



Activity Update

Rule Drafting – A Great Place to Start Improving the Business Environment for Cambodian Firms

The USAID-funded MSME Project assists national and provincial government officials to understand how well-written regulations can be used to improve the business environment and government operations.



Nineteen department heads and deputies actively participated in a one-day workshop where they learned the process involved in writing better regulations that are more responsive to business needs and government responsibilities.

By the end of the day, some government officials were forceful advocates for small business, while others questioned how much power they really needed to claim.

Cambodian laws are typically broadly worded, leaving great discretion to ministry officials to draft implementing regulations. The quality of these rules is often low, the scope unclear, and the room for confusion large. This one-day workshop led ministry officials holding the drafting pen for business regulation to think differently about how better to reach their goals, while providing businesses clearer, more predictable guidance.

Participants considered how to write a rule so that the business people who have to comply with it, the officials who have to apply it and the judges who have to interpret it all know what the rule means – and can behave accordingly. This common sense testing of rule against reality presents a fundamental challenge to muddled, top-down approaches, by appealing to simple, easily agreed principles.

Participants were given a hypothetical law and draft rule from a mythical country – one with no corruption and where business always complies with rules – and directed only to focus on how this should work. The draft rule was intentionally unclear, in a way often seen in rules in Cambodia. This workshop taught 19 department heads and deputies from MOC, MAFF, Fisheries, MIME, and the Council of Ministers to question, issue spot, and negotiate rules from a fundamentally different perspective.

After some basic training in good, international practice and drafting tips, participants were assigned roles in the hypothetical country representing small business, large importer, drafting ministry and competing ministry. The mythical corruption-free setting concentrated discussion on the practical how-to of implementation. The seminar created a place for neutral, open inquiry and free debate around legitimate, differing interests.

By the end of the day, some bureaucrats had become forceful advocates for small business, while others questioned how much power they really needed to claim. The fun, interactive, academic context let counterparts preview how the MSME policy team approaches regulatory tasks. The collegial, non-threatening and substantive approach opened client-led discussions and promoted the idea that by applying different perspectives when drafting rules, Cambodian regulatory drafters can identify new ways to govern business better while meeting government objectives.