

PURPOSE AND SCOPE

This Private Sector Assessment (PSA) is prepared by the Asian Development Bank (ADB) as the Private Sector Development Strategy (PSDS) component of the Country Strategy and Program (CSP) in the Kingdom of Cambodia.

The scope of this PSA is determined by the Mekong Department in consultation with relevant stakeholders taking into account the PSA Reference Guide. The PSA is intended to be practical in application as a tool for formulating strategy and defining effective private sector development projects and technical assistance.

The PSA started as an assessment of condition of the private sector in Cambodia. However, during the course of the project, the Government requested the team to present recommendations in the form of a long-term action plan for private sector development to provide input to the Government's effort to develop a private sector development strategy. As a result, a significant part of this PSA has been dedicated to the vision and action plan for private sector development.

The PSDS adopted by ADB in March 2000 articulates in detail how PSD will be supported in order to provide the economic and employment growth needed to achieve ADB's overarching objective of poverty reduction in Asia. The PSDS focuses on creating an enabling environment for business through legal and regulatory reform and good governance. Areas of focus are investment and trade liberalization, public administration, financial sector and tax reform and developing education and training programs. The strategy also emphasizes legal and judicial reform to protect property rights, enforce contracts and provide for dispute resolution. Support for the private sector also includes building up physical infrastructure and improving management systems. Direct private sector support through public-private partnerships, build-operate-and transfer schemes, open and competitive government procurement and the use of private sector concessions for the provision of public services are also part of this strategy. The strategy also includes direct support to the private sector through business development services and various types of financing schemes.