Control, Market Committee and Market Owners. As result of the assessment, the MSME Project will select Phsa Oraing Ov market and Phsa Thmor Koul to pilot test work upgrading retail markets.

Table 1 - Aquaculture Retail Market Assessment by Province and Markets

Province	No. of Markets	Names of Markets
Takeo	2	Phsa Takeo, Phsa Thnal Bet
Kampong Cham	3	Phsa O raing Ov, Phsa Thmei, Phsa Boeung Kok
Pursat	1	Phsa Pursat
Kandal	3	Phsa Prey Pnov, Phsa Takmoa, Phsa Lux
Siem Reap	4	Phsa Sonikun, Phsa Leu, Phsa Chas, Phsa Samaki
Battambang	4	Phsa Nat, Phsa Boeung Chhuk, Phsa Thmei, Phsa Thmorkul
Kampong Thom	2	Phsa Chas, Phsa Thmei
Prey Veng	2	Phsa Prey Veng, Phsa Prey Pnov
Kampong Speu	2	Phsa Kampong Spue
Kampot	1	Phsa Chhuk
Svay Rieng	4	Phsa Kampot, Phsa Svay Rieng, Phsa Svay Chrum Phsa Kroul Kou, Phsa Chi Pou

Constraints Encountered and Unresolved Issues

Technical Issues

- Swine: Limited capacity in disease control, prevalent diseases, high mortality rate and incurable diseases,
- Swine: Low genetic breed results in low lean meat and high fat.

- Swine: Raw materials for home feed making are available only seasonally and farmers cannot store these raw materials or feeds long term.
- Swine: High input prices affecting business costs.

Business Enabling Environment Issues

- Swine: Weak regulation and inspections of swine imports leads to flooding of the domestic market with imported pigs leading to low domestic prices for live pigs.
- Swine: Imbalance in prices between live pig sale prices and pork prices in retail (wet) markets.
- Swine: A lack of standard regulation and licensing of slaughterhouses contributes to high costs and higher burdens of informal payments for swine enterprises.
- Swine: Slaughterhouses are in a state of poor hygiene, with no waste control and they are located near residential areas.

Main Events Planned for Next Quarter

Aquaculture and Swine

- Rural trade fairs to promote products and market linkages.
- Pork and fish retail market upgrades.
- Embedded swine technical training, concerning new pig diseases and pig feed making.
- Workshop on extension of pig genetics.
- Swine cross-provincial exposure mission.
- Capacity building for pork processors.
- Swine international exposure mission for leading enterprises.
- Radio live shows.

Tourism

- Cross-provincial trips for the award winners of the Hidden Treasures Cambodia Contest from Battambang (site orientation to Phare Ponleu Selpak and Banteay Chhmar) and from Kampong Thom (Khmer Homestay Village and Isanborei Tourism Community-Sambo Preikuk).
- Coordinate with Component 3 to meet with Ministry of Tourism on tourism law and regulations.
- Coordinate with the provincial investment sub-committee in Kampong Cham to discuss tourism investment opportunities and trends and to begin the Investment Profile.
- Organize a familiarization trip for tour operators to Koh Kong sites, including Tataikrom, Chiphat and Peam Krosoap.

NON TIMBER FOREST PRODUCTS (NTFP)

Honey

Summary of Actions, Activities and Accomplishments This Quarter

Introducing Sustainable Harvesting Practices

Honey bee training material development

With assistance from STTA, Merrilene Peramune, the biodiversity conservation team has been developing the honey bee training materials ranging from sustainable honey harvesting practices to market exposure. The purpose is to use these materials for extension to other communities' honey hunters and as a guide for the honey lead trainers to train other hunters. The materials is being developed in a calendar format and uses photos, drawings and graphs due to the very limited literacy and knowledge of the target clients.

Honey bee training

Three honey hunters from Koh Kong province (Srae Ambil district Toap Cheang Community Forestry), have been identified as the Honey Lead Trainers for providing field training/coaching on honey harvesting practices in other communities.

Honey market strategy development

The biodiversity team has worked with Bagie Sherchand, Sr. Economist from DAI Home Office on assessing the honey market and developing a honey value chain strategy. To achieve this, the biodiversity teams facilitated a number of meetings with key players within the honey value chain including CEDAC, many super markets; markets, and also conducted field visits to Kampong Speu and Koh Kong provinces to better understand the challenges of the honey business.

Resin

Summary of Actions, Activities and Accomplishments This Quarter

Assess Sustainability, Design Activities, Engage Value Chain Actors in Activities

Interest Group Formation

This quarter, the biodiversity conservation team facilitated the formation of two Resin Interest Groups in Preah Vihear province with a total of 42 resin entrepreneurs, including 5 women. Interest group meetings are forums at which entrepreneurs identify key business, technical and biodiversity constraints and discuss potential interventions and solutions.

Resin Training

Three resin tappers from Preah Vihear province (Rovieng district, Chiouk Boeung Prey Community Protected Area in Boeung Pe Wildlife Sanctuary) have been identified as Resin Lead Trainers for providing field training/coaching on sustainable resin tapping practices in other communities.

Natural Resource Management

Summary of Actions, Activities and Accomplishments This Quarter

Develop a common vision of integrated conservation and development in target areas of Cambodia

Cross-Provincial Exposure Missions

One cross-provincial exposure mission was planned and organized but was postponed due to heavy rain caused by the tropical depression Ketsana.

International Technology and Governance Exposure Missions

International exposure missions have been an extremely effective way in which to build relationships between Cambodian government and private sector participants and expose them to new and improved technology and governance systems. Finding a suitably qualified host firm to facilitate this international exposure mission is a critical aspect of ensuring the success for this intervention.

The team has been arranging an International Exposure mission to Indonesia's Kalimantan for next quarter. Planned participants comprise of a mix of national and provincial government officials including Forestry Administration of Ministry of Agriculture, Forestry and Fishery and Ministry of Environment and CF/CPA management committees, honey and resin group representatives. A total 19 participants is planned for this mission.

Workshops

To promote and coordinate biodiversity conservation activities, the USAID MSME project cooperated with EWMI to organize and facilitate a 3-day workshop for the Prey Long forest network. To increase knowledge of biodiversity conservation and management of resources, USAID MSME's GIS specialist together with biodiversity team delivered a presentation on Participatory Community Resource Mapping and also emphasized its importance of working in partnership with all relevant stakeholders including local authorities, Forestry Administration, communities, etc.

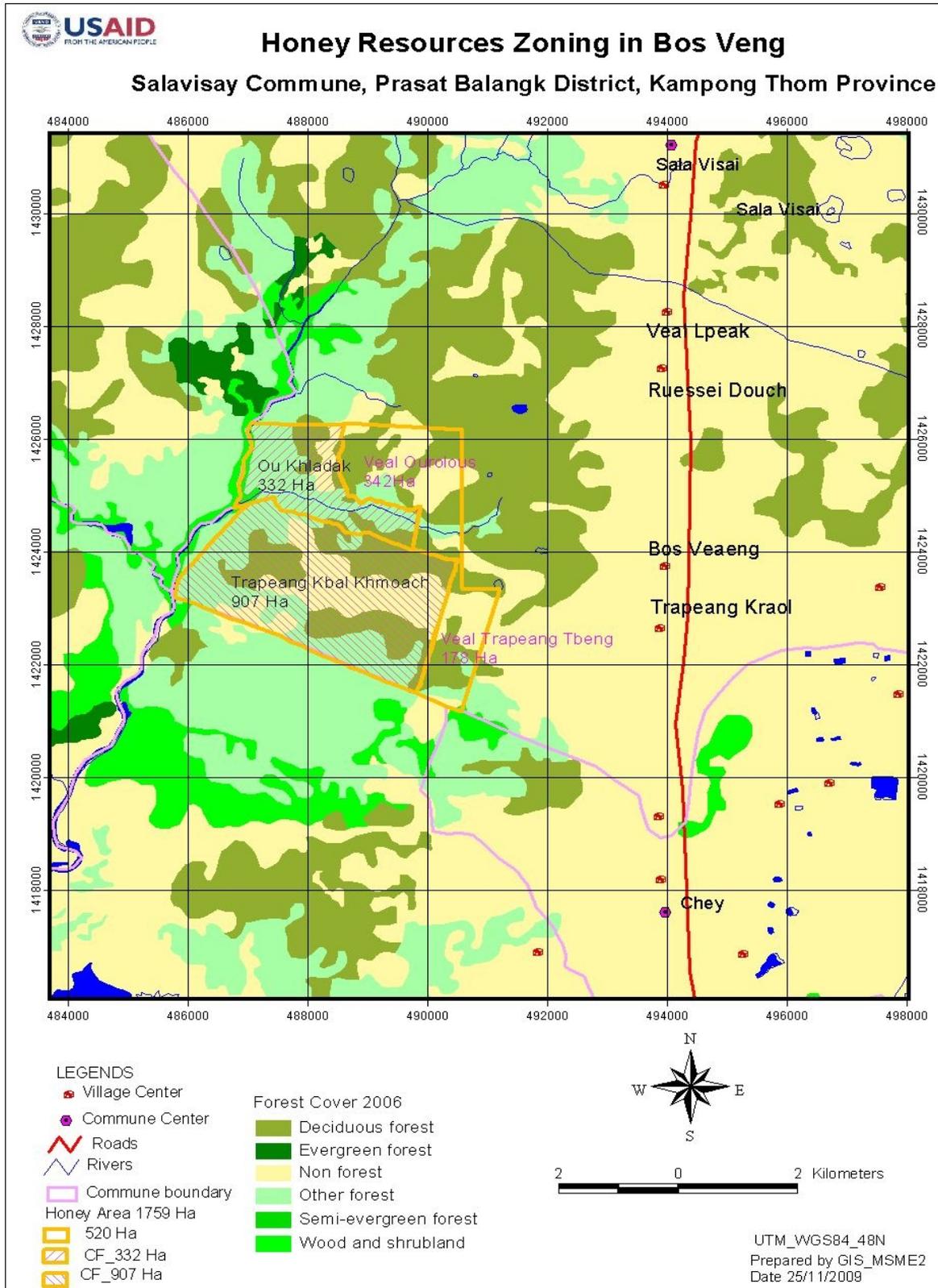
Site Assessment and Selection for Expansion in Year 2

Within this quarter, the Biodiversity Conservation team conducted new site assessments across the four selected landscapes in four provinces. The team has finalized selection of new sites for project implementation in Year II as following:

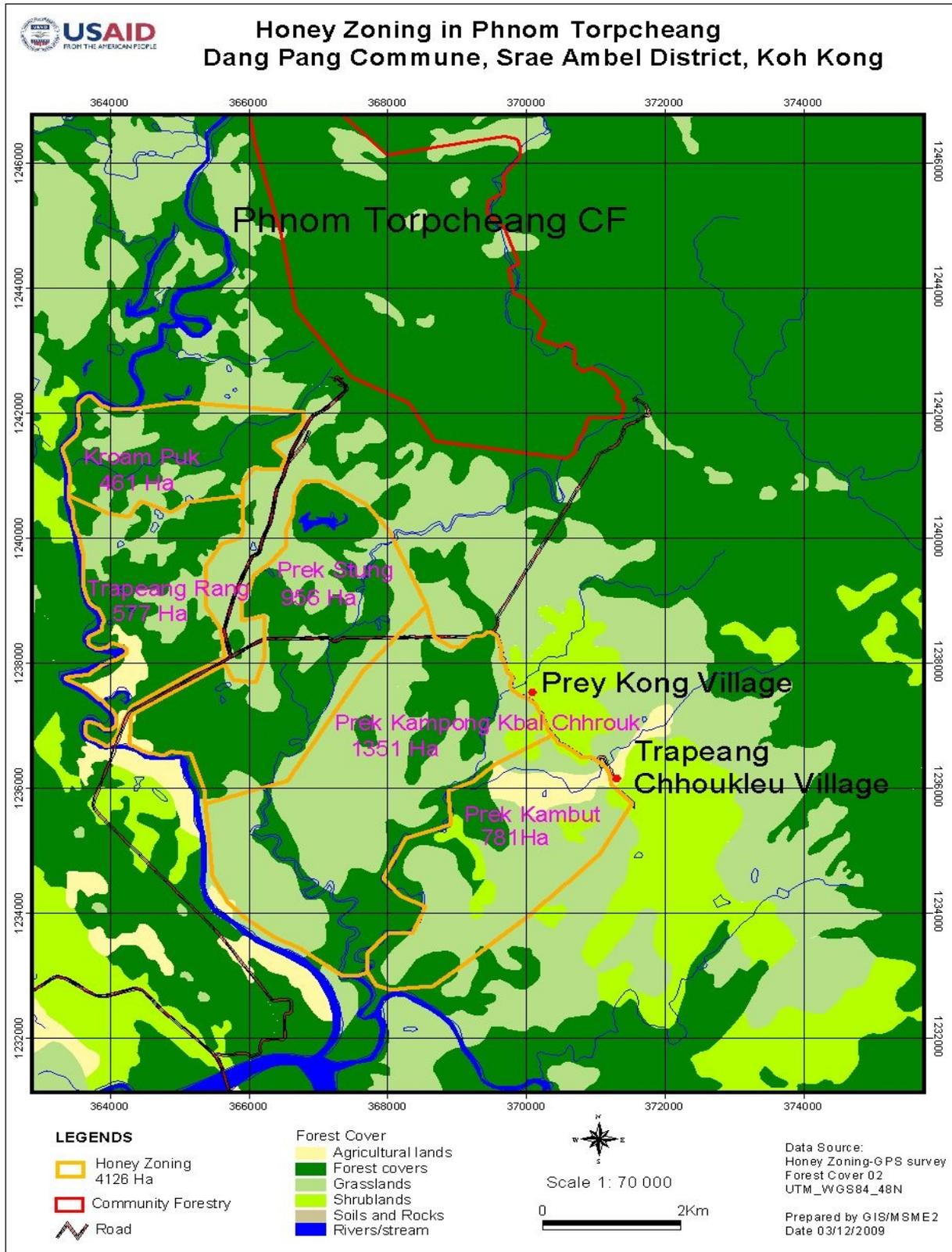
Table 2 - Biodiversity Conservation New Site Selection for Year II

Site Name/ Province	NTFP Potential	Size (Ha.)	District	Commune	Villages
Cardamom Mountains/ Koh Kong					
Chrouy Svay CFi	Honey	12,683	Srae Ambil	Chrouy Svay	Nesath, Chrouy Svay, Lech, Chrouy Svay Keurt, Kampong Sdam, Chheur Neang, Saray, Phnom Salao.
Kondoal CPA	Honey	1,200 (drafted)	Botum Sakor	Kondoal	Prolean, Kondoal, Thnong, Tam Konn.
Boeung Pe Wildlife Sanctuary/ Kampong Thom/Preah Vihear					
Prasath Tbeng Kong CPA	Resin	11,138	Prasath Balangk	Sakream	Veal Chas, Prix, Trapeang Pring, Srae Veal, Peam Atit, Ou Angkor, Thnal, Sakream Tbong, Sakream Cheung, Veal Vong, Ou Khsang
Srae Thnong CPA	Resin	1,869	Rovieng	Romany	Srae Thnong
Rumchek CPA	Resin	1,996	Rovieng	Romany	Rumchek
Srae Thom CPA	Resin	1,998	Rovieng	Romany	Srae Thom.
Oddar Meanchey					
Samarky CF	Resin	1,079	Anlong Veng	Trapeang Tav	Ou Angre, Ou Sramor, Trapeang Tav, Trapeang Tav Chas.
Phaav CF	Resin	2,025	Trapeang Prasath	Phaav	Thnal, Kaeng Chrok, Ou Beng, Ou Chik.
Sang Rokhavoan CF	Resin	18,164	Samroang & Anlong Veng	Koun Kriel	Sras Yeay Choek, Tumnup Thmey, Sampor, Char Thmey, Phum Thmey, Char Chas.
Prey Srong CF	Resin	6,344	Anlong Veng	Lumtong	Lumtong Chas, Korki Kandal, Rohal, Kok Sampor, Sralao Sroang
Sangkrous Prey Chheu CF	Resin	4,151	Anlong Veng	Anlong Veng	Romchek, Dey Thmey, Ou Tameng.

Map 1 - HONEY RESOURCES ZONING IN BOS VENG



Map 2 - HONEY ZONING IN PHNOM TORPCHEANG



PACT

Summary of Actions, Activities and Accomplishments This Quarter

During this quarter, the CFI/PACT team implemented activities with outputs as shown in Table 3 below:

Table 3 - CFI/PACT Team Activities and Outputs

Component	Objectives	Summary of Activities and Achievements
Preparation of Training Materials	<ul style="list-style-type: none"> To develop training materials (in English and Khmer) for community capacity building on Forest/NTFP Management, NTFP Enterprise Development and Participatory Monitoring 	<ul style="list-style-type: none"> Revised the NTFP training modules on Participatory Value Chain Analysis and Business Plan and Marketing based on real practices in the field. Developed Participatory Monitoring and Evaluation Modules in Khmer and English.
Site Selection	<ul style="list-style-type: none"> To identify 10 CF/CPA sites appropriate for project implementation 	<ul style="list-style-type: none"> Ongoing support of 10 communities through the provision of training on NTFP and CF development in order to acquire legal recognition of forest tenure and to improve the livelihood of the communities.
	<ul style="list-style-type: none"> To compile background information on each site, including CF/CPA development status 	<ul style="list-style-type: none"> Updated eight CFs and two CPA site profiles, then submitted to DAI. Updated the number of resin trees used by the resin groups in Chiok, Preah Vihear province. Project necessary because the village was hit by a heavy storm, resulting in the destruction of 1,665 resin trees.
	<ul style="list-style-type: none"> To conduct a preliminary assessment of NTFP potential in each site 	<ul style="list-style-type: none"> Completed a PRA assessment on resin and honey resources. A sketch map was prepared of the resin area in six communities in Sandan district and Chiok CPA in Preah Vihear province. Among the six communities, five have enough potential to utilize resin resources. A sketch map was prepared of the honey in 2 areas, Prang and Phnom Tob Cheang in Koh Kong province.

CFI/PACT Team Activities and Outputs (continued 2)

Component	Objectives	Summary of Activities and Achievements
Delivery of Training: Community based Honey and Resin Enterprise Development	<ul style="list-style-type: none"> To build the capacity of the community to effectively operate a resin/honey-based enterprise 	<ul style="list-style-type: none"> Delivered 4 2-day training courses on “Participatory Value Chain and Business Plan & Marketing” to the resin groups in Tropeang Tralach CF, Rang Khnay CF, Kbal Outhnong CF and Kbal Takong CF. There were 32 participants, including two females and five Commune Council members and two FA officials. Followed up and monitored the honey enterprise activities in Prang and Phnom Tob Cheang, including financial management, honey market promotion, and honey project evaluation.
Delivery of Training: CF/CPA training and coaching	<ul style="list-style-type: none"> To build the capacity of CF/CPA practitioners in the target provinces on CF/CPA implementation using participatory methods. 	<ul style="list-style-type: none"> Conducted two training courses on “CF Regulations Development” to the Kbal Ou Thnong CF and Kbal Kla CF in Sandan district, Kg. Thom province. There were a total of 52 participants, including 15 females, two local FA, and three commune council members. Conducted four training courses on “CF Agreement Development” to the Kbal Ou Thnong CF, Kbal Takong CF, Svay CF and Kbal Kla CF in Sandan district, Kg. Thom province. There were a total of 104 participants, including 23 females, four local FA, and three commune council members.

CFI/PACT Team Activities and Outputs (continued 3)

Component	Objectives	Summary of Activities and Achievements
Project Database	<ul style="list-style-type: none"> To keep and manage information and data of 10 CF/CPA sites 	<p>PACT/CFP tracks its work by maintaining the following data:</p> <ul style="list-style-type: none"> Training Reports (narrative) Database on training activities, including # of participants (male & female), maps, and steps reached through the CF Development process

		<ul style="list-style-type: none"> • Training evaluations by participants • copy of maps produced • Resin tapper profiles and Honey hunter profiles • Profiles of 8 CFs and 2 CPAs
Monitoring and assessment of training	<ul style="list-style-type: none"> • Certify achievement of each step in the process of both the community-based enterprise and CF 	<ul style="list-style-type: none"> • Monitoring CF and NTFP activities were conducted three times at the field
Legal Tenure and Policy Development	<ul style="list-style-type: none"> • To complete and submit documents for legal tenure to FA or MoE for 10 communities 	<ul style="list-style-type: none"> • Chiok CPA was approved by the MoE. Phnom Tob Cheang CF and Prang CPA submitted legal documents to the FA and MoE respectively for approval. Svay CF, Kbal Kla CF, Kbal Takong CF, and Kbal Outhnong CF have completed CF Regulations. FA Sandan will submit the documents to CC for approval in mid-January. Tropicang Tralach CF and Rong Khnay CF have developed CFMC By-Laws and CF Regulations.
	<ul style="list-style-type: none"> • To organize a workshop on the CPA Prakas 	<ul style="list-style-type: none"> • Project staff attended Protected Areas Management Strategy workshop organized by MOE.

Detailed Explanation of Activities Implemented

Provide Training and Coaching on CF Development

The training on Module VI: “CF Regulations Development” was conducted with the Kbal Ou Thnong CF and Kbal kla CF in Sandan district, Kg. Thom province. Workshops consisted of two–days of training – one day for theory and one day for developing CF Regulations. As a result, the participants gained a clear understanding of the concepts behind CF Regulations, as well as their importance. They actively participated and shared the ideas to draft the Regulations for their CF.

During the drafting of the Regulations, they asked many questions related to CF enforcement, land encroachment, and forest utilization. The FA also participated, helping to explain and clarify questions on CF guidelines and forestry law. After the training, they consulted with all CF members to finalize the Regulations and submitted the final Regulations to the commune chief for approval. At the conclusion of the exercise, the participants prepared an action plan to disseminate the Regulations to all villagers after the approval of the commune chief. At the time of writing this report four sites, including Kbal Outhnong CF, Kbal Takong CF, Svay CF, Kba Kla CF have completed their CF Regulations.

The training on Module VII: “CF Agreement Development” was conducted in Kbal Ou Thnong CF, Kbal Takong CF, Svay CF and Kbal Kla CF in Sandan district, Kg. Thom province. The training was

conducted for one day. As a result, the participants had a clear understanding of the usefulness of the CF Agreement, the CFMC and FA Cantonment roles and responsibilities, and the conditions of timber and non-timber product harvesting. The drafting of the Agreement followed the CF guideline, with minor adjustments. During the training, CF members asked questions related to the rights of harvesting timber and non-timber in commercial and community conditions. FA explained the questions regarding to the CF guideline and forestry law. The final draft will be completed after consultation with the CF members. FA plans to finalize the draft of CF Agreement for Kbal Takong CF and Kbal Outhnong CF and to submit to FA Cantonment in February.

Provide Training on Community-based NTFP Enterprise Development

Business Plan and Marketing

Training on Business Planning and Marketing was delivered to the resin groups in Kbal Takong CF, Kbal Outhnong Tropeang Tralach CF and Rang Khnay CF, Kg.Thom province. As a result of the training, the resin enterprise groups identified three targets markets, including Kg. Thom town, Kg. Thmor district, and Sandan district. Furthermore, the committee members indicated they would replace the local traders and purchase the resin products from the resin members and sell to the wholesalers in the target markets. The committee members in each group prepared the proposal and they hoped to receive a small amount of investment capital approximately \$500 from PACT's Fondation Ensemble project to start up their business.

During the training, the resin producers explained several of the obstacles they face, such as lack of investment capital to run their business, lack of market information and the expensive cost of transportation. They participated in drafting a three-year resin business plan from 2010-2012. The business plan will be revised depending on the investment capital, especially the component detailing projected sales. The business plan will submit to DAI to review end of January.

Prang Honey Group and Phnom Tob Cheang Honey Group

During this quarter, there were fewer field activities scheduled, as laid out by the workplan and the natural seasonal rhythm of the honey collection process. The main activities conducted included follow-up and field visit activities on financial management, investment fund, honey promotion, and honey evaluation.

PACT staff and three of the honey committee members from Prang and Phnom Tob Cheang (PTC) honey groups held a market promotion activity for honey in Pich Nil. During the two-day promotion, 15 bottles of honey were sold at \$6 per one-liter bottle. There was no fee for renting the space and the restaurant owner provided a table to set up the products. It was not possible to talk to the owner about future promotions at his restaurant because by the time the promotion was over he had left. However, there was good communication and future sales from this location may well be possible with the restaurant owner taking more responsibility. Many wealthier Cambodians and tourists make a rest stop in this area on their way to Sihanoukville, so it could be a good potential market.

Some of the questions from the customers were about the purity of the honey and the liquidity (“why it is so liquid?”). The committee members were very good at answering questions about the honey from customers, and these questions gave the community a better sense of the market requirements. In the future, we will look for other locations nearby, such as Yeay Mao, which the committee believes will be more suitable for the honey promotion. Through this experience the honey group committee members gained enhanced awareness of selling practices and contact with customers.

PACT staff conducted financial systems coaching and rafter-tag monitoring in Prang and PTC. PACT staff checked the cash book and the receipts to make sure the group is using money for the benefit of the groups and that there is accountability and transparency. In Prang, there were some small errors (some lost receipts and small loss of funds). Those responsible among the committee accepted responsibility for these losses, returned the lost funds, and have learned from their mistakes. There was 412,000 Riel on hand in Prang. Prang Honey group has since opened a bank account to keep their funds. The committee collected rafter tags in two places (Pichou and Prang Khang Keat). There were 875 tags collected from the members with 100 tags remaining with the members. In 2009, approximately 70% of rafters have tags. Some of the tags were provided to members but they didn’t install them because they were busy with rice farming.

PACT staff conducted financial monitoring in PTC. The honey committee and CFMC clarified that the interest-free investment capital that the honey group borrowed (1,151,500 Riel) from the CF group has been repaid to the CFMC. There was 637,300 Riel on hand in PTC. PTC will open a bank account to keep its funds. In addition, the honey committee and CFMC discussed revising the honey regulations to focus on better benefit sharing. They agreed to contribute 15% of net income to the CF group, later explaining the decision to the members in the village meetings.

PACT provided investment capital to the honey groups, \$1,000 to Prang and \$600 to PTC. In order to ensure proper management, the honey groups were asked to deposit the funds in the communities’ bank accounts.

Results of Monitoring Assessment in Prang

PACT staff conducted monitoring and evaluation interviews to assess the Prang honey group. The assessment was undertaken through a focus group discussion and its purpose was to observe the perceptions of honey enterprise stakeholders, including members, non-members, and local authorities. There were 51 respondents, all honey members. Six aspects of the project were reviewed and the results are below:

Enterprise capacity and effectiveness: Even though the honey business plan was written, only 9% of the honey committee members understood it well. The business plan should be consulted on with all members, and they should participate in monitoring the plan. Many members were satisfied with the participatory and transparent nature of decision-making of the committee. Unfortunately, however, few women were involved in the activity. The honey enterprise has a clear structure, well-defined roles and responsibilities, and the committee implemented their functions well. However, the honey members must continue their efforts to improve and further strengthen the enterprise.

Quality production: The main problem with honey quality was high moisture content, which the honey processing equipment and the enterprise’s technical skill levels were inadequate to correct. We

need to improve the capacity of the honey group on processing techniques and support the purchase of better equipment, ideally through private sector investment.

Delivery of extension and training: Most of the members were aware of sustainable harvesting training and applied the techniques; however, in the case of Tikong rafters (an Indonesian model), they did not implement the techniques on which they were trained because they were determined to be too time-consuming to implement. Though this design of rafter has been very successful in similar ecosystems in Indonesia, communities in Koh Kong are not willing to make the investment in building these more costly rafters. Perhaps when the community is stronger and the fear of theft is reduced, there will be more interest in this type of rafter.

Financial management effectiveness: The financial guidelines were an important tool to help the community improve enterprise transparency and accountability. The committee prepared financial documents, including payment receipts and financial reports. Most of the members clearly understood the need to maintain payment receipts when buying and selling honey. Usually the committee members presented the finance report to the members in the meeting. Most of the members were satisfied with the committee's responsibilities. It was determined that to attain more transparent and effective financial management, the committee should disseminate the financial report at least once every three months to the members.

Marketing effectiveness: The Prang Honey Group set up a market strategy and identified the target markets, including CEDAC. The committee actively participated in the marketing activities, but their capacity in marketing was very limited. Overriding these concerns was the fact that the honey quality was low (high moisture) and is easily spoiled. Hence, improving the honey quality was prioritized.

Forest protection and sustainable resource management: Only the CPA and honey committee were active in undertaking forest protection activities. The members must be more active in forest protection and rafter tag installation if honey volumes are to increase in future years. Furthermore, 40% of the members were not satisfied with the cooperation between local authorities and the community in forest protection. Hence, local authorities and PA rangers should improve their relations with the community. In Year 2, PACT will address this concern through more facilitated meetings and dialogue.

Equity and benefit sharing: All of the members were satisfied with the pricing system and benefit sharing, but some of them were not clear on how the system works. The committee should ensure that all members understand the system.

Results of Monitoring Assessment in Phnom Tob Cheang

PACT staff conducted monitoring and evaluation interviews to assess the PTC honey group's effectiveness. The assessment was undertaken through a focus group discussion with a purpose of observing the perception of the group by all honey enterprise stakeholders, including members, non-members, and local authorities. In total 63 respondents reviewed six aspects of the project, with the results below.

Enterprise capacity and effectiveness: The honey enterprise had a clear structure, roles and responsibilities, but only a few of the honey members attend the meetings regularly, because the meeting location is too far away. This situation is problematic because the honey business plan was designed at the meetings, so member participation is vital. Given the inability of some members to attend meetings, the committee must find the way to share information related to honey business to all the members.

Currently, only 42% said they were informed about the financial report, and only 14% said there was proper and timely reporting of the financial status. The committee often conducted the decision-making without the members' participation, and few women were involved in the activity.

Quality production: The internal control system was established with clear guidelines. Most of the members understood and applied the approved guidelines as they applied to harvesting, handling & filtering, delivery & buying, recording & monitoring. However, the main problem of honey quality remains high moisture content, and members still do not clearly understand the honey processing (drying) and packaging techniques, and the honey processing equipment and technical skills were inadequate. There will be refresher training on processing training next season, if funds are available.

Delivery of extension & training: Many training courses were provided to the PTC honey group. Most of the member were aware of sustainable harvesting training and felt confident they could apply the techniques they learned. The business plan and financial management training focused on the committee; hence few members were aware of the courses. The committee should explain the usefulness of financial management and developing a business plan to all members and consult with them in developing the business plan.

Financial management effectiveness: The committee prepared financial documents. Almost all of the members were unclear about the recording system, because they were not involved in the financial recording. To attain more transparency and financial management effectiveness, the committee should disseminate the financial report at least once every quarter to the members.

Marketing effectiveness: There was not enough information to develop the marketing plan. Only the committee members understood and were involved in the marketing activity, and even their marketing abilities remain very limited. Products sales did not meet the target set in the business plan, and the committee did not have enough financial resources to fully implement the marketing activities.

Forest protection and sustainable resource management: The honey group actively participated in forest protection and was satisfied with the forest protection cooperation efforts of the local authorities and the local community. However, while the CF legal documents contain a conflict management mechanism and the AFSC supported efforts to implement this mechanism, few people believed the mechanism to be effective.

Equity and benefit sharing: The pricing system depended on the market price for honey. Most of the members were satisfied with the pricing system, but a few of the people did not understand the benefits of the sharing system. The committee should more fully explain the purpose of the sharing arrangement.

Constraints Encountered and Unresolved Issues

- A lack of investment capital remains a key challenge for the resin groups. Even though they are scheduled to receive a small amount of investment capital during the first quarter (calendar) of 2010, it is unlikely to be enough to meet their needs. The process of designing a market strategy for the resin group remains a very slow process, a situation exacerbated by the resin groups themselves not being clear on the desired direction of the project. Additional facilitation and follow up is necessary to finalize the strategy with communities.
- All of the honey collection areas in PTC and most of honey areas in Prang are outside the community forestry /community protected areas (and therefore are beyond the communities')

control). For the future, if some of the harvesting areas become “off limits,” the honey volume will decrease. Therefore, efforts should be made to secure tenure for all the collection area.

- The community has invested significantly in honey processing, and honey quality has improved in certain instances through drying and packaging. To maintain a stable business, communities must continue to increase the volumes of the product and maintain several options for sales to both domestic and international customers.

WATER SUPPLY AND SANITATION

Summary of Actions, Activities and Accomplishments This Quarter

Water Investment Strategy

The project executed 13 subcontracts with private water service providers to potentially increase access to safe water for over 10,000 households. Much of the team’s energy focused on guiding clients through the planning process, encouraging local engineers to improve the professional services they provide to water service providers, and field-verifying expansion plans.

Initial reports from two water service providers indicate that they have already received over 1000 requests for new household connections.

Create Household Demand for Piped Water Systems

To date, there have been two pre-recorded radio programs highlighting the importance of safe drinking water. Each program included interviews with MIME/PDIME officials and private water service providers.

The Water team has also prepared initial drafts of a flyer/handout that will be distributed to households in selected areas to advertise USAID’s support for expanding water services in that area.

Strengthen Service Markets for the Water Supply Value Chain

In walking clients through the design and planning process of the Water Strategy, the Water Team has developed new relationships with local engineers and suppliers. These relationships will be key assets in strengthening the service markets through the rest of the project.

Promote Sanitation Marketing

IDE launched the initial sales season under the Sanitation Marketing program. A total of 540 latrines have been sold. Results will be shared between USAID and World Bank WSP. IDE continues training and supporting seven latrine producers.

In coordination with the initial sales season, two pre-recorded radio shows will be aired on the subject of improved sanitation.

Case Study 3 – Sanitation Marketing

Sanitation Marketing

The USAID Cambodia MSME Sanitation Marketing Pilot Project is testing new ways to reduce open defecation by improving the sanitation value chain.



Local sanitation services supplier promoting the 'Easy Latrine'.

Design innovations and creative promotional campaigns break down taboos and drive latrines sales.

Selling toilets may sound like a marketer's worst nightmare, but making sanitation 'sexy' is catching on in Cambodia. Never before have rural businesses in Cambodia concentrated so much effort selling latrines. The Sanitation Marketing Pilot Project is demonstrating that not only can sanitation be appealing; it is an attractive business opportunity as well.

In the past, purchasing a latrine in Cambodia was an arduous process where households had to source materials from several different suppliers and contract a mason to build it. Latrines accounted for less than 10% of sales for businesses that sell building supplies and services. Only about 16 percent of Cambodia's rural households even had them and demand was weak. Therefore, it is not surprising that entrepreneurs weren't clamoring to get into the business of selling toilets.

But in recent months, using innovative marketing techniques aimed at promoting sanitation, toilet sales, and better health, combined with promotions to encourage suppliers to concentrate sales on the 84 percent of households without toilets, sales are booming in parts of Svay Rieng and Kandal provinces.

The project worked to make latrines a more attractive, affordable and appealing consumer product. Branded as 'Easy Latrine', the new design is Cambodia's first all-in-one, do-it-yourself latrine kit. Instead of hunting out materials, buyers can now buy a ready-make package.

A village-level promotional campaign focuses on stopping open defecation and encouraging rural Cambodian households to invest their own money in a sanitary latrine, without subsidies. Using a combination of shock and humor, the campaign draws attention and discussion to a subject once considered taboo.

Local entrepreneurs have seen profits rise from \$50 to over \$600 per month. The program has also seen producers reinvesting and improving their businesses and becoming more efficient marketers.

In three months since the project began, more than 1,000 'Easy Latrine' orders have been placed with seven local producers. Six new producers, hearing of the success in toilet sales now want to receive training.

The Sanitation Marketing Pilot Project is not only supporting sustainable business in the construction supply sector, but is well on its way to help Cambodia reach its Millennium Development Goal for sanitation.

The Project is funded by the Cambodia MSME Project and the World Bank Water and Sanitation Program. It was designed and is being implemented by International Development Enterprises. The latrine re-design process was supported by IDEO. Broadcast media design is being facilitated by Equal Access. A similar project in Kampong Speu province is being implemented by LienAid and the World Toilet Organization under the regional USAID WaterSHED Project.

Constraints Encountered and Unresolved Issues

- 12 MOU partners have dropped out of the water strategy, mostly constrained by either the limited time frame to complete construction, or insufficient funds. One WSP reported that after conducting surveys in the potential area, only 20 households wanted to connect, whereas over 150 households expressed willingness to connect prior to signing the MOU.
- Sanitation Marketing is progressing slowly in Kandal province, which is characterized by higher latrine coverage rates, higher income levels, and less support from the Provincial Department of Rural Development as compared to Svay Rieng province.

Main Events Planned for Next Quarter

- Initial phases of several subcontracts will be completed, resulting in new households receiving safe drinking water.
- Execute potentially 5-10 more subcontracts with private water service providers.
- Distribute flyers advertising USAID's support for safe water.
- Exposure Visit to the Philippines in February.
- Complete the initial sales season for Sanitation Marketing.

Garment Industry Productivity Centre (GIPC)

Summary of Actions, Activities and Accomplishments This Quarter

Activity 1 - Conduct marketing activities and deliver productivity and manufacturing services

This indicator captures the business activities of the organization (marketing and delivery of services). Our objective as an organization is to improve manufacturing in Cambodia, specifically addressing productivity; in addition, success in marketing and delivering services is critical to becoming a self-sustaining organization.

Task 1.1: Provide training/consulting services to 20 garment factories, including 10 new clients

Initial marketing is usually a phone call, often blind, to active factories; the ability of staff to conduct these activities (and target likely candidate businesses) has improved and in 1 of every 6 calls now results in a visit by technical staff and/or the executive director. Of the visits, in 30% of cases we are invited to conduct a technical assessment of the factory and its needs. There is often a delay of several months between the assessment and a contract to deliver paid services, either consulting or training.

Indicators: Provided technical assistance to 9 factories – including 6 new factories

Task 1.2: Provide training/consulting services to 12 SME clients (including 6 new clients)

The SME marketing initiative has been a successful new direction and incorporates both small designers and handicrafts. The ability to pay is limited, but the need for services is promising.

Indicators: Working with 6 SME clients – including 1 new client

Task 1.3: Provide training/consulting services to 3 new sector clients (e.g. footwear or other)

The Sustainability Strategy includes developing services to other sectors. Footwear is a primary target, food processing is a second. One Assessment was conducted at a footwear factory.

Indicators: 1 client in footwear sector

Task 1.4: Present CAD program on quality and consistency with trial use of markers

The indicator for this task is the number of clients for CASDEC's CAD support, which gives even small firms access to expensive technology that improves product quality. We have been testing a subscription service to be offered to regular users. The target for this year is 12, with six factories and six SME's.

Indicators: 5 factories are subscription service users, all 5 are new ones, including 2 SMEs

Task 1.5: Develop TOT including GIPC technicians (study tours)

The technical team requires continual skills development. Consulting Engineer Gino Marelllo conducted an assessment of the current skill-level of the technical staff to establish objective standards for measuring their skill at production engineering and management. Based on

results, during this fiscal year all senior technicians will reach a minimum of 75% on the examination, and new technicians (2 years or less experience) will reach 60%.

Indicators: 6 technical team members will reach 75%; 3 will reach 60%

Table 4 - GIPC Activity 1 Analysis/Indicator Summary

Clients served	Oct-Dec	Jan-Mar	Apr-Jun	Jun-Sep	YTD	Target	%
Existing fty	3	3	3	1	3	10	33%
New fty	6	2	2		6	10	60%
Total gmt fty	9	5	5	1	9	20	45%
Existing SME	5	1			5	6	83%
New SME	1	2	2	1	1	6	16.7%
Total SME	7	3	2	1	7	12	58.3%
New sectors	1	1	1		1	3	33%
<i>Footwear</i>	<i>1</i>						
<i>Other</i>	<i>0</i>						
CAD existing	0	2	2	2	0	6	0
CAD new	5	1			5	6	83%
CAD total	5	3	2	2	5	12	41.7%

- **Obstacles to Progress**

- ✓ The greatest constraint to maintaining GIPC/CASDEC as a stand-alone training facility is profitability of the courses provided and the corollary of reducing the costs enough to keep the facility open. The courses offered are not profitable, with some providing a return of only 10% of course cost; meaning you lose \$90 for every \$100 invested. Conversations with garment industry representatives and new SME clients repeatedly suggest there is no ability to pay full price for the courses: this despite the fact the some clients obtain an almost immediate 1,000% return on the training investment. Reducing costs is difficult also and to reduce costs to the point of profitability under the current pricing structure is impossible.

- ✓ Regarding services to new sectors, there are 3 main sectors which our services need to diversify into. The GIPC team is constrained for time to plan this diversification strategy. Despite this constraint, we will train in new sectors on the same principles of basic production management. As the products are different, however, training and coaching is crucial for our technical team in these particular products and in these particular factories.
 - ✓ Limits to team ability to implement, as we need to experiment with new manufacturing processes in the workplace while not jeopardizing our image as experts vs. the need for learning about new industries such as footwear and food processing.
 - ✓ The cost of training is high, as we need international experts who will train the technical team while building credit with CASDEC in this area of manufacturing.
- **Solutions Proposed**
 - ✓ Extra time and additional technical support to develop expertise in the 3 new sectors would be ideal. To ensure that we can tackle these new areas of industry, basic courses are needed on Production Management (which will not require manufacturing process notions), such as supervision, control of the production, control quality, selection of personnel. If the factories admit the need, we can offer these courses and learn on the process at the implementation phase of our program.
 - ✓ Unless the pricing issue – pricing for profit – can be resolved, the GIPC/CASDEC facility has no option to remain open. The other solution to keeping the facility open is to identify a donor willing to foot the losses. Conversations with GMAC and AFD will determine if the proposed National Garment Training Center is an option for GIPC courses and services. The Project will also hire a short term consultant in the US to determine interest among donors to supporting the facility.
 - **Change in Objectives Proposed**
 - ✓ We should consider increasing the number of factories in the new areas of services, targeting 3 in footwear and 3 in food-processing (Task 1.3).
 - ✓ Any increase in the number of customers actually increases costs, so we will assess the impact of gaining new customer under a new pricing structure.

Activity 2: Capture New GIPC Profits

Targeting profitable training courses and increasing net revenues (\$20,000 more than last year) remains a big challenge despite GIPC stellar reputation in the garment industry. In addition, the economic situation is narrowing the garment market. CASDEC-GIPC needs to be sustainable in one year, and generating enough income to be financially autonomous is a long process, and we need to think thoroughly about our potential sources of income.

The need to diversify is evident when we look to the slump in garment exports, while the garment sector remains the main income of GIPC. We began exploring new markets in 2009.

- The SME sector has developed as a market and we are planning its contribution to be 15% (\$10,000.00) from a total objective set at \$70,000.00.

- Footwear is another promising market, although income potential is untested. During the past year garment exports shrank by 30%, footwear grew by 26% (from an admittedly small number, but significant). As of now, CASDEC is working to develop relationships in this sector and will need to build credibility.
- Food processing was identified as an important sector by the Council for the Development of Cambodia (CDC) and we are exploring an initial opportunity with a producer and exporter of pet foods.

The indicator for revenue growth is the ratio of earnings to payroll and benefits expense of the technical team, with the target for the year at 70%.

Indicator: Result for the quarter: revenue is 53% of total technicians' salary and 30% of salary and benefits.

Tasks 2.1: Develop and implement business process for identifying and offering services to new sectors

The CDC list on investment shows three main sectors of investment: Footwear, Food-processing and motor/engine-assembly. All these sectors have line production and are labor intensive, these characteristics fit perfectly with the GIPC domain of work. A business process evaluation of these sectors is to be conducted in the next quarter. In addition, GIPC has been able to position itself as a service provider to the Cambodia Investment Board-CIB for its After Care Unit, a component under the CDC and supported by IFC-World Bank.

Indicators: Conducted the business process evaluation of the 3 new sectors: food-processing, footwear, motor/engine assembly.

Task 2.2: Implement the resource mobilization plan (RMP) to embracing all aspects of sustainability.

The objective of the Resource Mobilization Plan is to help CASDEC identify resources to sustain the organization's growth plans and work, by developing a strategy that can lead to creative efforts in accessing local and international sources. The needed resources may include grants, matching funds, technical assistance (ex. training trainers on productivity for new industries), and training/project cooperation, among others.

The new resources will go to 1) develop new skill development units focused on non-garment industries and 2) to strengthen GIPC's capabilities to provide quality services at a profitable cost. RMP implementation will begin next quarter.

Indicators: Produce a Financial Gap Analysis and establish a Resource Mobilization/Fundraising Strategy (donors and private sector), Execute RM/Fundraising Strategy, Evaluation of efforts and results and Refine RMP strategy.

Task 2.3: Conduct 4 technical seminars, at least one in a new sector, and one SME focused showroom

The four technical seminars have been forecast and topics identified: Making up process of garment, Supervisors, Time and Work Study, Pattern Making. We are inserting one additional seminar related to our new field of work, possibly in Footwear. This subject needs to be confirmed as it is link with the venue of our Footwear Specialist.

The first technical seminar planned in December has been postponed to the last week in January and will take place at GMAC. The participation in these seminars is fee based.

Indicators: 4 seminars -1 seminar scheduled in January.

Task 2.4: Update Business Plan

This activity is to be planned in February

Indicators:

Task 2.5: Develop joint products/services for the benefit of business associations and GIPC

Three activities contribute to the strength of business associations and to GIPC growth.

- Technical seminars delivered to garment factories in collaboration with Garment Manufacturers Association of Cambodia – GMAC generates revenue for GIPC while improving the value of GMAC to the industry.
- We have been able to join forces with Cambodia Manufacturer Federation Association- CAMFEBA to market its Trainees. The goals of the CAMFEBA are to train new candidates for manufacturing sector in middle-management, and to support their corporate memberships’ needs for managerial capacity building. We have launched a new Production Management Certificate with Puthisastra University. If CAMFEBA Trainees meet the criteria for this Certificate they can qualify for this award. Graduates have moved rapidly from our program to recruitment to middle-management positions within companies. Already 4 factories are engaged to hire 10 students from our course.
- As part of our contribution to economic good governance and workforce development activities, CASDEC-GIPC has designed, developed and will implement a “Basic Pattern Making” training course to 20 finalists under the campaign "I AM PRECIOUS" contest organized by ILO-BFC. Once again, GIPC is positioning itself as workforce developer and training program designer in this business association.

Indicators: The design and implementation of “Basic Pattern Making” is generating \$6,100.00. The 4 technical seminars are to generate from \$400.00 to \$600.00. As for the Production Management Certificate we hope to set it up 3 times this year and therefore generate revenue between \$16,000.00 and \$20,000.00

Activity Analysis: We estimate revenue for the year from this task at about \$28,000.00.

Cambodia Can Do! The “I AM PRECIOUS” contest

The USAID Cambodia MSME Project supports the development of technical and management skills for thousands of Cambodian garment workers!



These young women are modeling their dress creations during the “I am precious” campaign



US Ambassador Carol Rodley watches as the designs of 20 young women, winners selected from a pool of 465 entrants, were unveiled on the catwalk in Phnom Penh

Training more mid-level managers, improving pattern making and design skills, and promoting specialist skills of Cambodia’s garment workers makes Cambodia factories more productive and competitive.

Finally! Cambodia’s garment workers are being recognized for the significant contribution to Cambodia’s economy. Numbering more than 300,000, they represent the largest industry in the nation and are critical to the health of Cambodia’s economy. The *I Am Precious* contest is an annual event that encourages garment workers to take pride in their skills and achievements. The Contest is the brainchild of the Garment Industry Productivity Center (GIPC) in collaboration with the International Labor Organization (ILO), Garment Manufacturers Association of Cambodia (GMAC), Ministry of Women’s Affairs, Ministry of Labor and Vocational Training, and the UNDP. The highly popular contest promotes creativity and self-esteem by encouraging new clothing designs made by Cambodians.

In November 2009, a large group of distinguished guests, including United States Ambassador Carol Rodley, viewed the innovative creations of 20 young women who displaying their creations in a manner reminiscent of a Paris catwalk, only it was right here in Cambodia. These 20 finalists were selected from a pool of 465 local designers who competed to be the 2009 winner.

For this year’s event, entrants had the option of designing a dress or a T-shirt. More than 20 garment industry employers offered sponsorships; demonstrating industry support for the contest. GIPC, a division of CASDEC, a Cambodian NGO dedicated to workplace skills, offered each of the 20 finalists the chance to participate in a 60-hour training course to learn pattern making. The course will further hone their creative skills and open opportunities for higher-paying employment within the industry.

Global competition has increased and Cambodia’s garment industry will need to become more efficient and improve the skills of its workers if it wants to compete and make better use of the available labor pool. Organizations such as GIPC-CASDEC are teaching workers new technical and management skills.

GIPC, begun in 2005 as a USAID-funded project, employs a team of multilingual Cambodians trained by international experts to improve production management and train Cambodians for high skilled jobs.

Employers can see the results of training. Independent surveys indicate that as many as 70 percent of GIPC trainees receive raises or promotions after graduation.

During the past four years, 20 percent of Cambodia’s factories have hired GIPC to teach industrial engineering courses and provide consulting services. Training is the first step to having an upwardly mobile Cambodian workforce, skilled and able to compete with the best in the World.

Table 5 - GIPC Activity 2 Indicator Assessment and Progress

	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	YTD	Target
Capture revenue	\$17,500	\$17,500	\$17,500	\$17,500	\$9,551	\$70,000
GIPC Contribution	\$9,551 (\$3,949)	\$15,000	\$15,000	\$14,449		\$54,000 with min. \$13,500/Quarter
Business evaluation	Post-Preparation	Preparation / Evaluation	Action	Reco	NA	Implementation on reco
Technical Seminars	Post	2 seminars	1 seminar	1 seminar	0	entrance on fee-basis between \$2000-\$5000
Business Plan	Nil	Update in Feb.	Update in July	Nil	NA	2 updates : February & July
Develop Join product/service	\$2,000	\$9,700	\$5,600	\$2,700	\$2,000	\$20,000

- **Obstacles to Progress**

- ✓ Reluctance of factories to pay for anything, from training to seminars.
- ✓ Slow movement at the After Care Unit and no existing promotion about services providers such as GIPC, is challenging for our organization, as we need to be recommended for any first visit to potential clients.
- ✓ The challenging process of finding a footwear manufacturing expert to provide guidance to the technical team and to establish credibility with factories in that sector.
- ✓ The Garment industry, even in the management track, is not the most attractive employment to local youth, which created challenges filling the first Production Management Certificate.

- **Solutions Proposed**

- ✓ Increase course prices so they are profitable.
- ✓ Promote and develop promotional support/literature of our new services in Footwear, and other manufacturing process.
- ✓ Develop the relationship with the After Care Unit team
- ✓ Develop collaboration with Human Resource Agencies and CAMFEBA to create a pool of potential candidates for our Production Management Certificate.

- **Change in Objectives Proposed**

- ✓ No changes

Activity 3 - Technical and vocational training for employment

Following a salary survey implemented by HR Inc in 2007, it was found that only 20% of middle management to top management in the garment industry are Cambodian. Most GIPC clients would like to hire local middle-management as their cost is much lower than foreigners' salaries but in 2010 after 10 years existence of the industry, the scarcity of Cambodian managers remains the same. There remains an evident lack of skilled nationals with a manufacturing background at the level of middle management.

Further to this, there is a flagrant miss-match between the private sector employment demand and the education sector training supply of garment sector managers. The people who most suffer from this are certainly the students, the potential entrance level workforce for the industry.

Information is scarce on the industry and the only information on employment is negative, such as the bad conditions of the workplace and the low salary of workers.

Task 3.1: Deliver 8 technical training programs

Our most popular training program is the Work and Time Study course where trainees learn the basics of Industrial Engineering and how aspects should be implemented on the production floor. It is also in this course that they gain knowledge of Standard Time, and how to balance a line, which is the most common problem in factories. We emphasize also the fact that our course is divided into 2 modules: 40 hours in class and 40 hours in the factory (for implementation).

Indicators: 9 Work and Time Study Courses are being forecast throughout the year. We have delivered 5 courses, which include 2 Work and Time Study trainings.

Table 6 - GIPC Activity 3 Technical Training

	Quantity	Course	M	F	KH	FOREIGN
5 Courses	2	W&T	7	17	24	0
	2	I.E Development	1	33	34	0
	1	Cutting Room	6		6	0
Totals			8	56	64	0

Task 3.2: Measure success/completion, test and follow up in factory

The trainings conducted in this past quarter were done with 64 local trainees of whom 56 were female.

Indicators: 120 trainees have completed the course

Table 7 - GIPC Activity 3 Technical Training Success/Completion

Comparison Pre and Post Test	Increase	40%
Follow up – Cutting room/ Kinma	Increase	2%
Follow up - W&T at M&V4	Increase	19%
Note: C/R at Kinma was increased only by 2% because markers (from pattern) had to be often corrected. If we did take the time to do the correction, we could have increased by 42%		

Task 3.3: Implement a 3-month University program in production management

The preparation of the 3 month program in collaboration with Puthisastra University has been delayed by one month due to a lack of registration. After a one-month campaign to specific target, we were able to gather 12 students for a course to start on January 6, 2010. Four factories have already confirmed their engagement to hire our graduates (from 1 to 3 students) in their factory.

To be in accordance with timeframe, the 3month has been stretched to 4 months as we will be doing half days course instead of 6 hours as planned. Consequently, to avoid confusion, we will call this course, from now on, the “Production Management Certificate”.

Indicators: 10 students will graduated from the Certificate

Task 3.4: Survey participants to measure impact on income and/or jobs

This survey has been conducted in September and we should plan to conduct it again in March 2010.

Indicators: The target is to reach 20 to 25 students in total and that 10 will complete program.

Activity Analysis:

Table 8 - GIPC Activity 3 Indicator Assessment and Progress

	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	Target	YTD	%
Deliver training programs	5	2	2	2	8 technical, 3 general	5	62%
Number participants	64 (58 women)	47 (42 women)	40 women	34 (30 women)	185 with 170 female	64	34%
Measure success/follow up	Completed	NA	NA	NA	NA	Done	NA
Production Mgt	postpone	12 students	20-25		2 semesters		NA

	to January		students				
Survey trainees	nil	to be conducted	nil	to be conducted	NA		NA

- **Obstacles to progress**

- ✓ Lack of financial support from the main stakeholders such as GMAC.
- ✓ Negative image of employment in the garment industry (working conditions, low salary etc.)
- ✓ Capacity to pay for students, the Production Management Certificate cost \$500 for a semester with almost a guarantee to be hired at the end of the class.

- **Solutions proposed**

- ✓ Price courses so they are profitable.
- ✓ Select a financial bank or microfinance institution to support student loans and therefore accessibility to our Certificate program.
- ✓ Continue to participate in other initiatives promoting garment industry
- ✓ Continue to collaborate with GMAC and strengthen our relationship.

- **Change in objectives proposed**

- ✓ No changes

Activity 4 - Facilitate and/or lead public private dialogue

As part of economic good governance, over the past 3 years, CASDEC-GIPC has established among stakeholders its voice as promoter of industry competitiveness. Moreover, under the Tripartite Strategic Forum, it has placed itself as one of the official coordinators between the three key players of the industry: private sector, unions and official authorities. It is considered as a neutral entity and has been able to facilitate discussion among the 3 parties.

Task 4.1: Provide leadership to Trade SWAP pillar II/private sector-led government strategies

For the past 2 years, CASDEC-GIPC has been co-leading with GMAC, the Task Team on Garment/Footwear. This Task Team, has been raising issues of concern from the private sector and also solutions to help the industry maintain its status and eventually growth. The Task Team is to wait for a sub-decree from the Royal Government which will allow government authorities to participate in the task team, and play a proactive role in the response to the private sector needs.

Indicators: 4 TradeSwap meetings are forecasted throughout the year. Two meetings have been conducted during this past quarter.

Task 4.2: Provide tripartite Strategic Forum support to GMAC/private sector, unions, and government

This initiative started 3 years ago under Asia Foundation, due to lack of resources, the project was pursued under CASDEC-GIPC. As of today, the organization has conducted the 14th Tripartite Strategic Forum in October 2009. The goal of this forum is to facilitate dialogue among stakeholders, discuss respective weaknesses and how each party can help, and finally, create common goals that will boost the industry competitiveness. The subjects are not limited, but are oriented to workforce development.

Indicators: Conduct 3 Tripartite Strategic Forum – 1 Forum conducted in October

Activity Analysis:

Table 9 - GIPC Activity 4 Indicator Assessment and Progress

	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	YTD	Target
Trade Swap Task Team	2	1	1	0	2	4 Trade Swap meetings
Tripartite Str. Meeting - TSF	1	1	1	0	1	3 TSF

- **Obstacles to progress**

- ✓ The Trade Swap has lost its dynamism due to this long waiting period for a sub-decree that has still not yet been approved.
- ✓ The participants in both platform-discussions are, in general, slow to react to actions designated to them. Much follow up has to be done to keep the momentum.

- **Solutions proposed**

- ✓ No other solution other than keep doing the follow up with participants with a new grid to see progress.

- **Change in objectives proposed**

- ✓ No changes

Activities Planned for the Next Quarter

- Identify a bigger pool of students/workers interested to participate in our Production Management Certificate and prepare their registration.
- Collaboration to create a Directory of training for Cambodian Industry.
- Develop footwear field of work – Organize its coaching.

- Develop food-processing relationships and also with MIME authorities in charge of food-processing.
- Revamp the GIPC website and transfer it to CASDEC
- Make progress on the Sustainability Assessment which is the objective of the RMP program- We are in the process of selecting the International Consultant. The Sustainability assessment will define the following :
 - ✓ How progress impacts CASDEC's services self-sufficiency by 2011
 - ✓ Partnering with other institutions to merge services and staff by 2011
 - ✓ Actions proposed, including actions that CASDEC will take to solve the problems and those needed by DAI/Nathan project managers.

Component 2 - Strengthen Private Sector Voice

Summary of Actions, Activities and Accomplishments This Quarter

Strengthen Community Working Groups & Business Memberships Associations

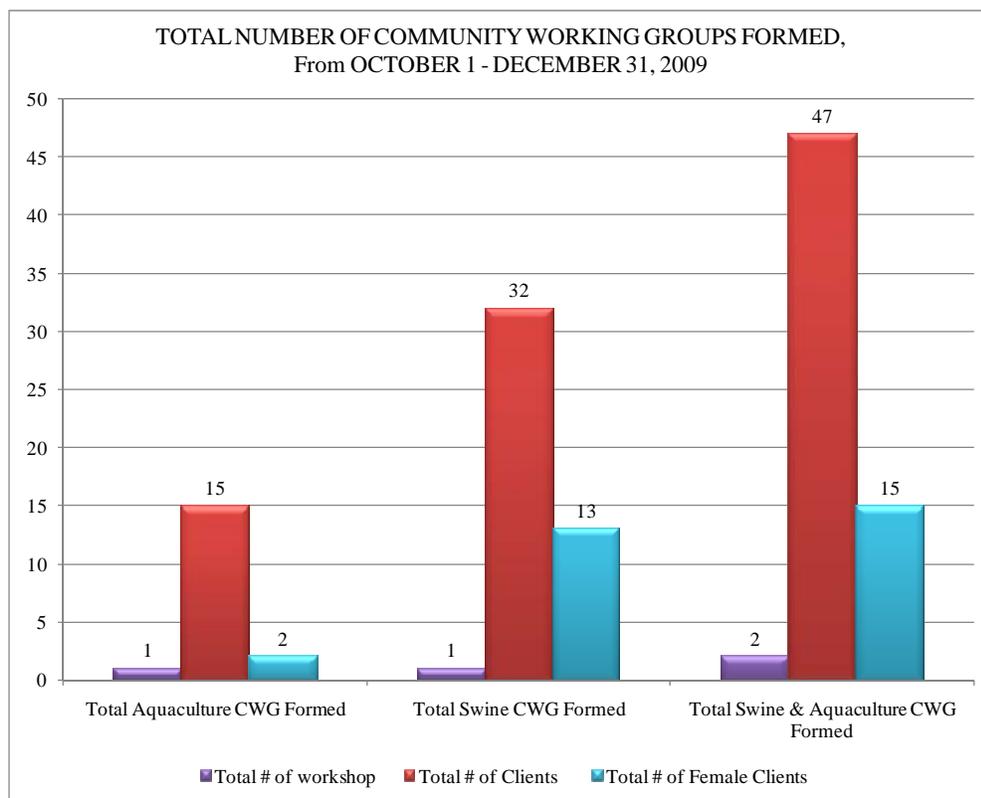
Community Working Group Formation

In the first year of the project, the Component 2 team focused on establishing Community Working Groups which are precursors to Business Association Formation. CWGs encourage entrepreneurs to come together to identify common business and technical constraints and work towards resolving these issues through collective action and constructive dialogue with provincial government. Once CWGs are set up and members demonstrate interest in continuing to work together as a group and move towards association formation, the Cambodia MSME team facilitates formation of a Management Committee for each CWG and encourages members to elect their leaders and works them to facilitate a discuss on the roles and responsibilities of CWG leaders..

This quarter, the Component 2 team facilitated formation of the following CWGs:

- One swine CWG in Prey Veng Province (Pear Raing District, Prey Pnov Commune) with a total of 32 CWG members (including 13 women).
- One Aquaculture CWG in Prey Veng Province (Svay Anto District, Chea Klang Commune) , with a total 15 members(including 2 women).

Figure 5 - Total Community Working Groups Formed



Saving Groups Formation

The team met with one Swine Community Working Group in Kratie province (Sambo district, Sambo commune) , composed of 20 members, (including 11 women) to assist them to get fee contributions by forming Savings Group. The result was that 90% of the CWG members have agreed to establish the Savings Group.

Support Provincial Public-Private Sector Dialogue (PPD)

- In October 2009, the project team met with 40 Management Committee members from 3 CWGs: These included members from 2 Swine CWGs in Prey Veng province (Pearang district), and Kampong Cham province (Chamcar Leu district), and 1 Aquaculture CWG also from Kampong Cham (Batheay district). The meeting was held to discuss plans and to facilitate networking between CWGs among the 12 project provinces.
- Facilitated a meeting between the World Vision M.F.I.-The Vision Fund and Swine Community Working Groups in Kampong Speu and Takeo provinces. The purpose of the meeting was to link CWGs with other development partners for access to credit.

This is the result of the saving group of some communities working group in some provinces since the start up to date, December 31, 2009

I.	<i>Kampong Thom</i>	<i>Total members fee shared up to date by December 2009</i>
	1. Kampong Thom Kampong Svay District, Sanko Commune, Sanko A Village (Swine).	10,300,000 Reil
	2. Kampong Thom Kampong Svay District, Tbeng Commune, Taream Village (Swine)	5,200,000 Reil
II.	<i>Prey Veng</i>	
	1. Kampong Leav Commune (Swine)	34,0000 Reil
	2. Prey Pnov Commune (Swine)	70,0000 Reil
	3. Chea Kleang Commune (Fish)	31,3000 Reil
	4. Domrey Poun Commune (Fish)	1,200,000 Reil
III.	<i>Kampong Cham</i>	
	1. Mean Commune (Swine)	8,600,000 Reil
IV.	<i>Kratie</i>	
	1. Sandan Commune (Swine)	6,100,000 Reil
	2. Sambo commune (Swine)	28,0000 Reil
V.	<i>Kampong Speu</i>	
	1. Chbamon district (Swine)	15,800,000 Reil
<i>Total for all</i>		48,833,000 Riel

Swine Business Forum

On Friday 18 December 2009, we organized a Cambodia Swine Business Forum at the Phnom Penh Hotel. This Forum was organized in response to many proposals received from Swine Community Working Groups from the 12 provinces, and a request by Department of Animal Health and Production of the Ministry of Agriculture, Forestry and Fisheries, to hold such a Forum.

Participants were from both the public and private sectors. Public sector participants included the Ministry of Agriculture, Forestry and Fisheries (MAFF), Ministry of Commerce, the Office of Council of Ministers, Ministry of Mine and Energy (Counterpart of the project), Department of Animal Health and Production (DAHP), Provincial Department of Agriculture (PDAs), and The Office of Animal Health and Production (OAHP). Private sector participants included private sector actors of all types in the swine value chain, Micro Finance Institutions (MFIs) and NGOs. A total of 226 participants attended from the twelve MSME target provinces.

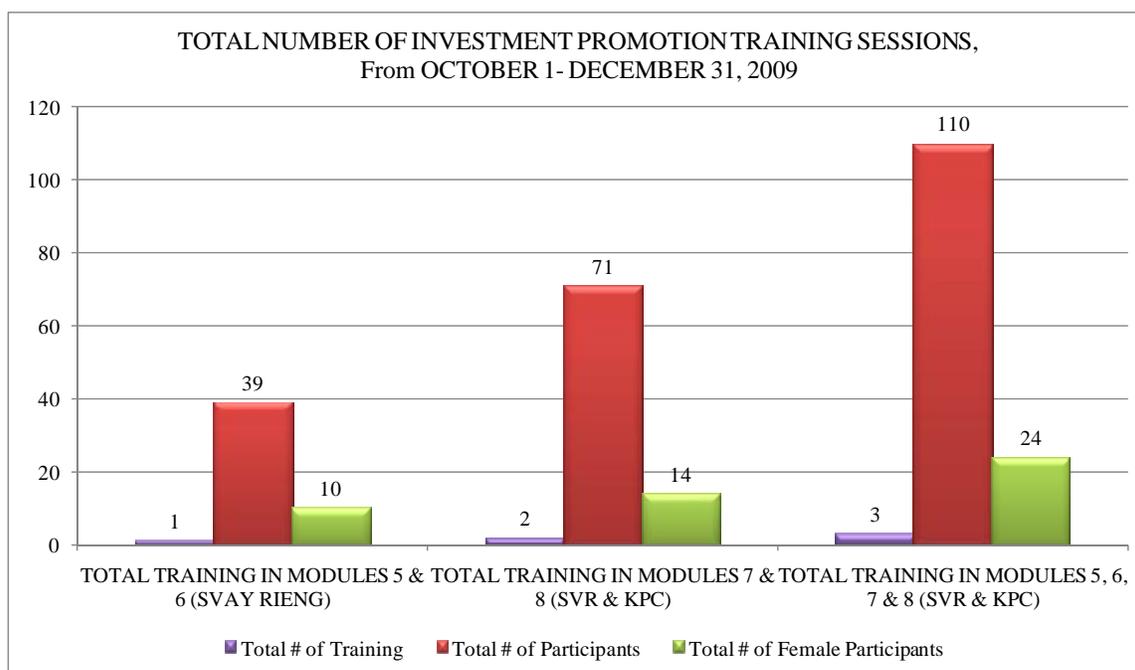
Provincial Investment Promotion

Provincial Investment Promotion is an activity to support the public and private sectors to improve the local business enabling environment at the province level. We have worked closely with the Provincial Investment Sub-Committees (PISC) in Svay Rieng and Kampong Cham, on a pilot Investment Promotion capacity building activity. The PISC members include representatives from the Chambers of Commerce, Universities, NGOs, Heads of provincial departments, Provincial Cabinets and Secretary Generals of Provincial Halls. We have had especially strong support from Provincial Governors.

During the October- December 2009 quarter, the Component Two team completed Provincial Investment Promotion capacity building activities in Kampong Cham and Svay Rieng as follows:

- Kampong Cham (October 1, 2009): For the Provincial Investment Promotion Subcommittee (total of 39 participants, including 9 women). Module 5 on Image Building and Media Relations and Module 6 on Development of Investment Promotion Materials.
- Svay Rieng (October 15, 2009): For the Provincial Investment Promotion Subcommittee (total of 33 participants, including 5 women). Module 7: Investor Facilitation and After-care Services and Module 8: Project Monitoring and Evaluation: Feeding Back to Provincial Investment Promotion Subcommittee.
- Kampong Cham (November 19, 2009): For the Provincial Investment Promotion Subcommittee (total of 38 participants, including 9 women). Module 7: Investor Facilitation and After-care Services and Module 8: Project Monitoring and Evaluation: Feeding Back to Provincial Investment Promotion Subcommittee.

Figure 6 - Total Investment Promotion Training



Provincial Investment Profiles

The team worked closely with provincial cabinet and head of provincial departments, including Department of Agriculture, Department of Commerce, Department of Industry Mine and Energy, Department of Planning, Department of Tourism, to prepare Provincial Investment Profiles for new 6 provinces including Pursat, Battambang, Kampong Thom, Siem Reap, Kampot and Takeo. These Provincial Investment Profiles were finalized this quarter. They will be formally launched and released to the public in the next quarter after USAID and the Project Management team, consult with the Chairman of CDC, H.E. Sok Chenda and the Chairman of the Cambodia Investment Board (CIB), H.E. Sun Chantol.

Translation and Interpretation

During this quarter, the Component 2 team translated and interpreted from Khmer to English or English to Khmer some important government Declarations (Prakas) and associated forms and other relevant materials for the work of the team.:

Legal translation/interpreting:

- Prakas on ASEAN Conformance of Agricultural Products.
- Prakas on Community Protected Areas (CPA).
- Simultaneous translation of the Anti-Dumping Draft Law for a training session on the Draft law on Anti-Dumping.

Investment Promotion translation/interpreting:

- Completed proofreading of six Provincial Investment Profiles and verification with EMC before publication.
- Check translations of Governors' speeches for Trade Fairs.
- Provincial Investment Promotion Workshop materials for Svay Rieng and Workshop results from Kampong Cham.

Other materials translation/interpreting:

- Simultaneous translation for the Hidden Treasure Award Ceremony at Cambodiana hotel, November 23, 2009.
- Translation of Swine Business Forum's materials and simultaneous translation during the Forum at at the Phnom Penh hotel.
- Simultaneous translation for ITC's two day training on market analysis tools .
- International Trade Center's training press release.
- Translated MSME's policy for Legal Team.
- Translated the fourth quarterly project newsletter.
- Translated a Notification for Water Connection form.

Other Outputs to Strengthen Private Sector Voice

- The team facilitated a Swine Forum Workshop in Siem Reap with swine clients from Battambang, Pursat, Kampong Thom and Siem Reap. A total of 23 participants attended. The aim was to identify key business and BEE issues in preparation for the larger Swine Forum which held subsequently in Phnom Penh in December.
- In November 2009, the project team participated in the Manufacturing and SME Private Working Group meeting at the Phnom Penh Chamber of Commerce.

Development Partners Coordination Meetings

- The Component 2 team completed the following development partner coordination activities:
 - ✓ Facilitated three CWG Savings Training sessions in three provinces (in Kratie province, in Sambo district, Sankor commune; Kampong Thom province, Kampong Svay district and Prey Veng province Kampong Leav district). A total 62 members, including 41 women attended the training. (**Figure 2**).
 - ✓ Partnered with AMARA and Pounleo Khoma, two USAID funded NGOs in Pursat and Battambang, for Business Advocacy training to CWG members. Participated in the workshop on Successful Strategies for Women's Entrepreneurship Development in Cambodia, organized by MIME and Supported by ILO at the Sokha Club. Ms. Kong Vy, BMO specialist shared the project's successful experience in setting up Community Associations including savings activity in the swine value chain.

Case Study 5 – Swine Business Forum Improves Cambodia’s Swine Industry Competitiveness

Swine Business Forum improves Cambodia’s competitiveness

The USAID Cambodia MSME Project promotes communications and public-private sector dialogue for the swine industry, where local producers, traders, input suppliers, association members, banks, MFIs, government representatives present and discuss ideas and identify solutions.



H.E. Oum Kimsir from the Ministry of Agriculture, Fisheries and Forestry, and Reed Aeschliman from USAID, address more than 230 industry representatives.



Swine producer raised questions about imports, animal health, and fee collections.

By encouraging public-private sector dialogue in gatherings like the Swine Business Forum, the Project empowers the private sector to improve its own business environment.

Cambodia’s swine industry provides pork products for millions of Cambodians and incomes for tens of thousands of rural farm families. An estimated 70 percent of rural households own at least one head of swine. But import surges from neighboring countries, quickly spreading diseases, poor access to technical information and inefficient communications between the public and private sectors have caused hundreds of farm families to lose money and go out of business.

To improve the business environment in the swine industry in Cambodia, more than 230 participants from associations, input suppliers, traders, banks, microfinance institutions, and representatives of the Ministry of Agriculture, Forestry and Fisheries (MAFF), the Department of Commerce, and the Department of Customs, came together at the Phnom Penh Hotel to discuss important issues and gain an understanding of why the industry has deteriorated so rapidly in the past year.

The forum was organized by the USAID Cambodia MSME Project and presided over by H.E. Om Kim Sir, Secretary of State of MAFF and Mr. Reed Aeschliman, Director of the Office of General Development of USAID.

The Swine Business Forum provided a platform for sharing technical information, discussing issues that hinder industry growth, and for improving communications between key participants in the industry. The Forum began with a presentation on the competitiveness of the industry and the challenges facing the private sector and government, including import surges from Thailand and Vietnam that have devastated Cambodia’s industry.

“I have several key issues to put forward for discussion during the forum, especially the issue of import surges from neighboring countries that have caused the downturn of Cambodian local pig production,” said by Mr. Teung Vothy, swine raiser and deputy chief of the Swine Association’s Kampong Cham Branch. “If the issues, such as imported pigs are not solved soon, local producers will not be able to continue raising pigs and the industry will collapse.”

The USAID Cambodia MSME Project has assisted more than 3,800 leading swine industry clients across the nation – pig raisers, veterinarians, input suppliers, traders, wholesalers, transporters, and processors – to improve their competitiveness. This forum allowed them to speak publicly.

One of the important lessons learned during the past four years is that no matter how much better the swine value chain participants become technically in operating their businesses, if the business environment doesn’t encourage investment, the industry cannot grow.

Therefore, besides its technical assistance, the Cambodia MSME Project is working with the several government ministries and active private sector stakeholders to improve the business environment for the swine sector.

Constraints Encountered and Unresolved Issues

No significant constraints were encountered this quarter.

Main Events Planned for Next Quarter

- Coordination with Animal Health Production Department to disseminate swine business policies and regulations to swine CWGs, local authorities and other relevant stakeholders.
- In collaboration with EWMI, organize community dialogue between Forestry Administration (FA), authorities, local communities in Prey Long, Kampong Thom province.
- Facilitate an international exposure mission for swine and aquaculture CWGs to Indonesia. Areas for learning include association development, association building, and how to link associations' business issues can be applied to reform the existing policy/regulatory environment.
- Facilitate a Public-Private Dialogue on rules and guidelines for aquaculture business registration and aquaculture transportation licenses.
- Coordinated with Component 1 and the M&E team to conduct the assessment of the total number of pigs in the twelve MSME project target provinces.

Component 3 - Public Sector Strengthening to Improve the Business Environment

Summary of Actions, Activities and Accomplishments This Quarter

Completed the Framework for Private Water Service Provider Contracts and Supported Contract Signing and Implementation

- Helped complete the detailed, final contract form for WSP's, including all attachments for legal issues, needed documents for contracts officers and backup documentation.
- Prepared and received USAID approval for detailed procedures for compliance with USAID environmental guidelines by MSME 2 and by WSP's. The Mission Environmental Officer has begun using MSME-drafted compliance procedures as a model for other USAID funded projects in Cambodia.
- Provided in-house training to MSME staff on the water team in accounting and on contract terms, compliance, payments and procedures.
- Assisted as requested with contract discussions with individual WSP's, and otherwise provided back-up to the water team as they enter and implement contracts.

Policy and Legal Advice on Laws and Regulations

MIME

- Continued to work closely with H.E. Meng Saktheara, Director General of Department of Industry, Ministry of Industry, Mines and Energy (MIME). The Establishment Regulation, under the Law on Administration of Factories and Handicrafts, was passed after very close collaboration with MIME, in a form which closely tracked the MSME team's recommendations.
- MIME began implementing the Establishment Regulation, and invited the MSME team to participate in training in Phnom Penh for over 50 provincial officers, in which the General Director of Industry provided detailed instructions in how to use the regulation. MIME paid all costs of this meeting.
- There was some resistance within MIME to using the new procedures, as they simplify the establishment process so greatly that new businesses no longer had to hire facilitators to complete the applications, and because the process permits multiple entry points for new applicants – rather than creating one choke point. The General Director has been working to overcome this resistance.

- Continued to work closely with the team of the General Department of Industry to develop a draft Operations Regulation. As noted in the last quarterly report, the Operations Regulation is complex, as it deals with on-going industrial safety issues for all factories and handicrafts which use dangerous chemicals, processes or equipment. Our detailed analysis of how to structure an Operations Regulation for the Law on Administration and Handicrafts, and our outline of a possible draft regulation, were discussed in depth with the General Director of Industry and all his relevant department heads in several meetings.
- Drafting the Operations Regulation began with a series of four “One Hour, One Issue” discussions with all relevant department heads, led by Dr. Ly Sopheap, in which key conceptual legal issues needing resolution in the Operations Regulation were analyzed, in Khmer, and in very active participatory meetings.
- A detailed draft Operations Regulation was then prepared by the MSME team, based on discussions, analysis and response to issues presented by the MIME team. This will be completed in draft form and given to MIME for their review and revision in early January 2010.
- Met with ILO to get information about possibly overlapping Ministry of Labor (MoL) industrial health and safety standards with possible MIME standards under the Operations Regulation. The MSME team may try to help bridge communications gap between MIME and MoL on rulemaking and inspection responsibility, to help minimize risk of duplication and confusion for regulated business.

Ministry of Commerce – Trade Remedies

- The MSME team developed the first draft unified Trade Remedies Law, in English and Khmer and presented it for discussion to the Working Group (18 members). The Working Group had met twice internally in October and November since they received the first draft. The discussion seemed to proceed slowly (8 out of 124 articles have been discussed) but the discussion was very important and active.
- The MSME team, led by Steve Parker and Andrew Stephens, gave a one day long training program on anti-dumping procedures for 22 people, including 3 women from MoC, MIME, MAFF, Customs and Council of Jurist.
- It was decided not to recruit a national consultant to work with the MOC and to support the development of a Trade Remedy Law. Although the MoC wanted two full time employees hired for this, the MSME team believes that we can provide necessary back-stopping to the working team without this level of effort. Our new staff legal expert, Samnang Kuy has assumed major responsibility for this.
- Steve Parker gave a well-received presentation to the American Chamber of Commerce in Phnom Penh about our work with the Trade Remedies Law, as the main speaker at their monthly meeting in December.
- The Project supported two experts from the ITC to make a well-attended two-day presentation on how to use trade statistics.

Case Study 6 – Trade Remedies to Protect Cambodian Businesses

Trade Remedies to Protect Cambodian Businesses

Workshops on trade remedy laws develop laws to protect Cambodian business from unfair competition, while training participants in best international practices.



USAID assistance to Cambodia on trade remedies is building a cohort of government and private sector experts to represent Cambodian interests on the international stage with WTO-compliant laws and practices.

Under the World Trade Organization rules, trade remedies actions allow businesses to protect themselves by filing complaints against unfairly priced imports or unexpected surges in imports. However, until Cambodia has the right laws and institutions in place, it cannot offer Cambodian business adequate protection under the WTO.

To address this problem, the RGC, led by the Ministry of Commerce, has formed a legal drafting team including senior representatives from several key ministries and the Council of Jurists. The team has developed a first draft of a trade remedy law that meets international standards and WTO requirements. They are also developing the ability to implement the law to protect Cambodian business from illegal competition.

This broad-based, inter-ministerial approach allows many interests to be represented at all stages of the drafting process, helps build widespread expertise on trade remedies and should ease final passage of a law.

USAID-funded Cambodia MSME Project supports this effort with a comprehensive program, which includes on-going training for the drafting team, assistance with writing laws, ensuring public input into the law and providing public information on it.

Between June and December 2009, the project supported a training workshop for around 70 participants plus four drafting team meetings. Working closely with MSME technical advisors, the drafting team will continue meet regularly to refine the draft. A study mission to India in Spring, 2010 will provide key law drafters a chance to learn how trade remedies work in a developing country, which very actively uses them to protect its local businesses.

USAID’s commitment to this process is expected to continue for the next couple of years, as the RGC works to develop a final law, and build the local expertise needed to use it effectively on the international stage.

Ministry of Agriculture, Fisheries and Forestry and the Department of Animal Health and Production

- The team continues to coordinate closely with the FAO to try to understand the goals and interests of the DAHP and of MAFF in the draft Law on Animal Health and Production. The internal DAHP working group made little progress on drafting during this quarter, but has still not asked for help on this important and reportedly high priority legislation. We continue to track this, as it could have a major impact on the swine and other livestock value chains, and continue to seek engagement with DAHP and MAFF about it.
- Worked with Department of International Cooperation, and prepared a draft sub-decree for discussion on Good Agricultural Practices, as part of ASEAN conformance obligations which Cambodia made in the latest roadmap. This was initially presented as a very urgent project, involving a range of key agricultural products, including farmed fish, livestock, fresh fruit and forestry products. This now appears less urgent, and the Department of International Cooperation no longer has a coordinating function. We now plan instead to work with the Departments of Animal Health and the Aquaculture Department on their sub-decrees.
- Supported the Swine Forum organized by Component 2, by preparing presentation drawings on key lessons learned from several MSME studies of the swine industry and presenting them as policy action items for RGC consideration. Also supported the Forum by providing basic training to participants beforehand in how to present their concerns, in a way which could encourage policy makers to pay attention.

Fisheries Administration

- We continue to participate in Technical Working Group for Fisheries meetings and to coordinate with DANIDA and JICA about aquaculture.
- We provided detailed comments to the draft ten years FiA Strategic Plan, in which we highlighted the need for regulatory improvement in order for FiA to meet its ambitious growth targets for aquaculture. These suggestions led to a number of changes in the strategic plan. We have been assured that specific performance indicators about regulatory improvements will be included in the final strategic plan draft.
- Assisted the acting head of the Aquaculture Department to prepare a sub-decree on complying with ASEAN GAP, helping re-define impossible assignment into more feasible tasks.

Ministry of Tourism

- Completed a detailed analysis of the Tourism Law, plus summaries – in English and Khmer - and gave them to several counterparts at the Ministry of Tourism, including Director General of Tourism H.E. Tith Chantha and Director of International Cooperation Department, Thok Sokhom. We also provided comments to the World Bank, ADB, IFC, and short form comments to several tour industry participants for their review and input. Comments were forwarded to the head of CATA, the main Cambodian local tourism trade agency for review, by colleagues at SNV.

- Tried to meet with Mr. Tith Chantha to discuss MoT’s regulatory needs, but met instead with his deputy who referred the MSME project to Mr. Sokhom as the counterpart for regulatory concerns.
- Prepared a summary of possible training for MoT counterparts and presented it to Mr. Sokhom for his review and comments.
- When the last quarterly report was written, we had just received what seemed like a fast-track commitment from MoT to work with us on a regulatory drafting training. MoT counterparts have not given any responses to any papers presented to them to date, and there was no follow up by MoT on their drafting training request.

Ministry of Environment

- Prepared a detailed analyses of the Forestry Law, the Community Forestry Prakas under it, and the MoE’s draft regulations on Community Protected Areas, from the point of view of ensuring long term, environmentally sustainable use rights for NTFP value chain actors.
- Prepared a summary of recommendations, in Khmer and English for MoE counterparts and presented it for discussion. We had several good discussions with them about the perspective presented – which tried to support clear legalization of small-scale, sustainable commercial activities. Their regulatory process has been going on for a number of years, and it is not clear how open they are to suggestions for change at this date.
- The analysis was shared with DANIDA, which has provided major funding for the Forestry Administration and Fishery Administration. DANIDA has retained consultants on NTFP to come in mid-January 2010, to deal in part with legal and regulatory issues in community forests and community protected areas, and this analysis will form part of the basis of their review.

Others

- Met with Oknea Thoung Sarath, the owner of 999 pâté company, and a panel participant at the Swine Forum, as a first step in an effort by Component 3 to reach out to larger players in the Swine value chain, to discuss their possible regulatory and business environment needs and concerns.
- Worked with a community working group in Prey Veng Province to develop a charter for the group, which could become a model for use in other CWG’s supported by the MSME project.

Capacity Building for Regulators – Better Regulation and RIA Training

- Worked closely with ADB and their consultants to define terms of the “Red Tape” questionnaire, to be completed by Indo-China Research, Ltd., in which 180 companies in 4 provinces and Phnom Penh will be asked about their costs of various business licenses and inspections.
- Worked with ADB to define and prepare a joint USAID-ADB two day “Executives’ Retreat” for around 25 high ranking RGC officials in late February, to discuss international better regulation practices, to provide training in regulatory impact assessments, and to build support for a regulatory impact review office, perhaps within the Cabinet of Ministers.

Donor Coordination

- Met with ADB consultants on SPS issues, who are trying to develop a comprehensive approach towards having Cambodia satisfy its SPS obligations under the WTO. This will be an on-going consulting project for the next 18 months or so. Attended a kick-off seminar for an ADB project, including reports on SPS, and better regulation practice.

Constraints Encountered and Unresolved Issues

- MAFF/DAHP continues to be at something of a standstill in drafting the Law on Animal Health and Production. We continue to work closely with FAO on this, and hope that it will be possible to assist MAFF/DAHP to proceed on this high priority legislation.
- The moving of the office of the Ministry of Commerce to new place (which led to complaints by some officers that the rooms have no air conditioners) within one or two weeks, may slowdown the efforts to keep momentum on the drafting of Trade Remedies Law.
- Dr. Ly Sopheap joined the team on August 17 as a legal expert, and has since been promoted to Team Leader. An economist was hired during the quarter, but his employment was not continued. A second legal expert, Mr. Kuy Samnang, was hired on December 1. The team continues to be a small one, with many tasks, and with fairly recently hired local staff. Mr. Dodds' time on the project has been decreased from nine months in year one, to seven months in year two, as planned. Team members will continue the important work of going to the provinces to learn more about value chain client needs, provincial official needs, and what the tasks are of other MSME team members. However, with such a small team and so many on-going, national ministry level tasks, we will continue to be time-constrained and have more work to do than the available staff power can complete.
- We hope that the new team members will be able to develop their direct relationships with ministry counterparts beyond the MoC and MIME, where we have good, working relationships with counterparts who are engaged in a process of reform. Work with counterparts at MAFF, FiA and MoT continues to progress more slowly than we would like, and their attention is difficult to get. As these are all important ministries for our value chain clients, we will continue to seek to engage.
- Lack of attention from counterparts continues to be a major impediment to progress. It is unclear what impact, if any, the end of Salary Supplements may have on the willingness of RGC counterparts to take time to engage in substantive discussions about legal and regulatory reform, within their ministries. As we develop direct personal relations, attention should improve somewhat, but distraction is more the norm than attention.
- Competition among ministries is severe, and there is constant pressure to increase licensing powers as a way to increase revenues. This trend is extremely poor for the business environment, and will be very hard to reverse.

Main Events Planned for Next Quarter

Assistance to be provided will include:

- Continuing to work with MIME on the Factory Operations Regulation to bring it into final form, subject it to regulatory impact analysis, to seek public input and to provide training to MIME officials and business in its implementation.
- Continuing to work with ADB to prepare the Executive's Retreat in February, aiming to bring reform minded, well-positioned technocrats together to discuss evolving international better regulation practices, and regulatory impact assessment tools.
- Working with Component 2 to support Department of Animal Health efforts to disseminate and train provincial officials and businesses about compliance with various DAHP regulations on livestock sanitation, slaughterhouses, inspections and other topics.
- Continuing to try to build bridges among ministries with overlapping authority over value chain clients, in an effort to minimize conflicting standards, and to decrease the overall regulatory burden.
- Continuing to work on the Trade Remedy Law with the government drafting Working Group. We will support three events including a three-day workshop in March; a three-day training (which will be conducted possibly in March or April) and study mission to India which may happen in April or May.
- If MoT is interested, prepare and present a Rulemaking Seminar to Ministry of Tourism officials, and possibly provide advice on general rulemaking strategy, rules for eco-tourism and rules governing tourism promotion.
- Continuing outreach to leading value chain business people, seeking to understand their regulatory and policy concerns, and to find where they might align with those of smaller value chain players.
- Continuing to support the Water Team with contracting, legal and policy advice to help ensure smooth implementation.
- Continuing to work with FAO and MAFF on the draft Law on Animal Health and Production as it evolves.
- Continuing to work with FiA on aquaculture regulation, as and when counterpart interest is evident.
- Recruit, hire and train Component 3 local staff experts.

Operations and Administration

Summary of Actions, Activities and Accomplishments This Quarter

General Operations

- Continue to work with Ministry of Industry, Mines and Energy (MIME) to monitor IT firm which is designing a new and improved MIME website.
- In the fifth quarter, the operation team supported six workshops, one large swine forum, six cross-provincial trips, and issued thirteen water subcontracts and a number of additional procurements.
- Upgraded the internet connection of our 4 provincial offices to higher speed and unlimited data allowance with a lower cost. Cost savings as a result of this change is about \$300/month.
- Customized TAMIS for enhanced management of project activity implementation, personnel and procurement.

Procurement

- The preparation for the following International Study Tours :
 1. Water Private Sector and Government officials study tour to the Philippines, scheduled for February 21-26, 2010
 2. Biodiversity Study Tour group to Indonesia scheduled the second quarter of 2010.
- 12 Water Subcontracts have been signed and first payment has been released.
- Contract extended for MANICH, the IT firm assisting MIME on upgrading their website, to allow for additional time for them to incorporate some of MIME's suggestions for further enhancing the website.
- Issued purchase order to Mata Group, the firm selected organize seven rural trade fairs between January and April, 2010.
- Cambodia MSME 2 advertised and collected proposal on Fruit Value Chain Market Assessment. Nine firms submitted Expressions of Interest and four firms were short-listed.

Table 10 - Summary Of Large Service Procurements In The Fifth Quarter

Work	Company Selected	Status
3 Water Subcontracts over [REDACTED]	Mr. Srey Sokhom Borey Kamkor Co., Ltd Mr. Ham Nguon	Fully Executed Subcontract in place
2 Water Subcontract over [REDACTED]	Mr. Touch Saren Mr. Kheng Taiveng	Fully Executed Subcontract in place

4 water subcontracts under [REDACTED]	Mr. Srun Bun Por Mr. Try Yousith Mr. Ly Heng Mr. Saing Vuthy	Completed
1 water subcontract under [REDACTED]	Mrs. Ann Mouykorn	On-going. Waiting for a signature from subcontractor.
Rural Trade Fair – 7 provinces	MATA Groups	Completed on May 7, 2010
Assessment design, and improve a website for MIME and provide limited training to Ministry staff	Manich Enterprise	Completion Date is yet to be confirmed by MIME.
Swine Forum	Phnom Penh Hotel	Completed on December 18, 2009
3 Trade policy related Workshops	Sunway hotel	Completed
2 Workshops	Cambodiana hotel	Completed
Trade Remedies Drafting Team Meeting	Le Royal hotel	Completed

Staffing

The following full-time staff recruited and started in the project's fifth quarter:

Table 11 - Summary Of Staff Recruited In The Fifth Quarter

Employee	Position
Sam Ean Sithiyut	Water Infrastructure Engineer (Starts on 1 st December,09)
Kuy Mears Samnang	Regulatory Drafting Expert (Starts on 9 December,09)
Sharee Bauld	Tourism Coordinator
Iv Eang	Finance Coordinator (Starts on Jan,2010)
Kent Helmers	Technical Advisor (Start on Jan 15, 2010)

The Project mobilized the following short term technical assistance in the fifth quarter:

Table 12 - STTA Mobilized During The Project's Fifth Quarter

Consultant	Main Objective
Merrilene Peramune	Retail market upgrading for Aquaculture and Pork, Facilitation and Advocacy Training for all staff.
Steve Parker	Co-facilitator on second workshop on the Draft Trade Remedy Law of the Kingdom of Cambodia.
Andrew Stephens	Co-facilitator on second workshop on the Draft Trade Remedy Law of the Kingdom of Cambodia
Andrea Chartock	Train new staff, launch year 2 work plan, attend and assist in organizing award ceremony for Hidden Treasures Contest
Tanja Lumba	Customize a new work plan module in TAMIS for year 2 and developed a WSP subcontract module to track water contracts.

	Train staff on how to use the modified and newly created work plan and WSP subcontract modules
Nabanita Sen	Developed detailed monitoring plans for swine and aquaculture value chain interventions included in the draft year 2 work plan
Joseph Woznik	International Trade Commission (ITC) consultant for Ministry of Commerce
Lamolle Mathieu	Facilitator at the ITC workshop for Ministry of Commerce
Bagie Sherchand	Wild Honey Market Study and Strategy Development

Constraints Encountered and Unresolved Issues This Quarter

Staffing

- This quarter, three Cambodian Professionals left the project including, BMA Coordinator, Water and Sanitation Engineer and BEE Advisor.

Activities Planned for the Next Quarter

General Operations

- Support for International study tours
- Manage and maintain water subcontracts. Invoice tracking for all water subcontractors.
- Manage and track payments and deliverables for firm organizing trade fairs.
- Cambodia MSME will prepare new subcontracts for water service providers

Staffing

- In the next quarter, the project will fill the following positions:

Table 13 - Project Positions To Be Filled In The Next Project Quarter

Person	Position
TBD	Tourism Coordinator
TBD	Resource Mobilization consultant for GIPC

- The Operations and Administration team will mobilize the following short-term consultants in the second quarter of the project 2:

TABLE 14 - STTA Anticipated to be mobilized in next Project Quarter

Person	Position/ Objective
Del McCluskey	Monitor water and sanitation activities
Eleanor Turner	Train Finance and Operations staff and conduct spot audits of subcontractors.
Andrew Watson	Monitor Biodiversity activities

Communications and Media Outreach

Summary of Actions, Activities and Accomplishments This Quarter

The Cambodia MSME project’s integrated Communications and Media Outreach Program has three main objectives:

1. **Promote a branded approach to all project outreach activities.** A branded approach to the MSME Project will strengthen project themes and messages and help attribute project outputs, results, and impact to USAID, support from the American People, the Royal Government of Cambodia and key project stakeholders. Communication material includes USAID and Royal Government of Cambodia branded technical training posters, manuals, newsletters and video documentaries.
2. **Nationwide and local information dissemination and dialogue strategy.** The project will use pre-recorded and live radio programming to provide information and generate dialogue about technical, business and governance issues. Radio is a powerful tool in rural Cambodia for publicizing key project activities, themes and messages to micro, small and medium enterprises, as well as national, provincial and district government officials.
3. **Communications and media capacity building for public and private sector to provide BMOs** and key government officials and agencies with skills to better communicate with one another and the general public on issues related to economic development and better governance.

Outputs Achievement By Each Task

Produce Project Outreach Materials

Under task No. 1, Communication and media implemented activities with outputs as shown in Table 15 below:

Table 15 - Project Communications and Outreach Materials

#	Output	UNIT	NUMBER/TYPE
1	Project Newsletter	Copies	500 copies in English and 500 Khmer were distributed. Newsletter articles were as follows: <ul style="list-style-type: none"> • 26 Water Service Providers Sign MoUs with Cambodia MSME Project. • Provincial Investment Promotion Draws the Right Attention.

			<ul style="list-style-type: none"> • Hidden Treasures- Lesser Known Tourist Destinations. • Increasing Production and Sale Volumes by Changing Productions Practices. • Improved Dialogue Leads to new Skills and Access to Better Supplies. • Communications Training gets the Message out. • Improving Business Relation for Aquaculture Business People. • MSME Radio Success Starts with You! • The Cambodia Garment Industry: Building a Strategic Vision for the future. • Business Advice Sweetens Profits for Honey Producers
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Project Communications and Outreach Materials (continued)

#	Output	UNIT	NUMBER/TYPE
	Media Liaisons Activities		<ul style="list-style-type: none"> • 2 press releases were produced for Hidden Treasures Award Ceremony and Swine Business Forum. Each press release was sent to at least 10 media outlets. • Coordinated with television and print Media to cover news on Investment Promotion Workshop in Svay Rieng Province. <ul style="list-style-type: none"> ✓ National Television of Cambodia (TVK) broadcast news on the event. ✓ Bayon TV broadcast a news clip on the event. ✓ Coordinated Media to cover Swine Business Forum. The results were as follows: <ul style="list-style-type: none"> ✓ Phnom Penh Post published one article on the forum. ✓ Cambodia Daily Published one article on the forum. ✓ Rasmey Kampuchea Daily Newspaper published one article. ✓ Radio Free Asia broadcasted news on the forum ✓ Women’s Media Centre (Radio FM 102) broadcast news and feature on the forum. ✓ National Television of Cambodia (TVK) broadcast news on the event.

			<ul style="list-style-type: none"> ✓ Bayon TV broadcast one news clip on the event. ✓ SinZu Daily News (Chinese newspaper) published one article.
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Project Communications and Outreach Materials (continued)

#	TOPICS	UNIT	NUMBER/TYPE
	Media Liaisons Activities (cont.)		<ul style="list-style-type: none"> • Coordinate Media to cover news on ‘Hidden Treasures Cambodia’ Tourism Award Ceremony. ✓ Rasmey Kampuchea Daily Newspaper published one article. ✓ Cambodia Daily published one article. ✓ TVK broadcast a news clip on the event.
	IEC Materials		<ul style="list-style-type: none"> • Documentary Video ✓ Coordinated with TVK to produce and broadcast a 30 minute television report with the interviews with Cambodia MSME Project expert in Tourism and Community Leaders representing winners of the Hidden Treasures Contest.

Other Supporting Activities

- Coordinated with IDE and Orange Communications Company and provided inputs to develop social marketing materials for water and sanitation project.
 - ✓ Flyer on “Clean Water Program” was finalized and will be printed in the next quarter.
 - ✓ Training materials, Banners and Flyers on IDE’s “Easy Latrine” and Community Led Total Sanitation (CLTS) sanitation social marketing material were finalized and approved by USAID.
- Coordinated with Mata Company to develop trade fair promotion materials, including flyers, banners and Backdrops, that are compliant with USAID branding rules.
- Coordinated with Biodiversity Team to design a Honey Technical and Business Manual.

Develop Radio and TV Broadcasts

Cambodia MSME project consortium partner, Equal Access is implementing a weekly business radio program and a bi-weekly live roundtable discussion/call-in show. The following are the results of Equal Access monitoring of the radio broadcasts, conducted to give a sense of the popularity of the programs, the amount and type of audience interaction created by these broadcasts, and some indication of other topics our listeners would like to hear in future programs. The MSME Business Radio initiative offers the first time journalistic radio programs have been broadcast on both the state run and on private radio broadcasters, representing the largest potential audience ever for a regular radio broadcast in Cambodia.

Broadcasting Summary of MSME Project from October-December 2009

Pre-recorded Programs

The following table provides the radio station frequency, location and period of broadcast for the programs that were broadcast during this reporting period. Episode 31 actually began broadcasting in the previous quarter:

Table 16 - Broadcasting Summary- Pre-recorded Programs

No	DATE	FM STATION	LOCATION	# OF BROADCAST
1	27/09/09 – 27 /12/09	FM 95 MHz	Phnom Penh	Episode 31-44
2	30/09/09 – 30/12/09	FM 102 MHz	Phnom Penh	Episode 31-44
3	26/09/09 – 26/12/09	FM 92.70 MHz	Battambang	Episode 31-44
4	25/09/09 – 25/12/09	FM 91 MHz	Battambang	Episode 31-44
5	28/09/09 – 28/12/09	FM 105.5 MHz	Siem Reap	Episode 31-44
6	26/09/09 – 26/12/09	FM 98.5 MHz	Kratie	Episode 31-44
7	26/09/09 – 26/12/09	FM 93.25 MHz	Kampot	Episode 31-44
8	25/09/09 – 25/12/09	FM 98.7 MHz	Svay Rieng	Episode 31-44
9	26/09/09 – 26/12/09	FM 98.5 MHz	Pursat	Episode 31-44
10	26/09/09 – 26/12/09	FM 88.5 MHz	Kampong Thom	Episode 31-44
11	28/09/09 – 28/12/09	FM 92.5 MHz	Kampong Cham	Episode 31-44

The following are the key themes explored by the pre-recorded radio programs:

- Episode 31: Community working group
- Episode 32: Pork Safety
- Episode 33: Swine marketing

- Episode 34: The important of using safe drinking water
- Episode 35: Aquaculture marketing
- Episode 36: The benefit of Self help saving groups
- Episode 37: Biodiversity preservation
- Episode 38: Business opportunity of making and supplying latrine materials
- Episode 39: Provincial investment promotion
- Episode 40: Encouraging to use latrine
- Episode 41: Fish species selection
- Episode 42: Strengthening the ability of provincial investment sub-committee
- Episode 43: Creating local enterprise for animal feed production
- Episode 44: Swine species selection

Live Call-in Programs

The following are the key themes explored by the live call-in programs. Where noted, the programs were broadcast on national AM station Radio National of Kampuchea (RNK) and rebroadcast on Equal Access partner stations in 9 MSME target provinces, or region-specific local live programs at each radio station:

- Round table 15: Establishing Community working groups (RNK)
- Round table 16: Treating and preventing Pig Disease (Local)
- Round table 17: Natural resource management and biodiversity (RNK)
- Round table 18: Aquaculture marketing (Local)
- Round table 19: Provincial investment promotion (Local)
- Round table 20: Strengthening the ability of provincial investment sub-committees (RNK)
- Round table 21: The Swine forum (RNK)
- Round table 21: Creating local enterprise to produce swine feed (Local FMs)

Audience Feedback

Equal Access selected a small sample of listeners and project clients to conduct an informal survey to provide feedback about our MSME radio programs. While this survey should not be extrapolated to draw broad conclusions, the 8 respondents provided valuable insight into how the *Success Starts With You* programs are resonating with Cambodian audiences.

When asked what they have remembered about the *Success Starts With You* program, the respondents replied that they remembered learning about: swine raising, swine feeding, swine species selection, fish raising, honey and resin collection and clean water. “From what I have remembered from the program,

this program talked about swine raising and swine species selection, vaccination, how to collect resin and honey sustainably, and clean water,” said Mr. Leng Uong from Kampong Speu province said.

All the respondents said they like the program because it provides them with educational messages and knowledge about swine raising. “I like listening to this program because it is very beneficial to the swine raisers to raise their swine successfully,” said Mr. Mak Touch.

When asked whether they have carried out or followed the instructions mentioned in the programs, 4 respondents said yes, they have done so, and others said not yet but are planning to use their new knowledge.

All respondents said this program helped them to improve their business by providing them with good advice on ways to feed and raise animals, on how to seek markets for their products, and on how to raise swine for market faster. “This program helps me to improve my business because I now know a lot about how to seek the best swine markets. The price of local swine now is very low,” Mr. Phun Seng told us.

Most of the respondents said that they could learn about ways to raise animals for local and international markets, how to export local swine to other countries, the relationships in the swine value chain, etc. Mr. Mak Touch said, “By listening to this program, I can learn and get more knowledge about the drug and vaccination medicine that we can use to treat sick swine or use to prevent swine from getting sick, and about how to increase the price of local swine.”

We selected randomly 5 people who are general radio listeners for an interview in order to evaluate their listenership to the MSME program. The result of this checklist interview is shown in the table below:

Table 17 - Audience feedback on the *Success Starts With You* program

No	Activities	Yes	No
1	Have a radio for listening to the program	4	1
2	Know the program that produced by Equal Access Cambodia	3	2
3	Have ever listened to Success Starts With You program	4	1
5	Know the objective of the broadcasted program	4	1
6	Bring what have been listened to discuss more with other people	5*	0
7	Understand the content or educational message broadcasted in each topic	5	0
8	Remember the message or information broadcasted in the program	5	0
9	Have carried out or followed the instruction or guideline mentioned in the program	5	0
10	Get good result or achievement in business or career after carried out or follow the instruction in the program	5	0

***The fifth respondent had not listened to MSME radio, but said “yes” to questions 6-10 in reference to other radio programs he has heard.**

Interpretation: Among the 5 respondents who were interviewed, 4 had listened to MSME programs. Even though one respondent has never listened to the MSME program, he has listened to other radio programs. It is encouraging to see that all respondents brought what they learned through the radio to discuss with other people, and that they understood the content and educational messages of the MSME programs, followed the instructions broadcast in the programs and proceeded to use the information to improve their business practices.

Feedback from MSME Clients

Mr. Leng Ourng, Swine Raiser and Head of Savings Group, Mr. Ev Chan kdeb, Swine Raiser and member of savings group, and Mr. Kaen Heng, Fish breeding.

These three are MSME clients in Kompong Speu. They like MSME radio so much since they can hear various issues from the different places through the shows related to the project, especially about Swine and Fish Marketing. The MSME team gave some leaflets to these people to let them know clearly the schedule of broadcasts in their region and asked them to give the leaflets to other people as well.

Mr. Chhay Serey, veterinarian and feed seller at Bakan district in Pursat is also an Cambodia MSME client. He usually listens to the MSME show through FM 98.5 in Pursat. He said, “the Cambodia MSME show is very good and educates people about swine raising and marketing.” Before MSME, there was no such show in the province. He hopes that this show will talk more about marketing problems since this is the most important challenge for swine raisers. He also likes it that the show talks about how to feed and take good care of animals as well. He informs his customers about the show when they come to his shop. To make it easier to spread such information about the show, the MSME team gave him some leaflets and he gives them to his customers when they visit his shop.

Summary Table of MSME Live Show in October

Success Starts With You radio consists of a weekly pre-recorded program and also a bi-weekly live call-in show. Two topics were broadcast in the call-in show program in October—*Swine disease* and *Bio diversity and Natural Resource Management*. Both programs were conducted at RNK and then distributed to the other stations.

Table 18 - Summary Table of MSME Live Show in October

Issues covered by guest speaker	Callers' comments/suggestions	Callers' questions
<ul style="list-style-type: none"> -Pig raising, information about swine flu. -The kinds and symptoms of swine disease. -How to treat swine disease -The availability of support that the listeners or swine raisers can access from our MSME project. -The prohibition of bringing unsafe meat to the market and the negative impacts of eating unsafe meat. 	<ul style="list-style-type: none"> - Most of the callers said that this program is very interesting and very important to the listeners, especially to the swine raisers and they wanted our program to broadcast more about swine and fish raising. <i>Ms. Pisey, caller from Pursat said, "I have got more knowledge about swine raising and I want this program broadcasting more about pig price on the market, how to get higher prices for fish products."</i> <i>Ms. Chan Roeun, also caller from Pursat said, "I want this program to talk about fish raising in the next broadcast. I also want this program to be broadcasted nationwide."</i> (Ed. Note: it is a national broadcast) 	<ul style="list-style-type: none"> -What should we do to make swine grow fast? Why do my swine not eat their feed? -What are the symptoms of sick swine? -How can we know that our swine is infected AH1N1? -How to select a good species of swine? -Nowadays, the forest or trees in our country have been cut down, what should we do for this activity? -How do I become a member of the forest community?

Summary Table of MSME Live Show in November

There were two topics broadcast in this month—*Aquaculture marketing* and *Provincial Investment Promotion*.

Topic1: Aquaculture marketing. The objective of this topic was to encourage fish raisers to care about fish quality and increase the quantity of fish in order to expand their fish marketing, and to discuss how institutions such as the aquaculture administration of the Ministry of Agriculture is finding local and international markets for fish products.

Topic2: Provincial Investment Promotion. The objective of this topic was to promote the investment in country relating to eco-tourism, to attract investors to invest in the country, and to show the potential areas of investment in the provinces.

Table 19 - Summary Table of MSME Live Show in November

Issues covered by guest speaker	Callers' comments/suggestions	Callers' questions
<p>➤ Topic1: Aquaculture Marketing. Issues raised to talk in this topic:</p> <ul style="list-style-type: none"> -How to find a market for fish. -Reasons people do not want to buy raised fish. -Reasons why the price of fish is not stable—seasonal (in the time that fish is in reproductive process, people are not allowed to fish, so the price of fish is higher.) -Techniques to raise fish and how to be a successful fish raiser. -How to dig a pond that can store water for a long time. -The quality of raised fish vs. natural fish. 	<ul style="list-style-type: none"> - Suggest all fish raisers not to raise fish under toilet or latrine and not feeding fish with excrement. Callers also suggest the relevant institution to punish those who raise fish like this. 	<ul style="list-style-type: none"> -If fish get sick, what kind of medicine should we use to treat it? -What kind of feed should we feed fish to make them grow faster? -How deep should the pond be with 1 square meter of land? -How can we raise fish to full size? How can we find a market for our fish? -Is there any technical support to make fish grow faster?
<p>➤ Topic 2: Provincial Investment Promotion. Issues raised to talk in this topic:</p> <ul style="list-style-type: none"> -Special economic zones -Potential areas for economic development -The project activities in strengthening the provincial investment promotion—publishing advertising book relating to the potential area of each province, conducting the provincial workshop about the potential area of each province, capacity building to provincial investment sub-committee members, international study tour, provincial products exhibition, etc. -How to promote provincial investment promotion—forming provincial investment sub-committees, simplifying the administrative procedure, building the confident of investors, etc. -Role of provincial investment sub-committee. 	<ul style="list-style-type: none"> - Mr. Phim, a farmer from Kampong Thom, suggested the project help promote the marketing of agricultural products so that people do not need to migrate to other countries to find jobs. 	<ul style="list-style-type: none"> - What are the main things to be promoted in provincial investment promotion? - What will MSME project do to promote the economic development in the provinces if our country is facing the economic crisis?

Summary Table of MSME Live Show in December

Topic: How to make pig feed with locally available raw material. The objective of this topic was to show how to make natural pig feed, because it's easy and less expensive for the pig raiser. It helps cut down spending on feed and increases income, and vendors and feeders can make or find made pig feed easily.

Table 20 - Summary table of MSME Live Show in December

Issues covered by guest speaker	Callers' comments/suggestions	Callers' questions
<ul style="list-style-type: none"> ➤ -How to make natural pig feed- the guest speaker said that if people want to make natural pig feed, they need to have a small amount of money, natural resources, technical resources, and materials. - How to make pigs grow faster- the guest speaker said that the feeder has to take care of hygiene or atmosphere around pig's shelter, washing the pigs two or three times a day, giving enough food – three to four times per day, and have enough vaccinations . -To show the advantages of homemade pig feed - the guest speaker said that the feeder can spend less money in making it, spend fewer resources, and natural pig feed is good quality. 	<ul style="list-style-type: none"> - The callers suggested that they want the MSME program to be continued and to broadcast all knowledge to people. 	<ul style="list-style-type: none"> - How to make natural pig feed? Can you explain? - How often do we have to wash our pigs each day? -Why does my pig have red spots or rough skin? -Where is natural made pig feed sold?

MSME Radio Talk Show: local broadcasters learn to produce their own live call-in business shows

Mr. Yean Samay and Miss Sor Sokuntheary recently welcomed the listening audience of radio station FM 91 in Battambang to join a discussion on the prevention and treatment of swine disease. They began by interviewing Mr. Preap Prathna, Swine Value Chain Expert with the Cambodia MSME project, asking questions that clearly demonstrated their knowledge of the challenges that pig raisers face in keeping their swine healthy. They then welcomed callers to the live radio program who asked the MSME expert about problems they were having with their pigs. Samay and Sokuntheary did a masterful job of hosting this program, thanks to Equal Access' Radio Presenter training, held as part of the communications strategy of the Cambodia MSME project.

Nine FM radio stations in MSME target provinces participated in the training held in Phnom Penh in October 2009, the second training for radio stations that are partners with Equal Access. Each week, Equal Access produces Success Starts With You, a current affairs radio program on micro, small and medium-sized business development and it is broadcast through these radio stations to a large

national audience. Every two weeks, the staff of each station produces their own live call-in show on MSME topics like swine raising, aquaculture, and business management practices, but they need training on these issues in order to produce a high quality radio show.

To prepare these journalists for these programs, Equal Access provides Discussion Guides that tutor the radio personnel on the technical issues in the sectors of concern to MSME. Equal Access also creates simulated radio call-in situations to test the presenters with the type of challenges they could expect to face while on the air, such as callers who ask irrelevant or inappropriate questions, or who get basic facts wrong and must be corrected.

Mr. Prathna, the MSME Swine Value Chain Expert, was greatly impressed by the preparation and performance of Samay and Sokuntheary in the Battambang studio that day. “I can see now they facilitate the show well...the presenters prepared well in advance and the show went on very well, discussing the issues proudly and excitedly with the callers. They seem to better understand the project and the related issues.”

Radio FM 91 in Battambang is one of the 12 radio partners of Equal Access Cambodia contracted by the USAID-funded Cambodia MSME project to run the Success Starts With You media programs. “The training program is new to me. I am happy to receive lots of ideas and skills from Equal Access on how to manage radio programs on small and medium-sized businesses,” Samay of FM 91 Battambang said. “With the understanding of business, I can have good discussions with listeners who are local businessman and I can provide good advice to them.”

Equal Access will provide more training on a wide range of MSME issues in the second year of the Cambodia MSME project for radio personnel in Pursat, Battambang, Siem Reap, Kampong Thom, Kampong Cham, Kratie, Svay Rieng, and Kampot.

Other Communications Activities

Sanitary Toilet Marketing Pilot Project

Equal Access assisted Cambodia MSME partner International Development Enterprises (IDE) with the Sanitation Marketing Pilot Project, a project funded by USAID/MSME and the World Bank Water and Sanitation Program. The project is introducing design innovations to make latrines a more affordable and appealing consumer product. Branded as ‘Easy Latrine’, the new design is Cambodia’s first all-in-one, do-it-yourself latrine kit.

IDE asked for Equal Access’ help in delivering a village-level promotional campaign focusing on stopping open defecation and encouraging rural Cambodian households to invest their own money in a sanitary latrine. Equal Access produced two 60-second radio PSAs that began broadcasting on Phnom Penh and Svay Rieng stations that reach the target provinces of Svay Rieng and Kandal. The messages urge Cambodians to build a latrine to protect their health. The PSAs will be broadcast a total of 504 times over December 2009 and January 2010 and Equal Access will also produce live call in shows about the IDE project during the next reporting period. Below is the text of the two PSAs in English:

Public Service Announcements

PSA – 1

Topic 1: Build a latrine now!

-The sound in the field where the farmers are harvesting rice-

(Chan finished his harvest and sees Chhoeng in the rice field canal. He walks over to him)

Chan : (Walking towards Chhoeng) Hey Chhoeng! How are you?

Chhoeng: Fine! How about you? How about your rice this year?

Chan : It is the same as last year. Chhoeng (in a whisper) Can I ask you something?

Chhoeng: Why not? Come on.

Chan : (Embarassed) How much...did it cost to install the latrine at your home?

Chhoeng: (Laughing) Why are you too shy too ask about this? It was less than 160,000 Riels for the Bangkun Nis Sroul. You don't have a latrine?

Chan: (Embarrassed)...umm... not...yet Chhoeng because I thought that it might be very expensive!

Chhoeng: (Surprised) Oh, no, Chhoeng, please install one now. I can't believe you still go to the forest! Anything is better than that! My family has been using the Bangkun Nis Sroul for one year now. We find that it works well and is more private, and we are proud to be owners of a latrine.

Chan: I am so ashamed not to have a latrine. My harvest is nearly done. I'm going to install one now!

Host: Any latrine is better than no latrine, just build one now. Have a latrine, have a good life, have a proud family.

Voice Over: Produced by the Cambodia MSME Project, and made possible by the support of the American people through the United States Agency for International development (USAID).

PSA - 2

Topic 2: The benefits of having a latrine!

The sounds of village life -

- Phea: (Sound of eating) Oh look dear, it's Chhoeng!
- Chan: (Sees Chhoeng walking along the road and calls from his house) Chhoeng! Chhoeng! Where are you going? Please come here and have some pounded rice with coconut juice.
- Chhoeng: (Walks toward Chan's house) what a gathering! How are you?
- Phea: Yes, we're good. Our business is prospering because we're working hard every day.
- Chhoeng: (Surprised) because you're not as sick as before? Are you offering food to the spirits?
- Chan: (Laugh) Not exactly... (both laugh)
- Phea: You see, since we installed Bangkun Nis Sroul at our house, my family has been feeling happy and healthy. Before (groan) we were often sick and we spent much time and money on treatments and lost work hours.
- Chan: (Laughing) I know what you mean. It's more convenient than going into the fields, and that was embarrassing anyway. The affordable cost of the latrine is nothing compared to the benefits.
- Chhoeng: Of course Chan! Spending less than 160,000 riels to install a latrine is better than losing work hours and money to illness!
- Host: It is a smart investment to build a latrine, so build one now! Have a latrine, Have a good life!
- Voice Over: Produced by the Cambodia MSME Project, and made possible by the support of the American people through the United States Agency for International development (USAID).

Conclusion

Results of surveying show that the MSME business radio programming is reaching a large and engaged audience and that local stations, with the proper training, are able to produce their own programming about micro, small and medium business development in Cambodia. The radio programs are creating an interest among Cambodians in the development of such businesses, and listeners have demonstrated that they absorb this information and are putting into effect in their own lives.

Geographical Information System (GIS)

Summary of Actions, Activities and Accomplishments This Quarter

Outputs Achievement by Each Task

GIS Mapping

Participated in the Prey Lang Community Network Meeting and did a presentation on community resources mapping. This workshop was organized by EWMI.

GIS Outputs

- Facilitated assessment of new sites of Honey in Kondoal and Chroy Svay commune, Koh Kong and Resin in Sakream commune in Kampong Thom, Romoney commune in Preah Vihear.
- Analyzed and produced community resources map in Anhchanh Rung commune, Kampong Chhnang province, in Aural areas for the EWMI Biodiversity program.
- Drafted honey zoning in Peuk, Puthrea commune, Chey Sen dist, Preah Vihear, 19 community members participated in the training.
- Finalized honey zoning in Bos Veng, Salavisay commune, Kampong Thom, that has a total area of 1759 hectares and in Phnom Torpcheang, KKG that has a total area of 4126 Ha.
- Mapped Kampong Cham and Svay Rieng administration and MSME1 & 2 sites for the Component 2 and M&E team.

GIS Capacity Building

- Conducted GPS training for water team and set up DNR Garmin/MapSource, also conducted training on data transfer, create lines and measure distance of water pipes.
- Conducted training on GPS use to four provincial office managers and installed DNR Garmin/MapSource software for transfer data from GPS to computer, meanwhile training them to transfer client data into TAMIS.

Monitoring and Evaluation

Summary of Actions, Activities and Accomplishments This Quarter

- Finalized the Internal Evaluation report to measure effectiveness of our Regulatory Drafting Training for regulators in counterpart ministries.
- Worked with Ms. Nabanita Sen, M&E advisor to develop monitoring plans for value chain interventions in the swine and aquaculture value chain.
- Updated TrainNet, USAID's global database on year 1 project facilitated capacity building activities including training, exposure visits, business forums, and workshops.
- Worked with Ms. Tanja Lumba, MIS specialist to customize the project's Technical and Administrative Management Information System (TAMIS) to enhance reporting and project implementation.
- Conducted the internal evaluation of the international exposure mission to Vietnam and Philippines.
- Coordinated with GIS specialist to conduct the training on TAMIS operation and its data exporting for analysis.

Case Study 7 – Careful Evaluation of Rule Drafting Trainings Show Lasting Effect and Demand for More

Careful Evaluation of Rule Drafting Trainings Show Lasting Effect, and Demand for More

The USAID-Cambodia MSME Project has hosted several highly interactive workshops on legal drafting for national-level regulators.



Participants listening attentively to the seminar on Rule Drafting Trainings Show Lasting Effect, and Demand for More

The MSME project is committed to learning from our partners about how we can improve our services. Six months after the trainings, a comprehensive review of participants' impressions and analysis of their responses showed a lasting positive effect on their ability to write better regulations for small business – and a demand for more help to put lessons learned into practice.

The MSME Project has conducted several trainings for RGC officials on how to write clear business regulations. The trainings were highly interactive, role-playing workshops, using a hypothetical case set in a mythical country, where all rules must be implemented exactly as written. The structure was designed to help national rule makers to think “outside the box” about their important roles as regulators. Participants had to balance the requirements of the law, with the conflicting needs of business, good governmental administration, and lines of authority among ministries. No salary supplements were paid and attendees came just to learn from MSME experts, and as importantly, from each other.

As part of our commitment to monitoring our performance, the project conducted detailed interviews of the participants of one training. We wanted to learn, six months later, what our RGC colleagues liked and did not like, what they could use and not, and where they need further support. Participants came from seven ministries, and we could interview 72% of them.

100% of the participants interviewed said that the training was directly relevant to their work, though less than 18% had ever attended a training like it. Over 83% said that they could apply the training to their work. 77% said they transferred knowledge learned to colleagues. Over 94% reported that the training helped improve their work quality. Several reported using lessons learned that day to restructure laws and sub-decrees they were writing.

The training was only a one-day seminar, on the extremely complex topic of making rules for business, in which new approaches and new ideas were presented. Most participants said that they would like more training, especially training tied to their technical areas.

Interestingly, only a minority (16%) felt fully able to implement the lessons learned without external assistance. This self-assessment seems realistic. The training was designed to bring rule makers to see their job not just as giving orders in a vacuum, but as balancing real needs of business, the public and government. This difficult, on-going task is the heart of sophisticated rule making for business. Seminar participants are clearly eager to learn more about it.

Table 21 - Monitoring Indicator Follow-up, Quarter No. 5, from October 1 - December 31, 2009

INDICATORS	UNIT	QUARTER 5	Y1+Y2		
		ACHIEVED	PLANNED	CUMMULATIVE ACHIEVEMENT UPTO DATE	%
COMPONENT I: STRENGTHEN SELECTED VALUE CHAINS					
Number of enterprises benefiting from USAID development assistance*/**	No.	340	4,000	3698	92
Number of aquaculture enterprises benefiting from USAID development assistance*/**	No.	40	670	605	90
Number of swine enterprises benefiting from USAID development assistance*/**	No.	223	2615	2538	97
Number of honey enterprises benefiting from USAID development assistance*/**	No.	0	136	191	140
Number of resin enterprises benefiting from USAID development assistance*/**	No.	45	84	168	200
Number of tourism enterprises benefiting from USAID development assistance*/**	No.	30	70	30	42
Number of brick and tile enterprises benefiting from USAID development assistance*/**	No.	0	32	37	115
Number of water enterprises benefiting from USAID development assistance*/**	No.	2	35	129	
Number of provinces supported by MSME 2/BEE	No.	12	12	12	100

Percentage change in value of sales of project assisted enterprises*	%	Results after mid-term survey	40%		
Percentage change in income of project assisted enterprises	%	Results after mid-term survey	35%		
Percentage change in investments by project-supported SMEs	%	Results after mid-term Survey	35%		
Number of people with increased economic benefits derived from sustainable natural management and conservation	No.	0	1-3000; 2-2000	1- 1604 2- 1439	63
Number of people receiving USG-supported training in natural resources management and/or biodiversity conservation	No.	1- 32 2- 0	1-900; 2- 300	1. 568 2. 92	46
Number of hectares in areas of biological significance under improved natural resource management**	HA	0	75000	23617	31
Number of private sector water service providers	No.	13	26	26	100
Number of people with improved access to drinking water supply as a result of USG assistance**	No.	0	50000	0	0
Sales of point of use latrines	No.	270	5000	270	5
COMPONENT 2: STRENGTHEN PRIVATE SECTOR VOICE					
Number of laws and regulations, etc. reviewed, changed or promulgated with private sector input	No.	0	5	2	40
Number of provincial PPD forums developed and	No.	1	12	10	83

utilized as a result of USG assistance**					
Number of Community Associations that are at least 50% self-funded by dues paying members	No.	3	8 (cumulative)	8	100
Number of MSMEs participating in policy advocacy meetings and PPDs	No.	1- 278 2- 106	1-1100 2-220	1- 1083 2- 264	109
Number of community working groups that have clear market linkages in NTFP value chains	No.	0	30	17	56
Number of project activities including of WSPs	No.	0	4	4	100
COMPONENT 3: STRENGTHEN THE PUBLIC SECTOR TO SUPPORT BEE					
Number of laws and regulations reviewed, analyzed or modified to improve the business enabling environment with USG assistance.	No.	9	10	24	240
Number of relevant officials at the national and provincial levels demonstrating basic knowledge required for effective regulatory drafting, communications, investment promotion and public-private dialogue related to the implementation of policies or regulations that are relevant to the project's MSME clients	No.	90	190	135	71
Improved legal and regulatory transparency, including increased communications of normative acts and regulatory procedures/fees	No.		9		
Number of policies, laws, agreements or regulations promoting sustainable natural resource management and conservation	No.	4	10	7	70

GARMENT INDUSTRY PRODUCTIVITIES CENTER (GIPC)					
Number of factories/firms receiving USG assistance to improve management practices	No	9; 6	20; 12	9; 6	
Number of PPDs in the garment sector	No.	1	17	6	
Ratio of income from GIPC training service to salaries of the technicians**	%	53%	70%		
Number of participants in vocational trainings	No.	1- 8; 2- 56	1 – 15; 2-170	1- 25 2- 280	

Constraints Encountered and Unresolved Issues This Quarter

- None

Main Events Planned For the Next Quarter

- Participate the Trainet training and report project activity information into USAID's global training database, Trainet.
- Follow up with Private sector clients and Public sector officials who have participated in project facilitated international exposure visits as part of routine evaluation of the effective of our interventions.
- Conduct an evaluation of the 5 provincial trade fairs by interviewing participating vendors, customers and provincial government officials. Two will take place in quarter 7.