

## PREPARING THE

# CAMBODIA BUSINESS INITIATIVE IN RURAL DEVELOPMENT C-BIRD

**“BUILDING SUSTAINABLE PARTNERSHIPS BETWEEN BUSINESS AND RURAL AREAS”**

**ASIAN DEVELOPMENT BANK SMALL SCALE TECHNICAL ASSISTANCE 4575**

August 24, 2005

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### **PROJECT SUMMARY**

The Cambodia Business Initiative in Rural Development (C-BIRD) is a program to connect businesses and rural society through innovative partnerships that leverage resources from both sides to develop sustainable income generating activities for rural areas. Or to seek new solutions to build human resources and meet other basic needs. In sum to reduce poverty levels in Cambodia.

The private sector generally has an entrepreneurial way of operating and finding solutions that is based on vision, innovation and planning. This business know-how is traditionally lacking in rural societies. For example, farmers are eager to grow food and vegetables, yet they are disconnected from the information and resources needed to develop their activity to become a strong and sustained source of income. With the business sector's expertise, farmers can learn the skills needed to create more profitable and sustainable enterprises and activities and generate income.

It is important to stress that the C-BIRD partnership is always a win-win activity, with benefits accruing to the business side as well. First, the involvement of staff members from the business enterprise results in higher levels of morale. Second, the company is able to achieve higher levels of corporate social responsibility. And third, to the extent that the C-BIRD activities relate to the core business of the company, either through deepening the supply chain or supplying some raw materials or products to the company, the profitability of the company may also increase. However, even when businesses are mainly concerned with just “giving something back” to their communities, the resulting C-BIRD type of activity will build sustainable activities. For example, building schools for communities or installing solar powered units in rural households create a range of small businesses that may also serve other community needs.

Supported by a task force of business and government leaders, NGO representatives, and selected donors, the Ministry of Rural Development and the Asian Development Bank will be working over the next eight months to develop the C-BIRD concept and options for mechanisms to support these innovative business-to-rural society partnerships. At the same time, some new partnerships will be formed as pilot projects during the project period.

## **PROJECT OVERVIEW**

**Overall Objective:** To promote a participatory and sustainable approach to poverty reduction and socio-economic development by stimulating partnerships between business and rural villages in areas such as income generating activities, educational activities, environmental activities, and local institution strengthening. The partnerships will be facilitated and supported by government institutions, NGOs and interested donors.

**Main Components:** The technical assistance project (TA) has three major components: (i) situation analysis; (ii) catalyzing partnerships; and (iii) strategy and program to establish and scale-up C-BIRD activities.

**Specific Outputs:**

**Situation Analysis**

- (i) Current involvement of businesses and business organizations in rural development/poverty reduction will be assessed.
- (ii) Current and potential modalities of private-public partnerships in rural development/poverty reduction will be assessed, drawing in particular on the experiences of the Thai Business Initiative in Rural Development (TBIRD) as well as other examples of best practices elsewhere.
- (iii) Sustainable options for facilitating business contributions to rural development/poverty reduction will be developed.
- (iv) An information base and mechanisms to support the identification of suitable rural locations or villages for particular partnerships will be developed.

### **Catalyzing Partnership**

- (i) Profiles of the needs, capacities and interest of the five groups of stakeholders will be developed (business; rural villages; government institutions; NGOs; and donors).
- (ii) A core group of stakeholders interested in C-BIRD-type partnerships will be developed and encouraged to make commitments to process with practical activities.

### **Strategy and Program to Establish and Scale-up C-BIRD Activities**

- (i) A comprehensive strategy and program to establish and scale-up C-BIRD-type activities in Cambodia will be designed, taking into account the Cambodian context and international best practice.

**Time Line:** The TA will run from early July 2005 until early March 2006 - a period of 8 months.

### **Key Milestones:**

<i>August 24</i>	First meeting of the C-BIRD Public-Private Partnership Task Force
<i>September 25-October 2</i>	Capacity-building Study Tour to Thailand jointly with Thailand's Population and Community Development Association (PDA)
<i>October 10</i>	Second meeting of the C-BIRD Public-Private Partnership Task Force
<i>End-October</i>	Completion of Mid-term Report
<i>November 30</i>	National Stakeholder Consultation to disseminate findings, and to discuss strategies, measures, and recommendations for C-BIRD
<i>End-January 2006</i>	Completion of Draft Final Report along with specific plans to scale up C-BIRD activities in Cambodia
<i>Early March 2006</i>	Completion of Final Report

## **IMPLEMENTATION ARRANGEMENTS**

**Executing Agency:** The Ministry of Rural Development (MRD) is the Executing Agency, and is responsible for the project's overall coordination and implementation.

**C-BIRD Task Force:** A C-BIRD Public-Private Partnership Task Force has been constituted, chaired by H.E. Lu Lay Sreng, Deputy Prime Minister and Minister of Rural Development. It comprises: (a) senior representatives from Cambodia's main business associations – Phnom Penh Chamber of Commerce; Garment Manufacturers Association in Cambodia; International Business Club; Cambodia Hotels Association; Association of Banks in Cambodia; and CAMFEBA; (b) senior representatives from: the Ministry of Commerce; the Ministry of Industry, Mines and Energy; the Ministry of Women's Affairs; the Ministry of Agriculture; the Ministry of Economy and Finance; and the Council for the Development of Cambodia; (c) representatives from interested NGOs; and (d) donor agencies as needed. The Task Force will place strong emphasis on keeping all other relevant institutions informed on the activities of the TA, and on building awareness of the C-BIRD initiative among all stakeholders throughout Cambodia.

The overall role of the Task Force is to steer the C-BIRD initiative through the eight-month period of the TA, to provide overall guidance on policy and institutional issues, to facilitate the capacity building exercises, to assist in developing "pilot" partnerships, and to generally support the TA implementation.

**Project Focal Unit:** A project focal unit (PFU) is operating within the MRD for the implementation of the TA. It is headed by H.E. Chy Sona, Adviser to Minister of Rural Development, and will be responsible for the day-to-day operations of the project.

The PFU is responsible for organizing regular meetings of the C-BIRD Public-Private Partnership Task Force and supporting the TA implementation together with consultants and staff.

**Project Team:** H.E. Chy Sona, Advisor to Minister of Rural Development  
Dr. Chea Samnang, Director of Department of Rural Health Care ([cheasamnang@online.com.kh](mailto:cheasamnang@online.com.kh)) Mobile: 012-873 671  
Mr. Chhay Seng, Department of Planning and Public Relations, Ministry of Rural Development ([sengchhay@hotmail.com](mailto:sengchhay@hotmail.com))  
Mobile: +855 12 812 211; Fax: +855 23 991 881  
Dr. Peter Brimble, ADB Team Leader and Rural and Social Policy Development Economist ([peterb@loxinfo.co.th](mailto:peterb@loxinfo.co.th))  
Ms. Nina You, ADB Gender and Social Development Expert ([You@online.com.kh](mailto:You@online.com.kh)). Mobile: +855 12 908 873  
Team from the Population and Community Development Association in Bangkok, Thailand (involved in the TBIRD project)  
Mr. Sophea Mar, Social Sector/Poverty Officer, ADB Cambodia Office ([smar@adb.org](mailto:smar@adb.org))