

## DEVELOPMENT COORDINATION

### A. Major Development Partners: Strategic Foci and Key Activities

1. Development support for sanitary and phytosanitary (SPS) capacity building in Cambodia and the Lao People's Democratic Republic (Lao PDR), as is mostly the case elsewhere in the world, is in the form of a large number of relatively small technical assistance (TA) grant projects of short duration targeting a broad range of specific aspects of trade, plant health, animal health, and food safety. Loan and grant projects are also supported by the Asian Development Bank (ADB) and other international financial institutions, which include activities relevant to SPS capacity building, such as support for laboratories and training. Part of the support has been provided by development partners through (sub-)regional projects for member countries of the Association of Southeast Asian Nations (ASEAN), with a focus on economic cooperation and harmonization, and to the most recent ASEAN member countries (i.e., Cambodia, the Lao PDR, Myanmar, and Viet Nam) with the aim of reducing the development gap with older ASEAN members. Some of the more developed countries in the region (such as Thailand, and Viet Nam) are providing support for their less-developed neighbors.

2. Most development support has been provided for avian influenza, a field that has been led by the United Nations (UN), World Bank, and Food and Agriculture Organization of the UN. These projects have focused on the containment of human and animal health risks, and much less on SPS capacity building. The Lao PDR received significant support for its accession to the World Trade Organization (WTO), especially for harmonization of its legislation with WTO principles. Much support has also been given by development partners for various aspects of combating transboundary animal diseases, especially foot and mouth disease and classical swine fever.

### Major Development Partners

| Development Partner                          | Project Name   | Duration     | Amount<br>(\$ million) |
|--|--|--------------|------------------------|
| <b>Projects with SPS content<sup>a</sup></b> |  |              |                        |
| <b>Cambodia</b>                              |  |              |                        |
| ADB  | SPS support under the Promoting Economic Diversification | 2008–ongoing | (...) <sup>b</sup>     |
| World Bank (+bilateral)                      | SPS projects under Trade Development Support Facility    | 2009–ongoing | (...) <sup>b</sup>     |
| <b>Lao PDR</b>                               |  |              |                        |
| World Bank                                   | SPS projects under Trade Development Facility            | 2008–ongoing | 1.6                    |

ADB = Asian Development Bank, Lao PDR = Lao People's Democratic Republic, SPS = sanitary and phytosanitary.

<sup>a</sup> SPS is a crosscutting field of trade, health, and agriculture. There are virtually no large-size projects that only cover SPS. The table lists projects that have a significant contribution to SPS capacity building in one of the sectors: food safety, trade, or animal health.

<sup>b</sup> Share of SPS in the project funding not available.

Source: Asian Development Bank.

### B. Institutional Arrangements and Processes for Development Coordination

3. No effective coordination mechanisms exist that cover the broad range of SPS issues. Development is coordinated through maintaining contact with development partners that support SPS projects. During project preparation, individual contacts and roundtable meetings took place with development partners to exchange information. This will be continued during implementation.

4. The project includes an investment loan for Cambodia and an investment grant and loan for the Lao PDR that build on activities by development partners. Activities are well aligned with the activities of support projects by other development partners. The project loan modality was chosen because of the advantage of a relatively long period for gestation, institutional development, and capacity building. The project does not aim at major reforms, and focuses in each country on areas with fairly well-established institutional mandates.

5. Coordination and cooperation among Greater Mekong Subregion (GMS) countries in SPS capacity development will be achieved through (i) regional expert meetings, exchange of information, and regional cooperative activities focusing on harmonization of SPS measures; (ii) secondments and twinning in technical fields; and (iii) selected support for bilateral working groups for plant health, animal health, and food safety. Regional and bilateral activities will seek leverage with support provided by the PRC, Thailand, and Viet Nam. The most prominent development partners for coordination are (i) the World Bank (Trade and Development Support Facility in Cambodia and Trade Development Facility in the Lao PDR); (ii) Japan International Cooperation Agency (training in many areas); (iii) ASEAN regional training projects, mainly supported by the Australian Agency for International Development (AusAID), the European Union (EU), and the New Zealand Aid Programme (NZAID); (iv) the World Organization for Animal Health (OIE) and the FAO (animal health); (v) the UN Industrial Development Organization (UNIDO) (laboratories and food safety in the tourist industry); and (vi) the FAO (various training projects).

### **C. Achievements and Issues**

6. For many of the small-scale TA projects in Cambodia and the Lao PDR, sustainability has been a constraint issue since broader capacities and government operational funding to make good use of improved human skills, equipment, and legislation were not in place. A second implication of the pattern of TA support is that certain key technical areas have not received support. ASEAN region training projects were relatively less effective for the weakest ASEAN members because of the low formal education level and skills of their participating staff and the poorer enabling environment for their staff to apply new knowledge.

### **D. Summary and Recommendations**

7. The project offers an innovative approach to SPS capacity building, which complements activities of development partners and offers synergies with ongoing development support through its (i) broad-ranged comprehensive approach, (ii) duration, (iii) country-specific support for human skills and institutional and technical capacities, (iv) operational funding, and (v) subregional cooperation. Where relevant, it will initiate roundtables and consultative meetings to coordinate with development partners.