

KINGDOM OF CAMBODIA

Nation Region King

Royal Government of Cambodia No. 90 SCD

To:

Senior Minister and Minister of Economy and Finance and Chairman of the Steering Committee of Private Sector Development

And

Senior Minister and Minister of Commerce and the Chairman of the Sub-Steering Committee of Trade Facilitation

EXCELLENCIES:

The government rectangular strategy underscores private sector development as its most important priority and in order to achieve this strategic target, the government laid out a 12-point plan which includes the implementation of "the Risk Management Strategy" and "Single Window" mechanism.

In the spirit to successfully accomplish this reform mechanism as planed, I would propose that Your Excellencies prepare and take action a number of tasks as respective duties as following:

1 - Senior Minister and Minister of Economy and Finance and Chairman of the Steering Committee of Private Sector Development must take a leading role to coordinate with other relevant government ministries – agencies, development partners and private sector to prepare:

i - Single Administrative Document (SAD) for imports and exports administration, this must be done by March 2006. It would be a single document that incorporates and contains all relevant information required by all concerned ministries and agencies for imports and exports administration. Customs and Excise Department is the leading agency for developing and managing the implementation of this document, for import and export procedures, which will be based on ASYCUDA.

ii – A detailed action plan for implementation of Single Window must be done by March 2006. Then the relevant ministries and agencies have to start implementing this action plan

immediately, especially through a pilot stage at Sihanoukville by December 2006 (please make an effort to execute the pilot plan by this date).

2 - Senior Minister and Minister of Commerce and the Chairman of the Sub-Steering Committee of Trade Facilitation must take a leading role to coordinate with relevant ministries–agencies, development partners and private sector to prepare a "Risk Management Strategy" for import and export inspections, and it must be done by the end of December 2005 and submit the strategy to the Council of Ministers for consultation and adoption before the end of January 2006. This Risk Management Strategy must be based on the international best practice principles as following:

a – Any decision to inspect consignments must be based on identified risk according to administrative guidelines.

b – The Customs and Excise Department is a single leading agency with responsibility for inspecting goods at the international border checkpoints. And if there is a need for more than one agency to inspect in accordance to risk identified, this inspection must be carried out as a single, joint-agency examination under coordination of the Customs and Excise Department.

In addition, all necessary administrative guidelines and procedures, as well as inter-agency memoranda of understanding specifying all the relevant agencies and their respective roles (including CamControl) for implementation of the risk management strategy, must be prepared and completely adopted by March 2006 for immediate implementation.

I firmly hope and believe in your high spirit of responsibilities in moving the execution of the above government reform agenda successfully and developing the private sector to become a true engine for driving Cambodian economic growth as outlined in the government Rectangular Strategy.

Phnom Penh, 06 December 2005

Prime Minister

Signed and Sealed

Hun Sen

CC:

- The Council of Ministers
- Members of the Steering Committee of Private Sector Development
- Members of the Sub-Steering Committee of Trade Facilitation