Cambodia: National Rollout of the Regulatory Impact Assessment in Government

**Project Name:** National Rollout of the Regulatory Impact Assessment in Government

**Project Number:** 48298-001

**Country:** Cambodia

**Project Status:** Active

**Project Type / Modality of Assistance:** Technical Assistance

**Source of Funding / Amount:**
- TA 8834-CAM: National Rollout of the Regulatory Impact Assessment in Government
  - Technical Assistance Special Fund: US$ 800,000.00
- TA 8834-CAM: National Rollout of the Regulatory Impact Assessment in Government (Supplementary)
  - Technical Assistance Special Fund: US$ 400,000.00

**Strategic Agendas:** Inclusive economic growth

**Drivers of Change:** Governance and capacity development

**Partnerships:** Knowledge solutions

**Sector / Subsector:** Public sector management
- Economic affairs management

**Gender Equity and Mainstreaming:** Effective gender mainstreaming

**Description:** In February 2014, the Office of the Council of Ministers (OCM) asked the Asian Development Bank (ADB) for technical assistance (TA) to support the national rollout of the regulatory impact assessment (RIA) program to the executive government commencing in 2015. In response, ADB conducted a fact-finding mission in June 2014; during that mission ADB and OCM agreed on the proposed impact, outcome and outputs, implementation arrangements, cost, financing arrangements, and terms of reference as laid out in the approved concept paper. The government’s planned rollout of RIA to 23 line ministries builds on OCM’s experience in piloting RIA in 7 line ministries from 2011 to 2014 with technical assistance from ADB under Grant 0224. Previous consultations on plans for a national rollout were held on an intermittent basis from February 2013 to February 2014 and benefitted from previous Grant 0224 implementation review missions.

**Project Rationale and Linkage to Country/Regional Strategy:**
Cambodia continues to reform its economy to raise competitiveness for private sector development and considers improving the quality of regulation making central to its economic and governance reform agenda. While there have been successful reforms in specific sectors, such as the enterprise law, the licensing and permit requirements in doing business in Cambodia are substantial and do impose a significant burden on investors and small and medium-sized enterprises in particular.

The RIA system being piloted by OCM draws on good international practice. It includes the establishment of the Office of Regulatory Impact Assessment (ORIA) at the Economic, Social and Cultural Council (ECOSOCC) in OCM, which champions the RIA initiative in government, produces RIA guidelines, monitoring participating ministries’ compliance with RIA guidelines, providing training and other capacity development activities to the ministries and takes responsibility for public awareness and education on good practice regulation. Each participating line ministry is responsible for carrying out RIA on a selection of existing or proposed regulations or bills and submits these with the draft regulation to the concerned minister as part of the decision making process. The main objectives of the RIA system and documentation is to enhance transparency in the regulation making process and promote a more systematic way to assess the impact of regulations and consultations for improved decision making.

**Impact:** Quality of laws and regulations improved

**Project Outcome**

**Description of Outcome:** Institutional architecture for reviewing regulatory proposals strengthened

**Progress Toward Outcome**

**Description of Project Outputs:**
- Capacity of staff at the Office of RIA developed
- Capacity of staff in line ministries developed
- Public outreach developed
Expressions of Interest (EOIs) have been received by ADB for the following consultants positions advertised:

1. Economic, Social and Cultural Council
   - Jhelum Tini Thomas
   - Capacity development of staff at the ORIA. Once approved in 2016, the Royal decree will make the ORIA a permanent office within ECOSOCC.

2. Public Management, Financial Sector and Trade Division, SERD
   - Equipment such as computers and office equipment for the six ministries joining the rollout for the first time will be procured under this TA following ADB’s Procurement Guidelines (2013, as amended from time to time).

Two international experts (for a total of 15 person-months) and three national experts (for a total of 24 person-months) will be engaged to implement TA activities.

During Project Implementation

The executing agency will be ECOSOCC of OCM, which is a council within the OCM responsible for impact assessments of laws and sub-decrees. The ORIA in ECOSOCC will oversee implementation of RIA activities. The implementation agencies (IA) will comprise of the 7 line ministries implementing RIA plus an additional 6 ministries to be determined after the Royal decree has been approved. ORIA (through ECOSOCC) will provide office space with furniture and support services for the consultants.

As of 28 March 2019:
- RIA dissemination workshops organized with line ministries, private sector, universities and civil society.
- A team of two international consultants and three national consultants will be recruited by ADB through individual contract services to implement activities under outputs 1-3.
- Selection and recruitment of consultants and resource persons will be conducted in accordance with ADB’s Guidelines on the Use of Consultants.
- As of 28 March 2018:
  - To further strengthen the institutional capacity of the ORIA team in Cambodia, the ADB supported this study visit to Canada with the participation of 11 government officials. The visit covered best practices in the preparation of RIA including the engagement and consultation with key stakeholders.
  - RET and RIA staff joined a study tour to British Columbia to learn and observe the successful implementation of RIA.
  - In 2018, RET and RIA staff visited the American University of Phnom Penh for a short course on public policy to strengthen the analysis capacity of RET and RIA staff.

- RET has coached RIA staff on report preparation.
- RET and RIA working groups have organized dissemination workshops.

Geographical Location

<table>
<thead>
<tr>
<th>Stakeholder Communication, Participation, and Consultation</th>
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<tbody>
<tr>
<td>During Project Design</td>
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<tr>
<td>Capacity development of staff at the ORIA. Once approved in 2016, the Royal decree will make the ORIA a permanent office within ECOSOCC of OCM to oversee the rollout of RIA and compliance with it. Capacity development of ORIA staff will include staff training on RIA, writing techniques for regulatory impact statements (RIS), qualitative and quantitative analysis, secondments to overseas offices of best practice regulations, and enhancements to its existing information technology system for tracking progress on RIA among the line ministries, and production of annual reports on regulation.</td>
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</tbody>
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- A team of two international consultants and three national consultants will be recruited by ADB through individual contract services to implement activities under outputs 1-3.
- Selection and recruitment of consultants and resource persons will be conducted in accordance with ADB’s Guidelines on the Use of Consultants.
- TA proceeds will be disbursed in accordance with the ADB’s Technical Assistance Disbursement Handbook. Equipment procured under this TA will be procured following ADB’s Procurement Guidelines and the assets will be handed over to the executing agency upon completion of the project.
- The TA will be implemented over 24 months (starting in April 2015, and ending by March 2017), following the signing of the TA agreement between the government and ADB.

With the extension of the project to the end of 2017, national consultants will be recruited to support the implementation of the project.

As of 31 August 2018:
- Recent ADB mission in Mar 2018 noted a month’s delay in implementation of activities due to changes in line ministries’ workshop schedules.
- However, the revised timeline of TA activities will have no adverse impact on the overall TA implementation and progress.
- TA amount increased by $0.4M from TASF-VI for a cumulative TA amount of $1.2M to finance a minor change in TA scope that will enable additional RIA activities to be implemented in 2018-mid 2019. TA closing date is moved from 31 Dec 2017 to 30 June 2019.
- National project officer recruited to replace international finance expert whose contract ended on 31 Dec 2017.
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# TA 8834-CAM

## Milestones

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<th>Effectivity Date</th>
<th>Closing</th>
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## Financing Plan/TA Utilization

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## Cumulative Disbursements

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08 December 2019

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