PD-ABG-493

CAMBODIA
DEMOCRATIC INITIATIVES PROJECT

PROJECT NO. 442-0111

SEPTEMBER 28, 1992

CAMBODIA
DEMOCRATIC INITIATIVES PROJECT

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APPENDIX 3A, Attachment 1
Chapter 3, Handbook 3 (TM 3:43)

AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT DATA SHEET

1. TRANSACTION CODE: A (A = Add, C = Change, D = Delete) — Amendment Number: — DOCUMENT CODE: 3

2. COUNTRY/ENTITY: Cambodia

3. PROJECT NUMBER: 442-0111

4. BUREAU/OFFICE: USAID/Cambodia

5. PROJECT TITLE (maximum 40 characters): Cambodia Democratic Initiatives Project

6. PROJECT ASSISTANCE COMPLETION DATE (PACD): MM 06 DD 30 YY 97

7. ESTIMATED DATE OF OBLIGATION (Under 'B.' below, enter 1, 2, 3, or 4)
A. Initial FY 92 B. Quarter 4 C. Final FY 96

8. COSTS ($000 OR EQUIVALENT $1 =)

A. FUNDING SOURCE	FIRST FY 1992 B. FX	C. L/C	D. Total	LIFE OF PROJECT E. FX	F. L/C	G. Total
AID Appropriated Total	2,500	500	3,000	12,500	2,500	15,000
(Grant)	(2,500)	(500)	(3,000)	(12,500)	(2,500)	(15,000)
(Loan)	( )	( )	( )	( )	( )	( )
Other U.S. 1.						
Other U.S. 2.						
Host Country						
Other Donor(s)						
TOTALS	2,500	500	3,000	12,500	2,500	15,000

9. SCHEDULE OF AID FUNDING ($000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE 1. Grant	2. Loan	D. OBLIGATIONS TO DATE 1. Grant	2. Loan	E. AMOUNT APPROVED THIS ACTION 1. Grant	2. Loan	F. LIFE OF PROJECT 1. Grant	2. Loan
(1) DA						3,000		15,000	
(2) or									
(3) ESF									
(4)									
TOTALS						3,000		15,000	

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)

11. SECONDARY PURPOSE CODE

12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)
A. Code
B. Amount

13. PROJECT PURPOSE (maximum 480 characters)

The purpose of the project is to enhance the capacity of Cambodians to develop and implement activities which provide a basis for sustainable democracy.

14. SCHEDULED EVALUATIONS
Interim MM 06 YY 93 MM 06 YY 94 Final MM 11 YY 96

15. SOURCE/ORIGIN OF GOODS AND SERVICES
☒ 000 ☒ 941 ☒ Local ☐ Other (Specify)

16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of 1 page PP Amendment)

17. APPROVED BY
Signature:
Title: AID Representative, USAID/Cambodia
Date Signed: MM 09 DD 29 YY 92

18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION
MM DD YY

PROJECT AUTHORIZATION

Country: Cambodia

Project: Democratic Initiatives

Project Number: 442-0111

1. Pursuant to the Foreign Assistance Act of 1961, as amended, and to the Ad Hoc Delegation of Project Authorization Authority dated September 11, 1992, I hereby authorize the Democratic Initiatives Project for Cambodia (the "Project") involving planned life-of-project obligations of not to exceed Fifteen Million United States Dollars (US$ 15,000,000) in grant funds over a four-year period from the date of authorization, subject to the availability of funds in accordance with the A.I.D. OYB/allotment process. The planned Life of Project is approximately six years from the date of initial obligation.

2. The Project will enhance the capacity of Cambodians to develop and implement activities that contribute to peace and to a sustainable democracy. Activities are anticipated to include technical assistance and training in the rule of law, democratic governance, political pluralism, community and civic awareness, legal and legislative reform particularly in the area of civil and political rights, and development of an independent judiciary, among other activities.

3. The assistance agreements necessary to implement the Project may be negotiated and executed by the officer to whom such authority is delegated in accordance with A.I.D. regulations and delegations of authority and shall be subject to the terms and conditions stated herein and such other terms and conditions that A.I.D. may deem appropriate.

4. Source and Origin of Commodities; Nationality of Services. Except as A.I.D. may otherwise agree in writing, or as otherwise provided below, commodities and services financed by A.I.D. under the Project shall have their source and origin, and for services their nationality, in the United States and ocean shipping financed by A.I.D. under the Project shall be only on flag vessels of the United States.

All locally financed procurement must be covered by source/nationality waivers under A.I.D. Handbook 1B, Chapter 5, with the following exceptions:

a. Locally available commodities of U.S. origin, which are otherwise eligible for financing, if the value of the transaction is estimated not to exceed the local currency equivalent of $5,000 (exclusive of transportation costs);

b. Commodities of geographic code 935 origin if the value of the transaction does not exceed $2,500; and,

c. Commodities and services and related expenses of geographic code 935 origin that, by their nature or as a practical matter, can only be acquired, performed, or incurred in those countries, such as fuel, oils and lubricants, vehicle maintainance, housing and related expenses, and communications, among other similar items.

5. Condition. No funds made available under this authorization may be made available, directly or indirectly, for the Khmer Rouge.

Lee Twentyman, AID/Cambodia

9/29/92

Date

CLEARANCE PAGE FOR PROJECT AUTHORIZATION

Country: Cambodia

Project: Democratic Initiatives

Project Number: 442-0111

DocNo0116L

Clearances:
Asia/EA:MFeldstein
O/FIN:RMcClure
RLA:IGSmyer
DD:EMorris

Cambodia Democratic Initiatives Project

Executive Summary

a. Project Data The LOP funding is $15 million over a four-year funding period. The PACD is 06.30.1997.

b. Goal and Purpose The goal of the project is to support the creation of an enabling environment for democratic participation, improved governance and broad-based economic development in Cambodia. The purpose of the project is to enhance the capacity of Cambodians to develop and implement activities which provide a basis for sustainable democracy. The project will fund a number of activities in selected focus areas in support of this broad project purpose.

c. Activities The project will finance a range of activities undertaken by non-governmental entities which conform to the three substantive areas of a) rule of law; b) political pluralism; and c) strengthening the non-governmental base for democratic initiatives. The emphasis throughout the project is on capacity building and institutional development to address the extremely weak institutional and human resource base which currently exists in Cambodia.

Actual activities undertaken will depend on proposals received and will be described in grant documentation.

d. Conformity to Mission Strategy The project conforms to the overall Mission strategy of supporting the reconstruction of Cambodia in accordance with principles of democracy, good governance and a market-based economy. The project also directly supports the principles of the Agreement on a Comprehensive Political Settlement of the Cambodia Conflict (Paris Agreement), to which USG is a signatory.

e. Feasibility Given the enormous constraints facing Cambodia, and the massive reconstruction and rehabilitation effort which is required, it is essential that the limitations of any program are clearly understood form the outset. However, the project is politically feasible in that a) it is consistent with intent of the Paris Agreement; and b) it is designed to strengthen the Cambodian capacity to understand and implement political and legal reforms conducive to the development of a democratic society. Managerially, the project is feasible as it will be implemented by grantees and managed by contracted staff.

f. Socio-Political Considerations A number of socio-political considerations which will affect the project need to be taken into account. Among these are a seriously underdeveloped civil society, lack of a functioning legal system, erosion of faith in the process of governance and apparatus of government, unresolved

conflict, lack of a tradition of democracy, and the legacy of extreme repression. These constraints present a compelling case for providing assistance, but also limit what can be realistically be achieved in the short to medium-term. Cambodia will require sustained international support over a 10-15 year period to overcome the legacy of the past and develop the base for long term sustainable development.

g. Obligation Mechanism Funds will be obligated through direct grants with non-governmental organizations. To be eligible to financing under this project all organizations must be registered with A.I.D. as PVOs. Funds for evaluation and audit will be obligated directly through competitively awarded contracts or existing IQCs.

h. Project Management Project management services will be obtained through a separate technical assistance project as the Mission does not at present have, nor is likely to have in the near future, sufficient direct hire staff to adequately manage the project. The primary responsibility for management of activities will rest with the grantees.

i. Financial Plan Funds have been allocated to project activities based on preliminary estimates. Actual annual obligations will be based on availability of funds and project progress. $3 million will be obligated in FY 1992.

j. PVO Contribution In accordance with A.I.D. regulations, all non-governmental entities funded under this project will be required to contribute at least 25 percent of program costs.

k. Environmental Impact The activities to be funded under this project are unlikely to have a negative environmental impact. A categorical exclusion is therefore proposed.

Cambodia Democratic Initiatives Project

The Cambodia Democratic Initiatives Project is designed to contribute to the political and economic rehabilitation and reconstruction of Cambodia by supporting the creation of an enabling environment for democratic participation, improved governance and broad-based economic development. As such, it is consistent with the spirit of the Agreement on a Comprehensive Political Settlement of the Cambodia Conflict (Paris Agreement),[1] signed in Paris, October 1991, and complements and builds on activities undertaken in support of the agreement during the transitional period.

I. Background

A. Current Situation

Cambodia is currently in a state of transition and uneasy peace following the Paris Agreement. The complexity of the arrangements during the transition period indicate the challenges to reconstruction and rehabilitation which lie ahead.

In preparation for elections, UNTAC is attempting to create a climate of political security in which minimum human rights can be guaranteed, basic information about elections propagated, and elections conducted throughout the country. A massive UN peacekeeping force has been deployed to contain the conflict and oversee the cantonment and subsequent disarmament of troops of the armed factions. The government of the State of Cambodia (SOC) retains nominal control over public administration and a bankrupt economy, while the Supreme National Council, (SNC) a coalition comprised of the four leading factions, is tasked with working with UNTAC and ensuring the Paris Agreement is implemented.

The logistics of conducting elections in Cambodia is daunting. Accurate population estimates are difficult in most areas, and impossible in some. Maps are out of date, infrastructure has been destroyed and there are only limited transportation and communications networks. In addition, the task is complicated by lack of functioning administrative structures, and almost total unfamiliarity with the concepts of free elections, voter

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[1] The Paris Agreement provided for a transitional period under the authority of the United Nations Transitional Authority in Cambodia (UNTAC), during which time a ceasefire would be implemented, troops demobilized, and elections for a constituent assembly organized by the United Nations and held. The transitional period would terminate once such elections, certified as free and fair by the United Nations, had been held, a new constitution approved, the constituent assembly transformed into the legislative assembly, and a new government created.

registration, and secret ballot.

The Paris Agreement and the activities which follow from it are premised on assumptions that both the people of Cambodia and the political factions which have hitherto resorted to armed conflict will a) recognize the legitimacy of a political resolution; b) abide by the terms of such political settlement; and c) participate in a system of governance following from it. There is much in Cambodia's recent history to indicate that such assumptions might be overly optimistic. However, if a period of peace and relative security can be maintained it will offer the opportunity for Cambodians to meaningfully participate in the running of their country for the first time since independence.

In the post-election period, the willingness and ability of the government to a) exercise control over the military; and b) create a climate of security in which the legitimacy of government and authority can be rebuilt, will directly affect the process of reconciliation, reconstruction and rehabilitation.

B. Political and Socio-Cultural Context

The current political and socio-cultural situation within Cambodia is not only extremely complex, but also extremely fluid. Years of corrupt, ineffective governments, coupled with the trauma of war and internal conflict and the excesses of the Khmer Rouge regime, have led to the current crisis of governance, almost destroyed Cambodian society, and bred a distrust of politics and power.[2]

Although some reforms have been implemented in recent years, the political climate is still far from open, and neither the political consciousness nor the institutional base for sustainable democracy have yet developed.[3] Additionally, political parties are essentially formed around personalities,

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[2] Cambodian political history since independence has been characterized by a series of shifting alliances to preserve political power, an almost complete equation of the state with the prevailing political party, and factional allegiances with foreign powers.

[3] In terms of human rights, it can be said that Cambodian society currently still requires the "freedoms from" before it can progress to "freedoms to". Among the former are freedom from oppression, arbitrary arrest, punishment, torture and inhuman or degrading treatment. Among the latter are freedom of information, assembly and association. People are unlikely to participate in the process of governance until they feel that it is safe for them to do so.

rather than policies, and there is little understanding on behalf of political leaders of political pluralism or participatory governance.

Institutionally, Cambodia is ill-equipped to cope with the enormous task of nation building and development which it currently faces. Weak bureaucratic capacity, the legacy of over-centralization, the lack of administrative and regulatory frameworks to control pervasive corruption, and limited capacity to institutionalize reforms threaten the long term viability of any broad-based structural reform program.

Additionally, Cambodia's institutional and human resource base is incredibly weak, largely due to the Khmer Rouge years during which an entire strata of society was destroyed and formal education abandoned.[4] Although significant progress has been made since 1979, the quality of education remains low, and the professional and technical skills necessary for development are still lacking. For example: only two lawyers trained prior to the Khmer Rouge days remain; the Department of Roads and Bridges has five qualified engineers; the Ministry of Agriculture has ten graduates on its staff; and only 0.87 percent of primary school teachers have graduated from upper secondary school.

Cambodian society is also in flux as a result of years of turmoil and systematic destruction of societal structures under the Khmer Rouge.[5] While this offers an opportunity for the broadening and deepening of civil society, it can also lead to increased alienation conducive to the return of oppression and abuse of power. Ironically, peace could further strain the social and political fabric of society, as Cambodians long accustomed to a different social environment return, and the economic and

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[4] The excesses and atrocities of the Khmer Rouge are well documented. During the four year regime over a million people were either killed or died of disease or starvation. The professional and administrative classes were for the most part either killed or forced into exile, cities were emptied, factories abandoned, infrastructure destroyed, and private property and use of money abolished.

[5] The Khmer Rouge destroyed the institutional bases of traditional Cambodian society in an attempt to fashion a new social order and eliminate opposition. Thus, the family, the monarchy, organized religion, kinship networks, and land tenure patterns were either suppressed or radically transformed. Even language, and the socio-cultural significance attached to it, were altered. The alienation and trauma caused by such sweeping social engineering, as well as the brutality with which it was conducted, have not yet been overcome, and present a significant constraint to Cambodia's reconstruction.

cultural divide between rural and urban areas widens.

Obviously the rehabilitation of Cambodia requires reconciliation of the current political factions, but also, and perhaps more importantly for long-term stability and development, the hitherto unresolved issues of ethnicity and regional tensions must be addressed. The longstanding cultural enmity with Vietnam and fear of domination from both Vietnam and Thailand threaten Cambodia's ability to benefit from regional development. In the current fluid political climate they also present an opportunity for the rise of popular nationalism, which in the long-term is likely to prove counterproductive.

Although considerable, the socio-political constraints to democracy are not insurmountable, and must be addressed if any rehabilitation is to occur. The challenge facing a post-election government will be to hold civil unrest in check while continuing with the political and economic reforms necessary for long-term growth. It will not be an easy task, and considerable international support will be required.

However, the institutional basis for Cambodia's reconstruction, as well as for sustainable democracy, cannot be the sole responsibility of government, but will require both political will on the part of any government and commitment on the part of the people. A functioning legal system, independent judiciary and legislature, and wide-ranging associational life all need to develop, along with increased access to information and improved channels of communication.

The situation and the challenges faced present a compelling case for the type of assistance provided under the project, but also require a realistic assessment of what can be achieved by such assistance in the short to medium term.

C. Macroeconomic Overview

Although Cambodia possesses a potentially rich agricultural and natural resource base, it is at present one of the poorest countries in the world, with an economy devastated by almost two decades of armed conflict, isolation, serious mismanagement, and endemic corruption.

Basic social indicators provide an indication of the enormity of the rehabilitation and reconstruction effort facing Cambodia.[6]

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[6] Infant mortality is estimated at 200 per 1,000 and maternal mortality at 9,000 per 100,000. Diseases associated with poverty, inadequate sanitation and poor public health education -- diahhrea, tuberculosis, sexually transmitted diseases -- are rife. Access to safe water is extremely limited, currently estimated at 20 percent

Although accurate data are hard to obtain, available information suggests that the vast majority of the population, particularly in rural areas, is living in conditions of extreme vulnerability. The 1992 UNDP Human Development Index placed Cambodia at 136 out of 160 countries.[7]

Cambodia is currently totally unable to finance its reconstruction. The public sector economy[8] is in an extremely precarious situation, with a seriously depleted financial base, growing macroeconomic imbalances and a projected unfunded deficit of 4.2 percent of GDP for 1992. Inflation, in part fueled by monetary financing of the deficit, is currently estimated at over 100 percent. The escalating fiscal crisis has adversely affected the provision of public services and maintenance of infrastructure, and increased the SOC government's inability to meet the public sector wage bill.[9]

Liberalization measures introduced in the late 1980s have yielded a limited response, in part because reforms have been introduced on an ad hoc basis. The thriving informal sector needs to be harnessed if it is to contribute to broad-based growth, while regulatory and administrative controls are required to ensure that revenue generated from privatization and foreign investment accrues to the economy.

The challenge facing a post-election government will be to create a stable macroeconomic framework within which the reconstruction of Cambodia can take place. This will require broad fiscal and structural reforms to diversify the economy, encourage private sector growth, develop the agriculture sector, and reduce state intervention in the economy. Military expenditure must be drastically cut, the revenue base expanded by the introduction of

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in urban areas and 12 percent in rural areas. Source: World Bank, 1991, 1992.

[7] Human Development Report, 1992, UNDP. Of the countries ranked lower than Cambodia, most were in Africa, and most were also countries devastated by years of war and social upheaval.

[8] The country is currently divided into zones nominally held by rival factions. Little is known of the macroeconomic and financial situation or public administration systems within these areas. This discussion of public finances is therefore restricted to the administration of the State of Cambodia, for which limited data is available.

[9] Cambodia: Agenda for Rehabilitation and Reconstruction, World Bank, 1992 provides a comprehensive analysis of the macroeconomic situation, as well as sectoral assessments and discussion of reform strategies.

new taxes and levies, and public expenditure controlled. In addition to such reforms, considerable foreign assistance, estimated at $350 million for 1992-1994,[10] will be required.

As important to economic recovery as the introduction of sound fiscal policies and structural reforms will be the ability of the government to reduce opportunities for rent seeking, control corruption, and develop the capacity of key public sector institutions to support private sector development.

Implementing a comprehensive reform program could well be difficult for a post-election government. Key issues of wages, prices and unemployment are likely to factor into the nexus of continuing political and economic liberalization, as each of these variables will directly influence popular perceptions of both the competence of government and its responsiveness to the needs of the public. Failure of an elected government to satisfy popular demands could lead to the return to a more repressive political climate in which basic needs are met at the expense of individual and collective liberty.

II. Project Description

A. Project Goal and Purpose

The goal of the project is to support the creation of an enabling environment for democratic participation, improved governance and broad-based economic development in Cambodia. The purpose of the project is to enhance the capacity of Cambodians to develop and implement activities which provide a basis for sustainable democracy.[11]

B. Project Components

The project is divided into three major components: rule of law; political pluralism; and support for the non-governmental base for democracy; which together provide a basis for development of democratic principles and institutions.

Building democratic societies is a slow process which requires both political will and commitment from all sectors of society. Even when the principles of democratic participation are established, they remain fragile and open to abuse. There is

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[10] World Bank estimate, 1992.

[11] Democracy is taken to include respect for human rights. Thus although the project does not specifically address the issue of human rights, promotion and protection of such rights is fundamental to each of the project components.

need in Cambodia for a whole range of reforms associated with democracy and improved governance. The purpose of focussing attention on the three major components is to facilitate the creation of an enabling environment by providing assistance in mutually reinforcing substantive areas. While more immediate impact could be achieved in any one area by concentrating resources, an opportunity to facilitate the development of supporting networks would be lost.

Although project funds will be programmed through one or two organizations, every effort will be made to maximize the impact of such funds by networking and information sharing. Thus, funded organizations will be encouraged to work with and through existing networks and organizations and to make information and materials available to them. Additionally, to the extent possible, funded activities will include outreach, be conducted outside of Phnom Penh, or involve people from other regions. As Cambodian institutional development and capacity building is the focus of the project, funded organizations will also be required to work with Cambodian organizations and entities, to the extent that such organizations exist.

a. Rule of Law

Rule of law is a fundamental prerequisite of democratic societies, as it provides a framework for promotion and protection of human rights, as well as creating a climate of accountability and predictability. In Cambodia, there is little understanding of the concepts of civil liberty and responsibility, or of civil rights protected by law, and it is essential that a system of civil administration characterized by adherence to rule of law be created.

This will require a separation of administration and military, development of a police force committed to protection rather than intimidation, and institutionalization of a functioning legal system to which citizens can have equitable access. It will also require an acceptance that disputes can and should be settled without the use of violence, and that punishment will accrue to all, regardless of rank.

The legal system, never particularly well developed or functional under the post-independence regimes, was totally destroyed during the Khmer Rouge administration. In 1979, when the current administration came to power, there was no legal framework, no system of public order, and no protection against arbitrary abuse of power. While considerable progress has been made since then, the legal system is essentially fragmentary, access is limited, there is no independent judiciary or functioning court system, few even minimally qualified legal personnel, and existing legislation is not consistent with the political and economic reforms which are being implemented.

There is thus need to revamp the entire legal structure to make it internally coherent, bring it in line with the changed political and economic order, and ensure that it is reflective of the constitution which will be developed in accordance with principles of the Paris Agreement.

The project focuses on rule of law by promoting the development of a functioning legal system which both affords protection of basic rights and redress in cases of abuse and is responsive to the needs of a new political and economic climate.

Actual activities funded under the project will be selected on an annual basis, subject to the availability of funds and on-going assessment of priority needs. In all instances, the focus of activities will be institutional development and capacity building.

Illustrative areas for funding are:

- Conflict resolution, including methods of settling disputes outside the formal court structure, and building on traditional forms of arbitration and conciliation.
- Support for the development of an independent judiciary through training, provision of information, and development of professional networks.
- Improved provision of, and access to, legal services through training for legal professionals and para-legal workers.
- Legislative reform, and increased awareness of legislative requirements, particularly in the areas of financial and economic development, protection of civil and political rights, and private ownership.

Given the range of issues to be addressed, funding for legal sector reform activities must be clearly coordinated with other donors and complementary to assistance provided under other donor-funded legal reform programs in order to avoid duplication of effort and ensure maximum return on investment.

b. Political Pluralism

Political liberalization does not necessarily equate to democracy.[12] In Cambodia, authoritarianism may have broken down,

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[12] Political liberalization usually involves a certain degree of policy reform and administrative restructuring, as well as the institutionalization of political rights. While including these, democracy also requires popular participation in government,

but faith in government has also been eroded, and the biggest challenge facing an elected government may well be to rebuild the legitimacy of government and control the tendency to protect individual and group rights at the expense of national interests. It will also be necessary for any post-election government to address issues of ethnicity, and ensure equitable access to resources and political power.

Effective political liberalization in Cambodia will require the development of a political culture based on principles of political rights, popular participation and competition. The project will support this by focussing on three areas: elections; political parties; and the legislature.

While elections do not ensure democracy, they are generally recognized as a vehicle for political participation. As Cambodians lack experience of competitive, multi-party elections, it is essential that elections are perceived as free and fair, that they are conducted in an open manner, and that the responsibilities of the electorate are understood.

There is no tradition of legitimate opposition or democratic political parties in Cambodia. Those involved with political parties themselves have almost no experience of participation in the electoral process, the role and function of parties in a democratic system, or the role of the opposition.

Similarly, there is no tradition of an independent legislature, responsive to the needs of its constituents. Multi-party elections may ensure greater representation and separation of the executive and legislative branches of government, but the capacity of the legislature to adequately perform its function still needs to be developed.

The project will help promote political pluralism and improved access to the decision-making process by supporting a range of activities which focus on institutional and human resource development.

Illustrative activities include:

- Promoting participation in elections, including voter education, community and civil awareness, and non-partisan media coverage.[13]

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involvement in the process of governance, and some influence over the way in which political power is exercised.

[13] In accordance with the terms of the Paris Agreement, UNTAC has the mandate to prepare for, arrange, and conduct elections. No project funds will therefore be provided for direct support of the

- Support for the development of democratic political parties to enhance their ability to participate in the process of governance.[14]

- Support for the development of an independent legislature, focussing on training and dissemination of information. No direct support of the legislature is envisioned under the project.

Given the range and complexity of the issues there is need for careful coordination with other donors and non-governmental organizations, as well as with UNTAC in the immediate future. This is particularly important in the case of elections.

c. Development of the Non-Governmental Base for Democracy

A strong civil society, characterized by both individuals who are informed of their rights and have a stake in upholding a set of values, and by countervailing institutions which challenge and provide a check on government, is an essential component of democratic societies. Such civil society is almost entirely lacking in Cambodia at present, in large part due to the repression of successive regimes since independence, excessive state control under socialist administrations, and the legacy of the Khmer Rouge years. In addition, there is almost no tradition of democratic participation to draw on, given the structure of pre-independence Cambodian society.

Community development can facilitate increased participation and decentralization of authority as people begin to define and act upon their priorities. It can also lead to the creation of a more equitable social structure while retaining cultural values and taking socio-cultural mores in account.[15] The important role

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1993 election planning process. However, project funds could be used for voter education programs in support of the UNTAC-organized voter education and civil awareness campaign, or other similar activities, should it be agreed that such support is required.

[14] Support will only be provided for activities which strengthen the democratic process, rather than assist particular parties. No project funds will be used for direct assistance to political parties or candidates, or to influence the outcome of an election.

[15] In this regard, the role and status of women, protection of women's rights, and equitable access of women to the decision-making process will be important. It is currently estimated that women account for 60-65 percent of the adult population, and 30-35 percent of households are headed by women. (Source: UNICEF, 1991).

of communities in the provision of primary education since 1979 suggests that there is a basis of community involvement which could be expanded and developed.[16]

Greater public security and a more open political climate are conducive to the development of private sector organizations and a range of associations. Whether a vibrant non-governmental sector will develop in Cambodia remains to be seen, but any organizations which are established will need considerable support and training in organization and management, as well as the technical skills to carry out activities.

Improved access to, and provision of, information will play a central role in broadening and deepening Cambodian society. Access to information will also be important to guard against unrealistic expectations as Cambodia undertakes broad-based economic and political restructuring.

The creation of intermediary civil society institutions, increased access to the decision-making process, and more equitable participation in governance will depend on socio-cultural factors such as the attitude to change, authority and commitment. While the project cannot directly affect such attitudes it can support community development, freedom of information, and non-governmental organizations which promote a more open, participatory climate.

Illustrative activities include:

- Improved access to, and provision of, information; and support for an independent, non-partisan media.
- Development of professional associations and networks which facilitate exchange of information.
- Community development and leadership training; and technical assistance to community structures and organizations.
- Support for non-governmental organizations concerned with civil and political rights.
- Support for a non-partisan, non-governmental center dedicated to democratic development.

As with other components, the emphasis will be on institutional development and capacity building through provision of

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[16] It is estimated that parents now pay up to 80 percent of the cost of building primary and secondary schools, as well as contributing to their upkeep and provision of materials through user fees.

information, training, and technical assistance.

III. Project Implementation

A. Obligation Mechanism

Funds will be obligated on an annual basis through direct grants with non-governmental organizations, or through amendments to such grants.

Due to the management burden which multiple grants will impose on the USAID/Cambodia Mission, it is envisaged that only one or two large grants will be funded at any one time. Such grants may, however, comprise multiple components, make use of sub-grantees, or provide mechanisms for channelling funds to a variety of indigenous non-governmental organizations.

Grantees will be selected on the basis of unsolicited proposals according to the following procedure:

i. Proposal Review

All proposals will be reviewed and evaluated a team comprised of both USAID and Embassy staff. Given the political sensitivities, all proposals will also be informally reviewed by the USAID Representative, and possibly the DCM and Chief of Mission.

General Principles for Initial Review

All proposals must have a clear, demonstrable nexus to promoting democracy and political pluralism in Cambodia, and be intended to have a beneficial impact on a broad range of people.

Proposals must address one or more of USAID/Cambodia's priority project areas: rule of law, political pluralism, and support for the non-governmental base for democracy. The project focuses on creating an enabling environment for sustainable democracy in Cambodia, and on political rights. Therefore, proposals which address economic, cultural and social rights, though undoubtedly contributing to the development of a strong civil society essential for the development of democracy, will not be funded under this project.

All proposals should be non-partisan, and promote the process of democratization and improved governance in Cambodia, rather than support the efforts of particular political parties or political groupings.

No proposals directly supporting the development of political parties, designed to affect the outcome of the election process,

or provide propaganda for political parties, will be considered.

All proposals dealing with the proposed 1993 election process will be considered within the context of the UNTAC election program. Activities which either support the UNTAC election program, provide complementary assistance, or provide specific assistance for discrete elements of the UNTAC program may be funded, provided prior agreement is reached with the UNTAC election program directors.

Specific Technical Review

Following initial review and screening of proposals, those proposals which conform to the general principles will be considered according to the following specific criteria:

- Activities have considerable Cambodian involvement or respond to specific requests from Cambodians. (15)
- Activities involve Cambodian capacity building. (20)
- Proposals demonstrate considerable understanding of prevalent situation within Cambodia. (15)
- Proposals contain realistic goals which can be accomplished in the specified timeframe and for the proposed cost. (10)
- The technical and managerial structure proposed by the organization is adequate for effective implementation of proposed activities in the Cambodian context. (15)
- Proposals contain reasonable cost estimates. (10)
- Proposals indicate sound technical understanding. (15)

Total: 100

Each proposal will be graded according to the selection criteria. If proposals do not address the same issues or general areas, they will not be placed in rank order. Proposals will be ranked against one another in instances in which they address similar issues.

ii. Funding Decisions

Although proposals may meet both the general requirements and specific funding criteria, further selection will be necessary due to funding limitations.

Additional factors which will be considered are:

The extent to which proposed activities complement or support similar activities funded by other donors, the UNTAC program, and other USG-funded activities.

The extent to which proposed activities meet an identified need which is currently not addressed by UNTAC, other donors, or the USG.

USAID/Cambodia managerial capacity.

Cambodian absorptive capacity.

Final funding decisions will be made by the USAID/Cambodia Representative.

B. Project Inputs and Outputs

Inputs:

The project inputs will be technical assistance and training personnel for each of the project components.

Outputs:

The outputs of the project will be grants to non-governmental organizations to undertake a variety of activities which are conducive to democracy. Specific outputs for each grant will be defined in grant documents. Illustrative potential outputs are:

- an increased number of political parties able to effectively organize, compete in elections, and participate in the process of governance;
- an increased percentage of people in targeted areas aware of their rights, and able to actively seek protection of such rights;
- improved understanding of the process of elections and civic responsibilities among target groups;
- an increase in the number of trained legal professionals and para-legal personnel;
- enhanced understanding of legislative models and drafting of legislation in selected substantive areas;
- a selected number of community leaders trained in community development and organizational management;
- an increase in the number of indigenous non-governmental organizations able to function effectively and implement

participatory activities; and

- an increase in the number of Cambodian media professionals able to cover events and report in a non-partisan manner.

C. Project Management

The project will be managed by a project management team consisting of a project manager, an assistant project manager, a community outreach and liaison specialist and a secretary/administrative assistant. Such project management staff will be contracted using technical support funds, rather than project funds.

As the project will form part of the overall USG Mission strategy on democracy and governance, it is proposed that a country team project committee comprising members of the Embassy and USIS, as well as USAID, be formed. The project committee will meet on a semi-annual basis to review project progress, and ensure that it remains consistent with overall USG policy towards Cambodia.

The project manager will be responsible for on-going liaison with members of the project management committee, and for ensuring that the A.I.D. representative is fully briefed on project progress on a regular basis. The project manager will also be responsible for relations with grantees, and for liaison with other members of the donor community, UNTAC, and other entities involved supporting the development of democracy in Cambodia.

The assistant project manager will be primarily responsible for the in-house tracking of project progress and grant monitoring. He/she will also provide assistance to the project manager and community outreach and liaison specialist on an as-needed basis.

The community outreach and liaison specialist will have primary responsibility for on-going monitoring of project activities and liaison with persons and institutional entities receiving training and technical assistance under the project.

IV. Monitoring, Evaluation and Audit

A. Monitoring

Close monitoring is essential, given the complex nature of the project, in which a number of associated but not interdependent activities will be undertaken in a fluid political climate. Ongoing accurate monitoring of the project will not only enable USAID to adequately understand and report on project progress and impact, but will also facilitate timely amendment should it be decided that funded activities are not achieving their defined

objectives, or need to be altered in the light of changes in the political and economic situation.

On-going project monitoring will be undertaken through a combination of formal meetings and reporting, and informal discussion with Cambodian counterparts, grantees, and technical assistance personnel.

i. Workplans Each grantee funded under the project will complete an annual workplan for each substantive programmatic area, outlining in broad terms the proposed activities to be undertaken. These workplans will be reviewed on a quarterly basis and clearly defined activities to be undertaken during the following three month period will be agreed upon by the USAID project manager and the grantees.

ii. Reports a. Grantees Reports which outline activities undertaken during the period, issues and problems encountered, proposed solutions for addressing problems, and activities scheduled to be undertaken during the next reporting period, will be produced by grantees on a quarterly basis. Grantees will also produce a semi-annual overview report outlining progress and problems encountered, and a financial report indicating planned and actual expenditures by budget line-item.
b. USAID The project manager will produce semi-annual progress and financial reports indicating grant and project status. Progress reports will indicate general progress under each grant and also overall project progress. They will also assess the political situation and the extent to which funded activities remain relevant. Such reports will provide a basis for the country team project committee semi-annual project review.

iii. Consultation While reports will tend to focus on project-specific activities, analysis and discussion of issues and problems faced will facilitate increased understanding of the governance constraints to both project progress and the implementation of reform.

The USAID project manager will meet on a monthly basis with grantees and technical assistance/training personnel to review project progress. USAID concurrence with all grantee-implemented project-funded activities, with the selection of persons to attend training seminars, and with the selection of technical assistance personnel, will be required prior to the commencement of activities or issuance of contractually binding documents.

The USAID project manager or community outreach specialist will also visit project-funded training courses and seminars during the course of the project.

B. Evaluation

In addition to on-going monitoring, the project will be reviewed and evaluated at three stages in order to ensure that it is being implemented in the most cost effective manner, and to facilitate more structured assessment of impact.

A progress review will be undertaken at the end of the first year of project implementation to assess whether the assumptions made during the design process remain valid, and whether substantive areas for funding continue to be appropriate.

More formal mid-term and project close-out evaluations will be undertaken by consultants in conjunction with USAID, the grantees, and Cambodian counterparts. Scopes of work for these evaluations will be prepared by USAID. In addition, each grant will be evaluated by a grantee-contracted team during the course of implementation. USAID may, if desired, appoint a representative to the grantee evaluation teams. Scopes of work for grant-specific evaluations will be prepared by grantees and reviewed by USAID prior to the evaluations being conducted.

The project does not lend itself to standard evaluations or measurement of impact in traditional terms, given that it is intended to facilitate the creation of an enabling environment for sustainable democracy in Cambodia. It will be possible to indicate numbers of people trained, indigenous ngos funded, or technical assistance provided, but such quantitative data will not indicate whether the fundamental changes necessary for the institutionalization of political reforms have taken place.

The evaluations therefore, while taking such information into account, and reviewing project management and technical assistance performance, should also focus on substantive issues such as the security climate, access to the legal system, freedom of information and association, and development of administrative and regulatory frameworks conducive to improvements in governance.

Funds in the amount of $300,000 have been budgeted for the project review and the two evaluations. Contingency funds will be used to supplement this amount should additional funds be required, or the project committee decide that additional evaluations are needed.

C. Audit

Funds are also provided for a close-out project audit. Contingency funds will finance any interim audit deemed necessary during project implementation.

V. Summary of Analytic Considerations

A. Critical Assumptions The following critical assumptions informed the process of analysis:

- The need for flexibility in both the design and implementation of the project, to permit timely amendment and re-allocation of resources if required.
- The project should be based on a clear understanding of the environment and constraints, and unrealistic assumptions of possible achievements avoided.
- Cambodian ownership of the process of political and social change is essential if it is to be sustained.
- Political liberalization will only be sustainable if the institutional capacity to implement reform measures is developed.
- The performance of a post-election government will be crucial to the system of governance adopted and degree of political liberty permitted.
- The basis for democratic participation in Cambodia is extremely fragile, and there is a definite possibility of a return to a more repressive political climate through the process of election.
- Projects dealing with policy reform and political liberalization are extremely management intensive, and require close monitoring.

B. Socio-Political Feasibility

Though not without risk, the project is politically feasible at the present time, in that it is both supportive of the intent of the Paris Agreement and builds on activities undertaken by UNTAC during the period of political transition.

The proposed activities were selected because of their potential for impact within both the institutional and wider socio-political constraints which exist. Although project success cannot be guaranteed, the activities will help to promote an environment conducive to democratic principles and practices.

Both the structure of the project and the emphasis on close monitoring permit flexibility. Resources will be allocated and directed towards activities which have a cumulative impact and which meet clearly defined needs. By focussing on institutional development and capacity building, the project will both address pressing human resource constraints and facilitate ownership of the process of reform.

C. Institutional Capacity

The project is premised on the understanding that, although Cambodia is currently in the process of transition from a period of prolonged civil war and a highly centralized system of governance to a more open and participatory political

environment, it totally lacks the managerial and institutional capacity to implement policy reforms or create an environment conducive to sustainable democracy.

By focussing on the substantive areas of rule of law, political pluralism and development of a non-governmental base for democracy, the project will facilitate the development of the institutional base for reform. Rule of law and a functioning legal system are fundamental to the development of democratic societies. Political pluralism and popular participation in the process of governance need to be developed to ensure that government is responsive to the needs of the populace. Intermediary civil society institutions are necessary to guard against the arbitrary exercise of power.

D. Economic Considerations

While the linkages between economic development and political reform are not clear, it is generally agreed that open political societies, characterized by limited state interference and policies supportive of private sector development, are conducive to broad-based economic growth. In Cambodia, economic reform must be part of the process of political liberalization in order to guard against unrealistic expectations of economic benefits which can accrue from political liberalization. It is also likely that the success of economic reform policies will be a key factor in the sustainability of political reform.

Accountability and transparency of government, together with a reduction of state involvement in the economy will be essential for economic development. In addition, legal and regulatory frameworks and strong governmental policies are required to public sector control corruption and rent-seeking.

VI. Budget

The following is the illustrative financial plan for the project. Actual annual obligations will be made according to project progress and availability of funds.

A. Summary Project Budget

Activity	LOP Funding (US$x000)
Rule of Law	5,500
Political Pluralism	2,600
Non-Governmental Activities	5,000
Evaluation	300
Audit	100
Contingency	1,500

Total:	15,000

B. Projected Annual Obligations

FY 1992	3,000
FY 1993	6,000
FY 1994	4,000
FY 1995	3,000

C. Method of Obligation

Funds will be programmed through grant agreements and amendments to such grant agreements with organizations registered as PVOs with A.I.D.. In accordance with A.I.D. regulations, such PVOs will contribute at least 25 percent of program costs. Funds for evaluation and audit will be obligated directly through competitively awarded contracts or existing IQCs.

VII. Environmental Impact

A categorical exclusion is proposed as activities to be funded under the project will not have a negative environmental impact.

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AGENCY FOR INTERNATIONAL DEVELOPMENT

ADVICE OF PROGRAM CHANGE

COUNTRY:	Cambodia
PROJECT TITLE:	Democratic Initiatives Project
PROJECT NUMBER:	442-0111
FY 1992 CP REFERENCE:	None
APPROPRIATION CATEGORIES:	Education and Human Resources (EHR); Health (HE); Child Survival (CS)
LIFE-OF-PROJECT FUNDING:	$8,000,000 (HE) 4,000,000 (EHR) 3,000,000 (CS) 15,000,000 Total
INTENDED FY 1992 OBLIGATION:	$2,600,000 HE (G) 400,000 CS (G) 3,000,000 Total Grant

This is to advise that A.I.D. intends to obligate $3,000,000 in grant funds this fiscal year for the Democratic Initiatives Project in Cambodia. The FY 1992 Congressional Presentation did not propose any obligations this year. This is a new project designed to support democratic initiatives and processes in Cambodia. The notwithstanding provisions of the Cambodian appropriations in the legislation allow us to use Education and Human Resources, Health and Child Survival funds for these purposes. The Life-of-Project (LOP) funding is $15,000,000.

The purpose is to support institutional development, and to strengthen technical, managerial and leadership capacity to ensure that political and economic liberalization, democratic governance, legislative reforms, an independent judiciary, and popular participation in elections take place in Cambodia.

Attachment: Activity Data Sheet

AGENCY FOR INTERNATIONAL DEVELOPMENT
ACTIVITY DATA SHEET

PROGRAM: Cambodia

CP 81-05 (4-85)

TITLE		FUNDING SOURCE	PROPOSED OBLIGATION (In thousands of dollars)		
Democratic Initiatives Project		EHR; HE; CS	FY 1992 $3,000	LIFE OF PROJECT (Auth.) $15,000	
NUMBER 442-0111 GRANT ☑ LOAN ☐	NEW ☑ CONTINUING ☐	PRIOR REFERENCE None	INITIAL OBLIGATION FY 1992	ESTIMATED FINAL OBLIGATION FY 1996	ESTIMATED COMPLETION DATE OF PROJECT FY 1998

Purpose: To enhance the capacity of Cambodians to develop and implement activities which provide a basis for a sustainable democracy.

Project Description: This project will fund technical assistance and training which focuses on capacity building and institutional development in three substantive areas: (1) rule of law; (2) political pluralism; and (3) civil society, particularly through Non-governmental Organizations (NGOs). This project does not provide for specific support to the United Nations Transitions Authority for Cambodia (UNTAC) nor to the UNTAC-administered elections planned for the Spring of 1993. Rather, project outputs aim at promoting a sustainable peace after these elections by focusing on political liberalization and democratic development. The specific activities to be funded in FY 1992 include a grant to the Asia Foundation to support legal reform, popular participation in governance, strengthening of Non-governmental Organizations, the development of an independent judiciary, and legislative reform in areas such as civil and political rights, and private ownership. In addition, grants will also be made to the National Democratic Institute/International Republican Institute to support activities such as promoting full citizen participation in elections, support for the development of democratic political parties, community and civil awareness, and non-partisan media coverage of elections.

Relationship of Project to A.I.D. Strategy: The objectives of A.I.D.'s assistance in Cambodia are to support the peace process, meet humanitarian needs, and promote free markets and democratic principles. This project will directly contribute to the objective of promoting democratic principles through the provision of technical assistance and training to promote a sustainable democracy.

Host Country and Other Donors: Other donors providing substantial assistance include Japan, Australia, United Nations agencies, the United Kingdom, Holland, and the ASEAN nations.

Beneficiaries: The beneficiaries will be the Cambodian people in the long term by nurturing political pluralism, a democratic society, and Non-governmental Organizations.

Major Outputs: Capacity building and institutional development as related to the rule of law, political pluralism and the strengthening of civil society.

A.I.D.-financed Inputs:	Life-of-Project ($000)
- Technical Assistance	7,500
- Training	7,500
Total	15,000

U.S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1990	0		0
Estimated Fiscal Year 1991	0		
Estimated Through September 30, 1991	0		0
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1992	3,000	12,000	15,000

PRINCIPAL CONTRACTORS OR AGENCIES

To be determined.

DEMOCRATIC INITIATIVES PROJECT
(442-0111)

A N N E X E S

Annex 1	Gray Amendment Alert
Annex 2	Initial Environmental Examination
Annex 3	Statutory Checklist (Country and Project)

ANNEX 1

CERTIFICATION PURSUANT TO UTILIZATION OF
GRAY AMENDMENT ORGANIZATION

I, Lee Twentyman, AID Representative for the Agency for International Development in Cambodia, having taken into account the potential involvement of small and/or economically and socially disadvantaged enterprises, do hereby certify that for technical assistance required from the U.S., every effort will be made to identify a small or disadvantaged firm to provide the assistance. My judgement is based on the recommendations of the Project Review Committee.

LEE TWENTYMAN
A.I.D. Representative
for Cambodia

9/29/92
Date

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INITIAL ENVIRONMENTAL EXAMINATION

(A)	PROJECT COUNTRY:	CAMBODIA
(B)	ACTIVITY:	DEMOCRATIC INITIATIVES PROJECT
(C)	A.I.D. FUNDING:	$15 MILLION
(D)	PERIOD OF FUNDING:	FY 1992 - FY 1996
(E)	STATEMENT PREPARED BY:	THOMAS MARR, ASIA/DR/PD/EA
(F)	ENVIRONMENTAL ACTION RECOMMENDED:	CATEGORICAL EXCLUSION
(G)	ENVIRONMENTAL OFFICER CLEARANCE:	N/A
(H)	AID REP CAMBODIA'S DECISION:	APPROVED _____ DISAPPROVED _____ DATE _____
(I)	DECISION OF ASIA BUREAU'S ENVIRONMENTAL COORDINATOR:	APPROVED M. Peck, ASIA/DR DISAPPROVED _____ DATE 8-10-93

EXAMINATION OF NATURE, SCOPE AND MAGNITUDE OF ENVIRONMENTAL IMPACTS.

A. DESCRIPTION OF PROJECT:
The project will provide approximately $15 million to finance a range of activities undertaken by non governmental entities which conform to three substantive areas: rule of law; political pluralism; and strengthening the non governmental base for democratic initiatives. The emphasis throughout the project is on capacity building and institutional development to address the extremely weak institutional and human resource base which currently exists in Cambodia.

B. Identification and Evaluation of Environmental Impact

Environmental Procedures, 32 CFR 216 discusses applicability of procedures in Section 216.2. In Section 216.2 (c) (2) the following classes of actions may be excluded from the procedures, except to the extent provided herein:

(i) Education, technical assistance, or training programs except to the extent such programs include activities directly affecting the environment (such as the construction of facilities, etc.);

(iii) Analyses, studies, academic or research workshops and meetings;

(xiv) Studies, projects or programs intended to develop the capability of recipient countries to engage in development planning, except to the extent designed to result in activities directly affecting the environment (such as construction of facilities, etc.); and

(xv) Activities which involve the application of design criteria or standards developed and approved by AID.

This project's expected activities fit into these four areas. Therefore, the requirement for an environmental impact statement or environmental assessment does not apply. An Initial Environmental Examination and Threshold Decision to this effect is attached.

C. Activities
Should individual activities to be funded by this project appear likely to have an impact on the environment, the Mission's Environmental Officer will prepare an assessment in accordance with applicable regulations.

II. Recommendation:

A categorical exclusion is proposed as activities to be funded under the project will not have a negative environmental impact.

STATUTORY CHECKLIST

Project Checklist by Ron Briggs

Country Checklist to be done by GC/ASIA, AID/W.

5C(2) ASSISTANCE CHECKLIST

Listed below are statutory criteria applicable to the assistance resources themselves, rather than to the eligibility of a country to receive assistance. This section is divided into three parts. Part A includes criteria applicable to both Development Assistance and Economic Support Fund resources. Part B includes criteria applicable only to Development Assistance resources. Part C includes criteria applicable only to Economic Support Funds.

CROSS REFERENCE: IS COUNTRY CHECKLIST UP-TO-DATE? Yes.

A. CRITERIA APPLICABLE TO BOTH DEVELOPMENT ASSISTANCE AND ECONOMIC SUPPORT FUNDS

1. Host Country Development Efforts (FAA Sec. 601(a)): Information and conclusions on whether assistance will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture, and commerce; and (f) strengthen free labor unions.

Project activities directly promot development with special emphasis on macro economic conditions and the opening of society through legal and political reform.

2. U.S. Private Trade and Investment (FAA Sec. 61U(b)): Information and conclusions on how assistance will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise).

The opening of Cambodian society through political and legal reform will encourage private U.S. investment and trade.

3. Congressional Notification

a. General Requirement (FY 1991 Appropriations Act Secs. 523 and 591; FAA Sec. 634A): If money is to be obligated for an activity not previously justified to Congress, or for an amount in excess of amount previously justified to Congress, has Congress been properly notified (unless the notification requirement has been waived because of substantial risk to human health or welfare)? — Yes.

b. Notice of New Account Obligation (FY 1991 Appropriations Act Sec. 514): If funds are being obligated under an appropriation account to which they were not appropriated, has the President consulted with and provided a written justification to the House and Senate Appropriations Committees and has such obligation been subject to regular notification procedures? — N/A

c. Cash Transfers and Nonproject Sector Assistance (FY 1991 Appropriations Act Sec. 575(b)(3)): If funds are to be made available in the form of cash transfer or nonproject sector assistance, has the Congressional notice included a detailed description of how the funds will be used, with a discussion of U.S. interests to be served and a description of any economic policy reforms to be promoted? — N/A

4. Engineering and Financial Plans (FAA Sec. 611(a)): Prior to an obligation in excess of $500,000, will there be: (a) engineering, financial or other plans necessary to carry out the assistance; and (b) a reasonably firm estimate of the cost to the U.S. of the assistance? — Yes.

5. Legislative Action (FAA Sec. 611(a)(2)): If legislative action is required within recipient country with respect to an obligation in excess of $500,000, what is the basis for a reasonable expectation that such action — N/A

will be completed in time to permit orderly accomplishment of the purpose of the assistance?

6. Water Resources (FAA Sec. 611(b); FY 1991 Appropriations Act Sec. 501): If project is for for water or water-related land resource construction, have benefits and costs been computed to the extent practicable in accordance with the principles, standards, and procedures established pursuant to the Water Resources Planning Act (42 U.S.C. 1962, et seq.)? (See A.I.D. Handbook 3 for guidelines.) — N/A

7. Cash Transfer and Sector Assistance (FY 1991 Appropriations Act Sec. 575(b)): Will cash transfer or nonproject sector assistance be maintained in a separate account and not commingled with other funds (unless such requirements are waived by Congressional notice for nonproject sector assistance)? — N/A

8. Capital Assistance (FAA Sec. 611(e)): If project is capital assistance (e.g., construction), and total U.S. assistance for it will exceed $1 million, has the Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability to maintain and utilize the project effectively? — N/A

9. Multiple Country Objectives (FAA Sec. 601(a)): Information and conclusions whether project will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of, industry, agriculture and commerce; and (f) strengthen free labor unions. — Project goals and purpose is directly related to encouraging the efforts listed here.

10. U.S. Private Trade (FAA Sec. 601(b)): Information and conclusions on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise).

The use of American legal and other expertise under this project will set the standard and encourage continued use of the U.S. as a source of ideas and private assistance.

11. Local Currencies

a. Recipient Contributions (FAA Secs. 612(b), 636(h)): Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized in lieu of dollars.

N/A

b. U.S.-Owned Currency (FAA Sec. 612(d)): Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release?

N/A

c. Separate Account (FY 1991 Appropriations Act Sec. 575): If assistance is furnished to a foreign government under arrangements which result in the generation of local currencies:

N/A

(1) Has A.I.D. (a) required that local currencies be deposited in a separate account established by the recipient government, (b) entered into an agreement with that government providing the amount of local currencies to be generated and the terms and conditions under which the currencies so deposited may be utilized, and (c) established by agreement the responsibilities of A.I.D. and that government to monitor and account for deposits into and disbursements from the separate account?

N/A

(2) Will such local currencies, or an equivalent amount of local currencies, be used only to carry out

N/A

the purposes of the DA or ESF chapters of the FAA (depending on which chapter is the source of the assistance) or for the administrative requirements of the United States Government?

(3) Has A.I.D. taken all appropriate steps to ensure that the equivalent of local currencies disbursed from the separate account are used for the agreed purposes? N/A

(4) If assistance is terminated to a country, will any unencumbered balances of funds remaining in a separate account be disposed of for purposes agreed to by the recipient government and the United States Government? N/A

12. Trade Restrictions

a. Surplus Commodities (FY 1991 Appropriations Act Sec. 521(a)): If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U.S. producers of the same, similar or competing commodity? N/A

b. Textiles (Lautenberg Amendment) (FY 1991 Appropriations Act Sec. 521(c)): Will the assistance (except for programs in Caribbean Basin Initiative countries under U.S. Tariff Schedule "Section 807", which allows reduced tariffs on articles assembled abroad from U.S.-made components) be used directly to procure feasibility studies, prefeasibility studies, or project profiles of potential investment in, or to assist the establishment of facilities specifically designed for, the manufacture for export to the United States or to third country markets in direct competition with U.S. exports, of textiles, apparel, footwear, handbags, flat goods (such as wallets or coin purses worn on the person), work gloves or leather wearing apparel? No.

13. Tropical Forests (FY 1991 Appropriations Act Sec. 533(c)(3)): Will funds be used for any program, project or activity which would (a) result in any significant loss of tropical forests, or (b) involve industrial timber extraction in primary tropical forest areas? — No.

14. PVO Assistance

a. Auditing and Registration (FY 1991 Appropriations Act Sec. 537): If assistance is being made available to a PVO, has that organization provided upon timely request any document, file, or record necessary to the auditing requirements of A.I.D., and is the PVO registered with A.I.D.? — Yes.

b. Funding Sources (FY 1991 Appropriations Act, Title II, under heading "Private and Voluntary Organizations"): If assistance is to be made to a United States PVO (other than a cooperative development organization), does it obtain at least 20 percent of its total annual funding for international activities from sources other than the United States Government? — "Yes, except when Waived"

15. Project Agreement Documentation (State Authorization Sec. 139 (as interpreted by conference report)): Has confirmation of the date of signing of the project agreement, including the amount involved, been cabled to State L/T and A.I.D. LEG within 60 days of the agreement's entry into force with respect to the United States, and has the full text of the agreement been pouched to those same offices? (See Handbook 3, Appendix 6G for agreements covered by this provision.) — N/A

16. Metric System (Omnibus Trade and Competitiveness Act of 1988 Sec. 5164, as interpreted by conference report, amending Metric Conversion Act of 1975 Sec. 2, and as implemented through A.I.D. policy): Does the assistance activity use the metric system of measurement

In its procurements, grants, and other business-related activities, except to the extent that such use is impractical or is likely to cause significant inefficiencies or loss of markets to United States firms? Are bulk purchases usually to be made in metric and are components, sub-assemblies, and semi-fabricated materials to be specified in metric units when economically available and technically adequate? Will A.I.D. specifications use metric units of measure from the earliest programmatic stages, and from the earliest documentation of the assistance processes (for example, project papers) involving quantifiable measurements length, area, volume, capacity, mass and weight), through the implementation stage?	Yes. N/A N/A
17. Women in Development (FY 1991 Appropriations Act, Title II under heading "Women in Development"): Will assistance be designed so that the percentage of women participants will be demonstrably increased?	Yes.
18. Regional and Multilateral Assistance (FAA Sec. 209): Is assistance more efficiently and effectively provided through regional or multilateral organizations? If so, why is assistance not so provided? Information and conclusions on whether assistance will encourage developing countries to cooperate in regional development programs.	No.
19. Abortions (FY 1991 Appropriations Act, Title II, under heading "Population, DA," and Sec. 525):	
a. Will assistance be made available to any organization or program which, as determined by the President, supports or participates in the management of a program of coercive abortion or involuntary sterilization?	No.
b. Will any funds be used to lobby for abortion?	No.

20. Cooperatives (FAA Sec. 111): Will assistance help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward a better life? — No.

21. U.S.-Owned Foreign Currencies

a. Use of Currencies (FAA Secs. 612(b), 636(h)) FY 1991 Appropriations Act Secs. 507, 509): Describe steps taken to assure that, to the maximum extent possible, foreign currencies owned by the U.S. are utilized in lieu of dollars to meet the cost of contractual and other services. — N/A

b. Release of Currencies (FAA Sec. 612(d)): Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release? — No.

22. Procurement

a. Small Business (FAA Sec. 602(a)): Are there arrangements to permit U.S. small business to participate equitably in the furnishing of commodities and services financed? — Yes. The project will follow standard AID procurement processes to obtain technical assistance services.

b. U.S. Procurement (FAA Sec. 604(a)): Will all procurement be from the U.S. except as otherwise determined by the President or determined under delegation from him? — Yes.

c. Marine Insurance (FAA Sec. 604(d)): If the cooperating country discriminates against marine insurance companies authorized to do business in the U.S., will commodities be insured in the United States against marine risk with such a company? — N/A

d. Non-U.S. Agricultural Procurement (FAA Sec. 604(e)): If non-U.S. procurement of agricultural commodity or product thereof is to be financed, is — N/A

there provision against such procurement when the domestic price of such commodity is less than parity? (Exception where commodity financed could not reasonably be procured in U.S.)

e. Construction or Engineering Services (FAA Sec. 604(g)): Will construction or engineering services be procured from firms of advanced developing countries which are otherwise eligible under Code 941 and which have attained a competitive capability in international markets in one of these areas? (Exception for those countries which receive direct economic assistance under the FAA and permit United States firms to compete for construction or engineering services financed from assistance programs of these countries.) — No.

f. Cargo Preference Shipping (FAA Sec. 603): Is the shipping excluded from compliance with the requirement in section 901(b) of the Merchant Marine Act of 1936, as amended, that at least 50 percent of the gross tonnage of commodities (computed separately for dry bulk carriers, dry cargo liners, and tankers) financed shall be transported on privately owned U.S. flag commercial vessels to the extent such vessels are available at fair and reasonable rates? — N/A

g. Technical Assistance (FAA Sec. 621(a)): If technical assistance is financed, will such assistance be furnished by private enterprise on a contract basis to the fullest extent practicable? — Yes.

Will the facilities and resources of other Federal agencies be utilized, when they are particularly suitable, not competitive with private enterprise, and made available without undue interference with domestic programs? — Yes.

h. U.S. Air Carriers (International Air Transportation Fair Competitive Practices Act, 1974): If air transportation of persons or property is financed on grant basis, will U.S. — Yes.

carriers be used to the extent such service is available?

i. Termination for Convenience of U.S. Government (FY 1991 Appropriations Act Sec. 504): If the U.S. Government is a party to a contract for procurement, does the contract contain a provision authorizing termination of such contract for the convenience of the United States? — Yes.

j. Consulting Services (FY 1991 Appropriations Act Sec. 524): If assistance is for consulting service through procurement contract pursuant to 5 U.S.C. 3109, are contract expenditures a matter of public record and available for public inspection (unless otherwise provided by law or Executive order)? — Yes.

k. Metric Conversion (Omnibus Trade and Competitiveness Act of 1988, as interpreted by conference report, amending Metric Conversion Act of 1975 Sec. 2, and as implemented through A.I.D. policy): Does the assistance program use the metric system of measurement in its procurements, grants, and other business-related activities, except to the extent that such use is impractical or is likely to cause significant inefficiencies or loss of markets to United States firms? — Yes.

Are bulk purchases usually to be made in metric, and are components, sub-assemblies, and semi-fabricated materials to be specified in metric units when economically available and technically adequate? — N/A

Will A.I.D. specifications use metric units of measure from the earliest programmatic stages, and from the earliest documentation of the assistance processes (for example, project papers) involving quantifiable measurements (length, area, volume, capacity, mass and weight), through the implementation stage? — N/A

l. Competitive Selection Procedures (FAA Sec. 601(e)): Will the assistance utilize competitive selection procedures for the awarding of contracts, — Yes.

except where applicable procurement rules allow otherwise?

23. Construction

a. Capital Project (FAA Sec. 601(d)): If capital (e.g., construction) project, will U.S. engineering and professional services be used? — N/A

b. Construction Contract (FAA Sec. 611(c)): If contracts for construction are to be financed, will they be let on a competitive basis to maximum extent practicable? — N/A

c. Large Projects, Congressional Approval (FAA Sec. 620(k)): If for construction of productive enterprise, will aggregate value of assistance to be furnished by the U.S. not exceed $100 million (except for productive enterprises in Egypt that were described in the Congressional Presentation), or does assistance have the express approval of Congress? — N/A

24. U.S. Audit Rights (FAA Sec. 301(d)): If fund is established solely by U.S. contributions and administered by an international organization, does Comptroller General have audit rights? — Yes.

25. Communist Assistance (FAA Sec. 620(h)): Do arrangements exist to insure that United States foreign aid is not used in a manner which, contrary to the best interests of the United States, promotes or assists the foreign aid projects or activities of the Communist-bloc countries? — Yes.

26. Narcotics

a. Cash Reimbursements (FAA Sec. 483): Will arrangements preclude use of financing to make reimbursements, in the form of cash payments, to persons whose illicit drug crops are eradicated? — Yes.

b. Assistance to Narcotics Traffickers (FAA Section 487): Will arrangements take "all reasonable steps" to preclude use of financing to or through individuals or entities which we know or have reason to believe have either: (1) been convicted of a violation of any law or regulation of the United States or a foreign country relating to narcotics (or other controlled substances); or (2) been an illicit trafficker in, or otherwise involved in the illicit trafficking of, any such controlled substance? — Yes.

27. Expropriation and Land Reform (FAA Sec. 620(g)): Will assistance preclude use of financing to compensate owners for expropriated or nationalized property, except to compensate foreign nationals in accordance with a land reform program certified by the President? — Yes.

28. Police and Prisons (FAA Sec. 660): Will assistance preclude use of financing to provide training, advice, or any financial support for police, prisons, or other law enforcement forces, except for narcotics programs? — Yes.

29. CIA Activities (FAA Sec. 662): Will assistance preclude use of financing for CIA activities? — Yes.

30. Motor Vehicles (FAA Sec. 636(i)): Will assistance preclude use of financing to provide for purchase, sale, long-term lease, exchange or guaranty of the sale of motor vehicles manufactured outside U.S., unless a waiver is obtained? — Yes.

31. Military Personnel (FY 1991 Appropriations Act Sec. 503): Will assistance preclude use of financing to pay pensions, annuities, retirement pay, or adjusted service compensation for prior or current military personnel? — yes.

32. Payment of U.N. Assessments (FY 1991 Appropriations Act Sec. 505): Will assistance preclude use of financing — Yes.

to pay U.N. assessments, arrearages or dues?

33. Multilateral Organization Lending (FY 1991 Appropriations Act Sec. 506): Will arrangements preclude use of financing to carry out provisions of FAA section 209(d) (transfer of FAA funds to multilateral organizations for lending)? — Yes.

34. Export of Nuclear Resources (FY 1991 Appropriations Act Sec. 510): Will assistance preclude use of financing to finance the export of nuclear equipment, fuel, or technology? — Yes.

35. Repression of Population (FY 1991 Appropriations Act Sec. 511): Will assistance preclude use of financing for the purpose of aiding the efforts of the government of such country to repress the legitimate rights of the population of such country contrary to the Universal Declaration of Human Rights? — Yes.

36. Publicity or Propaganda (FY 1991 Appropriations Act Sec. 516): Will assistance be used for publicity or propaganda purposes designed to support or defeat legislation pending before Congress, to influence in any way the outcome of a political election in the United States, or for any publicity or propaganda purposes not authorized by Congress? — No.

37. Marine Insurance (FY 1991 Appropriations Act Sec. 563): Will any A.I.D. contract and solicitation, and subcontract entered into under such contract, include a clause requiring that U.S. marine insurance companies have a fair opportunity to bid for marine insurance when such insurance is necessary or appropriate? — N/A

38. Exchange for Prohibited Act (FY 1991 Appropriations Act Sec. 569): Will any assistance be provided to any foreign government (including any instrumentality or agency thereof), foreign — No.

person, or United States person in exchange for that foreign government or person undertaking any action which is, if carried out by the United States Government, a United States official or employee, expressly prohibited by a provision of United States law?

D. CRITERIA APPLICABLE TO DEVELOPMENT ASSISTANCE ONLY

1. Agricultural Exports (Bumpers Amendment) (FY 1991 Appropriations Act Sec. 521(b), as interpreted by conference report for original enactment): If assistance is for agricultural development activities (specifically, any testing or breeding feasibility study, variety improvement or introduction, consultancy, publication, conference, or training), are such activities: (1) specifically and principally designed to increase agricultural exports by the host country to a country other than the United States, where the export would lead to direct competition in that third country with exports of a similar commodity grown or produced in the United States, and can the activities reasonably be expected to cause substantial injury to U.S. exporters of a similar agricultural commodity; or (2) in support of research that is intended primarily to benefit U.S. producers? N/A

2. Tied Aid Credits (FY 1991 Appropriations Act, Title II, under heading "Economic Support Fund"): Will DA funds be used for tied aid credits? No.

3. Appropriate Technology (FAA Sec. 107): Is special emphasis placed on use of appropriate technology (defined as relatively smaller, cost-saving, labor-using technologies that are generally most appropriate for the small farms, small business, and small incomes of the poor)? N/A

4. Indigenous Needs and Resources (FAA Sec. 281(b)): Describe extent to which the activity recognizes the parti-

cular needs, desires and capacities of the people of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civic education and training in skills required for effective participation in governmental processes essential to self-government.

This project is based on the recognition that Cambodia has considerable institutio al and human resource needs. To the extent possible, Khmer themselves will be involved as experts and trainers

5. Economic Development (FAA Sec. 101(a)): Does the activity give reasonable promise of contributing to the development of economic resources, or to the increase of productive capacities and self-sustaining economic growth?

Yes.

6. Special Development Emphasis (FAA Secs. 102(b), 113, 281(a)): Describe extent to which activity will: (a) effectively involve the poor in development by extending access to economy at local level, increasing labor-intensive production and the use of appropriate technology, dispersing investment from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using appropriate U.S. institutions; (b) encourage democratic private and local governmental institutions; (c) support the self-help efforts of developing countries; (d) promote the participation of women in the national economies of developing countries and the improvement of women's status;

This project will foste rural and poor persons involvement in the economy and political life, as well as develc skills of Cambodians tc allow them to help themselves. Women and regional institutions are an integral part of the project.

and (e) utilize and encourage regional cooperation by developing countries.

7. Recipient Country Contribution (FAA Sec. 110, 124(d)): Will the recipient country provide at least 25 percent of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or is the latter cost-sharing requirement being waived for a "relatively least developed" country)? N/A

8. Benefit to Poor Majority (FAA Sec. 128(b)): If the activity attempts to increase the institutional capabilities of private organizations or the government of the country, or if it attempts to stimulate scientific and technological research, has it been designed and will it be monitored to ensure that the ultimate beneficiaries are the poor majority? Yes.

9. Abortions (FAA Section 104(f); FY 1991 Appropriations Act, Title II under heading "Population, DA," and Sec. 535):

a. Are any of the funds to be used for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions? No.

b. Are any of the funds to be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations? No.

c. Are any of the funds to be made available to any organization or program which, as determined by the President, supports or participates in the management of a program of coercive abortion or involuntary sterilizaton? No.

d. Will funds be made available only to voluntary family planning projects N/A

which offer, either directly or through referral to, or information about access to, a broad range of family planning methods and services?

e. In awarding grants for natural family planning, will any applicant be discriminated against because of such applicant's religious or conscientious commitment to offer only natural family planning?

N/A

f. Are any of the funds to be used to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning?

No.

g. Are any of the funds to be made available to any organization if the President certifies that the use of these funds by such organization would violate any of the above provisions related to abortions and involuntary sterilization?

No.

10. Contract Awards (FAA Sec. 601(e)): Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise?

Yes.

11. Disadvantaged Enterprise (FY 1991 Appropriations Act Sec. 567): What portion of the funds will be available only for activities of economically and socially disadvantaged enterprises, historically black colleges and universities, colleges and universities having a student body in which more than 40 percent of the students are Hispanic Americans, and private and voluntary organizations which are controlled by individuals who are black Americans, Hispanic Americans, or Native Americans, or who are economically or socially disadvantaged (including women)?

The project will utilize standard AID procurement processes to obtain technical assistance services.

12. Biological Diversity (FAA Sec. 119(g)): Will the assistance: (a) support training and education efforts

The project will provide technical assistance for poli formulation on a variety of topics, including possibly environmental ones.

which improve the capacity of recipient countries to prevent loss of biological diversity; (b) be provided under a long-term agreement in which the recipient country agrees to protect ecosystems or other wildlife habitats; (c) support efforts to identify and survey ecosystems in recipient countries worthy of protection; or (d) by any direct or indirect means significantly degrade national parks or similar protected areas or introduce exotic plants or animals into such areas?

No/

No.

No.

13. Tropical Forests (FAA Sec. 118; FY 1991 Appropriations Act Sec. 533(c)-(e) and (g)):

a. A.I.D. Regulation 16: Does the assistance comply with the environmental procedures set forth in A.I.D. Regulation 16?

The determination with respect to this project and AID Reg 16 is: a negative impact on the environment is not anticipated.

b. Conservation: Does the assistance place a high priority on conservation and sustainable management of tropical forests? Specifically, does the assistance, to the fullest extent feasible: (1) stress the importance of conserving and sustainably managing forest resources; (2) support activities which offer employment and income alternatives to those who otherwise would cause destruction and loss of forests, and help countries identify and implement alternatives to colonizing forested areas; (3) support training programs, educational efforts, and the establishment or strengthening of institutions to improve forest management; (4) help end destructive slash-and-burn agriculture by supporting stable and productive farming practices; (5) help conserve forests which have not yet been degraded by helping to increase production on lands already cleared or degraded; (6) conserve forested watersheds and rehabilitate those which have been deforested; (7) support training, research, and other actions which lead to sustainable and more environmentally sound practices for timber harvesting, removal and processing; (8)

N/A

support research to expand knowledge of tropical forests and identify alternatives which will prevent forest destruction, loss, or degradation; (9) conserve biological diversity in forest areas by supporting efforts to identify, establish, and maintain a representative network of protected tropical forest ecosystems on a worldwide basis, by making the establishment of protected areas a condition of support for activities involving forest clearance or degradation, and by helping to identify tropical forest ecosystems and species in need of protection and establish and maintain appropriate protected areas; (10) seek to increase the awareness of U.S. government agencies and other donors of the immediate and long-term value of tropical forests; (11) utilize the resources and abilities of all relevant U.S. government agencies; (12) be based upon careful analysis of the alternatives available to achieve the best sustainable use of land; and (13) take full account of the environmental impacts of the proposed activities on biological diversity.

c. Forest Degradation: Will assistance be used for: (1) the procurement or use of logging equipment, unless an environmental assessment indicates that all timber harvesting operations involved will be conducted in an environmentally sound manner and that the proposed activity will produce positive economic benefits and sustainable forest management systems; (2) actions which will significantly degrade national parks or similar protected areas which contain tropical forests, or introduce exotic plants or animals into such areas; (3) activities which would result in the conversion of forest lands to the rearing of livestock; (4) the construction, upgrading, or maintenance of roads (including temporary haul roads for logging or other extractive industries) which pass through relatively undegraded forest lands; (5) the colonization of forest lands; or (6) the construction of dams or other water control structures

No.

No.

No.

No.

No.

No.

which flood relatively undegraded forest lands, unless with respect to each such activity an environmental assessment indicates that the activity will contribute significantly and directly to improving the livelihood of the rural poor and will be conducted in an environmentally sound manner which supports sustainable development?

d. Sustainable Forestry: If assistance relates to tropical forests, will project assist countries in developing a systematic analysis of the appropriate use of their total tropical forest resources, with the goal of developing a national program for sustainable forestry? — N/A

e. Environmental Impact Statements: Will funds be made available in accordance with provisions of FAA Section 117(c) and applicable A.I.D. regulations requiring an environmental impact statement for activities significantly affecting the environment? — "No EIS is anticipated to be required."

14. Energy (FY 1991 Appropriations Act Sec. 533(c)): If assistance relates to energy, will such assistance focus on: (a) end-use energy efficiency, least-cost energy planning, and renewable energy resources, and (b) the key countries where assistance would have the greatest impact on reducing emissions from greenhouse gases? — N/A

15. Sub-Saharan Africa Assistance (FY 1991 Appropriations Act Sec. 562, adding a new FAA chapter 10 (FAA Sec. 496)): If assistance will come from the Sub-Saharan Africa DA account, is it: (a) to be used to help the poor majority in Sub-Saharan Africa through a process of long-term development and economic growth that is equitable, participatory, environmentally sustainable, and self-reliant; (b) to be used to promote sustained economic growth, encourage private sector development, promote individual initiatives, and help to reduce the role of central governments — N/A

in areas more appropriate for the private sector; (c) to be provided in a manner that takes into account, during the planning process the local-level perspectives of the rural and urban poor, including women, through close consultation with African, United States and other PVOs that have demonstrated effectiveness in the promotion of local grassroots activities on behalf of long-term development in Sub-Saharan Africa; (d) to be implemented in a manner that requires local people, including women, to be closely consulted and involved, if the assistance has a local focus; (e) being used primarily to promote reform of critical sectoral economic policies, or to support the critical sector priorities of agricultural production and natural resources, health, voluntary family planning services, education, and income generating opportunities; and (f) to be provided in a manner that, if policy reforms are to be effected, contains provisions to protect vulnerable groups and the environment from possible negative consequences of the reforms?

16. Debt-for-Nature Exchange (FAA Sec. 463): If project will finance a debt-for-nature exchange, describe how the exchange will support protection of: (a) the world's oceans and atmosphere, (b) animal and plant species, and (c) parks and reserves; or describe how the exchange will promote: (d) natural resource management, (e) local conservation programs, (f) conservation training programs, (g) public commitment to conservation, (h) land and ecosystem management, and (i) regenerative approaches in farming, forestry, fishing and watershed management. N/A

17. Deobligation/Reobligation (FY 1991 Appropriations Act Sec. 515): If deob/reob authority is sought to be exercised in the provision of DA assistance, are the funds being obligated for the same general purpose, and for countries within the same region as originally obligated, and have the House and N/A

poor to help themselves toward better life, and otherwise encourage democratic private and local governmental institutions; (3) support the self-help efforts of developing countries; (4) promote the participation of women in the national economies of developing countries countries and the improvement of women's status; and (5) utilize and encourage regional cooperation by developing countries?

20. Agriculture, Rural Development and Nutrition, and Agricultural Research [FAA Secs. 103 and 103A]:

a. Rural Poor and Small Farmers: If assistance is being made available for agriculture, rural development or nutrition, describe extent to which activity is specifically designed to increase productivity and income of rural poor; or if assistance is being made available for agricultural research, has account been taken of the needs of small farmers, and extensive use of field testing to adapt basic research of local conditions shall be made.

The project will indirectly assist the rural poor and agriculture.

b. Nutrition: Describe extent to which assistance is used in coordination with efforts carried out under FAA Section 104 (Population and Health) to help improve nutrition of the people of developing countries through encouragement of increased production of crops with greater nutritional value; improvement of planning, research, and education with respect to nutrition, particularly with reference to improvement and expanded use of indigenously produced foodstuffs; and the undertaking of pilot or demonstration programs explicitly addressing the problem of malnutrition of poor and vulnerable people.

The project will indirectly assist with improvement of health and nutrition.

c. Food Security: Describe extent to which activity increases national food security by improving food policies and management and by strengthening national food reserves, with particular concern for the needs

N/A

of the poor, through measures encouraging domestic production, building national food reserves, expanding available storage facilities, reducing post harvest food losses, and improving food distribution.

21. Population and Health (FAA Secs. 104(b) and (c)): If assistance is being made available for population or health activities, describe extent to which activity emphasizes low-cost, integrated delivery systems for health, nutrition and family planning for the poorest people, with particular attention to the needs of mothers and children, using paramedicals and auxiliary medical personnel, clinics and health posts, commercial distribution systems, and other modes of community outreach.

N/A

22. Education and Human Resources Development (FAA Sec. 105): If assistance is being made available for education, public administration, or human resource development, describe (a) extent to which activity strengthens nonformal education, makes formal education more relevant, especially for rural families and urban poor, and strengthens management capability of institutions enabling the poor to participate in development; and (b) extent to which assistance provides advanced education and training of people of developing countries in such disciplines as are required for planning and implementation of public and private development activities.

One component of the project is designed to promote a basic understanding of public administration and th role of the civil servant. Advanced educational opportu ities will be made available to a wide variety of people from diverse backgrounds.

23. Energy, Private Voluntary Organizations, and Selected Development Activities (FAA Sec. 106): If assistance is being made available for energy, private voluntary organizations, and selected development problems, describe extent to which activity is:

a. concerned with data collection and analysis, the training of skilled personnel, research on and development of suitable energy sources, and pilot projects to test new methods of energy

N/A

production; and facilitative of research on and development and use of small-scale, decentralized, renewable energy sources for rural areas, emphasizing development of energy resources which are environmentally acceptable and require minimum capital investment;

b. concerned with technical cooperation and development, especially with U.S. private and voluntary, or regional and international development, organizations; — N/A

c. research into, and evaluation of, economic development processes and techniques; — No.

d. reconstruction after natural or man-made disaster and programs of disaster preparedness; — N/A

e. for special development problems, and to enable proper utilization of infrastructure and related projects funded with earlier U.S. assistance; — N/A

f. for urban development, especially small, labor-intensive enterprises, marketing systems for small producers, and financial or other institutions to help urban poor participate in economic and social development. — Yes.

C. CRITERIA APPLICABLE TO ECONOMIC SUPPORT FUNDS ONLY — N/A

1. Economic and Political Stability (FAA Sec. 531(a)): Will this assistance promote economic and political stability? To the maximum extent feasible, is this assistance consistent with the policy directions, purposes, and programs of Part I of the FAA?

2. Military Purposes (FAA Sec. 531(e)): Will this assistance be used for military or paramilitary purposes?

3. Commodity Grants/Separate Accounts (FAA Sec. 609): If commodities are to be granted so that sale proceeds will accrue to the recipient country, have Special Account (counterpart) arrangements been made? (For FY 1991, this provision is superseded by the separate account requirements of FY 1991 Appropriations Act Sec. 575(a), see 575(a)(5).)

4. Generation and Use of Local Currencies (FAA Sec. 531(d)): Will ESF funds made available for commodity import programs or other program assistance be used to generate local currencies? If so, will at least 50 percent of such local currencies be available to support activities consistent with the objectives of FAA sections 103 through 106? (For FY 1991, this provision is superseded by the separate account requirement of FY 1991 Appropriations Act Sec. 575(a), see Sec. 575(a)(5).)

5. Cash Transfer Requirements (FY 1991 Appropriations Act, Title II, under heading "Economic Support Fund," and Sec. 575 (b)): If assistance is in the form of a cash transfer:

a. Separate Account: Are all such cash payments to be maintained by the country in a separate account and not to be commingled with any other funds?

b. Local Currencies: Will all local currencies that may be generated with funds provided as a cash transfer to such a country also be deposited in a special account, and has A.I.D. entered into an agreement with that government setting forth the amount of the local currencies to be generated, the terms and conditions under which they are to be used, and the responsibilities of A.I.D. and that government to monitor and account for deposits and disbursements?

c. U.S. Government Use of Local Currencies: Will all such local currencies also be used in accordance with FAA Section 609, which requires such local currencies to be made available to the U.S. Government as the U.S. determines necessary for the requirements of the U.S. Government, and which requires the remainder to be used for programs agreed to by the U.S. Government to carry out the purposes for which new funds authorized by the FAA would themselves be available?

d. Congressional Notice: Has Congress received prior notification providing in detail how the funds will be used, including the U.S. interests that will be served by the assistance, and, as appropriate, the economic policy reforms that will be promoted by the cash transfer assistance?