



Technical Assistance Consultant's Report

Project Number: 37402
June 2013

RETA 6143: Technical Assistance for Promoting Gender Equality and Women Empowerment (Financed by the Gender and Development Cooperation Fund)

Prepared by

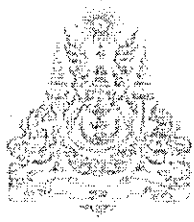
MINISTRY OF WOMEN'S AFFAIRS

WILLIAM WILLIS, Consultant

SOTAN MEAM, Consultant

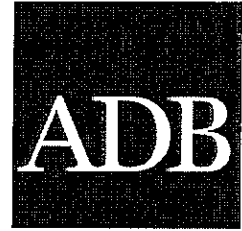
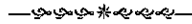
This consultant's report does not necessarily reflect the views of ADB or the Government concerned, and ADB and the Government cannot be held liable for its contents. (For project preparatory technical assistance: All the views expressed herein may not be incorporated into the proposed project's design.)

Asian Development Bank

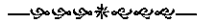


7

KINGDOM OF CAMBODIA
Nation Religion King



**MINISTRY
OF
WOMEN'S AFFAIRS**



ASIAN DEVELOPMENT BANK

RETA 6143

GENDER AND DEVELOPMENT COOPERATION FUND

SUB-PROJECT FOR

**PROMOTING PUBLIC PRIVATE PARTNERSHIPS AT THE
SIEM REAP WOMEN'S DEVELOPMENT CENTER**

PROJECT IMPLEMENTATION REPORT

FINAL REPORT

June 2013

Funded by the Asian Development Bank's Regional Technical Assistance (RETA) Program
Administered by the Cambodian Resident Mission (CARM)

TABLE OF CONTENTS

| No. | Section | Page |
|-----|--|------|
| 1 | Project Data | 4 |
| 2 | Introduction | 4 |
| 3 | Background, Scope and Objectives | 3 |
| 3.1 | Background | 5 |
| 3.2 | Scope and Objectives | 6 |
| 3.3 | Modifications to Scope and Implementation Arrangements | 7 |
| 3.4 | CARM TA Mid Term Review | 8 |
| 4 | Summary of Implementation Phase | 8 |
| 4.1 | Negotiations with Artisans d'Angkor | 8 |
| 4.2 | The Strategy of Direct Selection | 11 |
| 5 | MoWA's PPP Workshop | 11 |
| 6 | Clarifying the "Public Offering" | 13 |
| 6.1 | Preconditions for the Public Partner before entering PPPs | 13 |
| 7 | Capacity Assessment of MoWA to Implement PPPs | 16 |
| 8 | Alternative Entry Points for MoWAs Participation in PPPs | 17 |
| 9 | Lessons and Achievements of the TA | 18 |
| 10 | Critical Success Factors and Best Practices for Implementing PPPs in Cambodia | 20 |
| 11 | Conclusion and Summary | 21 |
| | Appendix A: PPP Workshop | 24 |
| | Appendix B: Case Study | 62 |
| | Appendix C: Position Description for a PPP Manager (public partner) | 64 |
| | Appendix D: Template for Cooperative Agreement | 67 |
| | Appendix E: Template for Request for Proposals | 73 |
| | Appendix F: PPP Contacts List | 84 |

ACRONYMS

| | |
|--------|--|
| ADB | Asian Development Bank |
| AVIDP | Australian Volunteers for International Development Program |
| CARM | Cambodia Resident Mission, ADB |
| CDC | Council for the Development of Cambodia |
| DoED | Department of Economic Development (MOWA) |
| GIZ | German Technical Cooperation |
| ILO | International Labor Organization |
| JFPR | Japan Fund for Poverty Reduction |
| JICA | Japan International Cooperation Agency |
| JOCV | Japanese Overseas Cooperation Volunteer (JICA) |
| LGA | Local Government Authority |
| MEF | Ministry of Economy and Finance |
| MFI | Micro Finance Institution |
| NGO | Non-government Organization |
| MOT | Ministry of Tourism |
| MOWA | Ministry of Women's Affairs |
| MSE | Micro and Small Enterprise |
| ODA | Oversees Development Assistance |
| PDWA | Provincial Department of Women's Affairs |
| PIR | Project Implementation Report |
| RETA | ADB - Regional Technical Assistance Fund |
| TA6143 | Subproject for Promoting Public Private Partnerships at the Siem Reap Women's Development Center |
| TNA | Training Needs Analysis |
| SOA | Special Operating Agency |
| UNDP | United Nations Development Program |
| VCA | Value Chain Assessment |
| WDC | Siem Reap Women's Development Center |

Notes:

The fiscal year of the Royal Government of Cambodia is from 1 January to 31 December

In this report "\$" refer to United States Dollars

The quarterly reporting periods for RETA 6143 Subproject have been updated to cover the following periods:

PIR 1: April to June 2012

PIR 2 July to September 2012

PIR 3: October 2012 to January 2013

PIR 4: February to June 2013 (Final Report)

**PROMOTING PUBLIC PRIVATE PARTNERSHIPS AT THE
SIEM REAP WOMEN'S DEVELOPMENT CENTER**

PROJECT IMPLEMENTATION REPORT

FINAL REPORT

(1 February – 15 June 2013)¹

1. Project Data

| | |
|-------------------------------------|---|
| ADB RETA Number | TA 6143 Subproject |
| Subproject Grant Amount | USD \$52,000 |
| Date of Subproject Effectiveness | 6 February 2012 |
| Executing and Implementation Agency | MOWA, DoED & Siem Reap PDWA |
| Deployment of Consultant Team | 23 April 2012 |
| Original Implementation Period | 23 April 2012 – 30 April 2013 (12 months) |
| Extension of Implementation Period | 1 May – 15 June 2013 (1.5 Months) |
| Total Time | 100% (13.5 months) |
| Overall Implementation Progress | 100% (Completed) |

2. Introduction:

This report is the fourth and final Implementation Progress Report (PIR) for the RETA 6143 Subproject - *Promoting Public Private Partnerships at the Siem Reap Women's Development Center*. The report covers the activities undertaken from 1 February to 15 June 2013 during the final phase of the subproject. This report also summarizes the achievements and challenges encountered during this TA and without reservation, makes positive recommendations for future implementation of PPPs at Siem Reap and other WDCs operated by the Ministry of Women's Affairs (MOWA)

The TA subproject was funded under ADB's Regional Technical Assistance program (RETA) and was administered and managed by ADB's Cambodia Resident Mission (CARM) and became effective on 6 February 2012.

¹ This report includes information received by the TA team up until 15th August 2013 and provides important information for the Ministry of Women's Affairs to consider for future implementation of PPPs at the Siem Reap WDC and other centers in the Ministry's WDC network.

The subproject was executed by MOWA's Department of Economic Development (DOED); and implemented by the Siem Reap Provincial Department of Women's Affairs (PDWA).

The PDWA has been delegated responsibility for management and operations of the Siem Reap (SR) Women's Development Center (WDC).

The primary aim of the TA was to establish favorable conditions for the Siem Reap WDC to attract private sector investment and participation in a Public Private Partnership (PPP). One of the primary aims of implementing the PPP was to better utilize the \$550,000 facility; funded and constructed under the ADB-JFPR 9081 *Women's Development Project (2006-2010)*.

3. Background, Scope and Objectives

3.1 Background

The National WDC Network

As part of its national gender equity and economic empowerment strategies, Cambodia's MOWA manages a network of 15 WDCs. WDCs are vocational centers that are administered under MOWA's PDWAs, providing traditional vocational training programs such as handicraft production, hairdressing, tailoring, and food processing. A total of 138 administrative and training staff are assigned to WDCs. Approximately 1,900 trainees complete WDC courses each year; however, training services tend to have limited² impact and outreach to rural communities is minimal.³ The WDCs are supply driven and there is a declining trend in the number of trainees attending WDC courses. The courses offered by WDCs have become less relevant to satisfying local and provincial market demand.

WDC Funding

Presently, the financial sustainability of WDC services delivery relies primarily on MOWA's annual budget allocation received from the Royal Government of Cambodia (RGC) national and Program Budgets (PB).⁴ MOWA is one of six ministries that receive annual PB funding and conditions of use for PB funds is limited to funding vocational training programs. There are a number of progressive WDCs that have created linkages to markets to sustain their operations beyond that of the funding received from the Royal Government. However, these WDC's are the exception - rather than the rule.

ADB-JFPR Project Support for WDCs

The ADB supported the construction and upgrading of two WDCs, Siem Reap and Kampong Chhnang, through a Japan Fund for Poverty Reduction Grant (JFPR) *Women's Development Center Project (2006-2010)*. The JFPR project was completed in March 2010.⁵

Component C: Integrating WDCs into Local Economies

² The ILO- conducted a *Study on the Employability of Rural Women Training Participants in Women's Development Centers (2011)* for Kampong Cham and Kampong Chhnang WDCs - the findings of the study found the WDC course only partially effective in terms of income generation.

³ International Trade Center - Women in Trade Unit - Research Study of 13 WDCs Oct-Dec 2010, Publish Date: December 2010, Appendix 1- Tabulated Survey Results

⁴ The Ministry of Economy and Finance (MEF) provide MOWA WDCs with approximately \$450,000 through the National PB budget annually (Based on estimates from the *ITC WITU Study December 2010*).

⁵ *JFPR 9081-CAM, Women's Development Centers Project, 2006 - 2010*.

Component C of the JFPR project was designed to integrate the WDCs into their local economies through creating market linkages and collaboration with a broader network of local economic development actors – including the private sector. *Enterprise Development Plans* were drafted for use by both centers. The aim of these plans was to provide a framework for reorganizing WDC operations to integrate with the broader community of economic developers.⁶

Kampong Chhnang WDC

The Kampong Chhnang WDC has achieved a reasonable level of success as a functional market intermediary for the development and marketing of locally produced handicrafts. The WDC's markets include national and Japanese buyers. While the volume is relatively small, the WDC director, her staff and at least 100 producers have combined to function as reliable sub-suppliers to these markets.⁷ The Kampong Chhnang WDC is an exceptional case where the WDC is not reliant exclusively on the annual Program Budget and MOWA budget. The Kampong Chhnang WDC could be described as a small state owned public enterprise and appears to be a viable model that MOWA could duplicate at other WDCs.

Siem Reap WDC

In comparison, the Siem Reap WDC has made little progress in terms of value chain enhancements, outreach and maintaining market linkages since the handover of the Siem Reap WDC to its management and staff in March 2010. The producers of Angkor Thom district, who were intensively supported and trained under the JFPR WDC project, have lost the market linkages that were generated under the JFPR Project.⁸ The Siem Reap WDC is a fully equipped facility, with state-of-the-art training workshops and a retail facility that was built at a cost of USD \$550,000. WDC operations have not been effectively integrated into local economic development plans, private sector development initiatives or Commune Investment Plans (CIP). Since the grand opening of the WDC in March 2010 by the Deputy Prime Minister, the WDC has not been effectively utilized to its full potential; primarily due to a lack of capacity in management expertise, isolation from the local economy, especially the booming tourist market, and to a lesser extent budget constraints.

3.2 Scope and Objectives

Scope

The *scope* of this subproject was to create favorable conditions for private and social enterprises to partner with the Siem Reap WDC to achieve MOWA's economic empowerment objectives for the rural poor – especially women. To achieve this *objective*, MOWA requested additional support from ADB to again attempt to transform the Siem Reap WDC from a vocational training provider to an enterprise development center: based on a Public-Private Partnership (PPP) model.⁹

Impact

The anticipated *impact* was to create several functional PPPs at the Siem Reap WDC that promote sustainable micro, small, and medium enterprise development that leads to more inclusive pro-poor economic growth in the province by 2014.

⁶ *Enterprise Development Plans for Siem Reap & Kampong Chhnang* March 2010 – JFPR 9081

⁷ Study on the Employability of Rural Women Participants in Women's Development Centers, Sok Somith, ILO, 2011

⁸ Interview with former WDC technical trainer engaged by JFPR 9081 Project – Siem Reap, Field Mission No. 3 28 July 2012

⁹ Public-Private Partnerships are relatively new in Cambodia – with the majority concentrating on Public Private Infrastructure (PPI) Projects
ADB-AFD Review of PPP in Cambodia Opportunities and Constraints July 2012

Outcome

The intended *outcome* of the subproject was to *development a PPP framework* that would enable the WDC to attract socially responsible companies and financially sustainable NGOs who could provide market access and employment opportunities for rural producers. To support this outcome the subproject was designed to build capacity within the Ministry to acquire the skills to implement functional PPPs. With the assistance of the PDWA and the Ministry's CIM advisor, the TA consultants investigated and screened a number of business ideas that could be developed to fit with private sector market opportunities and the Ministry's social and economic empowerment agenda for rural women. The nature of the subproject was that MOWA, the PDWA and potential private sector partners would enter into dialogue early on in the process to produce the desired framework for the PPP. This was intended to be an *iterative* process requiring the development of negotiation, business, and organizational development skills on the part of the PDWA. In this way the PDWA would acquire the necessary skills to work with the private sector in developing functional PPPs at the WDC.

Outputs

Output 1: Development of a PPP Framework.

Output 1 aimed to create an appropriate PPP framework that defined roles and responsibilities for MOWA and the WDCs business partners. The framework would be tailored to the Siem Reap WDC but could be replicable for use by other WDCs and include: (i) PPP contract management procedures, (ii) draft contracts and templates and; (iii) a monitoring and evaluation framework.

Output 2: Capacity Development for the PPP Management Team.

Output 2 includes (i) training modules on how to implement PPPs; (ii) two PPP workshops for MOWA and PDWA staff; and (iii) terms of reference and draft contracts for three qualified MOWA PPP managers.

Output 3: PPP Promotion and Public Tendering.

Output 3 was intended to publicize the PPP concept and seek expressions of interest (EOIs) or Requests for Proposals (RFP) through a public tendering process. Potential partners would be targeted, particularly from the tourism and handicrafts sector. This output included support for MOWA to publish terms of reference for PPP contracts, evaluating expressions of interest and business proposals, and drafting PPP contracts. The Ministry determined that direct selection based on pre-determined criteria would be preferable to public tendering. Request for Proposals (RFP) and Expression of Interest (EOI) standard bidding documents were shelved in favour of creating a specific criteria for direct selection.

3.3 Modifications to Scope and Implementation Arrangements

PPP Executive Working Group

By late December 2012 it became clear that to implement the TA and establish at least one PPP at the Siem Reap WDC through direct selection, an executive working group was required to expedite the implementation process. The Minister for MOWA, H.E. Dr. Ing Khantha Phavi facilitated the creation of a *PPP Executive Working Group* that comprised senior Ministry executives including Secretary of State, H.E. Kheng Samvada and H.E. Chan Sorey.¹⁰ The executive working group was tasked with selecting and negotiating directly with potential private sector partners. As the WDC has an existing use right from

¹⁰ The *PPP Executive Working Group* consisted of MOWA executives, MOWA's CIM Specialist, TA consultants, representatives from the DoED and the Director of the Siem Reap PDWA.

the APSARA Authority for the production of handicrafts – local businesses operating in the handicrafts sector was targeted. The executive working group's aim was to seek a cooperative agreement to establish the first PPP for the Siem Reap WDC.

Modifications in Scope

Along with changes in implementing the TA, the Ministry requested that a change in scope was necessary to achieve the following outputs; (i) enable direct selection of a private sector partner in the handicrafts sector to comply with the conditions required of the APSARA authority; (ii) capacity building and training would be undertaken by the Ministry, based on the lessons learned during implementation of the first PPP at the Siem Reap WDC; (iii) the TA consultants provide resource materials for this purpose and; (iv) one workshop at the end of the TA would be sufficient to disseminate information on PPPs to PDWA-WDC directors. The ADB agreed with the rationale for change in scope and approved the changes along with a budget reallocation in April 2013.

3.4 ADB CARM Mid Term Review

On 12 February 2013, ADB CARM conducted a mid term review of the subproject.¹¹ MoWA' delegation was represented by H.E. Kheng Samvada. The TA consulting team provided an overview of the work completed to date including preliminary negotiations with Artisans d'Angkor – a renowned and highly successful social enterprise working in the handicrafts sector. H.E. Keng Samvada provided the rationale for direct selection rather than public tendering – given the land use constraints within the APSARA zone. Based on these circumstances, MoWA indicated that a formal letter requesting a change in scope and a budget reallocation would be submitted to ADB for approval on a no-objection basis. The TA review mission requested that a copy of the criteria for direct selection be incorporated into the subproject's overall documentation. ADB CARM approved the budget reallocation on 22 April 2013. An extension to the closing date of the TA from 30 April to 15 June 2013 was also agreed at the same time.

4. Summary of Implementation Phase

4.1 Negotiations with Artisans d'Angkor

First Onsite Meetings with Artisan's d'Angkor

The implementation phase commenced in January 2013 with the first meeting with Artisans d'Angkor (Artisans) and MoWA's executive working group. The Artisans delegation that visited the WDC was led by Human Resources Manager Ms. Catherine Nop - who immediately realized the potential for collaboration between Artisans and the PDWA – WDC and was supportive of moving forward with the PPP concept.

Second Onsite Meetings with Artisan's d'Angkor

On the basis of Ms. Nop's report to the management board of Artisans, a second onsite meeting with the company was held on the 14th of February. Mr. Alian Brun - CEO and Director General of the company led the delegation, accompanied by Artisans Supply Chain Director Mr. Vidano Kernan and marketing manager Mr. Eng Khoing. The Artisans delegation was provided with a tour of the WDC and

¹¹ The CARM TA Review Mission Team was led by Ms Karin Schelzig, Senior Social Sectors Specialist and accompanied by Mr. Peter Brimble, Senior Economist and Deputy Country Director and Ms. Chandy Chea, Gender Specialist.

also a visit to the Commune Producer Group Center at Plung village Leng Dai commune.¹² The Artisans delegation inspected the weaving workshop and visited the retail outlet; purchasing a number of items of interests including cotton blankets, mats made from Phaav and small carpet rugs manufactured from garment factory offcuts.

Outcome of Initial Discussions with Artisans

During the WDC site visit, Artisans and the TA team had the opportunity to discuss prospects for collaboration between the WDC and the company. Mr. Brun spoke of two preconditions for collaboration. The first being that Artisans would need to total control over the production process, and the second involved a commercial confidentiality agreement to protect Artisans proprietary designs. Both these conditions were understood and agreed by the TA team and are considered appropriate conditions for commercially based cooperative agreements. The fact that Artisans would control the supply chain provides the proposed PPP with the required design inputs, production expertise and quality control to satisfy consumer demand. The Artisan's delegation was quietly impressed with the WDC facility and a number of different products that could be added to the company's product range. Mr. Brun also commented that should the PDWA seek tenders to establish enterprises at the WDC, the PDWA would receive considerable interest from the private sector.

Third Onsite Meeting with Artisans

On 5 March, Artisans Supply Chain Manager Vidano Kernem, along with the head of Artisans Design and Marketing Divisions met with H.E. Chan Sorey and Ms. You Sophea at the WDC. Artisans selected three products from the WDC product range that were taken to Artisans design center, tested for coloring and returned to the WDC to produce new proto-type products. The products for test production included; (i) cotton blankets (ii) carpet mats; (iii) silk cloth and; (v) Phaav mats. After redesigning the selected products, the intention by Artisans was to retrain WDC staff and WDC weavers in the new techniques and set prices for each of the products. At the same meeting Artisans expressed interest in visiting the Kampong Chhnang to evaluate the handicraft products range being produced at the WDC.

Potential to Enter a Cooperative PPP Agreement

On 21 March the TA team leader contacted Artisans to raise the possibility of negotiating a cooperative PPP agreement between the PDWA and Artisans. Artisans Supply Chain Director, Mr Vidano Kernem indicated that it was too early to discuss such an agreement, as Artisans were still in the process of product design and evaluation. Mr. Vidano indicated that, as soon as the Artisans design team had completed their work, test production would start at the WDC. The second step would be to assess the technical skills of WDC weavers to produce the new products. After completing these two steps and if the results were positive, Artisans would be then in a position to place orders with the WDC weavers in the form of a "supply agreement" based on agreed unit process for various products.

Commencement of Test Production

The WDC weavers have been weaving cotton and silk fabric at 70 cm in width; however Artisans required fabric 200 cm in width. and therefore the WDC would need to buy wider looms to produce the which required the purchase of wider looms for the WDC weavers. Artisans decided to commence working with WDC weavers by introducing a new technique producing knotted silk fabric. Producing knotted silk is made using a small table type loom that is light and easily transportable. Artisans

¹² The Artisans delegation comprised of Mr. Alain Brun - CEO, Mr Vidano Kernem - Supply Chain Director, Mr. Eng Koing - Marketing Manager, and Ms. Catherine Nop Human Resource Manager.

provided the WDC weavers with the raw material and provided training to assess the level of productivity and commitment to persevere with the new production method. The key determinate for Artisans in this pilot test phase is the attainment of quality and delivery of product on time. If the WDC weavers can achieve efficiency and quality standards, Artisans stand ready to provide the weavers with an opportunity to earn regular income and offer relatively high prices for knotted silk fabric.

Future Plans for Artisan's Collaboration With WDC?

On 5 July the TA team leader invited Artisans to contribute to this final report by indicating if the SR WDC could be integrated into the company's chain of rural production centers.¹³ The questions from the TA's team leader, provided by personal communication were as follows.

- (i) *In Artisans opinion - what would be the best use of the WDC facility within Artisans five-year strategic development plan?*
- (ii) *Does the use of WDC assets and human resources of the WDC fit within Artisans modus operandi?*
- (iii) *In the longer term, and assuming all goes well with the design, production and commitment of weavers associated with the WDC - what is the likelihood for the WDC as a physical asset, to be firmly integrated into Artisans network of rural production centers?*
- (iv) *What would be some of the constraints for the WDC to be integrated into Artisans rural production network in Siem Reap?*
- (v) *What conditions and guarantees would MOWA need to provide for the WDC to be managed by Artisans?*
- (vi) *Would Artisans be prepared to take the lead on the development of a PPP with the SR WDC – based on a similar replication of a the commercial relationship Artisans has with the silk farm?*

Mr. Vidano provided an update to the TA's team leader on 24 July with a clear response as to the prospects for future partnership arrangements between Artisans and the WDC. Mr. Vidano noted and indicated the following;

- (i) Weavers at the WDC work intermittently due to inefficient incentives to produce on time to the required quality;
- (ii) Weavers would be trained to knot silk to test quality, delivery on time and commitment of the weavers;
- (iii) Artisans are taking the risk on providing time, production supervision, training and raw materials. This risk for Artisans is that if the WDC weavers cannot achieve quality standards and deliver on time – then the investment is lost.
- (iv) If the supply chain collapses then both Artisans and the weavers will loose their investment in time and materials.

¹³ Artisan's five-year strategic plan includes growing its workforce from 1,300 to 2,500 by 2015, while at the same time, concentrating more of the company's production centers in Siem Reap Province rather than other provinces.

- (v) Provided the weavers can achieve the standards and targets set by Artisans, the company will place an order with the weavers, at a relatively high price to further incentivize the producers.
- (vi) Artisans expect more producers to join with the first group of WDC silk knotting weavers to participate in the benefits that the supply chain offers.
- (vi) The WDC or any workshop can serve as a production point where production management oversight can be provided by Artisans.
- (vii) There is no special requirement for a knotting workshop; as the knotting equipment is just a small knotting table per person, which the company can provide. Therefore a workshop could be established at eh WDC, a rural production facility or the weavers home as long as there is storage space.
- (viii) Artisans and the WDC are still in the very early stages of building a partnership and this takes time because Artisans *"want to make sure that any kind of partnership is based on sound, clear and sustainable, social and economic ground"*
- (ix) And in closing, Mr. Vidano indicated "that as the first knotting works were of good quality we believe that this partnership may prove successful".¹⁴

4.2. The Strategy of Direct Selection

The Ministry's strategy of direct selection is based on replicating similar arrangements to what Artisans have in place with the Center National de la Soie's silk farm in Pouk district on land owned by the provincial Department of Education. This is a functional PPP that includes a clear separation of responsibilities, inputs and outputs. The PPP has taken 15 years to develop, has been built on a strong foundation of trust between the partners, and is based on sound clear and sustainable social and economic foundations. The Ministry's desire to partner with a social enterprise such as Artisans is in itself a sound decision. However, as illuminated above, such a partnership will take some time to develop.

While Artisans are genuinely interested to help the Ministry and the SR WDC; Artisans have a business to run. Last year Artisans turned over an estimated at US \$20 million dollars and currently employ 1,300 people; 900 of which are weavers. As with most formal businesses - time is money and Artisans have wasted no time in identifying the opportunities, risks and scoping their interests in the WDC. Presently Artisans operate in a partnership vacuum in respect to the terms of the collaboration; which remain unclear and undefined on MOWA's side. The desired outputs from the "public" partner have not been clearly communicated; and are at best assumed. The articulate response to the questions posed to Artisans by the TA team leader in the preceding section; clearly indicate Artisans position at the present time. While Artisans continue their program with the weavers associated with the WDC, MOWA is in the fortunate position to take time out to define and clarify the "public offering". An exploration of what this entails is discussed in section 6 below.

5. MOWA PPP Workshop

On the 5 June the MoWA's Department of Economic Development (DoED) hosted a one-day workshop to disseminate information to PDWA and WDC Directors on the theory and practice of PPPs. In addition to the large body of research conducted by the TA team, and the initial work undertaken by Artisans - the PPP workshop is considered the flagship of the TA. The PPP workshop provided an important entry

¹⁴ Personal communications between Mr. William James Willis and Mr. Vidano Kernem 5 and 24 July 2013 respectively.

point for DOED, PDWA and WDC directors from each WDC to understand the considerable undertaking to establish functional output orientated PPPs. UNDP's PPP focal point representative in Phnom Penh and the Director of the Economic Unit from Spanish NGO – PyD also attended the workshop.¹⁵ Artisans were also invited to present their work to date and their vision for the future, however, Artisans could not field a representative in time for the workshop.

PPP Workshop Proceedings

The workshop was chaired by H.E. Kheng Samvada, Secretary of State of MOWA who “emphasized the importance of partnerships for mutual benefit and the need for WDC staff and managers to understand the strengths and constraints of their WDCs, as well as those of potential partners, before seeking them out.”¹⁶

ADB CARM's Senior Social Sectors Specialist, Ms. Karin Schelzig providing opening remarks and spoke of the close and long standing relationship between the Ministry and the ADB. Ms. Schelzig recounted the history of the newly constructed Siem Reap WDC and the investigation of the Public Private Partnerships as a process and means to achieve greater utilization and impact of the facility. Ms Schelzig remarked that “...that there are areas where the private sector has particular strengths, and areas where the government or the public sector is stronger. Working together, in partnership, the public and private sectors can be much more efficient because they each have certain advantages in performing specific tasks.”¹⁷ Moving forward, Ms. Schelzig expressed her hope that the WDC network could capture the opportunities afforded through PPPs to better serve the needs of the rural poor; particularly in terms of market orientated skills training, enterprise development support services and access to markets; particularly the lucrative tourist trade in Siem Reap.

PPP Theory and Practice

The workshop program introduced the concept, theory and practice of PPPs, reviewed the main phases of the TA and concluded with a summary of the implementation phase.¹⁸ The workshop provided participants with a review of standard PPPs, how they operate, the benefits and outputs and the roles of the public and private partners. Ms. You Sophea, Director of the SR PDWA, provided a summary of work completed to date with Artisans, which is described previously in Section. Ms. You Sophear expressed concern as to the capacity and skill level of the Siem Reap WDC weavers; but added that under Artisans production management the prospects for the weavers to achieve the required standards was positive.

The PPP workshop was well received and provided a solid introduction to the over all concept and functions of PPPs. Ms. Men En, Director of the most successful WDC and handicrafts supply chain, asked for clarification on copyright for handicraft designs produced by the WDC. The Minister provided

¹⁵ PyD constructed a new WDC in Stung Treng Province in 2011- 2012

¹⁶ Article written by Imrana Jala Senior Social Development Specialist (Gender and Development)

Poverty Reduction, Gender and Social Development Division, Regional and Sustainable Development Department
Asian Development Bank

¹⁷ Ibid

¹⁸ The main body of the workshop was presented by the TAs National consultant in Khmer language. A translation of the workshop proceeding is provided in appendix A

closing remarks after facilitating a Q & A session, which lasted over an hour and demonstrated the interest that participants had in the PPP concept.

Key Message From the Minister

In closing, the Minister, H.E. Dr. Ing Khantha Phavi provided guidance to PDWA and WDC directors in the event that private sector investors or NGO's express interest in using WDC facilities. Where expressions of interest were received informally, PDWA-WDC directors were advised to direct enquiries to the DOED in Phnom Penh. The Minister commented that each WDC in the different provinces operates in the provinces own unique economy; therefore PPPs would be designed to fit with prevailing economic opportunities.¹⁹

6. Clarifying the Public Offering

6.1 Preconditions for the "Public" Partner to Enter PPPs at the Siem Reap WDC

Before MOWA proceeds with further PPP initiatives, the Ministry must undertake some of the important activities outlined below; *before* implementing future PPPs, either at the Siem Reap WDC or other WDCs in the network. The suggestions and discussion below requires the Ministry to assess, define and value its "offer" to potential private sector and NGO partners. It is important for MOWA to clarify and state what is on "offer" at the Siem Reap WDC and other WDCs in the national network. The process of valuing the tangible and intangible assets will provide MOWA and the private sector with clarity in respect to the value and scope of the "public offering".

- a. **The Land:** A detailed description of the land, its size, physical location, drainage and topographical features, landscaping and parking areas, ease of access, proximity to major link roads, travel distances to local townships and other areas such as tourist sites and manufacturing plants. Zoning restrictions may apply and limit certain types of business activity; for example those conditions imposed by the APSARA authority in Angkor Thom district, Siem Reap. A "market valuation" of the land along with its attributes, is necessary to provide the Ministry with an idea of the land's resale or rental value. Land valuers in Cambodia who can undertake this work include; (i) Cambodian Valuers and Estate Agents Association and; (ii) CBRE Cambodia – who also specialize in the valuation of public assets.
- b. **Provision and Access to Utilities:** Access to utilities such as electricity, Internet services and telecommunication services, potable water supply, sewerage and effluent treatment, storm water drainage and discharge are important considerations for investors and operators of facilities such as the WDC. The utilities and the costs of these utilities need to be described and valued. For example the cost of electricity per Kwh, the cost providing water on a per Kl basis, the cost of telecommunications, and sewage treatment on the basis of annual maintenance costs (assuming septic tank treatment and pumping costs). In addition, an assessment of what is the maximum load or output the utilities can supply.
- c. **Inventory and Description of Physical Buildings:** The Siem Reap WDC is equipped with a number of buildings including; three production/workshops spaces, a large administration building housing a retail outlet, office space, training rooms and toilets, one public toilet block and one staff/trainee toilet and shower block, adjacent to a large dormitory, a building that was

¹⁹ Comments reported from translation of proceeding provided by TA Director Ms. Soth Sithon.

design as a cafeteria and another that was designed as a day care center. A valuation of the cost of rental of these buildings on a square meter basis can be determined via land and property valuers; especially those based at Siem Reap.

- d. **Depreciation and Maintenance:** The cost of depreciation was calculated in the first TA report at approximately \$24,750.00 p.a. The estimate is based on the WDC being valued at \$550,000 and applying a depreciation rate of 4.5%. Calculated monthly, this equals \$2,62.50 per month for the entire facility. While the WDC and the land was provided to the Ministry free of charge, the cost of depreciation must be commuted to annual maintenance costs. Cambodia's climate is hard on physical buildings and particularly during the annual wet season. Integrity of roof structures and drainage must be maintained to avoid internal and costly damage to the buildings. A good practice is to create a separate maintenance and equipment replacement account for the WDC, setting aside the annual estimate cost for maintenance, repairs and equipment replacement.
- e. **Commune Producer Group Centers:** Attached to the WDC are two Commune Producer Group Centers (CPGC) that were constructed by the JFPR WDC Project. These buildings, approximately 12 x 12 meters in size were constructed at a cost of US \$14,000.00 each. The CPGCs can be used as village-training centers, workspaces for the production of handicrafts and as collection and sales points for the supply of locally produced handicrafts. The CPGB are equipped with a roofed production area, storage space, dying facilities, toilets and potable water supply. Again these buildings compliment the WDC asset and need to be included in the overall infrastructure package.
- f. **PDWA and WDC Staff:** The PDWA and WDC combined employ 19 staff with various levels of skill in management, accounting and finance, technical training (handicrafts and food processing) and marketing. The PDWA-WDC could provide a list of employees, their availability and expertise along with their CVs to potential partners. Clarifying exactly who is available from the PDWA-WDC and how they could participate in the PPP is an important part of the public offering. Depending on the private sector partner's staff requirements, PDWA-WDC employees could be a valuable asset and contribution to the PPP. Based on PDWA-WDC staff CVs, monthly remuneration can be calculated with respect to prevailing market rates.
- g. **PDWA Director:** The PDWA-WDC director's capacity to oversee and act as a focal point for the "public" partner within the PPP is critical. Ms. You Sophear has established an excellent working relationship with the Siem Reap Provincial Governor's Office and other provincial departments. In her role as the "public" representative of the PPP You Sophear could facilitate and expedite approvals, create linkages to the public sector and introductions to key departments such as commerce, mines and energy, taxation and tourism. However, as the representative of the public partner in a PPP, You Sophear requires additional support in the form of capacity building, training and exposure to private sector operations. Building the director's capacity and training for enterprise development and management, would go a long way to providing the private sector partner with an informed and understanding partner within the PPP.
- h. **Linkages to Community Supply Chains:** During the JFPR WDC project more than 1,200 local producers were trained in handicrafts production, food processing and production of fresh vegetables. The Project Implementation Team (PIU) comprising of WDC staff worked with national training specialists to create producer groups and strengthen supply chains. Linkages to

organized rural supply chains are an important consideration for private sector partners – particularly in the production of handicrafts and supply of agricultural foods. The PDWA-WDC and MoWA's District Women outreach workers offer valuable linkages to rural networks and village economies. These business-to-business and business-to-producers linkages is another "value added" service that needs to be elaborated and included in the in the WDC's over all public offering.

i. **Public Funding:** The Ministry needs to clearly define what funds are available from the MOWA-PDWA-WDC budgets to cover operation costs and the National Program budget to subsidize vocational training programs. MOWA's contribution to training and re-skilling rural women funded by the Ministry is an attractive input to the PPP. If the private sector partner can reduce training costs then this will add to the overall profitability of the enterprise. The Ministry needs to clearly define the source and value of funds it will contribute to PPP's in order to support the achievement of the desired outputs.

j. **Determining and Measuring Precise Outputs:** Selecting a private sector partner on the basis of shared ethics and provision of social dividends is a good place to start. However, a well-designed PPP clearly specifies the "outputs". The outputs and measurement of results of an economically and socially orientate PPP must be clearly stated. It is in the interests for both public and private partners to agree on output targets and methods of measurement *before* entering into a partnership arrangement. As outlined in the first TA report there are a number of targets that combined, form the basic outputs within the architecture of MoWA's economic empowerment agenda.

For self-employed individuals and producers

1. Number of producers linked to sustainable markets
2. The increase in the value of sales
3. The percentage increase in profit margins
4. The number of new products and services
5. The number of new business start-ups
6. The number and type of courses requested by specific market sectors

For full and part -time employment

1. Number of persons in full -time employment and value of salaries
2. Number of persons in part-time employment and value of salaries

For overall economic impact

1. Increase in household incomes against baseline indicators
2. Economic contribution via the enhancement of supply chains (sub-suppliers)
3. An assessment of value added at the producer level within individual supply chains.
3. The economic contribution to commune investment plans

k. **MoWA's Perceptions of Value:** In order for a public entity to enter a PPP, the government contracting authority (GCA) must have a degree of confidence in the value of the public "offering" and determine if "counter offers" are acceptable. The ability to compile the "offer" and then negotiate the "terms" is currently beyond the capacity of MoWA and the Siem Reap PDWA. If the Ministry believes that there is nothing to offer, then this in itself will undermine the Ministry's position in terms of negotiating a fair deal for the WDC. In fact, stepping into a PPP without

completing all of the steps outlined in this section would be considered inappropriate in the interests of the “public good” by a public authority.

- l. Verifying the Legality of “Cooperative Agreements” with Ministry of Economy and Finance (MEF):*** While the TA consulting team conducted a detailed review of the RGC Royal Decrees, Sub-decrease and *Prakas* created by MoWA, the Ministry must confirm the validity of such agreements within the legal framework of the RGC and particularly with the MEF. There is a clear absence of legal precedent for small scale PPPs as contemplated by MOWA under this TA. It is advised that Ministry seek legal advice from the RGC and guidance from the MEF in respect to the reinvestment and distribution of revenue generated from WDC PPPs.
- m. Conduct a Realistic Market Assessment of the WDC Network Capacity to Host PPPs.*** It is imperative that MOWA conduct its own internal assessment of each WDC’s capacity to participate and solicit expressions of interest for partnering with the private sector or social enterprises. Already PPP proposals are in the pipeline from other donors – well intentioned – but bound to fail if the preconditions outlined above are not addressed. It is strongly recommended that further donor support for MoWA’s WDC PPPs are directed towards supporting the Ministry complete the preconditions outlined above. This will be a time consuming exercise and MoWA and development partners need to temper their expectations accordingly. Starting small with early success will provide MoWA with the confidence to move forward and capitalize on its achievements.
- n. Ongoing Research and Familiarity with the Emerging PPP Regulatory and Legal Framework in Cambodia.*** On 6 June 2013, the ADB held a national *Workshop on Enabling PPPs in Cambodia* at the Raffles Hotel Le Royal in Phnom Penh. H.E. Dr. Aun Porn Moniroth, Minister Attached to Prime Minister, Chairman of Supreme National Economic Council, Secretary of State of Ministry of Economy and Finance, provided opening remarks for the workshop, which aimed to provide an assessment of Cambodia’s PPP legal framework. The workshop; (i) identified international best practices; (ii) reviewed existing PPPs in Cambodia; (iii) provided a situation analysis and; (iv) made recommendations to “fill the gaps” in Cambodia’s PPP regulatory and legal framework. While working from the “bottom up” to value the public offering it’s also important for the Ministry to proactively seek out and collaborate with the organizations driving “top down” reform in Cambodia’s PPP legal and regulatory framework.

7. Capacity of MoWA to Implement PPPs

During the course of this TA it has become apparent that MoWA has limited capacity to implement a functional PPP at the Siem Reap WDC. This is not a criticism of the Ministry, the PDWA or the WDC as this is new territory for MoWA and most other line ministries in Cambodia. In addition to MoWA’s Executive, there are two people within MOWA that could join forces with the Ministry’s CIM advisor to complete the tasks above.

At MOWA’s department level, Ms. Buncchith Veasna, Director of DOED, has direct experience in market facilitation, understands value chain enhancements and has direct experience with the private sector. Ms. Veasana has created a niche markets for a Japanese buyer and the designs are and product range being produced by producers in Kampong Chhnang is impressive. At the subnational level Ms. Men En, Director of the Kampong Chhnang WDC, has a proven track record of operating a successful “public sector enterprise” operated on private sector principles. It is understood that revenue

generated from sales pays for raw materials, is used for purchases of finished products from producers, pays for transport and distribution and supply chain administration costs. The WDC has its own bank account and is believed to be financially sustainable through production and supply chain management for handicrafts.

Both Ms. Veasna and Ms. Men En have managed to leverage the considerable investment provided by the JFPR 9081 WDC project and have built a viable producer supply chain via the WDC that supplies a high end market. This informal public enterprise benefits more than 180 producers, providing employment and sufficient profit margins to ensure their produce groups respond to the needs of the buyer. However, replicating this model would require a considerable undertaking on the part of MOWA. Replicating the Kampong Chhnang model assumes that the critical success factors that operate at Kampong Chhnang exist for other WDCs – which is unlikely.

8. Alternative Entry Points for MoWA's Participation in PPPs

Based on a realistic assessment of MoWA's capacity to undertake the prescribed tasks listed above it is recommended that MoWA investigate other options and pathways for entry into PPPs.

The Ministry of Health: The Ministry of Health (MoH) is leading PPP development in the delivery of health services in Cambodia. Recognizing the importance of PPP in Cambodia, the Ministry has established a Sub-Technical Working Group Health on Public-Private Partnerships (Sub-TWGH on PPP) and conducted a National Forum on Public-Private Partnership in Health on 7 November 2012. The National Forum was supported by GIZ, ILO MEDICAM and private sector-NGO health providers. The MOH has a long history of PPP development and has initiated Special Operating Agencies (SOAs) and Public Administrative Enterprises (PAEs) to improve delivery and access to health services.²⁰

The Ministry of Labour and Vocational Training (MoLVT) is likewise pro-actively investigating the potential for initiating PPPs to support their Provincial Training Centers (PTCs). The MoLVT through TVET have a clear mandate to train and skill trainees to meet the needs of the Cambodian economy. Given the urgent need to improve the skills of the Cambodian workforce, the TVET program is attracting substantial funding to expand and improve its PTC network.²¹

Sector Wide Donor Private Sector Supported Initiatives: It is also possible that weavers (for example) associated with the WDC network could be integrated into a larger program of support and sector supply chains. Khmer Silk Villages – supported by the Sector Wide Silk Program and the International Trade Center (ITC), have mobilized and continue to support Cambodia's silk weavers.

Participation in Inter-Ministerial Working Groups: The first recommendation is for MOWA to participate in the technical working groups of both Ministries. This will fast track MOWAs' learning curve and speed capacity develop through knowledge sharing. It makes no sense in MOWA reinventing the wheel on this subject.

Alternative and More Efficient Uses for MOWA's WDCs: The second recommendation that could be seriously considered along with development of PPPs for specific WDCs, is annexing MOWA's WDCs

²⁰ (Conference documents are available online at <http://www.medicam-cambodia.org>)

²¹ ILO Report: A Framework for Sustainable TVET Public Private Partnerships in Cambodia August 2011

with TVET's PTCs and MoH's network of rural health clinics. The MoLVT and its DG-TVET program and the MoH have access to significant financial and technical resources and an extensive network that includes private sector and NGO partners. By annexing WDCs to existing Ministries with standing PPP arrangements; MOWA could better utilize its WDCs and integrate its centers firmly within an industry vocational training sector. Owning, maintaining and managing the majority of MOWA's WDCs are liabilities that the Ministry could do without. The opportunity cost of maintaining the considerable number of WDC is substantial. Divesting WDCs that are clear liabilities would be a good place for MOWA to start to reduce its exposure to the costs of maintaining and staffing a number of WDCs. The current Policy for Women's Economic Empowerment Policy paper reinforces the suggestion above – going further to suggest that MoWA should not be managing WDC at all, and management should be outsourced through PPPs or other collaborative arrangements.²²

9. Lessons, Challenges and Achievements of the TA

A description of the challenges for MOWA entering and participation in PPPs has been discussed at length in the proceeding sections. In this final section there are number of positive and important lessons that have been learned as a result of this TA. Provided these lessons are acknowledged, and the challenges clearly understood, the Ministry is in good shape to push forward and capitalize on the achievements generated from this initial exploration of public - private sector collaboration.

TA Design: The design of the TA was considered appropriate and provided a strait forward stepwise method for implementing the PPP. The three phases; analysis, modeling and implementation provided a simple roadmap for executing the TA and provided a sound methodology for replication at other WDCs. The specific outputs of the three individual phases provided more than adequate processes, analytical tools and knowledge, which could be codified. The reporting requirements allowed the TA consulting team to review a large body of PPP research and examine the current state of PPP legislation and legal frameworks in Cambodia. On face value the design of the TA was considered to be easily “deliverable” by the consulting team, given their expertise and experience working with the Ministry. In hindsight, the TA could have been named *Feasibility Study for Initiating Public Private Partnerships at the Siem Reap WDC*. This would have been a similar exercise to the *Feasibility Study Assessment for the Women in Trade Unit (WITU)* funded by PGE II and conducted by the International Trade Center (ITC). Of particular value to the current PPP initiative would have been the use of the proposed WDC intranet and trade facilitation unit. While the concepts and recommendations of the study remain highly relevant for WDC and women entrepreneurs, the WITU has been shelved pending further funding to support specialized technical inputs and capacity building for MoWA DOED staff.

Capacity Development Strategy PDWA-WDC

To achieve the aims and objectives of this subproject, the TA consulting team, with support from the director of the DOED, aimed to capacitate the Siem Reap PDWA to manage functional and effective PPPs at the WDC. The lack of counterpart capacity surfaced after a number of field trips to Siem Reap early on in the TA during discussions and meetings with SR PDWA-WDC staff. Despite their best efforts, the PPP team made up of members of the WDC and PDWA - could not provide the necessary hub to deliver the PPPs. The assumption that the Siem Reap PDWA could take the lead on a locally based initiative, in the form of partnering with the private sector or NGOs was an error in subproject design. The TA consultants actually recognized this problem however; persisted in rolling out the subproject as

²² Policy for Women's Economic Empowerment – Final Draft 26 June 2013, p. 17

designed, with the expectation that capacity would be built during the implementation phase. At this point, and in retrospect, the TA team could have used this juncture to revise the scope and design of the TA to examine the issue of the “public offering”.

Capacity Development Strategy DOED

Capacity development issues was also the case for DOED when the DOED’s Director and Project Director for this TA left for Korea for 18 months of study in late August 2012. The departure of the DoED Director, who the consulting team believed was essential to the success of capacity building efforts, was an unexpected development that could not have been predicted in the design phase. The director’s absence, in terms of mobilizing counterpart support, was a major factor in the limited success in building counterpart capacity within DOED and at the subnational level.

Clarifying MoWAs Institutional Arrangements: One very positive outcome of the TA was the clarification of the roles and responsibilities within MoWA, the PDWAs and WDCs. For some time there has been a degree of confusion in respect to which departments are responsible for various inputs to WDC. In the third Project Implementation Report – a thorough investigation for the mandate of MOWA, its Departments, the PDWAs and WDCs was clarified. Of particular importance is that MOWAs Department of Administration and Finance (DoAF) can legally sign cooperative agreements. Further, the DoAF can approve PDWAs with the authority to sign these agreements.

Clarifying the “Public Offering”: While the “public offering” was not specifically clarified during the early stages of the TA, this current report provides comprehensive advice on how this would be achieved as a next step in MOWA’s preparation for participation in PPPs. As mentioned previously this is imperative and provides the private partner with a list of expectations and responsibilities that can be clearly negotiated. Without understanding what is being offered – then there is simply nothing to discuss; and this is where the TA became stuck, for use of a better word. Now that Ministry understands the scope of the public offering, the next step is for the Ministry to specify its PPP aspirations and move forward with a degree of confidence with the WDC - Artisans PPP.

Legal Operating Environment: During the modeling phase it became clear that while Cambodia has a skeletal regulatory and legal framework for enabling PPPs there are significant gaps in the overall framework. As such, there are deficiencies within government institutions to systematically guide and support the implementation of PPP in Cambodia.²³ The issue of leasing and renting state owned property by a Ministry clearly requires approval from the Ministry of Economy and Finance (MEF) and presently, such approvals take considerable time – and well beyond the life of the TA. The challenge for the TA team began with finding a suitable legal instrument in the form of a suitable PPP contract. After much research it was found that a “cooperative agreement” would be legally acceptable as a basis for a PPP agreement at the Siem Reap WDC. However, this needs to be confirmed with the MEF as a matter of priority.

Operating from Precedent and Existing Knowledge Base: Operating from a sound basis of precedent and an existing body of codified knowledge provides the all Cambodian ministries with a platform to launch PPPs. Presently, inter-ministerial mechanisms for sharing information relating to the

²³ Report on The National Forum on Private-Public Partnership in Health 7 November 2013 p.2

PPP project cycle is severely lacking.²⁴ Therefore, much of the TA team's effort was invested in research, seeking precedents and identifying existing and functional PPPs. Accessing information from other ministries such as MoLTV and MoH proved difficult for the TA team. For example, the TA team and the Ministry was unaware of the TSWG-PPP Forum facilitated by GIZ in December 2012 as well as other PPP events over the past 12 months. The lesson here, is that during the analysis phase it would have been most useful to draw on the experience of high-level, inter-ministerial stakeholders to advise the MOWA and continue to provide information and contacts during the course of the TA. The Ministry would accrue immediate benefits by opening communication channels with the head of departments in MoH and MoLV.

Capacity of the Public Partner: Another positive development is that the Ministry now clearly understands the knowledge and capacity gaps in respect to implementing PPPs from the public side. These gaps require attention before development partners provide further investment in WDC PPPs. MoWA has also learned that PPPs are not a quick fix to get something happening at a particular WDC. PPPs require careful planning and commitment of a core group of MOWA employees who will take responsibility for implementing, managing and replicating PPPs – while at the same time building the Ministry's internal capacity. PPPs are not panaceas to fix or overhaul WDCs overnight. To capitalize on the lessons learned during the TA, the Ministry can now begin completing the tasks outlined in Section 6 above. As a first step, the Ministries executive could clarify MOWA's public offering "in-house" at the leadership level. Once key decisions have been made by the executive, an action plan can be created and further support requested from the Ministries development partners – in particularly from UNDP's PGE III support program.

Awareness of the Potential for PPPs Within PDWA-WDC National Network: Twelve months ago the Siem Reap PDWA and WDC staff were afraid of the perceived negative impacts of introducing PPPs at the WDC. Loss of employment, the requirement to step into new roles and take on new responsibilities and the "unknown" private sector partner generated fear and resistance to change. Today Siem Reap PDWA and WDC staff, are no longer afraid and have indicated positive support for the PPP concept. This was also evident for WDC directors attending the PPP workshop held on 5th July. Working with a company such as Artisans is both a privilege and a challenge for the PDWA – a highly successful market leader in Khmer authentic handicrafts.

10. Critical Success Factors & Best Practices for PPPs in Cambodia.

Best Practice Principles

And finally there are a number of critical success factors drawn from international best practice which is now being adopted here in Cambodia; The list below is compiled from the ILO Forum on PPPs held in Phnom Penh in August 2011.²⁵

²⁴ This problem is being addressed by the MEF in collaboration with the ADB. A workshop held on 6 June 2013 in Phnom Penh, provided a comprehensive review and mapped out future and immediate actions for the MEF and the ADB to fill the institutional gaps and heighten visibility of these institutions.

²⁵ Prepared for the ILO by Ms. Belinda Smith-Comyn, International Consultant, ILO DWT Bangkok and CO-Bangkok August 2011

“... International experience documented in the literature demonstrates that projects indicate partnership facilitators /intermediaries are successful when they:

- **Motivate;** Gaining ownership, exploring ideas and being empowered to act create motivation. This is important, as the success of a partnership is often slow to be realized.
- **Maintain communication between partners;** Communication develops shared understanding and a sense of connection between partnership members. Communicating ideas and information allows partnership members to value add creating greater opportunities.
- **Provide for face-to-face communication;** Face to face communication is essential in developing trust and strong bonds between partners. Distinguishing fine differences is important to strengthening partnerships.
- **Develop trust;** Without trust a partnership is a network of interested organizations or people looking to see what they can get out of the network. Trust allows a partnership to fully explore ideas and information and to give up things for the partnership and make mistakes.
- **Develop shared visions;** Shared vision is an important aspect of successful partnerships as a clear and agreed vision provides the motivation to achieve the goals of the partnership. Shared visions means organizations work together, rather than working separately in the same direction.
- **Facilitate collaboration:** Collaboration is often a new way of working for organizations whose normal mode of operation is competition. Trust is needed to foster collaboration and independent intermediaries without personal agendas can be particularly useful developing this feature of industry TVET partnerships.
- **Have solid industry knowledge:** Partnership participants in previous research²⁶ stated the importance of the intermediaries knowing the industry in which the partnership operates. This creates credibility, trust and ensures issues/visions are realistic.
- **Provide independent brokering support or facilitation:** What are the issues, as the enterprises perceive them? An independent broker helps all partners identify common goals without interpreting those interests or goals.
- **Have good influencing skills:** Encouraging people to accept change and become involved are important elements to achieving goals and making cultural shifts. Influencing skills require lateral thinking and good communication skills.

²⁶ Smith, B., (2005) Skill Ecosystems Project PD Framework & Knowledge Sharing Strategy. TAFE NSW International Centre for VET Teaching and Learning, Meadowbank, Australia

- **Are realistic:** Some big issues may need attention, but starting with a smaller, more manageable task lets the partnership achieve an early success. Being realistic builds trust and avoids disappointment.

11. Conclusion and Summary

Promoting Public Private Partnerships at the Siem Reap Women's Development Center was funded by the ADB's Regional Technical Assistance Fund (RETA 6143 Subproject), and administered by ADB Cambodian resident Mission (CARM). The subproject was executed by the Cambodian Ministry of Women's Affairs (MOWA) and implemented by MOWA's Department of Economic Development (DOED) and Siem Reap Provincial Department of Women's Affairs (PDWA). The TA was supported by one international and one national consultant, both who have several years experience working with the Ministry at the national and subnational level. The Ministry's resident CIM Specialist, Mr. Udo Geartner, provided MOWA's executive and TA consultants with valuable guidance and advice during execution of the TA.

The first phase of the TA was completed successfully with a situation analysis concentrating on the Siem Reap WDC and selection of five business opportunities that would integrate well with the WDC's location and proximity to the Angkor temples tourist trade. The analysis phase was completed by 31 August 2012 – however, as the TA moved forward so too did the ongoing process of analysis.

The second phase involved researching and selecting PPP frameworks and models that MOWA could use to launch a PPP at the WDC. During the modeling phase, MOWA's institutional arrangements and legal position in respect to entering into PPPs was clarified. However, at the same time the TA began to encounter difficulties, due in part to the lack of a clear regulatory and legal framework for implementation of the PPP in Cambodia. The selection of a "cooperative agreement" to enable the Ministry to enter into PPP agreements with the private sector is believed to be the "best fit" in respect to Cambodia's underdeveloped but emerging legal and regulatory PPP framework. The modeling phase was completed by 31 December 2012.

The third phase for implementation of the PPP was initially designed to seek expressions of interest through a public tendering process. Given the restrictions imposed by the APSARA authority, it became clear many of the initial business ideas would be difficult to implement in the time period of the TA.

In order to expedite the outputs of the TA, the Ministry determined that direct selection using a set of precise criteria be used to select a candidate partner to pilot the PPP. Given the Siem Reap WDC's existing land use rights and existing infrastructure, the Ministry specifically targeted the handicrafts sector. Artisans d'Angkor (ADA) were selected from a list of 40 members from the Angkor Handicrafts Association (AHA) as the private sector partner that met all of the shortlisting criteria.

Active implementation of the TA commenced in January 2013 with three MOWA executive working group missions traveling to Siem Reap to explore prospects for collaboration between the PDWA-WDC and ADA. H.E. Kheng Samvada and H.E. Chan Sorey led the MOWA mission team. The MOWA mission team initiated discussions with the senior management of ADA, organized site visits to the WDC and established communications channels between MOWA and ADA.

In early March 2013 ADA began test production and in June had selected one product (knotted silk) for pilot production with WDC weavers. The Supply Chain Director of ADA, Mr. Vidana Kernem provided the TA with a clear indication of ADA's process for test production, future collaboration and the

prospects for entering into a cooperative agreement and a PPP. The outlook for a successful and mutually beneficial PPP between ADA and the WDC weavers remains positive. At the time of writing, collaboration between ADA and the weavers continues, with the aim of achieving ADA quality standards and placing orders for knotted silk fabric.

The TA has enabled the Ministry to achieve number of successful outputs, clarify its institutional arrangements and legal standing and understand the capacity gaps within the Ministry for the future delivery of PPPs. The Ministry now has the opportunity to push forward and proceed with a level of confidence by clarifying its public offering to the private sector and NGO's. Contingent on fulfilling the tasks detailed in Section 6 above, the Ministry will be in good shape to capitalize on the work completed so far under this TA. Finally, the experience and findings of this TA can be quickly picked up by MOWA's development partners to support and further develop MOWA's PPP program in Siem Reap and other suitable WDC in the national network.

PUBLIC PRIVATE PARTNERSHIPS WORKSHOP
MINISTRY OF WOMEN'S AFFAIRS
TA6143 Subproject Workshop Program

Options for implementing PPPs at the
Siem Reap Women's Development Center

Date Wednesday 5 June, 2013

Time 8.00am – 5.00pm

Venue Phnom Penh Hotel, Phnom Penh

| Time | Topics | Presenter |
|-------------|--|--|
| 8.00-8.30 | Participants' registration and giving materials | Staff of DED |
| 8.30-8.40 | MC | Staff of DED |
| 8.40-8.50 | TA 6143 Project Background and Rationale | Ms. Soth Sithon, TA Director |
| 8.50-9.00 | Opening Remarks by ADB CARM Representative | Ms. Karin Schelzig |
| 9.00-9.15 | Opening Address by MOWA Secretary of State | H.E. Kheng Samvada |
| 9.15-9.30 | Coffee Break | |
| 9.30-10.00 | Short presentation on PPP, Objective, Definition, Models, Framework | Ms. Soth Sithon, TA Director |
| 10.00-10.30 | PPP Conceptual Models | TA Consultants |
| 10.30-11.00 | PPP Models & Frameworks in Cambodia | |
| 11.00-12.00 | Possibility of PPP Options at Siem Reap WDC | |
| 12.00-1.30 | Lunch at Hotel & Break | |
| 1.30-2.00 | PPP Request for Proposals (RFP) | TA Consultants You Sophear, PDWA Director |
| 2.00-2.40 | PPP Contract Types and Contract Management | |
| 2.40-3.00 | Coffee Break | |
| 3.00-3.40 | Real Case, Implementation of PPP at Siem Reap WDC | |
| 3.40-4.00 | Brief PPP achievement/outputs of TA team | |
| 4.00-4.30 | Sharing experience and lessons implementing PPPs between Artisans d'Angkor and Siem Reap WDC | |
| 4.30-4.50 | Questions & Answers | |
| 4.50-5.00 | Closing Remarks by MOWA Minister, H.E. Dr. Ing Khantha Phavi | |

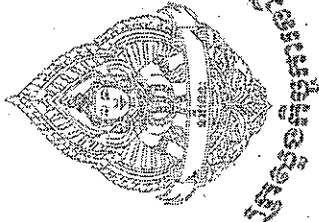
PUBLIC PRIVATE PARTNERSHIPS WORKSHOP

Options for Implementing PPPs at the Siem Reap Women's Development Center

Phnom Penh Hotel - June 5th, 2013

List of Participants

| No. | Name | Gender | Position | Organization |
|-----|-----------------------|--------|--------------------------|-------------------------|
| 1 | H.E. Ing Kantha Phavi | F | Minister | MoWA |
| 2 | H.E. Kheng Samvada | F | Secretary of State | MoWA |
| 3 | H.E. Chan Sorey | F | Secretary of State | MoWA |
| 4 | H.E. NhemMorokot | F | Under Secretary of State | MoWA |
| 5 | Ms Soth Sithon | F | Deputy Director | DOED, MoWA |
| 6 | Thoeun Sarkmakna | F | Deputy Director | DOED, MoWA |
| 7 | Tes Srey Toch | F | Staff | DOED, MoWA |
| 8 | Chheang Sokna | F | Staff | DOED, MoWA |
| 9 | Tong Tola | M | Staff | DOED, MoWA |
| 10 | Prak Sorphea | F | Office Chief | Dept. Information, MoWA |
| 11 | You Sophea | F | Director | PDWA Siem Reap |
| 12 | Peanh Sophea | F | Staff | WDC Siem Reap |
| 13 | Chhun Sorphoan | F | Office Chief | PDWA Siem Reap |
| 14 | Van Channa | F | Staff | PDWA Siem Reap |
| 15 | Krang Sithavy | F | Staff | PDWA Siem Reap |
| 16 | Men En | F | Director | WDC Kampong Chhnang |
| 17 | Chorn Yoeun | F | Director | WDC Kampong Speu |
| 18 | Hem Socheata | F | Staff | WDC Kampong Speu |
| 19 | Lo Sokha | F | Director | WDC Preak Sihanouk |
| 20 | Pov Vanny | F | Office Chief | WDC Preah Sihanouk |
| 21 | Oum Kimsreang | M | Staff | WDC Kampong Cham |
| 22 | Meng Nhet | F | Director | WDC Kampot |
| 23 | Pal Lay | F | Staff | WDC Kampot |
| 24 | By Chhorm Neath | F | Staff | WDC Kampot |
| 25 | Thy Phalida | F | Deputy Director | PDWA Stung Treng |
| 26 | Ly Socheata | F | Staff | WDC Stung Treng |
| 27 | Oum Ry | F | Director | WDC Kampong Cham |
| 28 | Sabour Phany | F | Director | WDC Banteay Meanchey |
| 29 | Or Sinat | M | Staff | WDC Banteay Meanchey |
| 30 | Bun Puthy | F | Director | PDWA Kandal |
| 31 | Karin Schelgig | F | Senior Social Sector | ADB-CARM |
| 32 | Chandy Chea | F | Gender Specialist | ADB-CARM |
| 33 | Meam Sotan | M | TA National Consultant | ADB-TA |
| 34 | William James Willis | M | TA Int. Consultant | ADB-TA |
| 35 | Chap Sopanha | M | Head of Economic Unit | PYD Cambodia |
| 36 | Heng Seltik | F | PGE Specialist | UNDP PPP Focal Point |



Ministry of Women's Affairs

**WORKSHOP ON PUBLIC PRIVATE PARTNERSHIPS (PPPs) AND
OPTIONS FOR IMPLEMENTATION AT THE SIEM REAP WOMEN'S
DEVELOPMENT CENTER**

**TA 6143 (REG) REGIONAL TECHNICAL ASSISTANCE
SUBPROJECT FOR PROMOTING GENDER EQUALITY AND WOMEN'S DEVELOPMENT**

Phnom Penh, Wednesday, 5th June 2013

Prepared by ADB Technical Assistance Team
In collaboration with the Department of Economic Development, MoWA

WORKSHOP OBJECTIVES

- Review the findings of analysis phase including a review of business ideas, SWOT analysis and MoWA's legal and institutional frameworks.
- Review appropriate PPP models to attract private partner investment at the WDC in Siem Reap
- PPP contract options for use at WDC Siem Reap
- Discuss and seek appropriate responses to challenges and constraints raised by the TA and private sector and responses by the public sector (MoWA)

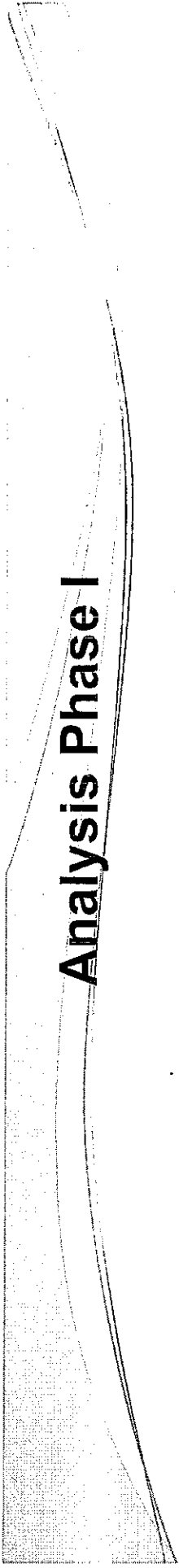
Analysis Phase I

Business Ideas to Attract Private Sector to Invest
at WDC Siem Reap

Five Potential Business Ideas

“Analyze the suggested set of 5 innovative business ideas and service delivery mechanisms along economic indicators (demand, supply, cost/benefit, market penetration) and propose other business ideas”

- 1 A Traditional Khmer Restaurant
- 2 A Retail Outlet and Working Artisan's Workshop
- 3 A Travel Service Providing Guided Tours to Community Based Tourism Sites
- 4 Value Chain Based Facilitation Service for Locally Produced Products; and
- 5 The establishment of an Information & Communication Technology Based Business Service Center Providing Business Services



Analysis Phase I

PPP Promotion Specific Private Sectors

The TA team met and discussed with some interested private sectors to introduce the subproject to promote PPPs and MOWA's desire to collaborate with the private sector (social enterprise) in order to attract investment at Siem Reap Women's Development Center (WDC), particularly the investors involved in the tourism sector.

The private sectors operators met by the TA team included:

- Hotel operators
- Travel agents and tour operators
- Handicraft enterprises
- Restaurant operators
- Souvenir and craft retailers
- Community farming & agricultural enterprises



Analysis Phase I

Perceptions by Private Sectors

Perceptions from various enterprises depended on familiarity with the MOWA, PDWA and WDC operations. Most enterprises knew of the WDC and expressed interest in site visits and more information as to what was on offer. All enterprises saw business opportunities that could be exploited at the WDC – due to its proximity to the Angkor temple complex, access, existing infrastructure and land use rights.

- Interesting in operating restaurant business
- Production center and displaying-selling crafts and souvenir
- Ideas in establishing home stay and community based tourism
- Skills training center (community farm)
- Ideas for benchmarking PPPs such as Artisans d'Angkor & Chantier Ecole
- Supporting through guiding Japanese tourist to visit WDCs (JHC Tours Ltd)

Analysis Phase I

Questions Raised by the Private Sector

For those who has known the center, the first question is the restrictions imposed by APSARA in the protected Zone 2 relating to expansion and renovation of WDC infrastructure and approved business activities

The second question of interest was related to existing infrastructure, physical access, utilities (electricity, water supply and sewage treatment) and access to telecommunications services)

Business registration and tax exemptions incentives were indicated as an incentive

Type of legal instrument that would be used for the PPP agreement and who would act in the role of arbitration

What shall the public sector (government) contribute during the startup phase of a particular PPP and ongoing commitments.

Analysis Phase I

Questions Raised by Public Sector (PDWA)

Director and staff of PDWA & WDC raised concerns to the TA team, what will happen after private company commences operations and establishes business at the WDC?

Will current WDC staff be required to undertake new roles and jobs at the WDC.
Current training (weaving & sewing) conducting by

PDWA staff enquired, in the event of a PPP being implemented at the WDC, where will staff be relocated – will existing staff be engaged at the WDC?

If there will be a cooperation or integration of government staff (PDWA staff) to work with private company, what will they obtain in terms of benefits (salary, wage, incentive)?

Analysis Phase I

SWOT Analysis Siem Reap WDC

Strengths

- Existing infrastructure including multiple workshops, office and workshop space:
- Access road, buildings, drainage, water well, electricity system, large gardening, parking space for tourist vehicle.
- Location close to Angkor temple complex.
- Public sector is ready to cooperate and partner with private sector.
- Cooperate agreement will serve as legal basis for PPP contract.

Weaknesses

- APSARA Authority prohibits certain types of development.
- Location is 20 minutes from Siem Reap
- Access road to WDC requires widening and paving to support large tourist busses.
- No mains electric & water system.
- Buildings, generators, water supply requires urgent maintenance.
- Public partner has not indicated the quantum of public funding to support the PPP.
- Private partners will need to need to invest in capital to establish certain business.
- Expense on promotion to attract tourist.

Analysis Phase I

SWOT Analysis Siem Reap WDC

Opportunities

- Siem Reap Tourist market annually.
- LGA and APSARA is developing and improving infrastructure and access each year in and around the temple site.
- LGA's encourage local economic development through PPPs – especially if benefits accrue to local poor communities.

Threats

- Commercial, market and political risks, can impact on private sector partner.
- Public partner's inexperience in contract management may lead to complication within the PPP.
- Perceived impact on funding for current WDC vocational training program
- Perceived negative impact on the current staffing arrangements at the WDC
- The MoWA and PDWA currently does not have the capacity to undertake a public bidding process.
- It is unclear if revenue from the PPP can be retained by the PDWA for maintenance of the WDC.



Modeling Phase II

Introduction

There exists a significant body of PPP literature that provides policy frameworks, manuals and projects designed for the provision of hard infrastructure; including; airports, seaports, freight terminals, roads, bridges and waste management facilities to name a few.

However, PPP designed to deliver a social dividends in the form of social services differs considerably from hard infrastructure projects.

In terms of conceptual frameworks and practical implementation - for the delivery of social services - the subproject team has selected two sources of literature and project experience that can be used to model PPPs for Siem Reap WDC.

Modeling Phase II

What are PPPs?

- A long-term agreement between a government entity and a private company, under which private company provides or contributes to the provision of a public services.
- The private company receives a revenue stream-which may be from government budget allocations, from user charges, or a combination of the two. The agreement, therefore transfers a portion of the risk from the government entity to the private company.
- The private company must generally make an investment in the venture, even if it is limited, e.g. to working capital.
- In addition to budget allocation, the government may make further contributions, such as providing or enabling access to land; contributing existing assets; or providing debt or equity finance to cover capital expenditures.
- The government may also provide various forms of guarantee that enable risk to be shared effectively between the government and the private company.
- At the end of the PPP contract the associated assets normally revert to the government ownership.

Modeling Phase II

PPP Models

There are many different PPP models that are commonly used by Government Contracting Agencies (GCAs). These are generally designed with reference to ownership and management of the public asset and the outputs specified by the public partner.

Examples of the Main Types of PPP Models

- **Operation & Maintenance Contract (O & M):** The private sector partner, under contract, operates and maintains a publicly owned asset for a specific period of time. The public partner retains ownership of the assets.
- **Design-Build-Operate (DBO):** The private-sector partner designs, builds and operates the infrastructure on behalf of the public sector for a specified period of time. The public partner finances the project.

Modeling Phase II

PPP Models

- **Build-Own-Operate-Transfer (BOOT).** The private sector partner designs, builds, finances, and constructs new public infrastructure and operates and maintains it under a long-term concession - contract agreement.
- At the end of the concession period, the private-sector partner transfers the infrastructure and operations systems to the public-sector partner. Cost recovery of capital invested, maintenance, operations and service delivery costs are financed through a combination of public sector funding and user fees

A Note on Concessions

- Unlike a PPP, a concession is a rights use agreement to operate a business in a specified geographical area. The business is provided with a monopoly so it can recover investment capital. PPPs and concession are not mutually exclusive and can be combined to provide the best value for money for the public sector. An example of a concessional PPP is the waste management contract provided to CINTRI by the Municipality of Phnom Penh.

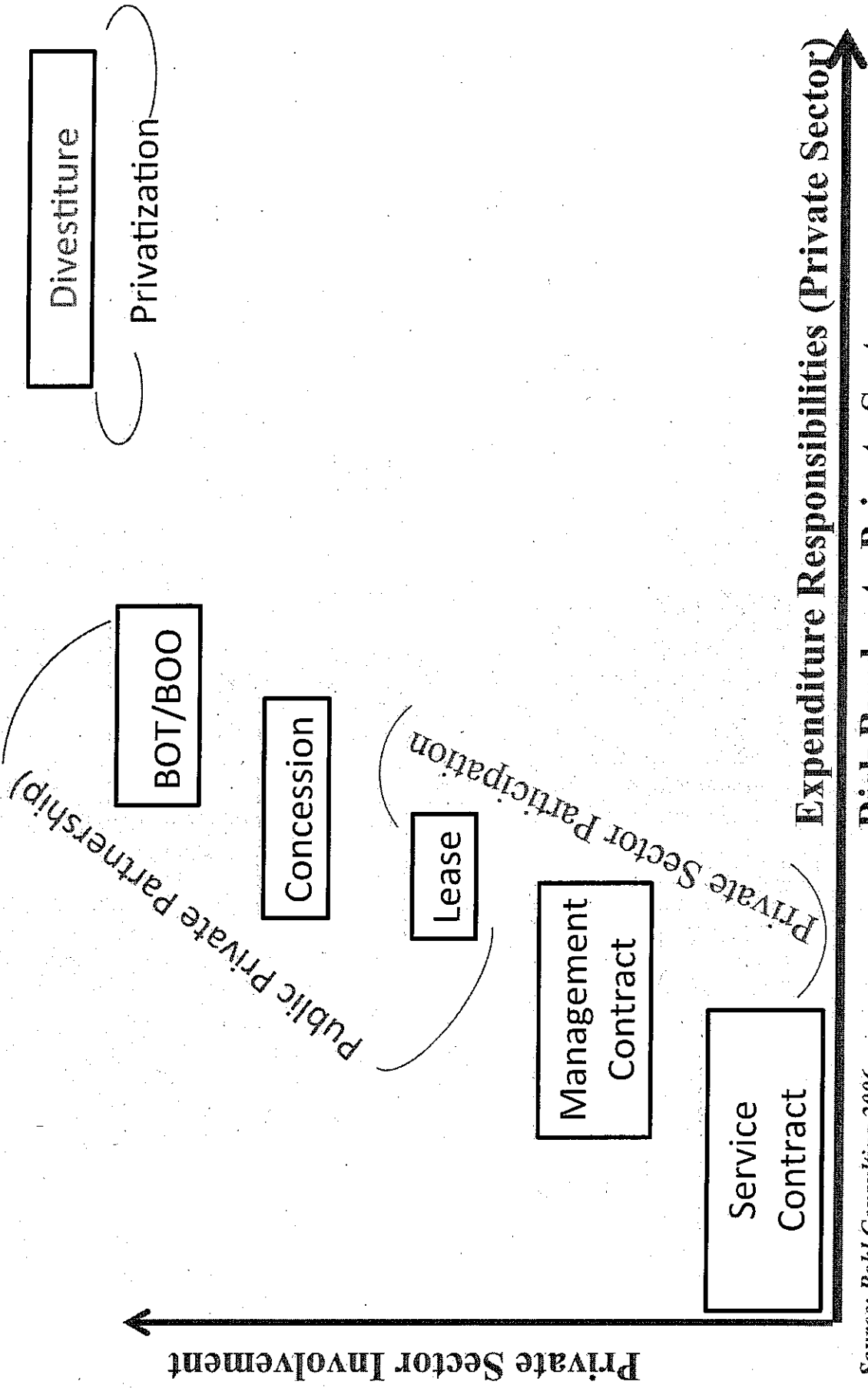
Modeling Phase II

Example PPP Contract Type Used for Different PPP Models

- **Lease Agreement:** A lease is a contractual arrangement between two parties for use (rent) of public assets.
- **Service Contract:** A supply or maintenance contract for goods and services required by a government agency in return for a fee.
- **Management Contract:** A management contract is an arrangement under which operational control of government service is contracted out to the private sector in return for a management fee.

Modeling Phase II

PPP Models and Risk



Modeling Phase II

Key Features of PPPs

| | SERVICE CONTRACTS | MANAGEMENT CONTRACTS | LEASE CONTRACTS | CONCESSIONS |
|-------------------------------|-------------------|----------------------|---------------------|----------------------------|
| Asset ownership | Public | Public | Public | Public/Private |
| Duration | 1-3 years | 2-5 years | 10-15 years | 25-30 years |
| Capital Investment | Public | Public | Public | Private |
| O&M Responsibility | Public | Private | Private | Private |
| Commercial Risk | Public | Public | Shared | Private |
| Compensation | Unit price | Fixed fee | Portion of revenues | All or portion of revenues |



Modeling Phase II

ADB:ADF

Assessment of Public-Private Partnerships in Cambodia

PPPs are an important component of the government's development and infrastructure financing strategy.

A draft policy paper was prepared, which provided the basis for a Law on Concessions (LOC) enacted by the National Assembly in 2007.

A draft sub-decree that would allow the LOC to be implemented has been prepared, but it has not been approved by the Royal government.

Despite the absence of a legal framework, a significant numbers of PPPs have been, or are in the process of being, implemented in Cambodia at the present time.

Modeling Phase II

Public-Private Partnerships Implemented by the Royal Government of Cambodia

| Sector | Number and Form of PPP | Level of Government Issuing Contract |
|----------|---|--|
| Power | <ul style="list-style-type: none"> - 6 hydropower generation BOT projects - 3 Coal-powered generation BOT projects - 2 transmission leases/BOT projects - Various licenses issued to small rural electricity enterprise for generation and distribution | <ul style="list-style-type: none"> - National - National - National - Sub-national |
| Airports | <ul style="list-style-type: none"> - 3 airport concessions - Air navigation services concession | <ul style="list-style-type: none"> - National - National |

Modeling Phase II

Public-Private Partnerships Implemented by the Royal Government of Cambodia

| Sector | Number and Form of PPP | Level of Government Issuing Contract |
|----------|--|---|
| Roads | <ul style="list-style-type: none">- National Route 4, concession- Various rural road concession | <ul style="list-style-type: none">- National- Sub-national |
| Rail | <ul style="list-style-type: none">- Operation and maintenance contract | <ul style="list-style-type: none">- National |
| Seaports | <ul style="list-style-type: none">- Oil terminal and dry port concession | <ul style="list-style-type: none">- National |

Modeling Phase II

Public-Private Partnerships Implemented by the Royal Government of Cambodia

| Sector | Number and Form of PPP | Level of Government Issuing Contract |
|----------------------------|---|--|
| Water | <ul style="list-style-type: none"> - 16 small rural distribution concessions - 1 bulk water project | <ul style="list-style-type: none"> - Sub-national - Sub-national |
| Solid Waste Management *** | <ul style="list-style-type: none"> - 2 concessions | <ul style="list-style-type: none"> - Sub-national |

*** In the solid waste management sector, a private company (CINTRI) is responsible for managing the solid waste in Phnom Penh for a period of 50 years. The municipalities in Battambang and Siem Reap have also outsourced solid waste management services to the private sector.

Modeling Phase II

WDC Service Delivery Problem Statement & Situation Analysis

Global Problem: Failure to Promote and Support Women's Economic Empowerment. Vocational training courses provided by the Siem Reap WDC are failing to provide the rural poor, and especially women, with access to markets and new employment opportunities; particularly in the tourism sector.

Service Delivery Problem: PDWA and WDC management and staff lack expertise in the areas of micro and small enterprise development, trade facilitation and private sector promotion.

Financing Problem: The WDC is funded primarily by the Program Budgeting – calculated with reference to the number of trainees attending courses at the WDC.

Current Operational Model Problem: Supply driven rather than demand driven. There is a diminishing supply of trainees applying for WDC courses due to the failure to deliver increases in real incomes.

Modeling Phase II

Possible PPP Application

Public Entity: Siem Reap Provincial Department of Women's Affairs

Private Entity: Ideally, a consortium of private enterprises, comprising a restaurateur, a handicrafts social enterprise and a travel agency would be targeted. The enterprises would work cooperatively to tap into the lucrative tourist market. The restaurant would be the key attraction for tourists as a place to eat and take a break from the temple tours.

The Model: The Ministry of Women's Affairs is the legal landowner and has delegated control and management of the WDC to the Director of the PDWA.

In order to address the deficiencies of the current WDC operations and leverage greater benefit from the WDC, the PDWA is in the process of exploring a PPP models to attract private sector investment and expertise to develop financially sustainable enterprises at the WDC who currently operate in the tourism sector.

The intended output is to create full and part time employment for local communities and serve as an outlet for locally produced crafts and processed food.



Modeling Phase II

Preferred Method of Seeking Private Sector Partners

Public Tendering

- Under ideal conditions the would PDWA issue Request for Proposals (RFP) or Expressions of Interest (EOIs).
- Request for proposals would outline the public offering and outputs required by the PPP.
- An evaluation process would be executed based on clear selection criteria to provide the PDWA – WDC with the best value for money.
- A cooperative agreement between the PDWA and private sector – NGO would be entered into.
- The agreement would be negotiated to determine the terms and the duration of each PPP contract – terms acceptable to both parties based on “gives and takes”.



Modeling Phase II

MoWA's Initial Contribution to the PPPs

The Ministry and PDWA would ideally support the PPP through the public offering which would include:

- The provision of WDC facilities and utilities
- Offer PDWA –WDC staff that could add value to the PPP
- Provide access and linkages to local communities and producers, and
- Provide funding for specialized training for employees and producers from the National Program budget.



Modeling Phase II

Expected Benefits: Establishment of a Khmer Style Restaurant

The establishment of a restaurant under a PPP model is expected to provide the following benefits to local producers and communities:

- A newly constructed restaurant would be designed to seat 180 people and would employ 20 full time staff and provide training for 10 new staff each quarter.
- The restaurant would serve a variety of foods – with meat, vegetables, fruits and nuts purchased from local producers. The restaurant food supply chain is expected to provide a strong stable market for existing produce and the opportunity for farmers to grow new foods.
- The restaurant would also provide an outlet for locally processed foods stimulating home-based employment for a significant number of poor families.



Modeling Phase II

Expected Benefits: Development of the Handicrafts Outlet

- The restaurant would also provide tourists with exposure to the handicrafts retail outlet, craft work shops and community based tourism products and services
- The handicrafts enterprise would utilize the existing workshops – specializing in the production of handicrafts and souvenirs made from silk, cotton and natural fibers,
- With assistance from the PDWA-WDC, the handicrafts enterprise would activate producer groups trained under the previous JFPR WDC project – building on existing skills, creating new products and providing access to the lucrative tourist trade.
- The handicrafts enterprise would also utilize and expand the existing retail outlet and provide retail training for staff.
- The handicrafts enterprise would also provide tours of handicraft producers at work; similar to what is offered at Artisan's d'Angkor.



Modeling Phase II

Expected Benefits: Inclusion of a Travel Agency

- The travel agency would work closely with the restaurant and handicrafts enterprises; bringing in busloads of tourists for food, use of amenities, site tours, and exposure to the retail outlet.
- The travel agency would also work with local communities to promote their Community Based Tourism products and services.
- The private sector consortium would assume responsibility for infrastructure maintenance and security.



Modeling Phase II

Risks

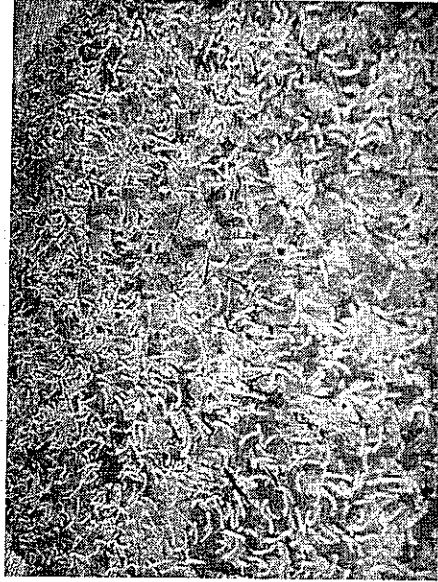
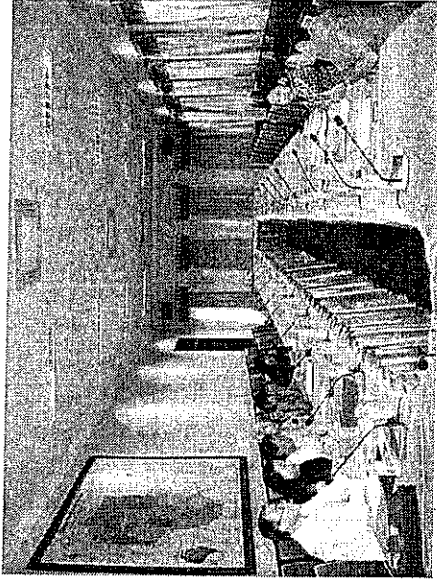
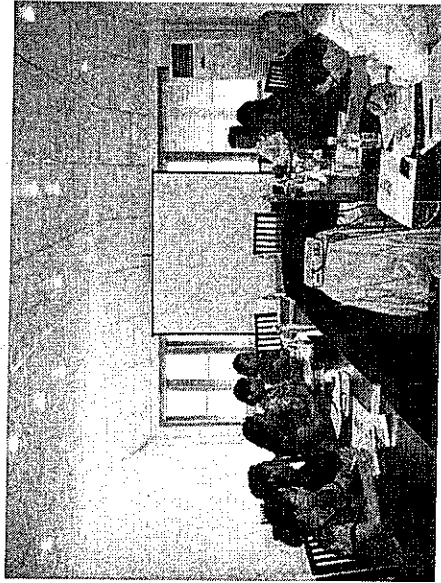
All PPPs carry risk. Risks can emerge in the form of macro-economic and political instability, commercial risks, market failures, and reputational risks.

However, based on the current economic and political stability, the growing tourist market, the specific provisions in a PPP contract addressing risk, and the proven track record of the private sector partners; the potential for adverse risks to the successful performance of the PPP are thought to be negligible.

With continued goodwill between each of the parties – any problems encountered, if at all, can be quickly resolved unilaterally.

Implementation Phase III

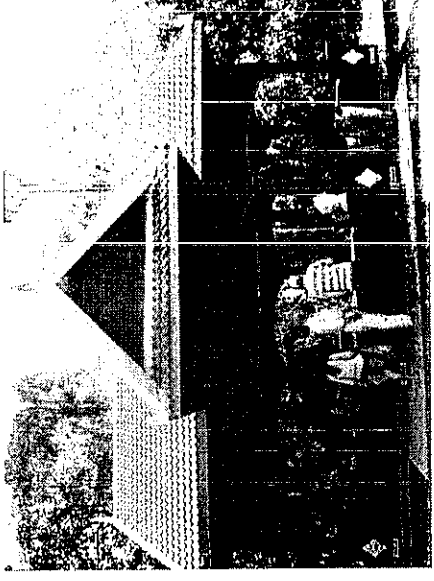
Meeting with Artisans d'Angkor January 2013



Implementation Phase III

Onsite Meeting with ADA Executive at WDC

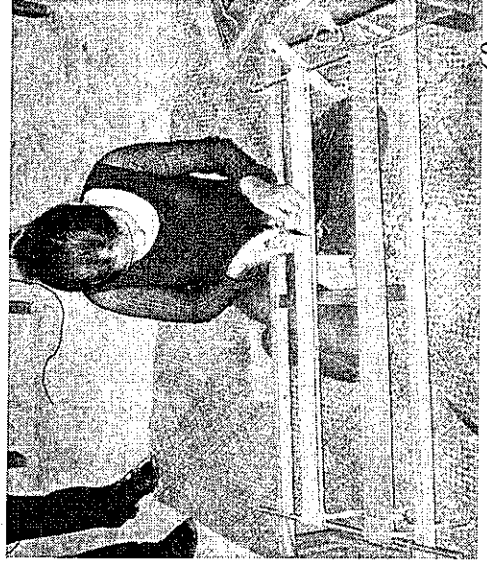
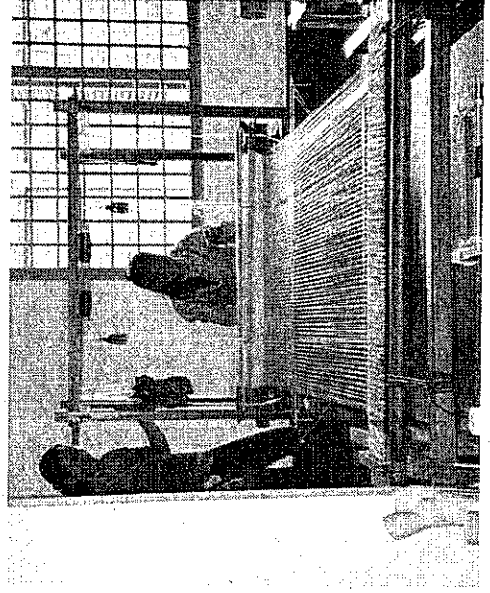
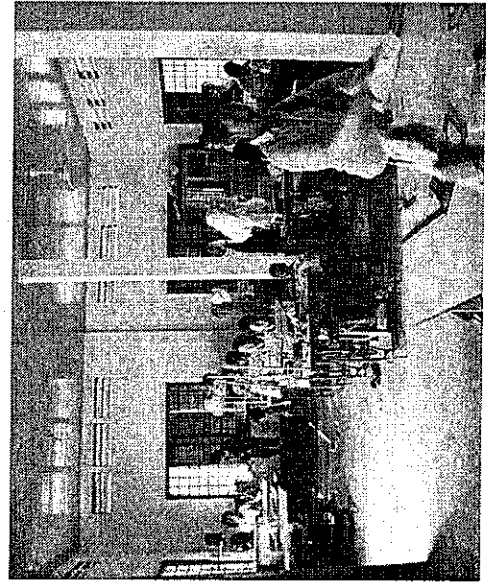
February 2013

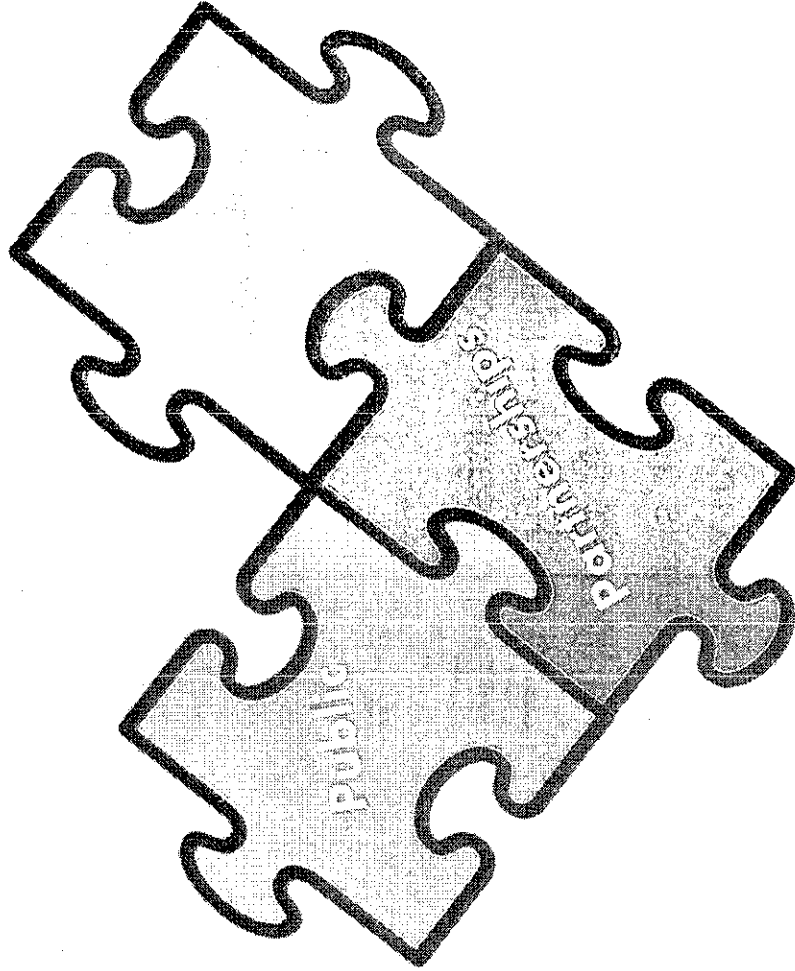
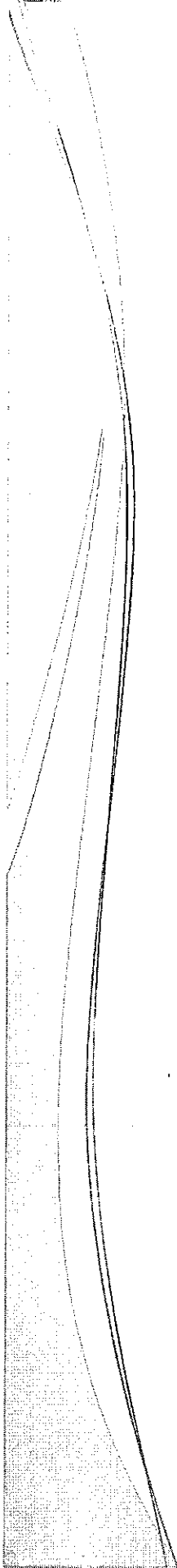


Implementation Phase III

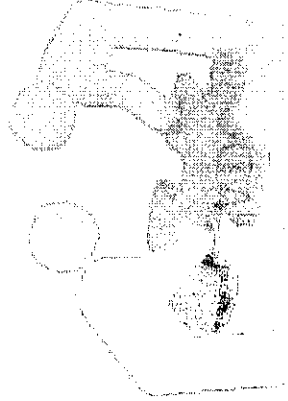
Emerging PPP Between ADA & WDC

- Since March 2013 ADA has continued to work directly with WDC weavers to produce knotted silk fabric
- Preliminary results in terms of achieving product quality and commitment from the WDC and its weavers is auguring well for stronger collaboration with ADA.
- While still some time away from signing a formal cooperative PPP agreement between ADA and the PDWA – indications are that a mutually beneficial partnership arrangement based on sound economic and social sustainability can be achieved over time.





THANK YOU YOU



This MS PP was originally produced in Khmer language with the content for the presentation selected by the DoED. The English version has been translated, edited and adapted to accommodate the TA's final report and working draft.

CASE STUDY

Siem Reap WDC PPP

DRAFT



"After all sorts of training by WDC and Artisans d'Angkor, both vocational and social, I'm now confident I can make a living using my skills. Weaving silk products for Artisans d'Angkor, I now earn between US\$150 and \$225 every month." - Tep Roeung.

Tep Roeung is no stranger to the concept of training. Back in 1997, as a shy young woman, she received an invitation from the Department of Women's Affairs in Siem Reap to attend a seminar on gender equality. It was a subject she had heard spoken about in the media, but with no instructions on how to apply for the course, she had little choice but to let the opportunity pass her by. Two years later her husband abandoned the family home of Plong Village, in Angkor Thom district's Leang Dai commune, leaving Roeung to care for her three children and elderly mother alone.

Plunged into poverty, Roeung laboured on a small rice field in an attempt to keep the family solvent, but when her children fell sick, she slid into debt and was forced to sell part of her property. She began migrating to the city of Siem Reap in pursuit of construction work, but these low-paid jobs were only temporary and Roeung's unpaid bills continued to mount.

A potential break came in 2008, when Roeung's mother enlisted her in a Women's Development Center (WDC) weaving initiative jointly funded by the Asia Development Bank (ADB) and Japan Fund Poverty Reduction (JFPR). Built on the twin axes of sociology and economics, the course reawakened Roeung's interest in the concept of *ang ach* ('economic and social empowerment'). Lasting three months, it was the longest course she had completed since leaving school after the fourth grade, at which point she could read and write basic Khmer but was lacking in self-confidence and vocational skills. Other short courses provided by the project included life skills, small business development, counseling, marketing, women's safety at work, women's labour rights, nutrition for women and children, and women in community development. On successful completion, Roeung was invited by the WDC to train others in weaving, but when the project came to an end, once again so did her income.

Undeterred, Roeung used the money she had saved to buy a locally made loom and, along with a few of her fellow graduates, launched a small weaving business making silk scarves. But business brings its own challenges, in this case design, quality control and access to markets. Lacking the necessary knowledge or professional support to address such issues, Roeung – along with eight other women from the course – abandoned her new-found vocational skills and turned back to poorly paid, irregular construction work.

Then in 2011 opportunity came knocking once more. Backed by the WDC and GIZ, Roeung undertook more training: this time in the disciplines of product design, along with dyeing and colouring techniques. Mindful of her future, Roeung asked WDC staff for guidance in how best to market the skills she and other women from her village were developing, but none was forthcoming. So she accepted a job at the Institute for Khmer Traditional Textiles in Choub Som Village, in the neighbouring commune of Pake Sneng, earning just \$60 per month.

A year later, in 2012, she secured a position at Artisans d'Angkor, which offered on-the-job training and placed her in a production facility close to her village. Within 12 months, Roeung – now 34 – had been handpicked by the WDC to become a trainer herself, developing new Ikat designs and knotting techniques using raw silk. With the help of the ADB's Regional Technical Assistance Fund – Gender and Development, Artisans d'Angkor and the WDC set about creating favourable conditions for a Public & Private Partnership (PPP) – enabling the two organizations to benefit from each other's skills, thereby providing sustainable livelihoods for their weavers.

Today, the twin axes of economic and social empowerment are no longer abstract concepts to Roeung. Economically, her income is stable; her children attend school; she is debt-free and she has amassed about \$500 in savings. With those savings, Roeung is now considering installing solar panels in her home so that she can weave at night in order to further boost her income. Socially, where once she was fearful of facing the community after her husband abandoned her, Roeung is now an active member of an all-women producers' group and is first in the queue to help other women in her village improve their vocational skills or even start their own businesses.

“No one or two vocational training courses can change your life immediately,” she says. “We need the combination that I have had – or even more than I have had – for all women. Training, either vocational or social, is vital in order for women in rural areas to be able to change their lives. I can think of no better way of empowering women, because local training is acceptable by poor women who could not otherwise afford higher education.”

This case study was researched and composed by Mr. Kat Bun Heng: Director of Community Translation Organization (CTO) and former National Consultant to the Siem Reap PDWA under the JFPR 9081 WDC Project. Ph. 855 (0) 12 974 228 <http://www.ctocambodia.org/>

Edited by Laura J. Snook: Editor of “The Advisor” Phnom Penh Post Ph. 855 (0) 23 214 211

POSITION DESCRIPTION FOR PPP MANAGER - PUBLIC

This Position Description (PD) for a "public partner" PPP manager lists the key attributes, knowledge requirements and technical expertise required of the manager. While the development sector uses the term Terms of Reference (TOR) the private sector uses the term "Position Description" (PD). In this PD *the manager* refers to the public PPP management counterpart

Reports to:

H.E. Minister for Women's Affairs and the Minister's delegated Departments.

General Position Description

The PPP manager acts as the PPPs public partner counterpart for all issues pertaining to planning, strategy development, operations as well as monitoring and evaluating outputs of the partnership. The manager is responsible for actively facilitating partnerships joint objectives and shared visions to ensure long term success of the partnership.

Desired Qualifications

A degree in business management and administration, public administration, production management, marketing, project management or communications would be ideal. However, locating a manager working in the public sector and especially within MoWA, may prove extremely difficult. MoWA like other Ministries does have employees that have practical experience in operating successful businesses. MoWA also has many Department and Provincial level Directors that could compliment their public administrations training with that of basic business or project management training to achieve the level of skill required to perform as a PPP manager.

General and Specific Knowledge

Understanding General Business Principles

The most qualified PPP manager is one who has direct business or industry experience. The manager will understand the priorities and modus operandi of business operations, development financing, cost control and profit margins. The lifeblood of private enterprises is cash flow, access to short-term finance to ensure smooth operations, supply chain reliability, transport and distribution, pricing and quality control. Understanding the basics of business management and operations will go a long way to providing the PPP with a "peer" equal to that of the private sector counterpart.

Understanding the Public-Business Sector and Operating Environment

Ideally the PPP manager will have an understanding of the specific business sector that the private sector partner operates in. Each business sector comes with its own unique and external operating environment. The externalities include competition from other enterprises, alterations in supply chain arrangements and changes in legislation that impact on the viability of the enterprise.

Understanding the Internal Functioning of the Business Within the Sector

It is essential that the PPP manager develop an understanding of the business model and the competitive advantage created by the private sector partner. Understanding the business model, and modus operandi will enable the manger make decisions that do not conflict with the primary objectives of the business. A manger's lack of understanding of the needs of the business may lead to frustration, conflict and negatively impact on the overall effectiveness of the partnership. Under no circumstances should the manager "interfere" in the conduct of the business.

Understanding Contracts and Due Process

The manager will have a very clear understanding of the PPP agreement – in what ever form the agreement is legally drafted. Understanding contractual obligations for both parties is critical to maintaining the scope and integrity of the partnership. The manager will be process orientated and where possible assist in the codification of knowledge, development of systems for management and reporting of information and avoid at all times, committing the public partner to agreements outside the scope of the PPP.

Communications and Marketing

Promoting a Shared Vision for the Partnership

The manager will actively support the shared vision of the partnership, which will have been agreed during the evaluation of proposals; subsequent negotiations defining the vision, objectives, and outputs of the PPP. These will be committed to writing in an appropriately drafted *PPP cooperative agreement*. As the primary representative of the “public interest”, the manager will harbor genuine ownership of the vision and objectives of the PPP and actively promote the PPP in the public arena. The manager will be eager to share experiences and lessons with other PPP managers and the larger emerging group of PPP practitioners in Cambodia.

Maintaining Open and Responsive Communications

The manager will maintain open communications at all times with the scope of the PPP. Responsiveness is critical to private sector partners who need to make timely decisions and at times may challenge the scope of the partnership. The manager must be given authority to make decisions on part of the public partner within the scope of the PPP. The manager requires a direct and open line of communications with her/his superiors to avoid delays in decisions that affect the partnership.

Availability, Commitment and Integrity

Along with clear and responsive communication skills the manager will be available at all times to participate in management, decision-making and promoting the PPP. As the manager acts on behalf of the public partner – the manager is obliged to act as such, and avoid delegating important PPP tasks to subordinates and employees. The manager will be required to demonstrate commitment through pro-actively participating in management of the PPP. The manager will maintain the integrity of the public offering and partnership within the PPP.

Specific Tasks

Specific for the manager task will include but are not limited to the following;

- ***Act as the Public Partner’s Focal Point Representative:*** The manager will act as the public partner’s focal point within the PPP and provide leadership to the public partner’s team directly involved in the PPP.
- ***Co-Chair PPP Meetings:*** The manager will co-chair meetings of the PPP executive and duly record the minutes and decisions of such meetings. Where matters pertaining to a proprietary nature of the PPP are discussed in camera, the manager shall maintain confidentiality and not disclose to any other person the subject matter of the discussion.
- ***Manage and Monitoring Public Employees:*** While the private sector partner is not obligated to hire government staff, unless specifically agreed in the cooperative agreement, or agree to hire on an as needs basis; the manager will remain accountable for government employees performance and conduct. The manager will participate in

joint evaluations of government employee's performance against a clear set of criteria and specific tasks set forth in their individual PDs.

- **Co-Monitor Outputs of the PPP:** The manager, with the assistance of her staff will collaborate closely with the private sector partner to monitor and evaluate the baseline indicators and targets established by the PPP.
- **Reporting:** The manager shall produce periodic reports; either in collaboration with the private sector partner or independently – depending on what has been agreed within the framework of PPP reporting. Reports shall include outputs and targets, selected financial information, capacity building for government staff, PPP strategic development and enhancement of scope and any other relevant information determined by the reporting framework
- **Training and Capacity Building:** When the manager has demonstrated competency in this position within the PPP, the manager will codify her knowledge and create Standard Operating Procedures (SOPs) and systems that can be replicated. The manager will capacitate other PPP managers using SOPs and provide mentoring support and on the job training for new managers.

PPP TEMPLATE FOR COOPERATIVE AGREEMENT

**PUBLIC PRIVATE PARTNERSHIP
COOPERATION AGREEMENT**

Between

PROVINCIAL DEPARTMENT OF WOMEN'S AFFAIRS

And

PRIVATE SECTOR PARTNER

For

(Name of Service or Cooperation Objective)

At The

SIEM REAP WOMEN'S DEVELOPMENT CENTER

Contract No. _____

Month/Year

PPP COOPERATION AGREEMENT

(Contract Template – Sample Wording)

THIS AGREEMENT, made this ___ day of _____ 201_ between the Siem Reap Provincial Department of Women's Affairs of (insert address) (hereafter referred to as Party A) and the private sector partner (hereafter referred to as Party B) of (insert registered office address).

ARTICLE 1.

WHEREAS, the parties named above wish to cooperate in the development of services and markets for handicrafts value chains based at the Siem Reap Women's Development Center (hereafter called the WDC), and local handicraft producers.

WHEREAS, Party A provides production workshops, office space, production equipment, utilities (electricity, water and ablution facilities), technical staff as master trainers and liaison with producer groups in Angkor Thom District.

WHEREAS, Party B integrates WDC infrastructure, equipment and selected personnel into its existing network of rural production centers, providing design inputs, production management and access to markets.

WHEREAS, both parties wish to define their mutual rights and obligations with regard to the functioning of the PPP cooperative agreement by the terms of this contract.

NOW, THEREFORE, the parties agree as follows:

Both parties shall, to the best of their abilities, cooperate in developing the WDC as a facility that supports livelihood enhancements for rural handicraft producers and especially women.

To this effect, the parties agree to appoint competent counterpart staff at various levels including effective contract management.

The parties agree to establish key performance indicators to measure and monitor the outputs of this agreement.

Both parties agree to harmonize their efforts in order to optimize each party's aims and objectives.

ARTICLE 2. CONTRIBUTIONS BY EACH OF THE PARTIES

2.1 Subject to the general terms and conditions of this Agreement, Party A's contribution to the PPP agreement shall be as follows:

- (a) During the whole of the duration of the agreement, provide physical access to Party B's staff, representatives and agents in the course of conducting training and business as specified in the terms of this agreement;
- (b) Provide the following infrastructure and equipment; (list buildings and equipment);
- (c) Provide utilities including water electricity and ablution facilities;
- (d) Provide two technical staff (silk weaving master trainers) (weaving) to work on a sub-contract basis
- (e) Provide 24 hour 7 days per week security at the WDC to ensure production equipment, raw materials and semi-finished products are secure;
- (d) Ensure the upkeep of WDC and maintain the facility to Party B's standards;

- (e) Endure there is no conflict of use of infrastructure, equipment or personnel in the conduct of Party B's business operations;
 - (d) Appoint a suitably qualified contract manager to manage the contract.
- 2.2 Subject to the general terms and conditions of this Agreement Party B's contribution to the PPP agreement shall be as follows:
- (a) During the whole of the duration of the agreement, enable Party A to conduct its own training programs as long as these programs do not infringe on Party B's business activities;
 - (b) Upgrade the skills of Party A's technical training staff to obtain the quality standards specified by Party B;
 - (c) Provide designs inputs for particular products;
 - (d) Provide or appoint a qualified production manager to oversee the production process;
 - (e) Provide input and data into the Monitoring and Evaluation program;
 - (d) Appoint a suitably qualified contract manager to manage the contract.

ARTICLE 3. LEGAL STATUS OF THE PARTIES

- 3.1 Nothing contained in or relating to this Agreement will be construed to create a legal partnership, a joint venture, employment or agency relationship between the Parties, and the officials, representatives, employees, or subcontractors of either Party will not be considered in any respect as being the employees or agents of the other Party.
- 3.2 Collaboration under this Agreement is for operational purposes; it does not imply access to or influence on the governance of decision making structures of either Party and in particular, in the case of Party B, on the organization's policy-making , standard-setting or supervisory systems.

ARTICLE 4. EXCLUSIVITY AND CONFIDENTIALITY

- 4.1 For the entire duration of this agreement, Party A including its employees, subcontractors, technical trainers, and other staff shall not breach confidentiality of this agreement. Party A agrees to sign the attached confidentiality agreement annexed as Attachment 1 to this agreement. This agreement and selected articles are included in Schedule 1 are classified as "commercial in confidence" and Party B's intellectual property rights shall be observed without exception under this agreement.

ARTICLE 5. TERM

- 5.1 The term of this agreement shall be ___ years with an option for Party B to extend for a further _ year/s under the same terms and conditions of this agreement and any amendments mutually agreed by both parties.

ARTICLE 6. CONSIDERATION

- 6.1 In consideration of the offer made by Party A, Party B agrees to pay the amounts specified in Schedule 2 attached to this contract. The agreed payments for the items detailed in Schedule 2 will be paid as follows;
- (a) for fixed costs including building and equipment leasing monthly in advance.
 - (b) for permanent WDC staff costs provided by the WDC – monthly in arrears.
 - (e) for part time or contracted WDC employee costs – monthly in arrears
 - (d) for the consumption of utilities including water and electricity – monthly in arrears
 - (e) for security personnel - monthly in arrears

(f) other costs as agreed by the parties

ARTICLE 7. SETTLEMENT OF DISPUTES

7.1 The Parties will use their best efforts to amicably settle any dispute, controversy, or claim arising out of this Agreement. Where the Parties wish to seek such an amicable settlement through conciliation, the conciliation will take place in accordance with the Conciliation Rules of the Siem Reap Chamber of Commerce.

7.2 Any dispute, controversy, or claim between the Parties arising out of this Agreement, unless settled amicably under the preceding paragraph within sixty (60) days after receipt by one Party of the other Party's written request for such amicable settlement, the matter will be referred by either Party to arbitration in accordance with the Conciliation Rules of the Siem Reap Chamber of Commerce. Both parties agree to be bound by any arbitration awarded and rendered as a result of such arbitration as the final adjudication of any such dispute, controversy, or claim.

ARTICLE 8. GOVERNING LAW

8.1 The governing law for this agreement is that of the Royal Government of Cambodia

ARTICLE 9. TERMINATION

9.1 Notwithstanding Article 4.1 this Agreement may be terminated by written notice of one party with immediate effect and without observing any notice periods, if:

- (a) one party commits a fundamental breach of this Agreement amounting to valid reasons for immediate termination;
- (b) the ability to perform the obligations of one party under this Agreement is endangered or becomes unreasonable due to financial difficulties of one of the parties, as a result of force majeure, or for political and economic changes in Siem Reap Province.
- (c) where either party commits fraud or engages in fraudulent or corrupt practices;
- (d) where Party A breaches the exclusivity and confidentiality agreement included as Attachment 1 of this agreement.

ARTICLE 10. INSURANCE AND LIABILITY

10.1 Each party shall be personally liable for its contributions to the PPP and for its duties defined in this Agreement.

10.2 Party B shall not be liable for any damage created to third parties because of improper use of Party A's facilities or equipment or by any user of the WDC due to faulty advice or negligence on the part of Party A.

10.3 At the time this agreement is executed, Party A shall put in place a comprehensive insurance policy that covers public liability, workers compensation, damage to infrastructure and equipment and loss due to theft, fire, storm damage and flooding.

ARTICLE 11. ASSIGNMENT AND VARIATIONS

11.1 Without prior written consent of the other party, this Agreement as a whole or in part shall not be assigned or transferred by Party B without the written consent of Party A.

11.2 This agreement shall be only modified through a contract variation, mutually agreed by both parties and committed to writing. The contract variation will form a part of this original contract.

- 11.3 If any part of this Agreement should be invalid in any jurisdiction under applicable law, the legality and enforceability of the remaining parts thereof shall not in any way be affected or impaired thereby.
- 11.4 This Agreement contains the entire mutual consent between the parties with respect to its subject matter and supersedes all prior agreement and undertakings between the parties in connection with it.

Signed:

Signed:

Director Siem Reap PDWA

Direct Private Sector Business Manager

Endorsed and Witnessed

Endorsed and Witnessed

Minster for Women's Affairs

CEO Private Sector Partner

Date

Date

EXCLUSIVITY AND CONFIDENTIALITY AGREEMENT

1. All intellectual property rights, including patents, copyrights, designs and trademarks, in any material created under this Agreement attached to this Contract No. (*insert Contract identification No*) including by Party A, for the purposes of or as a result of performing its obligations, ("the Agreement Material") will be vested in Party B.
2. In the event that Party A needs to use any of the Agreement Material, Party B, at its absolute discretion, will grant, upon written request, to Party A, permission to use, adapt, modify and communicate the Agreement Material for the purposes of this Agreement. Such agreement by Party B will not include a right to exploit the Agreement Material for Party A's, line managers, employees, agents or individual persons or businesses for commercial purposes.
3. This section does not affect the ownership of intellectual property rights which were in existence before the commencement date, or were developed other than as a result of the performance of the obligations under this Agreement ("Existing Intellectual Property"). However, the Collaborator(s) hereby grants to the ILO a permanent, irrevocable, royalty free, non-exclusive license (including a right of sublicense) to use, reproduce, adapt, publish, communicate and exploit any such Existing Intellectual Property for the purposes of this Agreement.
4. This exclusivity and confidentiality agreement will survive this Agreement for a period of not less than five years after expiration or termination of the agreement.

Signed:

Signed:

Director Siem Reap PDWA

Direct Private Sector Business Manager

Endorsed

Endorsed

Minister for Women's Affairs

CEO Private Sector Partner

Date

Date

TEMPLATE REQUEST FOR PROPOSALS

PUBLIC PRIVATE PARTNERSHIPS

REQUEST FOR PROPOSALS

ESTABLISHMENT OF ESOCIAL ENTERPRISES

AT THE

WOMEN'S DEVELOPMENT CENTER FACILITY

Issued by

Siem Reap Provincial Department of Women's Affairs

Prepared By: MOWA Department of Economic Development

RFP No.: SR-PDWA- PPP-WDC-01

Date: Day-Month-Year

TABLE OF CONTENTS

1. EXECUTIVE SUMMARY

2. AGENCY BACKGROUND

- 2.1 Ministry Of Women's Affairs
- 2.2 Women's Development Centers
- 2.3 Siem Reap WDC

3. SCOPE OF PUBLIC PRIVATE PARTNERSHIP/S

- 3.1 Objectives of PPPs
- 3.2 Preparations For PPP -Agency
- 3.3 Proposed PPP Structure
- 3.4 PPP Requirements

4. STRUCTURE OF THE RFP DOCUMENT

- 4.1 Structure of RFP Document
- 4.2 Prequalification Criteria
- 4.3 Determination of Substantially Responsive RFP Submission
- 4.4 RFP Schedule
- 4.5 Participation to Submit RFP – Basic Partner
- 4.6 RFP Related Questions / Clarifications / Submission

5. RFP EVALUATION PROCESS

- 5.1 Description of Evaluation Process
- 5.2 Award Criterion
- 5.3 RFP Terms and Conditions
- 5.4 Liability of Ministry-Agency
- 5.5 RFP Process Management
- 5.6 Period of RFP Validity
- 5.7 Confidentiality and RFP Ownership
- 5.8 Security-Non Disclosure Agreement
- 5.9 Agency Request for Presentation
- 5.10 Reference Sites

6. CONTRACT

- 6.1 Contract Type
- 6.2 Contract Negotiations
- 6.3 Implementation Schedule
- 6.4 PPP Management
- 6.5 PPP Solution – Service Acceptance Testing

7. RESPONSE FORMAT

- 7.1 Proposal Content and Format
- 7.2 Completing the Requirement Specification
- 7.3 Basic Partner Responsibility
- 7.4 Technical Proposal
- 7.5 Financial Proposal

8. APPENDICES

- 8.1 A Compliance Matrix
- 8.2 B Basic Partner Profile and References
- 8.3 C Public Partner Profile, Assets, Human and Financial Resources (Offering)
- 8.4 D Cooperative Agreement
- 8.5 C Non-disclosure Agreement

1 EXECUTIVE SUMMARY

Purpose of this RFP

Background

Agency preparedness & Rationale for Implementing PPPs

Expected results of the RFP process

Expected outputs of the PPP/s

Evaluation process (Technical evaluation team)

Contract negotiations

Monitoring and Evaluation

Final Statement of Pending Cooperation

Signed by the Minister for Women's Affairs

2 AGENCY BACKGROUND

2.1. MINISTRY OF WOMEN'S AFFAIRS

A brief overview about Ministry/Agency in terms of:

History

Strategic objectives and direction

Current organizational structure; and

Legal status and

any other relevant information about Ministry in relation to the implementation of PP

2.2 WOMENS DEVELOPMENT CENTERS

A brief overview about WDCs in terms of:

History

Strategic objectives and direction

Current organizational structure; and operations

2.3 SIEM REAP WOMEN'S DEVELOPMENT CENTER

A brief overview about SR WDC in terms of:

Recent history

JFPR WDC Project TA 6143

3 SCOPE OF PUBLIC PRIVATE PARTNERSHIP

This Section provides a summary overview of:

The Scope and expected outputs of the PPP (services delivered)

Roles and Responsibilities

Expected respondents – a brief profile of tendering organizations

3.1 OBJECTIVES OF PPP

This Section provides a summary overview of:

PPP goals;

Objectives;

Proposed pricing of services to be delivered;

Key performance indicators;

Partnership structure (e.g., PPP model);

Financing of PPP;

Financial arrangements between partners (e.g., revenue shares);

Expected service delivery;

Stakeholder expectations; and

Other basic information about the PPPs

3.2 AGENCY PREPARATIONS FOR PPP

This Section provides a summary overview of:

TA 6143 research, analysis, modeling and

MoWA PDWA-WDC clarification and the valuing of “Public Offering”

Agency preparations to enter and facilitate PPPs

3.3 PROPOSED PPP STRUCTURE

This Section describes the PPP structure, presenting it in a way that makes clear why a PPP approach was chosen for the project.

3.4 PPP REQUIREMENTS

This is the core section in any RFP. Each project requirement should be listed and described in specific detail, clearly noting whether each requirement is mandatory or optional.

Other requirements—such as technical, operational, training—are also stated under Scope of Work Chapter.

4 REQUEST FOR PROPOSALS PROCESS

4.1 STRUCTURE OF RFP DOCUMENT

Describe the structure of the RFP document and the sections included in it.

4.2 PRE-QUALIFICATION CRITERIA

Describe here the prequalification criteria (the tenderer must satisfy the Selection criteria set forth in appendix X)

4.3 DETERMINATION OF SUBSTANTIALLY RESPONSIVE RFP SUBMISSION

This Section describes the RFP process for the pre-qualified vendors to which the RFP is sent and the competitive system requirements. The Agency will conduct an assessment to satisfy if the RFP is substantially responsive (including all sections – outlined and requested to be submitted in the RFP.

4.4 RFP SCHEDULE

Schedule must be adapted and aligned to the needs and time requirements of the prequalification, evaluation, selection and negotiation process. (Insert table of Activities and due dates)

4.5 PARTICIPATION TO SUBMIT RFP – BASIC PARTNER

Explain here requirements of the competitive system requirements for the basic partner in RFP being circulated. Basic partners willing to participate should confirm to the Agency issuing RFP within (insert number of days) days of receiving the RFP their Intent to Respond.

A failure to confirm will signify that a *basic partner* is not participating in the RFP and the Agency issuing the RFP will require an immediate return of the RFP.

All *basic partners* confirming their participation should send the Intent to Respond to that attention of:

Ms You Sophear

Director Provincial Department of Women's Affairs

Address and Contact No.

4.6 RFP RELATED QUESTIONS / CLARIFICATIONS / SUBMISSION

Clarify who is the contact person for any queries and clarification needed with regards to the RFP and submission rules.

All questions related to this RFP should be directed to:

Name of Agency's PPP Manager & contact details

Basic partners must ensure that the proposal is delivered in duplicate and received at the following address before the tender closing date;

Name of Agency's PPP Manager & contact details

5 RFP EVALUATION PROCESS

5.1 DESCRIPTION OF EVALUATION PROCESS

Describe the evaluation process in brief for all submitted proposals and key elements of evaluation.

5.2 AWARD CRITERION

The award criterion will be “the most economically advantageous” tenders that includes the requested services. Apart from this criterion, the evaluation will be based on the following evaluation criteria listed in order of priority:

For example, the following list of comparison criteria can be used and adapted to each RFP’s context (list of not exhaustive comparison criteria)

Usability

- *Is the service easy to access for users? Easier than previous delivery method? Is the system easy to manage?*
- *Does it have an intuitive graphical user interface?*
- *How will security and privacy of any personal data be protected?*
- *Is daily work expected to become easier for back office operations?*
- *Is the system flexible with regard to how work processes are designed?*

Migration

- *How successful will migration from existing platforms, systems and service delivery channels be? (Example)*
- *How difficult (with respect to resources) is migration expected to be?*
- *What are the risks of significant service interruptions during migration?*

Completeness

- *Does the system cover all the needs in this RFP? Are all required services be delivered?*
- *Can the system be expected to handle future service needs?*
- *Is the financial investment of bidder in the project likely to be adequate?*

Basic Partner

- *Does the bidder have a solid financial foundation?*
- *Does bidder have a proven track record of clean financial management?*
- *Does the bidder have a proven track record of relevant competencies, service delivery, support, etc. considered to be a reliable potential partner?*
- *Does vendor have a proven track record of delivery these types of services?*
- *Has vendor been involved in a PPP before?*
- *Does vendor have a record of successfully delivering projects (on or under budget) to public sector?*
- *Does the development roadmap offer vision and perspective? Is it realistic?*

Technology

- *Is the technology used state-of-the-art? Will it be able to scale and handle new demands?*

- Does the bidder have a proven track record using the technology?
- Does the solution use open standards?
- Does the solution respect de facto standards?
- Is the technology prepared for future development?
- Are there any security issues existing related to the technology?

Process

- Does the outlined process for implementation, project organization, plan for education and information, etc. seem adequate?
- Is training adequately addressed in the deployment plan?

PPP Management

- What are the proposed mechanisms for PPP management?
- How will communications between partners be handled?
- Does bidder propose a plan for marketing of the services?
- Has bidder adequately addressed risk management?

5.3 RFP TERMS & CONDITIONS

State the detailed terms and conditions for the RFP. Those terms and conditions to be split into subsection under this section.

5.4 LIABILITY OF MINISTRY-GOVERNMENT CONTRACTING AGENCY

State the liabilities and limits of the Ministry/Agency with regards to the RFP. For example:

This RFP is only an invitation for proposal and no contractual obligation on behalf of Ministry/Agency whatsoever shall arise from the RFP process unless and until a formal contract is signed between Ministry/Agency and the Basic partner.

This RFP does not commit Ministry/Agency to pay any cost incurred in the preparation or submission of any proposal or to procure or contract for any services.

5.5 PROPOSAL PROCESS MANAGEMENT

Explain the processing of the proposal in Ministry/Agency.

Ministry/Agency reserves the right to accept or reject any and all proposals, to revise the RFP, to request one or more re-submissions or clarification from one or more basic partners, or to cancel the process in part or whole. No basic partner is obligated to respond to or to continue to respond to the RFP after the submission and closing date.

Ministry/Agency will, at its discretion, award the contract to the responsible vendor submitting the best proposal that complies with the RFP. Ministry/Agency may, at its sole discretion, reject any or all proposals received or waive minor defects, irregularities, or informalities therein.

5.6 RFP PERIOD OF VALIDITY

State the minimum period for the validity and evaluation of the received proposals.

5.7 CONFIDENTIALITY & RFP OWNERSHIP

State the confidentiality and ownership of the RFP.

“This RFP is both confidential and proprietary to Ministry/Agency, and Ministry/Agency reserves the right to recall the RFP in its entirety or in part. Basic Partners cannot and agree that they will not duplicate, distribute or otherwise disseminate or make available this document or the information contained in it without the express written consent of Ministry/Agency.

Basic Partners shall not include or reference this RFP in any publicity without prior written approval from the client, which, if granted, shall be granted by the individual named above. Basic Partners must accept all of the foregoing terms and conditions without exception. All responses to the RFP will become the property of Ministry/Agency and will not be returned.”

5.8 SECURITY - NON DISCLOSURE AGREEMENT

State the need for the basic partners vendors to sign the Non-Disclosure agreement.

5.9 AGENCY REQUEST FOR PRESENTATION - BASIC PARTNER

State the rules for the cost incurred by the basic partner in case they are asked to make a presentation.

If required, the basic partner will be asked to make presentations at Ministry/Agency. Ministry/Agency shall not be under any obligation to bear any part of the expenses incurred by the basic partners for the presentations.

5.10 REFERENCES SITES

State the importance of providing reference sites and how those references may be used by Ministry/Agency.

Please provide a minimum of three reference sites where the proposed solution / service(s) has been installed. These users should be in the communication and IT industry, having operations comparable to Ministry/Agency, and have similar systems, scope and users of the specific solution and version proposed. All the details of reference sites requested for in Appendix III should be provided along with the names and contact details of persons who will be available for discussion.

Ministry/Agency will contact these users to obtain any information on the solution / service and implementation.

Basic Partners will co-ordinate with the reference sites and arrange a visit on request from Ministry/Agency. The costs incurred by the evaluation team representing the Ministry/Agency, for the reference site visits, if undertaken, will be borne by Ministry/Agency. The results of this evaluation shall form a crucial input for selection of the preferred solution / service.

6 CONTRACT

6.1 CONTRACT TYPE

Cooperative Agreement

6.2 CONTRACT NEGOTIATIONS

At the completion of the selection process, Ministry/Agency will enter into negotiations with the selected basic partner. basic partners should also be aware that the following documents would be included as attachments to the final contract:

This Request for Proposal.

The basic partner's proposal in response – both technical and commercial

Any modifications to the proposal.

A Service Level Agreement (SLA).

An implementation Plan identifying the tasks to be completed with milestones, the assigned responsibilities, and the scheduled completion dates.

6.3 IMPLEMENTATION SCHEDULE

Provide here an implementation schedule for the proposed PPP

6.4 PPP MANAGEMENT

List the required information from the vendor with regards to the envisaged project management.

The basic partner will provide at least the following information to Ministry/Agency:

The description of the different phases of the project,

The methodology and approach

Specific list of the deliverables by phase the basic partner intends to provide along with the project

Key performance indicators proposed for service delivery.

6.5 PPP SOLUTION - SERVICE ACCEPTANCE TESTING

Describe the need for Ministry/Agency to conduct acceptance testing for the solution / service prior to going live with it.

Prior to going live, Ministry/Agency will require a period of time to conduct a thorough User Acceptance Testing (UAT) of the solution / service. This period should be sufficient to verify the solution / service operations and effectiveness. The UAT will not commence until the basic partner has implemented the solution / service (including installation, custom modifications, and parameterizations, functional testing, stress testing, and system integration testing if required by Ministry/Agency) at Ministry/Agency's premises.

7 RESPONSE FORMAT

7.1 PROPOSAL CONTENT AND FORMAT

State the rules for the basic partners in terms of the format and content of the proposal. In case of fixed response format being requested then state the format and its sections.

Proposing guidelines with regards to responding to the RFP, basic partner responsibility and cost

7.2 COMPLETING THE REQUIREMENT SPECIFICATION

State the rules for the basic partners in terms of responding to the system requirements matrix.

The Requirement Specification contains a list of requirements on the desired aspects of the Partnership and PPP Activity. The basic partner should respond as follows in the level of The compliance column:

7.3 BASIC PARTNER RESPONSIBILITY

State the basic partner responsibilities limiting their accountability to their offer only.

7.4 TECHNICAL PROPOSAL

This section provides the detailed information required in the Basic Partner Technical Proposal.

7.5 FINANCIAL PROPOSAL

This portion of the proposal must be identified as Financial Proposal and must be bound and sealed In a separate envelope from the remainder of the proposal

8 APPENDICES

8.1 A Compliance Matrix

8.2 B Basic Partner Profile and References

8.3 C Public Partner Profile, Assets, Human and Financial Resources (Offering)

8.4 D Cooperative Agreement

8.5 C Non-disclosure Agreement

PPP CONTACT LIST – MOWA & SIEM REAP WDC

| Organization | Focal Point | Contact Details |
|--|--|--|
| Private Sector Partner Organizations – Handicrafts | | |
| Artisans Handicraft Association | Mr. Neth Som Orn - Chairman | 012632662 info@csma-kh.com |
| Artisans Association of Cambodia (AAC) | Mr. Men Sinoeun – CEO | 012790735 aac@online.com.kh |
| Artisans D'Angkor | Mr. Verdano Kernem – Secretary General | 063 963 330 supplychain@artisansdangkor.com |
| Senteurs d'Angkor | Mr. Stephane Bourcier - CEO | 012 954815 gm@senteursdangkor.com |
| Howeegie Ecocraft | Ms. Onie Luna - Director | 016 488 142 onieluna@gmail.com |
| Mekong Blue | Nguon Chantha – Co-Director | 012609730 chantha@mekongblue.com |
| Stung Treng Women's Development Center | Kim Dara Chan, Co-Director | 012 622 096 info@mekongblue.com |
| Baskets of Cambodia | Ms. Sotheary - Manager | 012 761 826 info@basketsofcambodia.com |
| Village Works | Ms. Norm Bunnak - CEO | 012 995 944 songkhem@camnet.com.kh |
| Institute for Khmer Traditional Textiles | Mr. Meas Thol - Manager | 063 964 437 ikt.info@gmail.com |
| Private Sector Partner Organizations – Restaurateurs | | |
| Angkor Spirit Place | Chamroeun Khim – Resident Manager | 063760029 chamroeunasp@gmail.com |
| Curry Walla Restaurant | | 089 436 096 currywalla2006@yahoo.com |
| AnnAdya Restaurant | | 089 999 900 t@dragonflytourscambodia.com |
| Haven Training Restaurant Siem Reap | Sara & Paul Wallimann – Founders Dragonfly | 078 34 24 04 EAT@HAVENCAMBODIA.COM |
| Sali Bai | Chamreoun Dam – Senior Technical Trainer Cooking | 063963329 info@salabai.com |
| Private Sector Partner Organizations – Travel Agents & Tour Companies | | |
| Cambodia Community Based Eco-tourism Network (CCBEN) | Yorth Bunny | 023 217 875 info@ccbenn.org |
| Pacific Asia Travel Association (PATA) | Mr. Sinan Thourn Chairman | 012899018 info@patacambodia.org |
| Asia Adventure Travel | Kang Vannak - Managing Director | 016 855 888 kangvannak@yahoo.com |
| Khuon Tours | Veal Khuon - Owner | 017606 086 info@khuontour.com |
| Great Angkor Tours | Ang Kim Eang - Manager | 012328222 tour@greatangkortour.com |
| Travel Cambodia | Khean Kim Hour - CEO | 012 351166 keakim@hotmail.com |
| JHC Angkor Tour | Bun Sophy – Assistant Operations Manager | 063964309 tehaityo@jhe.com.kh |
| Sothern Breeze Travel Tourism | David Diso - BS Director | 085206737 sbdavidiso@gmail.com |
| Private Sector Partner Organizations – Business Development/Arbitration & Property Services | | |
| Siem Reap Chamber of Commerce (SRCC) | Ingsitat Sokuntheary – VP. | 012641881 ingsitatsokuntheary@yahoo.com |
| Siem Reap Chamber of Commerce (SRCC) | Meas Churany - DG | 012 838342 measchurany@yahoo.com www.angkorwatsrcc.org.kh |
| ARP | Dararith Saing – BD Manager | 089300899 dararith@arpharma.com |
| BDLINK | Jose Vahl - GM | 023222602 jose@bdlink.com.kh |
| LM Asia | Phillip Fong - MD | 017856426 phillip@justmedia.asia |
| SEA Property – Eco-Tourism | Ken Oshi - MD | 092332730 ken@seaproperty.no |
| Emerging Market Consultants | Ngagn Sompors - BDS | 017777223 ngang.sompors@emergingmarkets.com.kh |
| People Care Learning (PCL) | Fred Garmon – ED | 4234787071 info@peopleforcare.org |
| Triple F Agricultural VCs | Rasy Sim - Owner | 012843433 simrasy@triple.kh.com |
| CBRE Cambodia | Simon Griffiths – Property Valuer | 098970097 simon.griffiths@cbre.com |
| Cambodian Valuers and Estate Agents Association | CVEAA | 015 999 091 info@cvea.org.kh |
| Development Partners & Government | | |
| ADB CARM | Peter Brimble Deputy Country Director & PPP Specialist | 012899621 pbrimble@adb.org |
| GIZ | Torsten Munther – Regional Economic Development (RED) | 012272139 torsten@gfacambodia.com |
| SR PDoC – Partner GIZ | Phoeun Kemly – Trade Promotion Officer | 012550635 sok_sophy@yahoo.com |

Please note: This list is a preliminary list of useful contacts based on and persons met and research completed during the conduct of the TA.

