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Tools for Mending Weak and Fractured Value Chains and Sustainably Promoting Economic Growth



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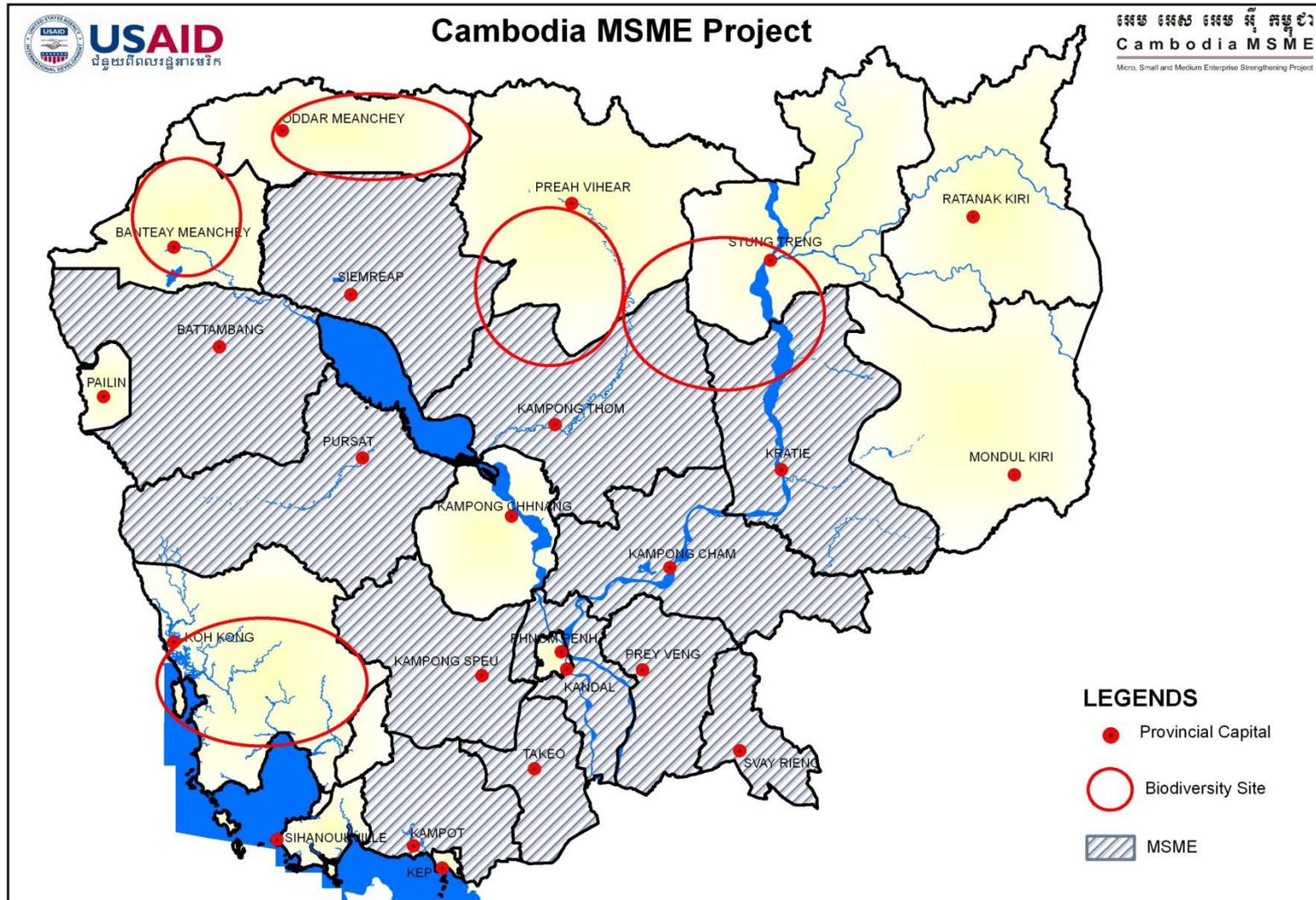
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How Cambodia MSME Promotes Business and Governance Culture Change

- Improve competitiveness and relationships for firms
 - **Grow Economic Space**
- Encourage firms to collectively solve problems
 - **Expand Political Space**
- Prod civil servants to engage with private sector
 - **Improve Governance**



Cambodia MSME Project: 17 Provinces, 260,000 Beneficiaries



MSME's Basic Principles for Interventions

- **Market First** – Firms have commercial excess and access
- **Non-invasive Subsidies** – Facilitate, don't participate
- **Sustainably Designed** – Simple
- **Affordable Activities** – Without donor assistance
- **Benefit Many** – Multiple firms across value chain gain value
- **Gradual Growth** – Build relationships, knowledge, and skills



Fundamental Problems & Core Tools Used

Problem: No inter-firm or community trust

Tool: Facilitate interest groups

Problem: Few skills to increase production

Tool: Facilitate private technical skills training

Problem: Fragile business relationships

Tool: Facilitate cross-provincial missions



Improve Industries and Get Government Onboard

Problem: Poor business practices

Tool: Business forums, technical workshops

Problem: Old technology, poor governance

Tool: Int'l governance and technology missions

Problem: Business issues are not discussed locally

Tool: Semi-formal community working groups



Focus on the Business Environment

Problem: No confidence presenting issues

Tool: Strategic communications workshops

Problem: No formal means to solve business issues

Tool: Regulatory issues forums

Problem: No national dialog on business issues

Tool: Radio talk shows, televised panels



Formalize Public-Private Cooperation

Problem: No legal means to advocate

Tool: Ag cooperatives and associations

Problem: No forums or habit to discuss new laws

Tool: Legal and regulatory advisory forums

Problem: Few opportunities to show commitment

Tool: Rural local products trade fairs



Firms are Collectively Solving Problems

- 62 working groups – 2,175 members
- 13 agriculture coops and associations – 899 members
- 188 events where business issues were discussed – 268 public officers and 5,878 businesspersons



Government Supports Economic Growth

- 35 dedicated events to discuss regulations before they were enacted by the government
- Active solicitation of public comments before regulations are enacted – officers go to provinces



Cambodia's Private Firms are Becoming Competitive

- 4,328 swine farms with average of 26 head
- 802 aquaculture farms with 2 or more ponds
- \$12 million invested in roof tile factories
- 476 persons active full-time in honey sector
- 135,000 persons with access to safe water
- 50,000 estimated new rural jobs



Facilitated Activities that Promote Development - 1

- Interest groups
- Technical skills training by private firms
- Cross-province missions
- Informal working groups
- Business forums
- Technical workshops
- International governance and technology missions



Facilitated Activities that Promote Development - 2

- Strategic communications workshops
- Public and private sector regulatory issues forums
- Formal groups: agricultural co-ops and associations
- Legal and regulatory advisory forums
- Rural local products trade fairs
- Radio talk shows and televised business panels
- Televised videos, bi-weekly success stories



The USAID Cambodia MSME Project Team

www.cambodiamsme.org



The Greatest Rural Economic Growth Team on Earth



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