

USAID/Cambodia



RESULTS REVIEW AND RESOURCE REQUEST

FY 1997

May 8, 1996



UNITED STATES AGENCY FOR
INTERNATIONAL DEVELOPMENT
PHNOM PENH, CAMBODIA
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May 8, 1996

Ms. Margaret Carpenter
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United States Agency for International Development
Room 6212 NS
Washington, D.C.

Dear Margaret:

As you know, the elections of 1993 closed an era of war and destruction that began in 1970 with the Lon Nol coup. The following years included the brutal Khmer Rouge regime (1975-1979) that murdered or starved 1-2 million Cambodians, and the installation of a communist government with support from Viet Nam.

The successful election of 1993, which few predicted, resulted in the establishment of a coalition government that represents all political parties elected to the parliament. This fragile coalition has survived to date and has initiated a process of social and economic development in a Cambodia which lacks both physical and institutional infrastructure needed not only for an economy, but for a sound development strategy.

Cambodia is a classic example of a "failed state" and, in fact, it is one of the earliest attempts of the Agency to help to rebuild a "shattered society". In this respect, the USAID/Cambodia program offers an opportunity to learn how assistance to such societies can be most effectively provided for political and economic rehabilitation and the reconstruction of essential infrastructure at national and particularly at community levels.

Since opening a USAID office in 1992 and following the successful 1993 elections, we have helped to re-start the rural development process. We have done so through the provision of schools, health facilities and services, water supply, small scale credit and various community development services. We have relied heavily, far more than other USAID programs, on our NGO partners to deliver these services, construct facilities and train and organize rural communities to undertake future development tasks. As this report shows, our efforts have been successful in producing significant development results.

Starting in 1995, our program strategy began to evolve as social and economic stability gradually gained ground. We are giving greater attention to strengthening linkages between our NGO partners and the Government's newly established Ministries. We see this as important now for maximizing, to the fullest extent possible, Cambodia's very limited financial and human resources, and for the future in building a lasting partnership where the capabilities of the Government and the NGO's are complimentary, rather than competitive. While analyzing the long-term development requirements of Cambodia, we also recognize that while warfare continues, the country's transition to full normalcy is still underway.

Our revised objectives presented in this report are first steps toward a sustainable development program while remaining consistent with our approved strategy. These objectives accurately portray those areas where we have greatest opportunity for forwarding the development of Cambodia, democracy and the rule of law, primary education and health service delivery. Our special objectives are areas where we now are exploring future directions of the program, particularly in rural development and support for private sector-led growth. While we pursue our objectives over the next few years, Cambodia will be facing an important challenge. The 1997 and 1998 elections will be a critical test of the progress the country has made thus far toward becoming a truly democratic nation.

While this R4 shows our program making a definite contribution, Cambodia itself is making significant economic progress with annual growth at 5-7 percent with inflation remaining very low. Key sectors of the economy are experiencing real growth for the first time in many years.

This progress will ultimately be the solution to Cambodia's current problems. Tangible improvements in the standard of living of people, particularly in rural areas, is the most likely means for persuading the remaining Khmer Rouge forces to stop fighting and join the development process. The challenge USAID faces is assuring that it advances the peace process to the best of its abilities and resources, while also contributing to the nation's sustainable development.

In order to meet that challenge the Mission will need to move forward quickly with the further development and refinement of the strategy you will see introduced in this R4. It will begin the transition to a full service Mission to support refocused strategic objectives. There are decisions needed by the Mission in order to accomplish this and we look for the opportunity to discuss them and reach conclusions on them with the Bureau. In summary these are the issues we would like to see addressed and the recommended actions approved:

- The Mission has presented a "snapshot" look at the refined strategy unfolding for U.S. assistance efforts in Cambodia.

This Strategy is not final and we are not seeking approval for it at this time. However, the Mission would like the Bureau to indicate its concurrence with the direction in which the strategy is evolving.

- The current approved development strategy for Cambodia runs through FY 1997. In the R4 document the Mission has introduced a refocused strategy which better reflects the manageable interests of the Mission and better defines the objectives the Mission seeks to achieve. The R4 proposes a December 1996 submission for this refined strategy followed by a USAID/W review and approval in early 1997. The Bureau and the Mission need to agree on a timetable for submission and approval of the strategy
- FY 1996 OYBs are now being formulated and USAID/Cambodia will soon have to begin obligating funds for this fiscal year. As the development strategy and strategic objectives are being refined from the broader currently approved version, the Mission would prefer to begin allocating resources against, and be held accountable for, the better clarified results evolving in the strategy as laid out in this R4. With Bureau concurrence on the direction and agreement on the presentation of a revised strategy, the Mission would like to allocate FY 1996, and as necessary, FY 1997, resources on the basis of the tentative Results Framework presented in the R4. In the Rural Development and Human Resource Development areas, we will not have developed the framework before the end of August. In these cases, we request AID/W approval to obligate FY 96 funds in a Strategic Objective agreement prior to approval of a full strategy for these areas.
- Staffing considerations are critical to the achievement of results in the coming Management Contract. In the R4 we have presented some staffing needs without which we cannot reasonably expect to reach the objectives we are setting. Three PSC positions are now causing serious concern for our implementation success. We need immediate approval for a USPSC democracy and governance elections advisor, and a USPSC primary education advisor and a child survival advisor. We will also need to get the PSC position for a performance monitoring specialist cleared quickly to allow us to develop an effective monitoring program to track and report on results in the next cycle.
- With the decision to make USAID/Cambodia a full service Mission and the concurrent decision to close the RSM/EA an urgent decision is needed on U.S. direct hire staffing. The contracting workload continues to grow and will remain a major workload for years to come. A USDH Contracting Officer is needed in Phnom Penh. In order to take over financial management responsibilities we must get a USDH Controller assigned in the near future to begin developing that

capability. Likewise, a USDH Executive officer is warranted given the support requirements of this growing Mission.

- Decisions will also be needed on the evolving roles for existing positions, the use of IDIs and TCN support.
- Lastly we will need to get Bureau approval to expand the existing office space and upgrade the computer hardware systems of the Mission.

I look forward to a productive R4 review the week of May 27-31.

Sincerely,

Joseph B. Goodwin
USAID Representative
Cambodia

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ACRONYMS

AAFLI	Asian-American Free Labor Institute
ABA	American Bar Association
ADB	Asian Development Bank
AIDS	Acquired Immune Deficiency Syndrome
AIDSCAP	AIDS Control and Prevention Project
ANE	Asia/Near East Bureau
BASICS	Basic Support for Institutionalizing Child Survival
CA	Cooperating Agency
CAPE	Cambodian Assistance to Primary Education
CARD	Council on Agriculture and Rural Development
CDC	Council for the Development of Cambodia
CEMP	Cambodian Environmental Environment Process
CEPPS	Consortium for Elections and Political Process Strengthening
CLRD	Center for Legal Research and Documentation
CMAC	Cambodian Mine Action Center
COFFEL	Coalition for Free and Fair Elections
DHF	Dengue Hemorrhagic Fever
EU	European Union
FHABS	Family Health and Birth Spacing Project
FOB	Faculty of Business
FPIA	Family Planning International Assistance
GBTP	Georgetown Business Training Program
GDP	Gross Domestic Product
GU/CIED	Georgetown University/Center for Intercultural Education and Development
HIV	Human Immuno-Deficiency Virus
HKI	Helen Keller International
IDI	International Development Intern
IHRLG	International Human Rights Law Group
IR	Intermediate Result
KFW	Kreditanstalt für Wiederaufbau (German Loan Program)
KR	Khmer Rouge
LICADHO	Cambodian League for the Promotion and Defence of Human Rights
MAFF	Ministry of Agriculture, Forestry and Fisheries
MOE	Ministry of Environment
MOEYS	Ministry of Education, Youth and Sports
MOH	Ministry of Health
MRD	Ministry of Rural Development
MSALVA	Ministry of Social Affairs, Labor and Veterans Affairs
NEAP	National Environmental Action Plan
NGO	Non-Governmental Organization

NPH	National Pediatric Hospital
PACT	Private Agencies Collaborating Together
PHN	Population, Health and Nutrition
PSC	Personal Services Contract
PSI	Population Services International
RCG	Royal Cambodian Government
RoL	Rule of Law
RSM/EA	Regional Support Mission East Asia
SEATS	Family Planning Service Expansion and Technical Support II
SO	Strategic Objective
SpO	Special Objective
TAF	The Asia Foundation
TCN	Third Country National
UNDP	United Nations Development Program
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNTAC	United Nations Transitional Authority in Cambodia
USAID	United States Agency for International Development
USDH	United States Direct Hire
USF	University of San Francisco
VDC	Village Development Committee
WHO	World Health Organization
WIP	Women in Politics Program

I. FACTORS AFFECTING OVERALL PROGRAM PERFORMANCE

A. The Cambodian Context

Cambodia is a predominantly agricultural society with 85 percent of the estimated population living in rural areas. Agriculture contributes about half of Cambodia's GDP. Crops account for 30 percent of GDP; livestock 15 percent; and fisheries and forestry 5 percent. Productivity is certainly rising, especially compared to 1980 levels. Agricultural productivity, however, remains quite low for the region (1.3 tons per hectare rice yields versus 3.0 tons in neighboring countries). This low productivity is due to many factors, including the deterioration of irrigation infrastructure, the significant amount of land out of production due to land mines and the near total absence of research and extension services.

Almost half of the population is under 15 years of age. The gender ratio is skewed because of male deaths due to war. The killing and starvation of the 1975-79 Khmer Rouge period distorted the ratio of males to females in the population. This has been gradually returning to normal with women now estimated to constitute to be 53 percent. However, women still head roughly one-third of all households.

Cambodia's social infrastructure ranks at or near the bottom for Asia. In rural areas access to safe drinking water is limited. The ratio of wells to population is very low, causing many in the rural areas to resort to polluted water sources, including rivers and open catchment pools which are contaminated. As a consequence, the incidence of water-borne diseases is high, and health conditions in Cambodia are among of the worst in the world.

Infant mortality is 118 per 1,000 births, and maternal mortality is estimated to be as high as 800 per 100,000 births. The child mortality rate is over 18 percent. Acute respiratory infections and diarrheal diseases are major childhood killers. For adults, the chance of death from malaria and tuberculosis are very high: approximately 40,000 cases of TB occur every year and malaria kills an estimated 10,000 people annually. The incidence of HIV/AIDS infection in various groups is growing rapidly and the country is on the threshold of a major epidemic.

The education system was virtually destroyed during the Khmer Rouge (KR) period of 1975-79. Despite efforts to improve the system in the 1980s, qualified teachers are in short supply and budgetary shortfalls perpetuate low-quality education. The result is high failure rates, high grade repetition and high dropout rates. Many rural schools are in a state of disrepair and the number of classrooms has not increased to match the growing school-age population.

The security situation in the country is variable, with the north and northwest areas still affected by the KR. The on-going war has resulted in major population displacements, with internally displaced people estimated to number between 80,000 and 120,000 people.

In spite of these constraints, progress is being made in Cambodia.

B. The Enabling Environment

The Cambodian economic and political situation during the last year has been mixed but positive overall. The economy grew at an estimated rate of 5.5 percent in 1995, and inflation dropped from 26.1 percent in 1994 to 3.5 percent in 1995. The projected growth in 1996 is 7-8 percent in real growth with continued low inflation. The Government made significant headway in reducing the budget deficit in 1995 and expects further progress in 1996: the \$183.0 million deficit in 1995 is projected at \$98.0 million in 1996. Moreover, the 1996 budget passed in December 1995 records increases in budget allocations for health (65 percent), agriculture (26 percent) and education (8 percent). Equally significant, military expenditures decreased.

Foreign investment is increasing, especially Chinese, with much of it going into hotel construction, logging, textile and garment factories. Hotel construction stems from the increasing number of foreign visitors - 220,000 in 1995, a 24 percent increase over 1994. The logging investment is in response to controversial concessions to large foreign logging firms in 1995. In the case of garments, exports to the 26 countries with which Cambodia has Generalized System of Preferences increased ninefold to a level of \$26.4 million in 1995. Cambodia's agricultural sector recovered in 1995 from the drought and floods of 1994 to produce a national rice surplus for the first time in 25 years. Discussions to export up to 120,000 tons of rice in 1996 are underway.

With the growth in the economy and foreign investment, the pronounced shortage of qualified local personnel is a widespread problem which is receiving increasing attention. The shortage is due to the killing of most educated, trained people by the Khmer Rouge and the prolonged inadequacy of the education system. In February, First Prime Minister Prince Ranariddh called for the establishment of an advisory council, with representatives from the public and private sector, to recommend a course of action concerning human resource development.

On the political front, the coalition government continues to function, although with increased tension. The need to develop plans for the 1997 local and 1998 national elections is slowly being recognized as a priority, and very preliminary discussions with donors are underway. The lack of a political party law has led to delays in registering new political

parties. The exile of Prince Sirivudh, following charges that he plotted to kill Second Prime Minister Hun Sen, caused a temporary political crisis that has diminished.

The conflict between the Royal Cambodian Government (RCG) and the KR continues. With the end of the 1996 dry-season offensive, the RCG will now go on the defensive and attempt to hold the territory gained. During the past year, the KR have been weakened by the loss of territory and continued defection of soldiers and their families: over the past 18 months an estimated 5-6,000 soldiers and dependents have defected from the KR. While keeping up military pressure on the KR is important, the treatment of returnees will be equally important for victory over the KR and the normalization of the Cambodian countryside.

The best bet for a long-term solution is a successful returnees program to help re-settle former KR soldiers combined with military pressure. The past and on-going conflict has left Cambodia with one of the worst land mine problems in the world. Across the country, agricultural land lies idle because of the mines, and thousands of Cambodians are victims of these land mines with an estimated 150 new casualties added each month.

C. Factors Affecting Program Impact

At present, Cambodia is appropriately classified as a nation in transition. The Mission believes such a classification should be maintained until after the 1998 national election, at which time, the issue should be revisited. Cambodia presently has a fragile political institution that needs time, patience and support (financial and technical). The KR threat, while greatly diminished, still exists.

Over the past three years the Mission's program has focused on activities supporting the rehabilitation of infrastructure, the strengthening of democracy and the implementation of community development programs that address basic human needs in rural areas. These activities were essential to provision of rapid assistance for a nation emerging from a 23-year period of war that retained very limited capacity to design or implement programs.

With the emergence of the coalition government, and the establishment of a functioning government, the Mission has initiated new activities designed in close collaboration with the RCG to address longer-term priorities. Two such projects are the Primary Education Activity and the Maternal Child Health Program (which incorporates the FHABS project). Both activities began this year following extensive dialogue with relevant ministries and the full cooperation of the RCG.

The reengineering process has also led the Mission to revisit its three strategic objectives. We found that the fit between the objectives and our activities suggested a re-structuring of the program. To strengthen program impact, we have undertaken assessments in several areas and propose to do several more in the June-August 1996 period. We have completed assessments and reviews in the rule of law and maternal child health areas. These reviews have been used to set priorities and redirect Mission resources in these areas.

In the Action Plan submitted in 1995, the Mission proposed a major new program in Governance that would have directed more resources to promote the development of a legal and regulatory framework for private sector development and economic growth. After preliminary analysis of the situation and associated Mission staffing and financial resources required, the Mission decided that a major thrust in this area was not viable.

As part of the restructuring, the Mission has identified rural development as a potential new Strategic Objective, but will use the months of June - August 1996 to undertake the analysis required to shape and define the strategy. Likewise, human resource development has been identified as a potential special objective, but we will need to engage in further analysis and dialogue to reach a final decision on the shape and direction of this effort.

As part of the process, we propose to elevate primary education to the Strategic Objective level and drop the former Strategic Objectives of Economic Growth and Basic Needs. These actions will, we believe, lead to a more sharply focused, results-oriented program. A central piece missing from the process has been the inability of the Mission to get Washington approval for adding a USDH or PSC position to direct our proposed performance monitoring program, thus limiting the Mission's ability to track results more systematically. Section III will discuss this process and Annexes will provide details of the assessments.

Central to the Mission's ability to implement its future program is the need to reach agreement on the staffing. This R4 review must result in mutual agreement on the staffing issue. In particular, the implication of the USAID/W decision to make Cambodia a full Mission must be explored and agreement reached following this R4 review on an overall staffing plan and a tentative schedule to fill that plan. These items are discussed in Section IV.

II. PROGRESS TOWARD STRATEGIC OBJECTIVES

The ANE Bureau approved three Strategic Objectives in our 1995-1997 Action Plan. In approving USAID/Cambodia's strategy and its objectives, the ANE Bureau recognized the special political circumstances under which USAID/Cambodia's program operates, and the evolving nature of the program. While acknowledging the importance of managing for

results, the Mission at that time was not in a position to comply fully with Agency programming requirements - given limited Mission staffing and conditions in Cambodia - for a firm commitment to specific program outcomes and associated indicators of progress and achievement. Instead, these very broad objectives were intended to encompass the range of possible activities which might be supported by USAID over the FY 1995 - 1997 period. Correspondingly, under each of these objectives, various potential program outcomes and associated indicators were cited as "illustrative performance indicators for project level outcomes that might make sense under Cambodian conditions, if sufficient resources were available." (USAID/Cambodia Action Plan, May 1, 1995, A-2).

These strategic objectives (SOs) were:

Strategic Objective 1: To reinforce democratic gains by further strengthening the capabilities of public interest NGOs, processes and institutions and to strengthen Cambodia's capacity to govern by helping to establish legal, regulatory and judicial systems.

Strategic Objective 2: To promote sustainable broad-based economic growth by helping to establish an outward-looking market oriented policy framework.

Strategic Objective 3: To help increase access to basic family services supporting programs and policies which help to assure that rural citizens and vulnerable groups have this access and can participate in economic growth.

USAID/Cambodia's activities to date have remained totally consistent with the approved strategy and objectives. Over the past year, USAID has made excellent progress in regards to SOs 1 and 3. Significant progress has been made regarding the economic growth component of Strategic Objective 2. However, in early FY 1995, given staffing constraints and the activities of other donors in the policy area, the Mission decided to focus on economic growth and to make the policy agenda a secondary priority. The Mission has not ignored the policy issues effecting Cambodia, but has instead focused its assistance in those areas which most affect our current and future programs in agriculture and rural development, human resources development and the environment. The policy programs that the Mission has begun will become part of specific Special Objectives (SpOs).

We are using Program Outcomes following the nomenclature used in last years Action Plan, Annex A. Given that specific indicators with targets were not established last year, we have combined the Summary of Data and Analysis sections as Results and Importance of Accomplishments below.

STRATEGIC OBJECTIVE 1: To reinforce democratic gains by further strengthening the capabilities of public interest NGOs, processes and institutions and to strengthen Cambodia's capacity to govern by helping to establish legal, regulatory and judicial systems.

A. RESULTS AND IMPORTANCE OF ACCOMPLISHMENTS

Participatory democracy and a pluralistic political system are little understood concepts to Cambodia's political culture and history. Consequently, the vast majority of Cambodians have little understanding or appreciation of the basic requirements for a participatory democratic society, such as civic responsibilities, the importance of voting or acceptance of diverse opinions about public issues.

Until the 1970 coup, Cambodia had been a monarchy. Subsequent governments until 1993 were far from democratic. From 1953, when Cambodia achieved independence, until 1993, a total of four elections were held. Beginning in 1970 the country experienced over two decades of prolonged political strife, economic disruption and social and cultural disintegration. This included the radical re-engineering of Cambodia's economic, social and political systems by the KR which decimated the educated population, abolished basic institutions (including the education system) and destroyed essential infrastructure. It is the people who survived or grew up during this period of tremendous social upheaval and totally authoritarian leadership who now are being exposed for the first time to democratic concepts and processes. The 1993 elections, sponsored by United Nations Transitional Authority (UNTAC), constituted for many the first opportunity in their lives to participate in an open democratic process.

USAID assistance has been instrumental in establishing a number of new processes, as well as strengthening key organizations and NGOs critical to the achievement of this SO. Without USAID assistance, it is apparent that many of today's nascent human rights groups and NGOs would not have survived. USAID assistance has also been critical to laying the groundwork for permanent legislative and judicial processes.

Progress has been made towards USAID's SO of establishing democratic institutions and strengthening Cambodia's capacity to govern. This includes the provision of services promoting the rule of law in such activities as legal education; National Assembly strengthening; improving the provincial court system; extending human rights information and services throughout the country; and supporting NGOs advocating free, fair and timely elections.

Over the past year, the Mission conducted an extensive review of its on-going Rule of Law (RoL) activities, their objectives, the priority needs of Cambodia and the comparative strengths of USAID in the area of democracy and governance (D/G). This review culminated in a five-week, independent assessment of the RoL program, concluded in March 1996, and covered the activities of USAID's major D/G grantees.

The RoL Assessment Team suggested a revised framework focusing on four Intermediate Results (IRs) and recommended that a broader range of institutional development and law revision efforts be deferred pending more fundamental systemic changes. Moreover, IRs should be "ratcheted" downwards to reflect what can be accomplished over the next several years and avoid dispersing efforts too widely. Accordingly, the revised RoL component of this SO will now be more narrowly focused on improving judicial performance and respect for human and legal rights in the criminal justice area and on creating an inherent capacity in human rights advocacy, education and monitoring.

The need for more donor coordination was also cited, in light of potential problems resulting from duplicative, parallel and competitive efforts. This is especially important now that the RCG is preparing its own plan for donor assistance.

PROGRAM OUTCOME 1.A: Establishment of an institutional framework for national elections, to be contested by viable political parties.

Since the 1993 elections, USAID has worked with Cambodian human rights NGOs in a low-key education program that emphasizes the importance of democracy, including free and fair elections. In late 1995 our activities moved to support the creation of an election framework for the 1997 local and 1998 national elections. While an institutional framework for elections has not been finalized nor election dates set, members of the NGO community are participating in the process. NGOs funded in large part by USAID have accomplished the following:

. . . Public endorsement by the top officials in the RCG of the principles leading to free and fair elections. . .

The USAID grantee, the Asia Foundation (TAF), in conjunction with its sub-grantee the Khmer Institute of Democracy and the Konrad Adenauer Foundation, worked with the Cambodian Ministry of Interior to sponsor a major election seminar in October 1995 on Electoral Systems and Administration. At the seminar, the Acting First Prime Minister endorsed a free election process; the Second Prime Minister, taking the lead in election planning, outlined a preliminary election framework that included 11 principles for free and

fair elections. These principals have been widely accepted by all and have formed the basis for the continuing election discussion.

. . . The Coalition for Free and Fair Elections (COFFEL) – a forum for 46 NGO organizations – is formed and meets weekly to discuss its role and lobby for involvement in the upcoming elections . . .

COFFEL was formed spontaneously by the Cambodian NGO community at its own initiative. The growing membership indicates the serious attention being paid by NGOs to the upcoming elections and their interest in playing an active role in the process. To date, COFFEL has lobbied the RCG to move ahead on implementation of the election law and framework, while also working to coordinate and utilize all member's activities around the election process. Three of the five leading human rights NGOs in COFFEL receive core funding from USAID.

PROGRAM OUTCOME 1.B: A legislative process that is better coordinated, more responsive to the expressed needs of the electorate, and a National Assembly which functions more independently and effectively.

The National Assembly is in its formative stages following its creation only three short years ago. In a country where there is no democratic tradition, the concept of a representative legislative body that plays a real role in the policy-making process is new and unfamiliar. Those elected as deputies have little or no legislative experience, but are expected in the eyes of the people and international community to forge an active role for themselves and the National Assembly as an institution. Most legislative bodies in the world operate to a large degree on precedents, which over time become institutional tradition. With no such well of tradition from which to draw upon, these formative years are a crucial time for the Assembly as it establishes its own precedents and identity.

. . . Creation and operation of a Center for Legal Research and Documentation (CLRD) which allows the National Assembly to play a greater role in the policy-making process.

USAID, in an effort to strengthen the performance of the new National Assembly, has provided funding to TAF for the creation of CLRD. The CLRD was formed to provide National Assembly members with easy access to information and legislative services. To date, this assistance has included legislative analyses of 22 draft bills and establishment of a data base containing all Cambodian laws, decrees and sub-decrees. The provision of legislative analyses and access to technical expertise and information through the CLRD has

resulted in a better understanding of the laws, more substantial debate about the laws and final passage of better constructed laws.

For example, the structure of the gambling law that was enacted during the October 95 - January 96 session was revised by the executive branch following changes proposed by the CLRD. The changes made the law more logical and easy to understand, with areas for ambiguity minimized. More recently, the Public Enterprise Law, to be voted on in the upcoming National Assembly session, has also undergone changes following a joint review effort that included the American Bar Association (ABA) and the CLRD. Members from both organizations met with the chairman of the Finance and Banking Commission (the Commission debating the bill) to review, clause by clause, the entire law. A number of suggestions were recommended, including several pertaining to the legal structure for the establishment of quasi-state enterprises, clarification of terminology resulting from translations, and a reduction in inconsistencies. The chairman returned the revised bill to the executive branch, and a second draft law containing a number of the recommendations is now at the National Assembly for debate.

PROGRAM OUTCOME 1.C: Increased access to legal, regulatory and judicial organizations providing services that are perceived as more transparent, predictable, effective and fair.

During the past 20 years the Cambodian legal system has borne the impact of successive authoritarian regimes. At the end of the KR period it was believed that as many as 80% of the legal experts and lawyers had died of torture, starvation or disease. Under the Vietnamese system the judiciary was controlled by the Communist Party. Basic democratic principles such as an independent judiciary, a system of checks and balances and a vigorous independent private bar association are not found within the Cambodian judicial system. With USAID assistance to NGO grantees, progress has been made in 15 out of 21 provinces toward improving access to higher quality judicial and legal services.

. . .Acceptance of the Public Defender's role in court proceedings, as well as a demand created among courtroom staff and clients . . .

The USAID-funded NGO, International Human Rights Law Group (IHLRG) has currently trained 25 paralegal public defenders to give legal council to poor defendants in approximately five provincial courts and the Phnom Penh area. Their work during the past two years has helped reinforce the often ignored concept of "innocent until proven guilty," reduced the number of prisoners awaiting trial, introduced the concept of bail as well as a minimum prison sentence (as opposed to always imposing the maximum). In cases involving

defenders, the overall acquittal rate is now 34 percent. Public Defenders who know the law, and are willing to speak up in court on behalf of the silent poor, are making a difference.

. . . Court proceedings are improved and policies resulting in a more efficiently run courtroom are being implemented . . .

USAID is supporting a nationwide effort to work with the legal system through the provincial courts. The program includes training and mentoring of judges, prosecutors and clerks in 15 of 21 provinces through the long-term placement of resident advisors at the provincial court level. This assistance, from the IHRLG, has included training in numerous areas of law and court administration. Policies aimed at reducing the length of pretrial detention have been introduced in conjunction with efforts to enforce the Government's current ruling which allows for no longer than six months of pretrial detention. With the conclusion of the first 15 months of the project, changes are taking place. Judges have now begun instituting such practices as pretrial bail and acquittals for coerced confessions or faulty evidence.

. . . Expand access to legal training and knowledge . . .

To narrow the vast gap in local legal knowledge following two decades of KR and communist rule, USAID is supporting legal training and courses for lawyers and university students, and continuing education courses at the Faculty of Business (FOB) at the University of Phnom Penh and other sites in Phnom Penh. Assistance from the University of San Francisco (USF) is enabling more than 1,000 students to take legal courses at the FOB. As part of a process of building a pool of Khmer full- and part-time faculty, 20 Khmer have received a year of legal training, including six months of course work in San Francisco.

. . . Greater professionalism within Cambodia's legal community . . .

USAID is actively involved in providing advanced legal training for 42 individuals who, at the conclusion of the course, will be eligible to take the Cambodian Bar examination. These courses are being conducted through USAID-funded NGOs - the USF and the American Bar Association (ABA) - in conjunction with the Bar Association of the Kingdom of Cambodia (BAKC) which was established in October 1995. This training is also providing the basis for converting the public defenders to lawyers. In addition to legal training, USAID is also providing financial support through the ABA for the institutional development of the BAKC, practical training for 12 new lawyers in the courtroom setting and the establishment of a legal library that will be accessible to the general legal community.

The ABA is also actively involved in providing legal guidance and technical assistance to modernize Cambodia's legal system, specifically, its commercial and business laws. At the request of the Minister, a long-term advisor has been placed in the Ministry of Commerce to assist in drafting a comprehensive commercial code. A third code - Business Organizations - is currently before the National Assembly and is scheduled for discussion in August 1996. The legislation comprising the Commercial Code is crucial to the future business community of Cambodia and, once approved, should act as a further incentive to attract international investors.

PROGRAM OUTCOME 1.D: Increased access to, and tolerance of, public information, including that provided by all elements of the media.

Cambodia has not enjoyed the tradition of a free and independent media, nor has it had the opportunity to develop a cadre of professional journalists able to provide accurate and fair reporting. The free flow of information was severely restricted by colonial administrators. In the post-independence era, efforts to develop a more open press were impeded by lingering colonial attitudes and values toward the media. By the late 1950s, the official governmental response was to ban publications; unofficially, members of the press were intimidated through beatings, imprisonment and assassination. By 1961, most opposition newspapers were banned leaving only an "official press." Journalists and editors were primary candidates for execution under the Khmer Rouge and few survived those four years. During the State of Cambodia, the Vietnamese were successful in building a media in the image of a state-controlled organ with no possibility for the expression of alternative views. With the Paris accords, press freedom became more widespread and approximately 42 newspapers are now operational.

. . . An increased professionalism of Cambodia's nascent media . . .

USAID is working to establish greater professionalism of the media through its support of the country's two main journalist associations and the introduction of a journalism class at the University of Phnom Penh. The most marked area of improvement lies in increased professional skills of the journalists, accomplished through training and mentoring. Journalists and editors are beginning to understand the difference between "fact versus rumor" and the need for objective reporting rather than political party allegiance. The result has been higher quality articles, resulting in an increased number of higher quality newspapers now available in Cambodia.

As in western democracies, however, sensational stories sell papers, and local editors must balance between what constitutes "good journalism" versus what constitutes good economic

sense. Work is continuing in this area to improve standards with the introduction of a Code of Ethics by the Khmer Journalists Association. The Ethics Committee meets regularly to hear complaints, with recommendations dealt with internally or forwarded on to the Ministry of Information based on the severity of the complaint.

While such new concepts as a code of ethics, self-regulation and impartiality are being slowly introduced, it is evident that some abuses are still taking place during the learning process. Despite the media's many shortcomings, however, several human rights NGOs have reported that the Cambodian print media is freer than it has ever been.

PROGRAM OUTCOME 1.E: Increased access to information and organizations providing services that affirm and promote human rights.

The Cambodian "man on the street" has become accustomed to, and tolerant of, the arbitrary and extra-judicial exercise of authority; many officials believe it is their right to wield power in an imperious manner. In order to change this pattern of behavior, both the people of Cambodia and the officials must be informed about the rights of individuals as provided for under the new Constitution, as well as behavior to respect those rights. NGOs have been working since 1992 to defend and educate people about human rights.

USAID has been instrumental in providing support to the major human rights organizations working to further this knowledge. As the number of organizations continues to grow, human rights information will be more widely disseminated. In both the rural and urban areas, independent assessments of the cooperation between government officials and human rights workers have reported surprise at the extent to which relationships are positive and supportive, rather than confrontational.

. . . Dissemination of human rights information is increased along with investigations into human rights violations . . .

USAID-funded Human Rights NGOs are having the following impact:

. . . NGOs are involved in human rights curriculum development and training and reach thousands of teachers at all levels of the educational system. Seminars, lectures and courses are offered to target groups in the Government and civil society. Events are extremely popular and are often over-subscribed . . .

. . . NGO-prepared television, radio shows and newspaper series on human rights are educating thousands of Cambodians. Audience comments and observations indicate that these programs are avidly followed, especially in the countryside. The programs often target

provincial officials and provide an in-depth understanding of human rights and democracy . .

. . . Human rights publications in Khmer are being produced and distributed. These publications include comic books and training manuals and are important self-education and self-improvement materials for teachers, students, NGOs and government officials. NGOS publish draft laws, such as the draft election law, that are aimed at contributing directly to the public policy debate on critical issues . . .

. . . National seminars on the Cambodian constitution and good governance . . .

. . . Intensive training for groups on management and development of human rights programs
. . .

The Cambodian League for the Promotion and Defence of Human Rights (LICADHO) was one of the first human rights NGOs to be established in Cambodia and derives its core support from USAID. Five investigators in Phnom Penh and an investigator each in 12 provinces respond to human rights violations. Every three months a team of four researchers conducts surveys to review the legal status of every prisoner in the five prisons of the Phnom Penh area, while also providing medical services to needy prisoners. LICADHO has published and distributed 678,000 copies of an illustrated booklet about human rights.

B. CONTRIBUTION OF USAID ACTIVITIES

A noted Cambodian human rights activist recently told the U.S. Ambassador that "Cambodia now has more political freedom than at any other time in its history." Starting in 1993, when democratic processes were first introduced into the country, the Cambodians have started down the road toward a democratic government. The USAID program has been designed to assist the Cambodians with this process.

USAID-supported NGOs are working in Cambodia to educate the Cambodian people on their rights and duties as citizens while monitoring and reporting on human rights problems. The RCG is generally tolerant of these groups, and is in many ways cooperating with them by allowing them access to free time on state owned television and radio for their educational programs. USAID has provided assistance to these groups and is working to strengthen them so that they may continue to grow as a real force in the protection of human rights.

Three years ago there was no such concept as a free press. Today, dozens of magazines, newspapers and newsletters continue to push for unprecedented freedom to voice their

respective opinions, despite occasional government interference and intimidation. USAID assistance is being used to build a more responsible, professional corps of journalists.

There is a functioning National Assembly. USAID has assisted the Assembly in the drafting of laws and provided access to information and legislative services through the CLRD.

Three years ago, defense for the accused in the courts was barely functioning. Today, because of USAID assistance, it is functioning and strengthening due process. In addition, a Public Defenders program has been established where the accused are provided with representation.

Cambodia has progressed along a democratic path over the last three years, and USAID programs have played a major role. While democracy has started, Cambodia still has a long way to go, and USAID should be ready to provide the assistance needed to ensure that democratic processes are protected and strengthened.

C. EXPECTED PROGRESS FOR NEXT YEAR

USAID will work on two areas during the coming year - the Rule of Law and Elections.

Rule of Law:

USAID will be working to narrow its Rule of Law activities and to define a set of appropriate IRs and indicators with our NGO partners. This process has started and initial agreements reached with NGOs on indicator monitoring and reporting requirements; however, additional information is needed before this process can be finalized.

USAID's RoL activities will focus in four areas:

- 1) improving judicial performance and respect for human and legal rights in the criminal and civil justice areas;
- 2) creating a local capacity in human rights advocacy education and monitoring;
- 3) expanding the training of lawyers and public defenders; and
- 4) strengthening key institutions, such as, the National Assembly, the Public Defenders program and the media.

On-going activities that support this focus include:

- The IHRLG will continue its mentoring/training program in 15 provincial courts, focusing on judicial decision-making, criminal law and procedure, judicial ethics and human rights. Rather than rely on expatriate trainers, Cambodian national legal experts will be utilized during the next year to help execute the training program. These legal experts will also be given training for trainers. Discussions have begun with the Ministry of Justice to use this trained core staff to continue operating a judicial education system that would remain in place after the IHRLG's departure. The implementation of an effective criminal listing and case management system will also be undertaken beginning with one pilot provincial court. Results of the effort will be given to the Ministry of Justice for evaluation and the possibility of introducing the system nationwide.

- Training and mentoring of 10 public defenders and 13 new lawyers will also continue through the IHRLG. Wider acceptance of public defenders in the courtroom has created a demand for service, as now both poor defendants and judges request the defender's presence. The number of cases is expected to rise from 18 to 30 cases per month during the next year, along with greater geographic coverage in the provincial area. Because the Government has stipulated that non-degree defenders will no longer be able to practice after December 1997, work will also continue on obtaining law degrees for as many of the defenders as possible. Public Defenders are also in the process of forming a country-wide public defender organization. The next year will be devoted to finalizing the association's laws, defining the administrative plan (including financial monitoring and accountability) and enhancing future funding potential. The establishment of a nationwide organization will help highlight the value of the public defender while solidifying and expanding the role of the defender in Cambodian civil society.

USAID will continue to support four of the top human rights NGOs during the coming year through funding provided to TAF. These groups will provide access to human rights information and reporting services to an average of 50% of the districts (approximately 92) in 12 provinces. As the year progresses, the majority of the group's attention will most likely be directed towards human rights education done in conjunction with voter education for the upcoming elections. TAF is currently in the midst of an extensive assessment of its human rights program which will be completed by the end of May, the outcome of which will be used by USAID as the basis for a longer-term strategy by the end of July.

The USAID-funded Asian-American Free Labor Institute (AAFLI) will continue working with government officials and trade representatives to see the passage of a new labor law that meets minimum international standards. Passage of the law is expected in early summer.

Work will also continue at the CLRD, formed to provide National Assembly members with legislative support including easy access to legal technical expertise and legislative analysis.

In the upcoming year the CLRD is expected to review and comment on every draft law before it is scheduled for passage in the National Assembly. To date, CLRD assistance has included legislative analyses of 22 draft bills, which has resulted in the passage of improved legislation.

The upcoming year will also see the establishment of the Center for General Research and International Cooperation, a sister legislative support service to the Center for Legal Services, that will provide general information and policy research to members of the National Assembly. The availability of this research capability will help improve the legislative process by producing more informed National Assembly members.

USAID intends to provide appropriate election support within a multi-donor context. Successful national elections scheduled for 1998, and the precursor, local elections in 1997, will be extremely important in gauging how effective USAID's post-crisis assistance to Cambodia has been, and serving as a marker to assess the possibilities for future assistance. USAID expects support for the election to be a multi-donor effort, and the Mission will provide appropriate assistance within this multi-donor context. USAID plans to access the new Consortium for Elections and Political Process Strengthening (CEPPS) to implement appropriate and low-key USAID election activities.

During the next year some of the assistance scheduled includes support for registration, establishment of an official voter education system, voter education through human rights NGOs, training of poll workers, procurement of limited commodities if appropriate and technical assistance to the RCG to institute and support an elections framework. With the assistance of USAID, as well as a coordinated effort on the part of all donors, the expected result will be a free and fair election with the results accepted by the participants.

Particular attention to the role of women in the political and policy-making processes will also be given greater emphasis. Some progress has been made in this regard - establishment of a Women's Advocacy Unit within the Public Defender's Project, TAF's assistance to the Women in Politics (WIP) program in the National Assembly and core support to several women's NGOs working in the media. The upcoming year will be spent working to coordinate donor activities around women's issues and reinforce positive gender roles for women in the D/G arena. These activities should result in the ability of women to play a more prominent leadership role in politics and civil society.

STRATEGIC OBJECTIVE 2: To promote sustainable broad-based economic growth by helping to establish an outward-looking market oriented policy framework.

USAID's Action Plan for 1995-97 defined a significant role for USAID in the economic policy arena. Policy was deemed a critical area in which to assist the RCG in its transition from a socialist to a market-oriented economy. However, staffing limitations prevented USAID from putting together a cohesive program for policy development. In the meantime, other donors, such as the World Bank, the Asian Development Bank (ADB) and UNDP, have taken the lead in providing assistance for macroeconomic and sectoral policy work. Currently, there are over 100 donor-funded advisors assisting the RCG with policy issues. Virtually all of them are located in Phnom Penh. USAID still considers policy development a vital concern and has focused its program more directly in areas of our principal and potential sectoral concern, namely agriculture and rural development and human resources development. While policy work has taken on a secondary importance, USAID has been able to accomplish significant results with its road program, micro-finance and training activities.

A. RESULTS AND IMPORTANCE OF ACCOMPLISHMENTS

PROGRAM OUTCOME 2.A&B: Improved policy analysis, strategic planning, policy formulation and implementation in key economic ministries.

During the past year, USAID has identified technical assistance areas, germane to its program strategy, and has mobilized assistance for the Council for the Development of Cambodia (CDC), the Council on Agriculture and Rural Development (CARD) and the Ministry of Environment (MOE). Each of the assistance programs are briefly explained below. For the future, USAID proposes to eliminate the current SO 2 and allocate component activities to other SOs and SpOs, defined in Section III.

Technical assistance is being provided to the CDC to develop its capacity to undertake strategic planning in the area of human resources development. This assistance has only recently started and will be provided for approximately two years. In the future, the Mission intends to support these activities under SpO 2, in support of strategic planning for Cambodia's human resources development.

Assistance is being provided to CARD to improve its ability to develop and implement agricultural policies, as well as to coordinate planning and programs within the agricultural and rural development sectors (e.g., with the AD's support for an agriculture sector plan). USAID expects significant improvement in agricultural policy, especially as it relates to rural development and better coordination of donor programs. The assistance which has just started is scheduled to continue for three years. The Mission intends to have this activity support SpO 1, Sustainable Rural Development.

PROGRAM OUTCOME 2.C Development and establishment of a new environmental code

. . . A USAID-funded environmental legal advisor drafted environmental legislation. The Council of Ministers approved the legislation and submitted it to the National Assembly for ratification . . .

Legislation to establish the MOE's mandate has been drafted and revised numerous times over the past two years, but could never clear the Council of Ministers. USAID funded an environmental legal advisor, who assisted the MOE to redraft a more streamlined version of the enabling legislation. This version was approved by the Council of Ministers. The law has subsequently been forwarded to the National Assembly for ratification.

Adoption of enabling legislation for the MOE is the first step toward establishing an environmental framework for Cambodia. Promulgation of implementing regulations will follow. In anticipation of eventual passage of the enabling legislation, donor assistance for environmental impact assessments has already begun.

PROGRAM OUTCOME 2.D: Enhanced environmental planning in RCG programming.

. . . A consortium of NGOs assisted the MOE to complete and implement its National Environmental Action Plan (NEAP) . . .

USAID is funding an NGO consortium to assist the MOE to develop its NEAP. The NEAP will give the MOE and its staff a clear understanding of major environmental problems facing the country and establish priorities for action. The collaborative approach the consortium employs provides on-the-job training to Cambodians as well as the opportunity to form a consensus on what needs to be done. Furthermore, the NEAP itself is a pre-condition for the RCG to obtain concessional loans for environmental programs from the World Bank and the ADB.

The USAID grant finances the development of the NEAP using a collaborative group approach involving the MOE, the USAID-funded consortium, UNESCO and the World Bank. The resulting NEAP which will be completed in 1997 will make recommendations on future funding priorities. These recommendations will be reviewed by the World Bank to identify potential projects it might fund. The consortium will then help the MOE to prepare a loan proposal to be submitted to the World Bank for financing in 1998.

To date, USAID has signed a cooperative agreement with the consortium, and work on the NEAP secretariat has been established, two regional working groups have been formed, agreement has been reached to develop a strategic planning and data collection is underway to develop a bio-diversity plan.

USAID is also funding assistance to help the MOE develop a five-year strategic plan which will also facilitate coordination among other RCG ministries where appropriate. Work on the Five-Year Plan and the NEAP has helped the MOE to secure a place on the RCG's Consultative Group presentation in July 1996 in Tokyo. This is an important first step in giving the MOE greater visibility at the national level.

Recently, with USAID and UNDP assistance, the MOE and the Ministry of Agriculture, Forestry and Fisheries (MAFF) have developed improved working relationships on joint policy development and coordination. Although the capacity of the MOE staff and field teams remains severely limited, USAID-funded assistance, in collaboration with other donors, is helping the MOE and MAFF to interact and coordinate in areas of mutual interest, e.g., enforcement of ordinances, resolution of competing claims, mapping and classifying of natural resources and meeting the myriad requirements of natural resources management.

PROGRAM OUTCOME 2.E: Rehabilitate farm-to-market roads which permit subsistence farmers to have access to agricultural inputs and markets, thus promoting food security.

. . . Significant economic and social impact produced by road rehabilitation. . .

This outcome stems from one of the first projects undertaken by the Office of the AID Representative/Cambodia. Authorized in September 1992, the \$40 million Emergency Roads Repair Project was designed to assist Cambodia in the emergency de-mining, repair, and restoration of vital roads infrastructure to facilitate the resettlement of refugee and displaced populations, support national reunification and stimulate economic reactivation in rural areas. The activity was implemented in two phases.

Phase I involved the reconstruction of approximately 500 kilometers of road network in northwestern Cambodia to support the repatriation of displaced persons in time to participate in the 1993 national elections. Phase I was successfully completed by the target date of March 31, 1993. In June, 1994, reconstruction began on of the Pursat Bridge, a major 120 meter structure across the Pursat River along National Route 5, began. This road is the only direct transportation line between Phnom Penh and the western provinces along the border with Thailand. Completion of bridge work is expected by July 1996.

During Phase I, Cambodians being repatriated from the border camps were moving into the newly opened areas literally overnight. As the roads and bridges were reconstructed and the land demined, new settlements sprang up. Crops were planted and small businesses, e.g., motorcycle and tire repair and metal work fabrication, immediately followed. As a result, where previously only large heavy-duty trucks were capable of navigating the overgrown and severely damaged roads, today small carts, bicycles, light cars and trucks can pass. Where

before only the large truck owners could get into an area and purchase rice at the prices they dictated, improved roads resulted in greater competition among buyers, raising the prices paid to farmers for their crops. Improved transportation also reduced travel time from the village health station to the district or provincial hospital from approximately 12 hours to 4 hours, saving the lives of those in urgent need of medical attention.

Phase II began in February 1994 and involves the reconstruction of National Route 4, including 39 bridges, one of the three most important roads in the country. It links Phnom Penh with Kompong Speu and Sihanoukville, the only deep-water seaport in the country. When the construction contract was awarded the actual condition of bridge substructures was not known, since detailed surveys were not possible because of security and mines. The construction was scheduled for completion in April 1996. Due to unforeseen technical problems arising from the discovery of hazardous sub-structures of two bridges, this timetable was changed. One bridge is now to be completely reconstructed while the second is undergoing further structural investigation to determine if specialized repair can be used in lieu of full reconstruction.

At this particular point in time, we do not believe that additional funding will be necessary. However, the Mission reserves final decision on this until final cost estimates are submitted by June. These two bridge activities will extend project completion for approximately 15 months.

During the past year, USAID and CARE signed an additional \$2 million grant agreement to rehabilitate 300 kilometers of secondary and tertiary roads in the Northwest Region. USAID will not have impact data to report on for this activity until next year.

PROGRAM OUTCOME 2.F: Increased access to savings mechanisms and small-scale credit for microenterprises in rural areas.

. . . Access to credit is stimulating rural economic activity. . .

USAID-funded micro-finance activities have provided more than 13,000 micro-loans in 10 provinces to more than 12,000 borrowers, the majority of whom are women. Loan sizes range from \$12 to \$300, averaging \$47, with monthly interest rates at 3-5 percent. Total loans disbursed have exceeded \$520,000 with repayment rates of more than 98 percent. These loans commonly provide working capital for rural microenterprises. As a result of expanded economic activity, borrowers have used their added income to install roofs on their houses, supplement household food consumption, and send their children to school. Grantees have found that the group lending approach used has also served as a source of empowerment for some of the most vulnerable women.

PROGRAM OUTCOME 2.G: Expand access to business training. (revised outcome)

One aspect of Cambodia's critical need for human resource development is the scarcity of people with formal business training. The loss of these people under the KR, followed by a decade of communist rule which emphasized a controlled, centrally planned economy, has resulted in very few people with business training suited to the capitalist free-market system emerging in Cambodia. The lack of people with such market-oriented skills is a constraint to Cambodia's current transition from a failed communist economy to an outward-looking, open economy integrated into regional and global markets. To help address this situation, USAID initiated assistance from Georgetown University/Center for Intercultural Education and Development (GU/CIED) and from the USF to help develop the FOB at the University of Phnom Penh.

GU/CIED's institutional support assists the FOB to develop its curriculum and re-orient its program toward a four-year degree based on the unit/credit system. Local instructors have received improved business training and textbooks have been translated into Khmer. Greater involvement of the private sector in the FOB's development is also being encouraged.

The Georgetown Business Training Program (GBTP) is active at three locations (Phnom Penh, Battambang and Sihanoukville) and plans to expand this year to Kompong Cham. This four-month training course focuses on preparing students to understand private business concepts and acquire familiarity with accounting, project development and computers. The GBTP has now become a test site for offering off-campus credit for application to a future degree at the FOB. It is envisioned that provincial students will be able to receive a two-year AA degree in the provinces before coming to Phnom Penh for the final two years of study leading to a Bachelor's of Business Administration.

Formal business law courses have been introduced into the curriculum through the USF. Khmer language teaching materials and 20 trained Khmer teachers are being utilized.

The GBTP has been in operation since February 1993. A total of 835 students have graduated; women represent 30 percent of this total. Of the 1995 graduates, approximately 50 percent were able to secure full-time employment, with the remainder securing part-time or temporary employment. The FOB has strengthened its placement efforts to secure more full-time employment opportunities for its graduates.

B. CONTRIBUTION OF USAID ACTIVITIES

Over the past year, USAID has begun to provide assistance to key policy areas of human resource development, agricultural policy and the environment. Activities are just starting in

the policy area and the program will be utilized to provide policy level support for proposed future USAID programs in rural development and human resource development.

USAID has made a solid contribution to modernizing the curriculum and structure of the FOB. The program implemented by GU and the USF has been important in training Khmer staff for the Faculty in both business and law and in providing degree-level training for 835 Cambodians at three campuses.

USAID's Emergency Road Program has been instrumental in reconstructing destroyed vital national infrastructure, thus supporting the stabilization and development of Cambodia after so many years of war and civil strife.

C. EXPECTED PROGRESS FOR THE NEXT YEAR

As discussed in Section III, the Mission has developed more focused SpOs covering specific elements of this broad economic growth objective. Under these new SpOs, USAID intends to continue support to GU and to FOB through USF until September 1997.

The FOB and the Ministry of Education, Youth and Sports (MOEYS) need to define the appropriate future institutional model for the FOB. Specifically, the question of what type of institution serving which purposes must be answered before further assistance is provided. Options range from simply strengthening the FOB as a business school offering a business degree program, to developing it as a Center of Excellence for business and private sector development, or developing a joint law and business training program offered by an Institute of Business and Law. Whichever direction is chosen, the issue of financial sustainability must be addressed before further USAID assistance can be considered. USAID plans to assist in this planning process.

In the policy and planning area, since these are relatively new activities, we will continue on-going assistance and expect the following results:

- Approval of the NEAP;
- Completion of the Five-Year Strategic Plan for Environment;
- Greater coordination among the MAFF, MRD and the MOE for policy development and implementation;
- Coordination of all environmental-related efforts through the CEMP activity.

USAID involvement with the Emergency Road Rehabilitation will continue until December 1997 with the completion of bridge work. Rehabilitation of farm-to-market roads by CARE is just starting; next year we will be able to report on the number of kilometers improved and the estimated number of people assisted. Depending on the pace of implementation, we

might be able to conduct an initial customer survey to assess the immediate utility of the road improvements. Our micro-finance programs will continue to expand, making more loans to a greater number of borrowers.

STRATEGIC OBJECTIVE 3: To help increase access to basic family services by supporting programs and policies which help assure that rural citizens and vulnerable groups have this access and can participate in economic growth.

Two projects were designed in 1995 which contribute to this objective. They are the Cambodian Assistance to Primary Education (CAPE) Project (see Section III for the rationale for the CAPE project) and the Family Health and Birth Spacing (FHABS) Project (see Section III for the rationale for the FHABS project). The CAPE project is just now beginning implementation. The FHABS project has been integrated into our Maternal Child Health SO.

In addition, USAID/Cambodia has made significant progress toward this objective. Initiated in July 1993, the PVO Co-Financing Project responds to the Cambodia's post-crisis conditions; our NGO partners implementing the project are supporting the re-establishment of essential services in 13 of the 21 provinces of Cambodia. These PVO programs have provided health, water/sanitation, and micro-credit programs and facilities in areas which previously lacked such services.

A. RESULTS AND IMPORTANCE OF ACCOMPLISHMENTS

PROGRAM OUTCOME 3.A: Strengthened the primary education system through teacher training, provision of textbooks, supplies and materials and policy level technical assistance.

. . . During the reporting period the CAPE activity was designed, the solicitation document was prepared, and an NGO consortium to implement the activity was selected

. . .

The major focus of assistance to be provided by CAPE is in-service teacher training and cluster school development. Teacher training will focus on the use of student-centered learning methodologies for Khmer language and mathematics. This intensive training will be one year in duration and focus on pedagogic skills, principles for teaching Khmer language and mathematics and ways of promoting community involvement in school administration and operations.

Teacher training will consist of a series of residential workshops, area workshops and tutorials. The residential workshops will be held twice during the year: once for a four week

period just before the beginning of the school year (August-September) and again for three weeks at the end of the school year (June-July). Throughout the year, four area workshops of 3-4 days duration will be conducted. Over a six- to nine-week period during the school year, one day tutorials on assigned topics relating to the main residential workshop will occur every week.

By taking this approach, theory will be reinforced by practice, and opportunities will be created to share experience among teachers as they also go through the learning process.

Integral to CAPE's approach is the development of cluster schools simultaneously with teacher training. Common throughout southeast Asia, the cluster school approach has been pioneered in Cambodia by UNICEF and several international NGOs. Cluster schools integrate and centralize a number of important school functions which ensure quality improvement of education in a manner which economizes on the use of time and resources. These functions include capacity building activities, accountability practices, resource sharing, community support of schools, and generally improved administrative practices (e.g., sharing of teachers between schools). Schools are usually clustered on the basis of their geographical location: a large central school is designated as a "core" school with a number of satellite schools situated not greater than 7 kilometers around it. The core school is where elected representatives of all schools meet to discuss various topics relating to quality improvement, monitoring, resource sharing and other matters. The core school also includes a resource center which houses a depository of student teaching aids, a library and a common storeroom.

PROGRAM OUTCOME 3.B: Enhanced access to basic services and humanitarian assistance by vulnerable groups in the areas of health sanitation and potable water.

. . . Water and Sanitation facilities reach rural Cambodians . . .

USAID has supported the installation of over 1,500 latrines and 550 wells, providing sanitation and potable water to approximately 55,000 people living in remote rural areas where availability of clean water is a serious problem. As a result of having access to potable water, villagers have noted a lower incidence of illness, formerly isolated populations living deep in forested areas have resettled near water sources and other public services and potentially productive time spent fetching water has been reduced in some villages by six hours.

USAID assistance has created a strong cadre of provincial well drillers and technicians where few skills or resources existed previously. At the community level, the success of community ownership assumed by the Village Development Committees (VDCs) has led the

Ministry for Rural Development (MRD) at the central level to adopt the model on a national scale.

. . . Appropriate technology increases agricultural production and creates opportunities in the rural private sector . . .

The treadle pump is a simple yet effective technology which is not only affordable to small farmers, but also manufactured and maintained at the village level. USAID activities focus on developing rural private enterprises to manufacture, market and install the pumps. Through USAID support to this initiative the following achievements have been noted:

- approximately 1,700 treadle pumps have been sold to rural farmers for small-scale irrigation;
- farmers are able to recover their investment costs within six months of using the treadle pump;
- farmers are able to grow crops (rice or vegetables) during the dry season where previously this was not possible;
- an extra crop of seedlings can be planted earlier allowing for a second wet-season rice crop; and
- village men have not been compelled to migrate to the cities during the dry season in search of employment.

. . . Prostheses and wheelchairs provide the disabled with the means to become productive members of society . . .

Mine victims and the disabled are some of the most marginalized members of Cambodian society. A limbless woman has little chance of marrying, and a limbless man is unlikely to secure a job. Yet there are an estimated 135,000 disabled citizens in Cambodia, and mines continue to claim a minimum of 150 casualties each month.

- Over 6,200 prosthetics, 780 orthotics and 2,500 wheelchairs have been produced and fitted, benefitting a total of 9,500 amputees and disabled persons; and
- 11 Khmer staff are being trained in prosthesis production and management.

. . . Vocational training improves employment opportunities . . .

- 2,250 poor and orphaned youths have been matriculated for vocational training. Many of these youths were orphaned as a consequence of past civil conflict or their families were too poor to support them. The vocational curriculum is closely linked with the needs of the private sector job market and offers the youths both education and skills for a more secure future.
- Approximately 400 disabled persons have been trained in business skills and established successful micro-enterprises in their communities. Most of the students are former soldiers (many are mine victims) who have endured various forms of trauma and deprivation. As a result of the skills training, **average income levels of the graduates have increased by more than 200 percent.** Former students have formed their own cooperatives and established linkages with private businesses. Equally important, the disabled graduates have re-gained their dignity and self-esteem within their communities.

PROGRAM OUTCOME 3.C: Improved family health programs on a national scale leading to improved health of women and children and increased access to safe and reliable modern methods of contraception.

There have been a number of important successes under this program outcome. Not only have USAID grantees directly contributed to improving the lives of the targeted populations but they have developed models which are guiding the development of Cambodia's national health system.

- Number One condoms combat AIDS

Cambodia has one of the fastest growing HIV/AIDS epidemics in the world. A recent mid-term evaluation concluded that USAID's grant to Population Services International (PSI) for the social marketing of condoms, under the brand name "Number One" has been an overwhelming success and is widely recognized as the most effective intervention in Cambodia to date against the AIDS epidemic.

- In PSI's first year of operation, 5 million "Number One" condoms have been sold, and the total condom market, another important measure of progress for social marketing programs, is now estimated at over 8 million condoms a year. Prior to the launch of "Number One" in December 1994, total condom sales in Cambodia of all brands were estimated at between two to three million a year.
- As the sex trade is a primary vector of HIV/AIDS, PSI aggressively markets condoms to commercial sex workers and their clients, selling directly to brothels, the first

effort of this kind in Cambodia. Of the 5 million condoms sold, 65 percent, or three and a quarter million, were sold directly to establishments serving high-risk clients.

- As the first to attempt a "social marketing" effort in Cambodia, PSI has also successfully collaborated with the Ministry of Health, laying an important foundation for cooperation between the public and private sector

. . . HIV/AIDS projections and sentinel surveillance established . . .

With technical assistance provided by USAID, Cambodia's HIV/AIDS situation has become much clearer. Sentinel surveillance data has been analyzed and projections have been developed with the MOH. The graphs produced have become a major policy dialogue tool used by the MOH in virtually every presentation of the health sector in Cambodia by the MOH. The analysis has also resulted in refinements of sampling techniques for the next round of surveillance which will be supported by USAID in May 1996.

. . . National Vitamin A policy formulated and implemented . . .

Through a grant to Helen Keller International (HKI), Vitamin A supplementation has become an inherent component of Cambodia's child survival strategy. In 1993, HKI collaborated on a survey to determine Vitamin A deficiency in children between 1-6 years of age. On average, 5-6 percent of children had night blindness. This level is six times that of WHO criteria for a public health problem, classifying Cambodia in the "severe" category for Vitamin A deficiency. On the basis of these findings and assistance from HKI, Vitamin A protocols and training manuals have been developed and are being disseminated. Importantly, Vitamin A was included for the first time in the National Immunization Days. Close to 1.5 million children received Vitamin A during this event, representing over 90% of children between the ages of 1 and 5.

Since Vitamin A distribution began, night blindness has decreased by over 50 percent in several provinces. In addition, as Vitamin A supplementation has been proven to reduce infant and child mortality from measles, respiratory infections and diarrhea by as much as 34 percent, this supplementation will also play a significant role in reducing overall child deaths.

. . . National Pediatric Hospital (NPH) demonstrates that effective child survival interventions in Cambodia saves lives . . .

Through a USAID grant to World Vision, the NPH has been established as a major teaching hospital and referral treatment center for the three major killers of children in Cambodia: acute respiratory infections, diarrheal diseases and dengue hemorrhagic fever (DHF). World

Vision has established a training center at the NPH offering the rare combination of model clinical services for hands-on experience with quality didactic information. In a country where providers have rarely seen quality service delivery, this provides an example that they can replicate at their provincial hospitals.

The results of high-quality care are evidenced from the statistics at the NPH itself.

- Dengue hemorrhagic fever epidemics took place in Cambodia in 1993 and 1995. The NPH has consistently had the lowest fatality rates in the country. For those two epidemic years, this alone saved the lives of over 70 children.
- To combat diarrheal diseases the NPH has established a model rehydration unit. The success of this unit, and the public's recognition of the quality of these services, is evident in an increase of close to 2,000 more patients seen in 1995 as opposed to 1994.

... National epidemic response system developed to confront dengue hemorrhagic fever.
..

A significant vector-borne disease, dengue hemorrhagic fever (DHF) occurs in cyclical epidemics and, in 1995, accounted for over 400 child deaths in Cambodia. Due to a USAID grant to the World Health Organization (WHO) in Phnom Penh, however, a national response through the Ministry of Health (MOH) has been institutionalized: the MOH now develops annual action plans, undertakes vector surveillance and control, launches health education through a variety of channels and has institutionalized improved clinical case management. The impact can be seen in reduced case fatality rates.

... Rural Cambodians have improved access to health care services ...

During the 1970s and 1980s, Cambodia's health care system was decimated. There were no trained providers and provincial, district and commune health facilities were in complete disrepair. Now, through USAID's grants to our NGO partners, the health system is functioning in 20 districts in seven provinces. Grantees have undertaken a variety of tasks from training health care personnel to repairing facilities. One example of success is:

- Through support provided to five health centers and hospitals to CARE, vaccination coverage rates (DPT3) at one district in Pursat Province have increased from 35 percent to 76 percent from 1994 to 1995. In this same district total attendance at the health clinics went from 10,597 visits in 1994 to 18,244 visits in 1995, over a 58 percent increase.

PROGRAM OUTCOME 3.D: Increased contraceptive prevalence by modern methods.

Prior to 1992, Cambodia had a pro-natalist stance at the policy level. PVO's working in the field, however, recognized the demand for birth spacing from their clients. As a result of dialogue with the MOH, pilot activities were implemented and a technical working group established. Five USAID grantees and the Mission are represented in this important policy coordination group. To date, they have provided substantial input into the National Birth Spacing Policy, birth spacing protocols, training materials and IEC materials. Using models established by USAID funded grantees, birth spacing services are now part of the Minimum Package of Activities at every level of the public health care system.

The availability of contraceptives is a priority activity. Dialogue among USAID, the MOH, UNFPA and Kreditanstalt für Wiederaufbau (KfW) has resulted in commitments by UNFPA and KfW to provide contraceptives for the public sector program, while USAID provides technical assistance for a nation-wide logistics system. In the private sector, the social marketing of oral contraceptives is equally important. Dialogue is currently underway with KfW to study the technical feasibility of USAID support for social marketing, with KfW providing commodities, if required. These two major efforts will contribute directly to increasing nationwide contraceptive prevalence.

This program outcome was intended to reflect achievements under the FHABS project which has been integrated into our Maternal Child Health SO with results to be reported next year. Nonetheless, important accomplishments related to increased contraceptive use have been achieved which are particularly impressive considering the nascent nature of the programs.

- Grantees have been active on a national policy level, putting birth spacing at the top of MOH priorities in maternal child health and making important contributions to the development of national protocols, guidelines, teaching and IEC materials, all of which are in place.
- With assistance from several USAID grantees and UNFPA, Cambodia now has established baseline data to monitor progress. Several grantees have been involved in that effort and one in particular, CARE, has gone even further and used DHS modules to establish baseline data specific to the three provinces in which it is working.
- In one rural district where CARE has assisted the MOH in establishing a program, new acceptors nearly doubled from 754 reported in 1994 to 1,365 in 1995. Overall attendance for contraception has tripled to over 4,300 visits in 1995.

- An innovative Community Based Distribution (CBD) program run by a local NGO linked to MOH facilities and supported by PACT, has seen contraceptive prevalence rates in its remote rural district of 16,000 increase from 13 percent to 35 percent.
- FPIA, the only private sector family planning clinic in Cambodia, now sees close to 200 clients a week and is looking for a second site to meet the enormous demand for reproductive health services.

PROGRAM OUTCOME 3.E: Stronger indigenous capacity to provide protection from mines over the medium and long term.

An estimated 6 to 9 million mines menace Cambodia's arable land, roads and the lives of millions of villagers. Mines and unexploded ordinances claim more than 150 casualties each month, impeding the country's economic and agricultural development, as well as placing inordinate demands on rehabilitation and health care systems. Sixty percent of all mine casualties are civilians and most of the mines are concentrated in Cambodia's agriculturally fertile Northwest region. USAID's support enables the Cambodian Mine Action Center (CMAC) to verify the presence or absence of mines in 1,000 of the 2,000 suspected mine fields reported to CMAC.

... Mine field verification - a critical centerpiece of Cambodia's mine-related efforts .
..

The emphasis of de-mining efforts in Cambodia, despite the large number of mines, should be focused less on the number of mines cleared and more on the area of mine-suspected land freed up for productive purposes. Suspected mined areas may, in fact, not contain mines. Nevertheless, without mine field verification, the mere threat of mines renders suspected areas inaccessible and unproductive.

- With support from USAID, a computerized Geographic Information System (GIS) on mined areas in Cambodia is being developed. The digital data will be integrated into Mine Awareness Maps to display mined areas in relation to villages, roads and administrative boundaries.
- Since July 1995, USAID funds have verified 355 suspected mine fields and freed up 429 square kilometers of land for productive purposes and safe human access.

PROGRAM OUTCOME 3.F: Expanded support for and increased capacity of indigenous NGOs.

. . . A dynamic local NGO community now exists in Cambodia where there once was none . . .

Prior to 1991, these organizations were illegal. Now there are more than 100 local NGOs operating, at least 80 of which are delivering basic services and/or leading development initiatives at the community level, in areas where the Government cannot. The experience many people derive from participatory, community-based activities sponsored by these NGOs contributes to their greater self-confidence and sense of empowerment, both critical elements for participatory democracy. USAID has thus far organized 25 of these NGOs and is continuing support for capacity-building through its Cooperative Agreement with PACT/JSI.

Since 1992, PACT has provided institutional and management support for 12 rural development NGOs working in 13 provinces, four urban development NGOs, one midwives association, three student/youth NGOs, three human rights NGOs, one HIV/AIDS awareness organization and one NGO coalition.

As a result of USAID support to these groups, roughly 32,000 Cambodians, including both NGO staff and program beneficiaries, have been trained, helping to develop scarce human resources in Cambodia. Networking and coalition-building among local NGOs has also become the norm. This mobilization of the NGO community increasingly represents an important counterbalance in a society where authoritarianism has historically prevailed.

B. CONTRIBUTION OF USAID ACTIVITIES

While providing priority services to vulnerable groups, USAID has contributed significantly to the sustainability and replicability of these efforts by requiring our partner NGOs to collaborate closely with RCG and/or private sector counterparts. This maximizes our resources and increases prospects for long-term benefits.

Our water and sanitation NGOs work closely with the Ministry of Rural Development, training MRD hydrological staff and demonstrating a model of community development (VDCs) which the Ministry has adopted for application nationwide.

USAID support for appropriate rural technology has stimulated the formation of private enterprises that now sell small-scale irrigation and potable water pump equipment and provide maintenance services. This is generating new employment as well as assuring maintenance and repair services for farmers.

Our grantees in the rehabilitation sector have trained staff at the National School for Prosthetics and Orthotics (NSPO) to ensure that local professionals will be able to provide rehabilitation services for land mine and other victims after our programs end.

As one of only three donors to provide comprehensive support to local NGOs, USAID can take credit for the formation of at least 25 functioning groups servicing a rural clientele of over 61,500 people. These NGOs contribute enormously to relief and rehabilitation efforts, as well as to developing a viable NGO sector within Cambodian civil society.

USAID is recognized as a leader in restoring a functional health care system in Cambodia. Successes to date have been achieved using a two-pronged approach: 1) providing the MOH with assistance in national system development, planning, policy development and resource allocation; and 2) supporting NGOs to implement activities. USAID supports meaningful improvements on both of these levels improving service delivery in rural communities while working with the MOH in strategic planning at the national and provincial levels.

C. EXPECTED PROGRESS FOR THE NEXT YEAR

Primary Education

Over the next year, a range of planned activities will be launched as soon as CAPE's implementing NGO consortium is mobilized (expected in May 1996). Work will focus on final planning for the estimated 75 clusters to be formed by seven teacher training teams to be operational throughout selected provinces; organizing and then providing training for approximately 9,000 primary school teachers beginning in August 1996; establishing and providing training to provincial, district, and local cluster school committees and school-based Parent-Teacher Associations; selecting resource center sites and mobilizing community commitment to construct/stock approximately 75 resource centers per year; and beginning the process to train the second phase of teacher training and cluster school development.

The implementing grantee will also undertake studies to increase the enrollment of girls in primary education, as well as to devise ways to keep them in school for a longer period. Similar studies will be undertaken to identify how to increase the competence of teachers located in remote or minority areas.

USAID will undertake related assistance to strengthen the capacity of the MOEYS to formulate and implement policy. Targeted assistance, mobilized through the G/HCD/FSTA ABEL2 project, will help develop the capacity to utilize policy-related data by MOEYS senior managers and local school officials for long-range planning.

USAID is also coordinating with other donor assistance to the primary education sector, primarily from UNICEF (curriculum development, cluster school development), the ADB (management, training, textbooks), the EU (training, curriculum, textbooks), Australia (management, policy), and France (training, inspection).

Humanitarian Assistance to Vulnerable Groups

Some activities will be continued under SpOs 1 and 4 (see Section III); others will end when their grants expire in FY 1997 and FY 1998. For those being continued, we anticipate progress in the rehabilitation sector in increased service delivery. By working with the Ministry of Social Affairs, Labor and Veterans Affairs (MSALVA) we expect our NGO partners to assist the Ministry to develop its capacity for national planning, budgeting and income generation activities.

Through USAID's support for vocational training, 196 orphaned Cambodians will graduate with technical skills and be placed in jobs in Phnom Penh and other urban areas.

NGO Strengthening

With continued support to local NGOs will result in 10-15 "mature" organizations capable of developing work plans and budgets, monitoring and evaluating their programs, soliciting funds with well-developed proposals, and successfully managing personnel. These capabilities will substantially increase the NGOs' prospects to become self-sustaining service providers for their communities.

Reproductive Health

The following will be accomplished:

- 8 million condoms sold through the Number One Condom program.
- Social marketing of oral contraceptives program will be underway, with feasibility studies completed, program planned and launch date established.
- Norplant acceptability trials will be launched at two sites.
- Voluntary Surgical Sterilization trial will be launched at three sites.
- Assistance to support nationwide contraceptive distribution and monitoring systems will be underway.

- The 1996 nationwide HIV/AIDS surveillance will be completed, data collated, analyzed and used for policy dialogue and ongoing surveillance planning.
- Behavioral surveillance for HIV/AIDS will be piloted, first round completed, data analyzed and used for policy dialogue, IEC program development and monitoring, and 1997 round planned.
- The STD prevalence and drug resistance study will be completed including behavioral modules. Data will be analyzed, disseminated and included in program planning, essential drug procurement systems and STD training programs.

Integrated MCH programming and implementation

Health activities have been incorporated in MCH Strategic Objective . Activities to be accomplished include:

- Ongoing grants will strengthen MCH services in 18 districts, raising contraceptive prevalence rates, mother's knowledge of diarrheal disease home management and improving health workers knowledge and practice of essential MCH interventions.
- Three USAID cooperating agencies will be in place, work plans developed and implementation underway for new activities using integrated team approach.
- Province focus teams will be in place with roles defined in three key provinces.

Child Survival

- A resident advisor for Communicable Childhood Diseases/Acute Respiratory Infections (CCD/ARI) will be in place at the MOH coordinating and developing nationwide strategy for CCD/ARI.
- The MOH Dengue Hemorrhagic Fever (DHF) Program will be fully operational and institutionalized, providing a nationwide network of vector surveillance and outbreak response.
- The acute respiratory infection treatment and training unit will be fully functional at the NPH with provincial training underway.
- Iodized salt will be available and marketed.

III. STATUS OF THE MANAGEMENT CONTRACT

The approved country strategy for Cambodia and the Management Contract that proceeds from it were put in place prior to the Mission's re-engineering efforts. In applying the performance-oriented re-engineering concepts, the Mission realized that the existing strategic objectives, while worthy, were not easily defined as within the Mission's manageable interests. The Mission is, therefore, developing a new Results Framework and sharpening the focus of its Strategic Objectives. In some cases this will mean restructuring Strategic Objectives; in others, moving in new directions.

The discussion below is not an attempt to introduce a new strategy nor solicit Agency approval for a new strategy at this time. This discussion simply provides Washington with a "snapshot" picture of the Mission's development of a new USAID Cambodia assistance strategy and sets the stage for allocation of resources in the interim before presentation and approval of a new strategy.

A. Strategic Objective Changes or Refinements

Working from the three broad objectives in last year's Action Plan, USAID/Cambodia has reconfigured its strategic framework to more narrowly specify three SOs and four SpOs. The three SOs -- 1) Strengthened Democratic Participation and the Rule of Law; 2) Improved Learning by Primary School Children; and 3) Improved Maternal Child Health -- reflect areas which have been analyzed by the Mission and have major ongoing initiatives. In the case of SpOs 3 and 4, they represent activities from the previous Strategic Objectives Economic Growth and Basic Family Services. These are areas in which the Mission has ongoing activities that will phase out over the next few years. SpOs 1 and 2 are areas which the Mission is considering continuing on a longer term basis as SOs or SpOs, but need further analysis to determine the extent of appropriate USAID involvement. This new and evolving Results Framework more accurately reflects the Mission's manageable interests and the actual development purpose of ongoing activities.

The Mission and its partners have invested considerable time and effort in the process of refining the SOs without deviating from the approved strategy. Considerable thought and effort has also been given to identifying SO and SpO level indicators which are valid and reliable measures of progress while also being operational and feasible. In addition to these efforts, external consultants have assisted the Mission in reviewing ongoing activities for technical soundness and relevancy to Cambodia's needs; developing a sector-specific strategy for Maternal Child Health (including IRs and lead indicators); working with our partners to develop indicator-based, results monitoring and reporting systems which support our own results monitoring system; and drafting initial Customer Service Plans (CSPs) identifying

priority customer-focused information requirements. This section of the R4 reflects what has been learned from that process to date.

STRATEGIC OBJECTIVE 1: Expand Access to Higher Quality Public Services which Strengthen Democratic Participation and the Rule of Law.

The importance of this objective lies in its focusing of activities on the delivery of services designed to encourage reliance on the rule of law and participation in democratic processes. This SO both planned assistance to improve Cambodian adherence to the RoL and possible assistance to carry out local and national elections in 1997 and 1998 respectively.

Within the RoL arena, USAID will work to narrow its activities in the coming year. The program will focus on: 1) improved judicial performance and respect for human and legal rights in the criminal justice area; 2) creating local capacity in human rights advocacy, education and monitoring; 3) improving the human resource base within the legal system; and 4) the creation of an institutional framework for a modern legal system.

USAID will be working with its existing grantees to refocus RoL activities and will formulate a new set of IRs by the end of October 1996. These will be presented in the Mission's new strategy to be submitted to the Bureau in December 1996.

USAID/Cambodia has developed a phased, low-profile approach to election assistance conditioned upon the promulgation of an election law in September 1996. The program will be phased according to the implementation of the electoral calendar, maximize the use of existing resources and concentrate new resources on elements essential to the holding of *free and fair* elections. It will address the principal constraints to free and fair elections identified in an election assessment carried out in April 1996: a) administrative implementation problems including the lack of human and material resources; b) possible manipulation of the process through intimidation and fraud; and c) non-acceptance of the outcome by the parties involved.

The activities selected will help develop an administrative framework for more effective implementation of the elections, create an independent Cambodian monitoring system to deter fraud, and establish a nationwide voter education program to ensure that voters know their rights and responsibilities as well as understand the procedures for voting. Continuation through the phased program will depend upon satisfactory RCG actions regarding voter registration, voters lists and the acceptance of local elections. USAID will collaborate closely with other donors supporting the election process in Cambodia.

(See Annex A, Chart 1: Participatory Democracy and the Rule of Law)

STRATEGIC OBJECTIVE 2: Improved Learning by Primary School Children.

During the Pol Pot era of 1975-79, Cambodia's education system was decimated. Although attempts have since been made to rebuild the educational structure, the task is enormous and major improvements have not materialized. Most primary school teachers remain insufficiently trained and, with a salary averaging around \$20/month, are poorly paid. Predictably, very little quality learning actually takes place in Cambodia's primary schools. This has created a vicious cycle in the existing education system. Poor teaching results in high failure rates and grade repetition, which in turn results in even more overcrowded classrooms, poorer teaching conditions, and poorer learning. The result is a population that is largely illiterate (adult literacy is estimated at 35 percent and even lower for women), unskilled, and condemned to a subsistence existence.

To break this cycle, USAID seeks to facilitate qualitative improvements in primary education through teacher training and development of "cluster schools" in the more heavily populated areas of Cambodia (different modes of teacher training sponsored by other donors will be used for the less densely-populated regions of the country). Improving the quality of instruction is expected to result in better learning and, in turn, decreasing grade repetition rates. As fewer students are held back in the lower grades, the primary education system's internal efficiency will increase, which will further improve overall access to quality primary education. Ultimately, Cambodia's workforce will be better educated and better able to participate in Cambodia's emerging economy.

With the development of the CAPE project, USAID is firmly committed over the long-term to supporting meaningful improvement in the national primary education system. This \$30 million activity, designed during the past year, will re-train some 45,000 primary school teachers and headmasters in student-centered teaching methodologies. Given the nationwide scope of the activity, as well as its duration and cost, the Mission will propose this new SO.

Three indicators at the SO level represent key changes expected to occur: 1) criterion reference test scores improved; 2) grade repetition decreased while completion rates are increased; and 3) the percentage of girls in primary school classes increased.

Achievement of these indicators will depend not only on the activities funded under CAPE, but also those of other donors and the ability of the RCG to provide adequate budgetary support for primary education. The ADB, UNICEF, the EU, Australia and France are other principal donors involved in primary education, and are providing support in policy development, text book and material development and teacher training. Additional budgetary resources will have to be provided if primary education is to be effective, and the RCG has

committed itself to increase its outlays from less than 10 percent of the national budget in 1994 to 15 percent by the year 2000. As CAPE and other donor programs are being implemented, USAID proposes to expand its dialogue with other donors and the RCG to assure that these budgetary targets are actually met in the primary education sector.

Under this SO, USAID plans to train all primary school teachers and headmasters in student-centered teaching methodologies, develop school clusters to improve school administration, build and stock cluster school resource centers, and research/address specific needs of women and minorities. Assistance to strengthen the Ministry's capacity to both formulate and implement policies affecting primary education is also contemplated.

(See Annex A, Chart 2: Improved Learning by Primary School Children)

STRATEGIC OBJECTIVE 3: Improved Maternal Child Health

Cambodia has the worst maternal child health indicators in the region and ranks among the countries with some of the worst conditions for women and children in the world. These conditions clearly make improved maternal child health in Cambodia a priority SO for the Mission.

During the 1995 Action Plan Review, USAID/Cambodia was mandated to develop a strategic framework for the HPN sector which included: 1) all funding sources, including those from the RSM; 2) an HIV/AIDS assessment; and 3) realistic and achievable indicators. These tasks were accomplished in two exercises.

An HIV/AIDS assessment was completed in October 1995 which revealed one of the fastest growing epidemics in the world. This assessment, which has been widely disseminated, examined the HIV/AIDS situation in Cambodia, the response of the RCG and the donor community and the existing gaps. In addition, an appropriate role for USAID assistance was defined to include both short-term interventions and longer-term strategies appropriate to a broader MCH SO. This MCH objective is largely focused on support to private sector interventions, including continued financing for a successful condom social marketing program and the integration of STD diagnosis and treatment into reproductive health services. In addition, funding of further achievements in HIV/AIDS in Cambodia was anticipated once the RSM Regional program began implementation.

An MCH sector assessment and strategy design took place in January and February 1996. This exercise, done within the context of re-engineering, examined the Mission's assistance to the health sector. Consideration was given for several major elements including:

- critical areas of need in the sector as defined by customers, partners and available quantitative data;
- USAID's comparative advantage and experience to date in Cambodia through the PVO Co-financing project and planned interventions through the FHABS project;
- the mandate to maximize impact and demonstrate results within the context of reduced funding levels and Mission management constraints; and
- changes in the Cambodian context as the MOH strengthens its capacity and develops sound health sector strategies which require donor support for implementation
- launching the transition from crisis management towards sustainable development in the health sector.

Building on this foundation, a maternal child health strategy was developed that encompasses the five-year period from 1995 to 2000 and integrates the Mission's health sector activities, where relevant, into a cohesive strategy. The Mission made the SO and IRs a part of its Results Framework in February 1996. In addition, a customer service plan and a performance monitoring plan have been developed.

This strategy will improve maternal child health in Cambodia and strengthen the capacity of the public and private sectors to deliver sustainable quality reproductive health and child survival services. It will have nationwide impact, improving the health of women and children in rural areas. The Strategy also encompasses the following technical focus areas:

- Birth Spacing
- STD/HIV Prevention
- Safe Motherhood
- Childhood Diarrheal Disease and Acute Respiratory Infections (CDD/ARI)
- Micronutrient deficiencies

Three SO-level indicators represent key changes expected to monitor program performance: 1) contraceptive prevalence increased from 7 percent modern method use in 1995 to 17 percent modern method use in the year 2000; 2) infant mortality decreased from 115 deaths per thousand to 100 deaths per thousand by the year 2000; and 3) child mortality decreased from 181 deaths per thousand to 155 deaths per thousand by the year 2000.

(See Annex A, Chart 3: Maternal Child Health)

SPECIAL OBJECTIVE 1: Sustainable rural development programs are developed, implemented and strengthened.

USAID/Cambodia currently has a number of small-scale projects implemented through NGOs which focus on various aspects of the country's rural development needs. This Special Objective (SpO) is intended to capture and build upon the successful elements of those activities. Given the importance of the agricultural sector and the magnitude of rural development needs in Cambodia, the Mission intends to examine this SpO for possible development into a full Strategic Objective in the next strategy presentation.

About 85 percent of the population of Cambodia lives in rural areas and derives its livelihood from farming, fishing, the processing of forest products and small-scale rural enterprise. Approximately 1.6 million hectares of land are currently cultivated with rice compared with 2.6 million in the early 1970s. The cultivated area per family for rain-fed rice is 1-2 hectares. Poor soils, inadequate use of inputs and the lack of irrigation produces low yields, averaging only 1.2 - 1.4 tons/ha. for rain-fed rice. Animal traction is used for plowing, but all other phases of production are performed by human labor. Cash earnings from secondary crops such as maize, sugar cane, sugar palm and vegetables are typically invested in pigs and poultry. This predominantly rice-based agriculture accounts for 50 percent of Cambodia's GDP. Improving the productivity of the rural sector will clearly be essential for Cambodia's economic development.

Key constraints to agricultural growth and, therefore, rural development in Cambodia, include the enormous depletion of human capital, destruction of basic infrastructure, lack of rural financing mechanisms, extremely limited technology, poor natural resource management, woefully inadequate policies and insufficient attention to community development possibilities creating opportunities for the rural poor to be involved in the development effort. However, where to target USAID's limited resources so that they produce meaningful results quickly is not yet clear.

USAID proposes to undertake an in-depth review of its own programs and those of other donors in addressing the stated constraints to rural development in Cambodia. Appropriate lessons from other countries similar to Cambodia will also be reviewed in an attempt to develop an appropriate strategy and programs for replication in Cambodia.

All new rural development activities will be designed to produce tangible, sustainable impact within two to three years. This condition is essential in order to demonstrate to the Cambodian people and the RCG that results can be delivered quickly and in a cost-effective way. This approach will, in many ways, exclude intensive institution building programs with the RCG. USAID will coordinate its strategy with those donors

strengthening programs that complement USAID efforts by laying the policy and human resource framework necessary for sustainable rural economic growth. This "quick results" approach will focus on small-scale, immediate and practical outcomes, and rely heavily on the involvement of NGOs with relevant in-country experience.

The Mission proposes a Special Objective which encompasses ongoing rural development activities and reflects the transition of the USAID/Cambodia program to a sustainable development focus. The objective encompasses on-going activities which include: micro-finance (lending and savings services), micro-enterprise development, small-scale irrigation, community water and sanitation programs and rehabilitation of secondary and tertiary roads. These activities contribute directly to meeting priority needs identified at the community level. They employ participatory approaches that instill a sense of empowerment among community members through their involvement in planning and implementing activities addressing their needs. It will also comprise the successful ongoing components of the prior economic growth objective which are providing assistance in environmental planning and agricultural policy.

The PVO Co-Finance project offers a convenient and effective vehicle for providing this assistance in the near-term. For planning assistance over the longer-term, the Mission will conduct various analyses leading to the formulation of a new rural development strategy. However, NGOs will continue to be an integral part of our service delivery activities at the community level.

Schedule: USAID intends to develop a more definitive rural development strategy by September 1996. The sector strategy will form the basis for possible development of a fourth Strategic Objective in the next strategy paper presented to Washington.

(See Annex A, Chart 4: Rural Development)

SPECIAL OBJECTIVE 2: Enhanced Capacity to Provide Training to Support Private Sector Growth.

In Cambodia, as in most of the third world, private sector investment, not donor aid flow, will ultimately determine the growth of the economy and the income of Cambodians. However, aid flow can be extremely important in helping to provide the social "infrastructure" needed for private investment to take place and be productive. Human resource investment in Cambodia is one such areas. While the Mission is providing

assistance in this area through the ongoing primary education activity, it is an investment that will only payoff in the more distant future.

The lack of skilled managerial staff is an especially acute problem in Cambodia. Virtually all the skilled and educated professionals were lost in the 1970s and very little could be done to replace them in the 1980s due to the ongoing civil war. Those that were trained in Eastern Bloc universities acquired technical skills, but have limited or even inappropriate understanding of management in a market economy. The result is that management of the public and modern private sector is largely in the hands of foreigners. There is an urgent need to form a Cambodian managerial class trained in the techniques of modern management.

Ongoing USAID activities in the FOB represent a start in meeting this challenge. These and any future institutional strengthening efforts should be implemented contingent upon policy changes in the MOEYS that enhance the long-term viability of the FOB. However, now there is also a need to develop a cadre of Cambodians who can quickly move into policy and management positions in both the public and private commercial sectors.

This HRD SpO captures the various activities of this nature that the Mission has been implementing over the past few years. Assistance under this objective to the FOB will continue to strengthen its capacity to teach both business and business law. USAID's recently initiated support to the CDC to help develop a strategic plan for human resource development in light of Cambodia's long-term growth objectives also contributes to this objective. A third area for USAID involvement might focus on training needs (both long- and short-term) for policy level officials in both the RCG and the private sector.

(See Annex A, Chart 5: HRD for Private Sector Growth)

SPECIAL OBJECTIVE 3: Emergency Reconstruction of Vital Roads Completed.

USAID recommends this Special Objective in order to complete the repair of the two bridges along Highway 4 found to be structurally unsound and requiring either extensive repair or reconstruction. This will mean extending completion of the current contract to December 1997.

(See Annex A, Chart 6: Roads)

SPECIAL OBJECTIVE 4: Humanitarian Needs of Targeted Vulnerable Groups Met

The Mission recognizes that fundamental humanitarian assistance needs are still widespread in Cambodia, especially among vulnerable groups such as widows, orphans and disabled or displaced people. The RCG lacks the resources to respond effectively to these needs and what assistance can be provided is insufficient in light of the numbers needing aid.

To continue these on-going humanitarian assistance/emergency relief activities through the end of existing grants, USAID proposes a SpO, stated above, covering selected health services, prostheses for land mine victims, vocational training for orphans and disabled persons and emergency assistance for internally-displaced people and victims of man-made or natural disasters. Beyond these efforts, the Mission will consider the need to build the management capability of indigenous NGOs to deal with these concerns in the future. Pending evaluation work now underway, the Mission will review the need to further develop the organizational competence of a selected group of Cambodian NGOs, preparing them to take on major roles in the provision of these services following USAID's disengagement.

(See Annex A, Chart 7: Assistance to Vulnerable Groups)

B. Special Concerns or Issues

The existing approved assistance strategy for Cambodia runs through 1997. The Mission, as mentioned earlier, is in the process of refining and reshaping its SOs as the first step in developing a new strategy for Cambodia. The Mission proposes to develop an agriculture/rural development strategy over the next several months and concurrently study the direction of future assistance under the private sector human resource development objective. Upon completion of these efforts, the Mission will be in a position to prepare a new Country Strategy Paper to be submitted in December 1996 for Bureau review and approval in early 1997. Does the Bureau concur in this schedule?

In this R4 the Mission has laid out a "snapshot" of how that new strategy is taking shape. In the process leading up to approval of a new development strategy, the Mission will be required to allocate resources among SOs and SpOs. The Mission proposes to obligate FY 1996 funding and, as necessary, FY 1997 funding in support of the revised SO and SpO indicated in this R4. While the currently approved Strategic Objectives are broad enough to encompass the revised Results Framework, the Mission needs to concentrate its efforts to better reflect its manageable interests. The Mission seeks Bureau concurrence in applying FY 1996 and, as necessary, FY 1997 funds in support of the evolving SOs.

As USAID/Cambodia incorporates re-engineering principles into Mission programming, several issues emerge relevant to certain SOs and SpOs:

Strategic Objective 1: Democracy and the Rule of Law

Donor coordination has been identified as an area that needs improvement. USAID has already begun to address this concern by holding quarterly meetings with all NGOs and donors working in the democracy and rule of law area. These meetings have become a permanent part of the Mission's monitoring program.

The lack of focus in some grantee programs has also been raised as an issue. USAID has begun working with NGOs to bring their programs into line with this SO. In some cases, this may require an amendment to existing agreements. USAID has begun working with the NGOs and the RSM grants officer on possible amendments.

If USAID becomes involved in the multi-donor election program, we see an urgent need for a USPSC, with extensive experience in election assistance in third world countries. USAID's staff is stretched exceptionally thin and does not have the technical expertise, nor the time, to undertake the extremely complex activities contained in our election proposal, without having the other activities in our D/G and RoL portfolio suffer. Without approval to hire a USPSC to assist with implementing and monitoring the election program, USAID should consider providing only minimal support to Cambodian elections.

Strategic Objective 2: Primary Education

Coordination with other donors and the RCG is also crucial to success in achieving the objectives of this SO. USAID's role is a key one, but it is only one component of a multi-donor effort to improve primary education in Cambodia. As CAPE implementation gets underway, the Mission needs to make a greater effort to coordinate with other donors to ensure that they too use their resources to assure that the RCG provides adequate budgetary resources for primary education. The Mission also intends to bring the CDC into this dialogue as appropriate to assure that adequate strategic planning is being done to ensure proper funding for primary education.

CAPE was designed, and is currently being managed, by a USDH Project Development Officer. To date, the Mission has not encountered any serious difficulties engendered by a lack of technical expertise. However, CAPE will soon begin full-scale implementation. There will soon be a real need for someone with extensive knowledge in managing basic education programs to take over the management of CAPE. Unless an appropriate USDH with adequate technical experience is brought on board and the Mission is given permission to hire a USPSC to assist in managing CAPE, the Mission foresees serious difficulties in achieving the SO.

Strategic Objective 3: Maternal Child Health

- **HIV/AIDS:** HIV/AIDS poses a significant problem in Cambodia and has the potential to affect development adversely. Given the magnitude of the problem and limited Mission resources, two approaches were selected to address the issue. The first focused on immediate short-term issues which are being addressed using ANE Bureau funds through AIDSCAP. The second, more long-term approach, incorporated two logical elements, the integration of sexually transmitted disease care into reproductive health and the social marketing of condoms into the MCH Strategy.

This approach was based on the assumption that the RSM SO targeted towards the reduction of HIV/AIDS in the region would be available to contribute a broader approach to the problem in Cambodia, particularly as concerns local NGOs. At this time the Mission has neither the funding nor management capacity to take on an HIV/AIDS SO or SpO, making the RSM SO an ideal solution. With the closure of the RSM, the future of the regional SO is unclear, yet the problem remains acute and the need for funding and activities imperative. This issue is further complicated by the fact that the G Bureau AIDS Technical Support project ends in September 1997. This gap in mechanisms limits the potential to plan for achieving results over a longer time frame using ANE Bureau HIV/AIDS funds.

- **Regional Training and Technical Support:** This is another area where the closure of the RSM has an impact on achieving results under the MCH SO. The strategy planned to use the RSM Regional Training Project for all U.S. and third country training at a level of \$500,000. With the closure of the RSM, this mechanism and funding will not be available after FY 1996.

- **MCH SO staffing requirements:** In the development of the MCH SO, two positions in USAID/Cambodia were seen as essential to its successful implementation: a USDH PHN officer and a PSC to assist in program management. The USDH PHN officer position is currently filled by an IDI and the position is being SPARed under the new Mission staffing arrangement. A waiver for the PSC has been submitted for approval. There is a now greater urgency to this request given the closure of the RSM and the support of the PHN Officer there. This represents an important loss, particularly given the current staffing limitations in the Mission. Approval and recruitment of this position as quickly as possible is essential to rapid, successful implementation of new activities under the SO.

Special Objective 1: Rural Development

In light of the overwhelming importance of developing Cambodia's rural economy, this SpO clearly has the potential to be elevated to the SO level. The Mission will be looking for assistance from the ANE and Global Bureaus to identify programs and resources the Mission

can utilize from the ANE, Global or other Bureaus to develop the rural development objective.

The Mission requests AID/Washington permission to proceed with the obligation of FY 1996 funding for SpO 1 without the approval of a formal USAID strategy. The Mission proposes utilizing a Strategic Objective Agreement for this. The Mission intends to develop a Rural Development Strategy by the end of August and will submit a USAID/Cambodia Strategy in December 1996. If approved, Rural Development will become Strategic Objective 4. Authorization to proceed with the obligation of funds prior to the approval of a strategy will allow the Mission to accelerate actual implementation when our strategy is approved.

Special Objective 2: Private Sector HRD

The Mission requests AID/Washington approval to proceed with the obligation of FY 1996 funding for this SpO without the approval of a formal USAID strategy. The Mission intends to develop a Human Resources Development strategy this Fall and will submit this as part of the USAID/Cambodia strategy in December 1996.

C. 22 CFR 216 Issues and Schedule

Although obligations made in FY 1996 may be tied to SO or SpO, Congressional Notifications are being done on a project-by-project basis. As such, there may be a need to review 22 CFR 216 requirements prior to obligating funds. Annex E outlines the needs/schedule in this regard.

SECTION IV. RESOURCE REQUIREMENTS

Resource Requirements are described in two subsections. The first deals with the Program Funding requirements and the second Operating Expense requirements.

Both sections take into consideration the approved Strategy, last year's Action Plan/Program Week results and the planned future program results in the face of declining resources.

A. Program Funding Request by Strategic Objective

The following describes the budget requirements for FY 1996, 1997 and 1998. For FY 1996, to reach objectives articulated in Section III, our level required is \$29.5 million. The \$29.5 million level in FY 1996 represents a requested funding level as we have not received a final budget for this fiscal year. For FY 1997, we used the Washington-provided base level of \$35.0 million and the base level minus 20 percent. For FY 1998, we used the base level minus ten percent and the base level minus 30 percent.

The quarter ending March 31, 1996, shows an overall pipeline of only \$63 million against cumulative active obligations of \$183 million, or a pipeline of only 34.5 percent. The figure is even less significant considering that 83 percent of the Mission's obligations is committed in contracts, cooperative agreements, grants and central buy-ins. This results from the program becoming more fully established, thereby moving from initial start up to full implementation. This trend should accelerate with overall expenditures increasing and pipeline decreasing as activities with commitments begin accruing expenditures and new obligation levels decline.

FY 1996 Funding

The \$29.5 million level would be allocated as presented in Table 3, Annex B. We propose to provide \$9.0 million to Strategic Objective 1 - Democracy. Of this amount \$4.0 million would be budgeted for support of elections. While our support for elections is by necessity dependent upon continued progress in the election process, we need to be able to respond quickly to positive developments. The funding provided this year would be reserved for support for NGO voter education program development, registration monitoring and assistance to the Electoral Commission for voter registration. We propose to phase out our present support to the National Assembly in 1997 and have budgeted \$0.4 million for this in 1996. Rule of law activities are budgeted at \$3.5 million in FY 1996 to provide funding for training judges, prosecutors, lawyers and paralegals with the objective of strengthening the

judiciary and legal system. The \$1.1 million budgeted for civil society complements the elections and rule of law components by providing grant funding to support Cambodian human rights and press organization.

The Mission has budgeted \$3.0 million in additional resources for Strategic Objective 2 - Primary Education. The Mission still has \$6.0 million allocated in FY 1995. Therefore, the Mission will not need more than the \$3.0 million requested in FY 1996, although we then anticipate annual budget requirements to increase to \$7.0 million annually over the LOP.

The Mission will require \$4.5 million for Strategic Objective 3 - Maternal Child Health. The funds will be used to initiate the child survival activities of the MCH program. Given the nature of FY 1995 funding and the difficulties associated with funding population activities in FY 1996, the Mission committed all FY 1995 funds to the reproductive health and population components of the strategy. FY 1996 funds will be used to launch child survival and monitoring and evaluation activities. Remaining funding will provide a contingency if FY 1997 funds are delayed.

\$8.3 million is requested for Special Objective 1 - Rural Development. This reflects the intent of the Mission to upgrade this Special Objective to an Strategic Objective upon completion of the appropriate analysis. In FY 1996 \$1.0 million will be used to partially fund the environment management activity (CEMP) and the agricultural policy analysis activity (CNP). This will leave \$7.3 million in FY 1996 to allocate to other rural development activities.

Special Objective 2 - Human Resource Development - is budgeted at \$2.5 million in FY 96 to complete funding of the Georgetown University grant and provide funding for the initiation of an off-shore training component.

Special Objective 3 - Emergency Roads - is not presently expected to receive additional funding because we anticipate meeting the increased bridge repair costs with the current budget.

Special Objective 4 represents the previous PVO Co-Financing project activities that have not been incorporated into the Maternal Child Health SO and the rural development Special Objective. Most of the activities are fully funded, but there maybe a need to continue the local NGO strengthening activities of the PVO Co-Financing project. We have budgeted \$2.2 million in FY 96 for this activity.

FY 97 Funding

Scenario 1 (OMB Request: \$35.0 million)

In FY 1997, the Mission would expect Special Objective 1 - Rural Development - to become new Strategic Objective 4. In 1997, all human resource development activities (outside of Strategic Objective 2 - Primary Education) will be incorporated into Special Objective 2, the elements of which will be developed during FY 1996 strategy review. The result is that legal education will be moved from Strategic Objective 1 (its present location) to Special Objective 2.

In FY 1997 at the OMB requested level of \$35.0 million, the Mission has budgeted \$8.8 million for Strategic Objective 1. This will include \$3.5 million reserved for election support; the final allocation of \$0.4 million for National Assembly supported activities and \$3.75 million for funding Rule of Law activities while \$1.1 million will be used to provide the final year of our civil society activities by The Asia Foundation.

In FY 1997, the allocation to Strategic Objective 2 will need to increase to \$7.0 million as the activity will be in full implementation status.

For Strategic Objective 3, the FY 1997 target allocation is \$3.5 million, a level needed to maintain the increasing pace of activities and maintain a prudent pipeline.

FY 1997 should see Special Objective 1 - Rural Development - become Strategic Objective 4 with a proposed budget over five years of \$30-40 million. The FY 1997 budget allocation at full funding is \$10.5 million and we anticipate to be at full speed. This funding would be divided \$0.5 million for environment, \$0.5 million for agricultural policy and \$9.5 million for other rural development activities.

Special Objective 2 in FY 1997 will become Special Objective 1 and subject to strategy development will have a budget allocation of \$3.0 million to fund human resource development activities.

Special Objective 4 is budgeted to receive \$2.2 million for ongoing indigenous NGO development.

Scenario 2 (20% below the OMB requested level: \$28.0 million)

With a 20 percent cut in the FY 1997 OMB request level, the Mission will prioritize its resources to meet ongoing needs first. For Strategic Objective 1, Rule of Law funding

would be reduced to \$1.75 million, thus reducing Strategic Objective 1 funding to \$6.8 million. The funding for Strategic Objective 2 would remain at \$7.0 million and Strategic Objective 3 would be reduced \$0.5 million in FY 1997 to \$3.0 million. Strategic Objective 4 - Rural Development - would be reduced by \$1.5 million in FY 1997 to \$9.0 million with a \$1.5 million reduction in the new rural development activities to \$8.0 million assuming the other activities are performing well.

Special Objective 2 will be reduced to \$1.1 million.

FY 1998 Funding

The base level for FY 1998 is \$35.0 million. The following represents our best estimate of what we would reduce.

Scenario 1

At a base level minus 20 percent (\$31.5 million), this scenario would represent a program budget of \$31.5 million. Strategic Objective 1 would be allocated \$6.0 million and Special Objective 4 would receive \$1.1 million. Strategic Objectives 2, 3 and 4 would receive funding of \$7.0 million, \$3.5 million and \$11.1 million or their full allocation to maintain implementation momentum in those sectors. The \$2.8 million in Special Objective 2 will maintain momentum in that activity.

Scenario 2

At this reduced level \$24.5 million, Special Objective 2 and Special Objective 4 would need to be phased out and Strategic Objective 1 and Strategic Objective 4 reduced with the reduction in Special Objective 1 significantly limiting new start-up activities in FY 1998.

B. Technical Support Needs from AID/W

STRATEGIC OBJECTIVE 1: Democracy and the Rule of Law

USAID plans to establish a new cooperative agreement through a buy-in with the Consortium for Elections and Political Strengthening (CEPPS) through the Center for Democracy and Governance in the Global Bureau. USAID sees the Consortium as the ideal mechanism for accessing resources for the elections on a phased basis over the elections period. The Consortium provides USAID/Cambodia with a flexible mechanism featuring a team of NGOs working together in a common framework under single leadership. USAID/Cambodia can

access one or several of the following NGOs, each of which is highly experienced in elections work: the International Foundation for Electoral Systems, the National Democratic Institute and the International Republican Institute.

STRATEGIC OBJECTIVE 2: Primary Education

During each of FYs 1996-98, USAID/Cambodia estimates that \$600,000 in assistance through the G/HCD/FSTA's Advancing Basic Education and Literacy Phase 2 (ABEL2) will be required. This will be effected through a buy-in from the CAPE project. The Director of ABEL2 traveled to Cambodia in April 1996 to meet with project and Ministry personnel to develop an illustrative workplan for assistance for the first two years of CAPE. years.

In addition, there may be some assistance provided through the recently approved Girls' and Women's Education project. As yet, the levels of assistance remain to be defined, although it is expected to be provided through core funds. This would augment funds already obligated to CAPE that are part of the global Girls' and Women's Education earmark.

STRATEGIC OBJECTIVE 3: Maternal Child Health

As is evident from the field support tables in Annex B, USAID/Cambodia will rely heavily on Global Bureau mechanisms and cooperating agencies (CAs) to achieve results in the MCH strategy. During the strategy development, this mechanism was determined by the SO team to be the most efficient and effective means to provide the state-of-the-art assistance required. It has the flexibility and the rapid response capability that the Cambodia situation demands. This choice of implementation mechanism also considers the management burden in the Mission.

The selection of cooperating agencies has been limited and close cooperation and team work between groups is seen as a key to assuring the critical integrated approach the strategy mandates. BASICS will be used as the lead child survival implementing CA, and SEATS as the lead reproductive health agency. Other CAs will be used for focused interventions: AVSC for voluntary surgical sterilization; AIDSCAP follow-on for targeted HIV/AIDS activities; and the new G/PHN Center in performance monitoring and evaluation for results reporting. In addition, selected grantees, originally funded under the PVO Co-Financing project, will be important team members.

As is evident, any loss of access to G/PHN field support mechanisms will severely hamper implementation and achievement of results.

C. Program Management Requirements: Operating Expense and Staffing
Program Management Requirements

Given the recent decision to close the RSM/Bangkok and make USAID/Cambodia a full Mission, the Mission expects increases in both OE and staff.

Full Mission status has implications regarding staff and assignment of responsibilities. The Mission presently has a staff of six USDH, one IDI, six USPSCs and eight TCNs. Over the next year, the Mission proposes a phased increase in staff to eleven USDH, eight USPSCs of which one is a resident hire and eight TCNs of which one is a resident hire.¹ The following discussion describes the responsibilities and staffing needs of each office.

Program Development, Implementation and Monitoring Office (PDIM)

The function of this office is to provide program and project development analysis and support to the rest of the Mission and to manage the performance monitoring program (PMP). However, due to staffing shortages, two of the four Special Objectives must be managed by PDIM: Special Objective 2 - Human Resource Development, and Special Objective 3 - Emergency Roads. The proposed staffing for PDIM is three USDH and two PSC. The office is presently staffed with two USDH and one PSC. The office chief also serves as Special Objective 2 leader, while the second USDH position, Program Officer, will be occupied by SGDO once the SPAR is approved.² Besides serving as Program Officer, the SGDO is also team leader for Special Objective 3. He is assisted by the PSC engineer until the end of the Roads Activity in 1997 when the Special Objective will terminate.

In addition to the two USDHs and one PSC, the proposed staffing plan for this office specified two additional positions, an economist and the PMP Specialist. The Mission has requested an IDI, subject to USAID/W approval, to fill the economist position. The estimated date of arrival for the candidate would be September 1996. Given that the candidate is an IDI, the Mission would not need a FTE until FY 1997. The PMP specialist position should be filled by an experienced USDH or PSC. Because of the shortage of such skills among USDHs, the Mission assumes it will be necessary to recruit a program funded

¹ The SGDO position will then be filled by the Special Project Officer and the SPO position will be eliminated.

² The three person TCN maintenance crew would be eliminated by end of FY 1997.

PSC. We need to recruit a candidate as soon as possible because the lack of a PMP specialist limits the Mission's performance monitoring capabilities. We request approval for the position immediately and believe we could have a person at Mission in the first quarter of FY 1997.

Office of Democracy and Governance

This office is responsible for managing the program of support to elections, civil society and rule of law. Presently, it has one USDH and one USPSC. The USDH serves as office chief and the USPSC is the rule of law advisor. We are requesting an additional USPSC position for the elections period (1996-1998). This two year position requires someone experienced in management of elections and is fluent in French. We need the position approved as soon as possible as we have an outstanding candidate that we will lose if we delay. Moreover, Phase I of our election support begins in June and requires the presence of the advisor as soon as possible.

Office of Primary Education

This office is responsible for Strategic Objective 2 - Primary Education. The proposed office staffing is one USDH and one USPSC. The USDH position is presently occupied by the PDO. We propose to keep this person in charge of the office until his departure from post in 1997. We would, however, request approval to SPAR a Human Resource Development Officer position this year, advertise it, staff it and put the candidate into Khmer language training. The HRDO would then arrive at post in August 1997 to replace the PDO who would be due to transfer. The Khmer language training is necessary due to the fact that the primary education program is national in scope and requires dealing with the Ministry of Education officials, the majority of whom do not speak English. The incumbent PDO, who designed the program, can manage it for the next year if permission is given to hire an experienced USPSC who can provide the requisite technical backstopping. We have an outstanding candidate for the position that we have sought approval to fill for over eight months. Approval now would allow us to recruit and staff the position by September 1996.

Health Population/Nutrition Office

This office is responsible for Strategic Objective 3 - Maternal and Child Health. Proposed staffing for the position is one USDH and one PSC advisor. The USDH position would be a new position and the SPAR has been prepared. The present HPN IDI, whose IDI period finishes in August 1996, will fill the USDH position upon its creation. In addition, the Mission is requesting a USPSC adviser to assist in the program implementation given the

magnitude and complexity of the program and the shortage of qualified FSN staff to provide project management backstopping.

General Development Office

The General Development Office will be responsible for Special Objective 1 - Rural Development - and Special Objective 4 - Humanitarian Assistance to Vulnerable Groups. This office will initially have a staff of one USDH, one USPSC and 2 TCNs. As Special Objective 4 ends, the number of PSCs would drop by at least one person. The office chief is presently head of the PVO Co-Financing project with the title of Special Projects Officer. The reorganization moves SPO into the SGDO slot and eliminates the SPO position. The other GDO staff are on site and no additional recruitment is needed now. The Mission would propose to recruit a SGDO this year, put the candidate in language training with arrival at post next August.

Office of Procurement

The closing of the RSM means that the Mission will need to have their own Contracting Officer or will need to draw on RCO services from a neighboring Mission. USAID/Cambodia's first choice would be to have its own Contract Officer and share the services with another Mission. In fact, the Mission has consistently justified the services for a Contract Officer based upon the workload and the unavailability of FSN Contract Specialists. The Mission would be willing to be part of a regional demand study that would propose to locate the Contracting Officer where demand is heaviest.

Financial and Information Management Office

Closing the RSM and the establishment of USAID/Cambodia as a full Mission will have significant implications for the Finance Office. To operate as an accounting station, the Mission will need to upgrade its staff and computing equipment significantly. At present, the USAID/Cambodia Finance Office has one USPSC, one TCN and four FSNs. Given the shortage of skilled FSNs, as the Mission expands, there will need to be a temporary increase in expatriate staff to provide training over a 2-4 year period to an expanded FSN staff in this office. Accordingly, the Mission proposes that the new office consists of one USDH, four PSCs (either resident hire or TCNs); three PSCs will be in finance and one in data management. The data management position may not be necessary if we can make a pay exception for a qualified Cambodian. The present USPSC position will be eliminated with the arrival of the USDH in FY 97.

Executive Office

The Executive Office staff will not change significantly except that the present USPSC EXO will be replaced by a USDH upon the recruitment and arrival of the USDH, estimated to be in 1997. In addition, the three person maintenance crew contract terminates at the end of FY 1997.

The following table summarizes our staffing requirements for the FY 1996-1997 period.

	FY 96 Yr. On Board	FY 97 Yr. End Target
US Direct Hire	7	11
US PSC	9	8
TCNs	8	8
FSN PSC	<u>48</u>	<u>51</u>
Total	72	78

THE PHASING OF ADDITIONAL STAFF

The Mission's highest staffing priority in FY 1996 is to fill three critical positions. These are: 1) SO 1 - Democracy Advisor Elections; 2) SO 2 - Education Advisor; and 3) SO 3 - MCH Advisor. We must fill all three positions now in order to proceed with the work that we have already pledged to do. As explained in Section III, the potential for success in achieving our Strategic Objectives is in jeopardy because these positions are not filled. Existing staff have neither the technical competency nor the discretionary management time to fill the roles proposed for the USPSCs. In the case of the MCH advisor, failure to fill this position would stretch capacity and the overall SO would suffer. The Mission has identified viable candidates for each of the positions, and we will lose them unless we get approval from USAID/Washington to proceed. All three positions would be project funded.

The Mission's next priority would be to fill the USDH Contract Officer position, Program Impact Monitoring USPSC position, as well as the IDI/USDH Economist Position. These positions hopefully can be filled early in FY 1997.

With the scheduled closure of RSM/Bangkok, the Mission will lose its existing contract/grant support. Since Washington proposes to make USAID/Cambodia a full Mission, we feel a full-time contract officer is warranted for Cambodia, given our existing and proposed

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program and level of funding. With the closure of the Bangkok Mission, it will be extremely important to approve the position and identify a suitable candidate as soon as possible.

The Program Impact Monitoring Specialist is important because the Mission plans to centralize the monitoring of indicators, and desires to have this advisor on board as early as possible in order to report effectively on progress toward our objectives next year. This summer the Mission is bringing out a consultant to assist the Mission in developing a Monitoring and Evaluation Unit, as well as prepare a Performance Monitoring Plan. The Mission would like to advertise for the long-term position by late summer. Washington approval is required to proceed with this procurement. This position would be project funded.

The Mission has identified a suitable IDI to fill the Economist Position and asks approval to bring this officer out in late FY 1996 or the beginning of FY 1997. Duties will include responsibility for Special Objective 2. A USDH position will need to be made available after the IDI period.

Recruitment of the USDH Rural Development Officer and the Education Officer should proceed with expected arrival at Post in late FY 1997. To accommodate these positions, the Mission will eliminate the Project Development Officer and the Special Project Officer positions.

MISSION SUPPORT AND FINANCIAL CONTROL

USAID currently has two OE funded USPSCs providing Executive Officer and Controller functions. The EXO has been contracted through the end of CY 1996 and the Controller through the first quarter of FY 1997. With the closure of the RSM/EA in Bangkok, and the decision to make USAID/Cambodia a full service Mission, it is imperative that USDH support be provided for both the Executive Officer and Controller positions.

The Mission has submitted a plan to Washington on how it proposes to assume full Controller operations over time. The plan includes transferring financial control responsibilities from the RSM/EA in Bangkok to USAID/Manila until April 1997 and providing a USDH Controller to USAID/Cambodia as soon as possible. Similarly, the services of a USDH Executive Officer are also required as soon as possible.

Planned staff additions cannot be adequately housed in the existing USAID office space. The Mission, therefore, requests authority to proceed with locating suitable additional space for utilization in FY 1997. (See Tables 5 & 6 Annex B.)

**CHART #1
STRATEGIC OBJECTIVE #1**

SO #1: Expand Access to Higher Quality Public Services which Strengthen Democratic Participation and the Rule of Law

INDICATORS:

- Decrease in average time of pretrial detention
- Number of districts in which human rights groups operate on a regular basis (including training, monitoring and investigation)
- Percentage of criminal & civil cases handled by public defenders or lawyers to disposition
- Increased public knowledge of election issues, procedures and processes

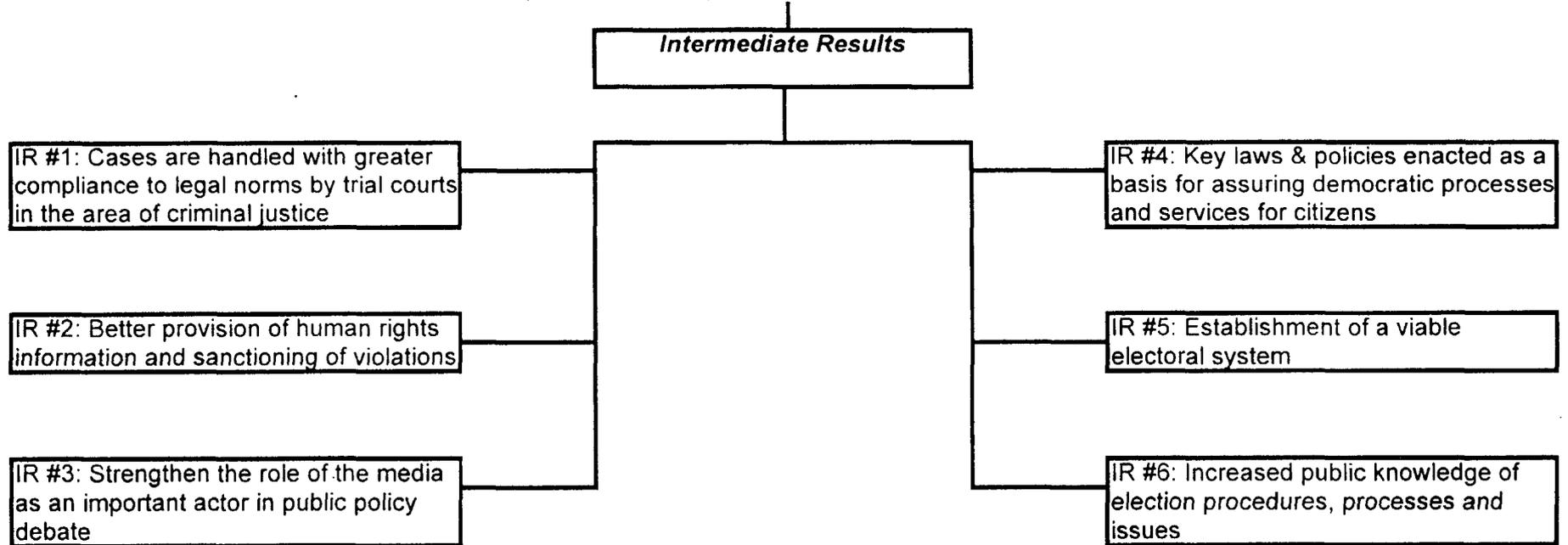


CHART #2 STRATEGIC OBJECTIVE #2

**SO #2: Improved Learning by
Primary School Children**

INDICATORS:

- Criterion reference test scores improved
- Grade repetition declines while completion rates are increased
- Percentage of girls in primary school classes increased

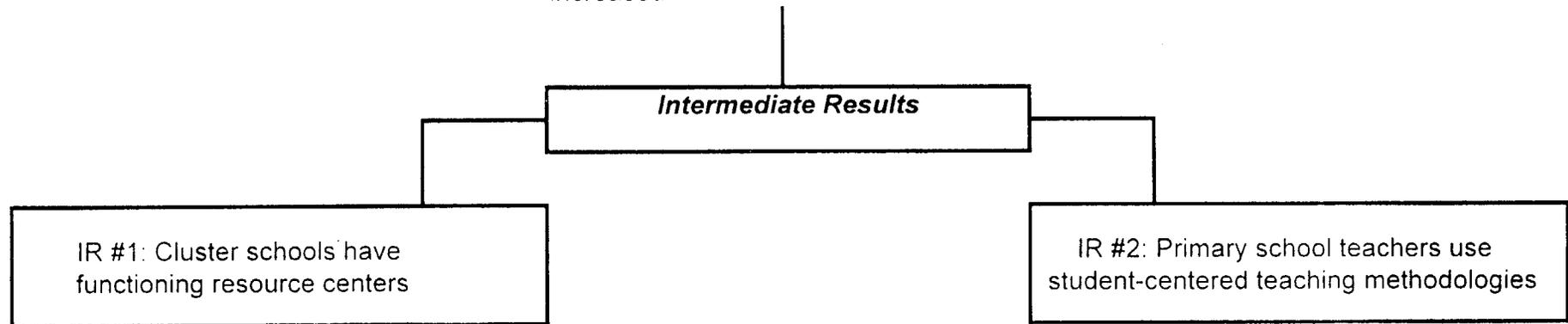


CHART #3 STRATEGIC OBJECTIVE #3

SO #3: Improved Maternal and Child Health

INDICATORS:

- Increased contraceptive prevalence rate (CPR)
- Reduced infant mortality rate (IMR)
- Reduced child mortality rate (CMR)

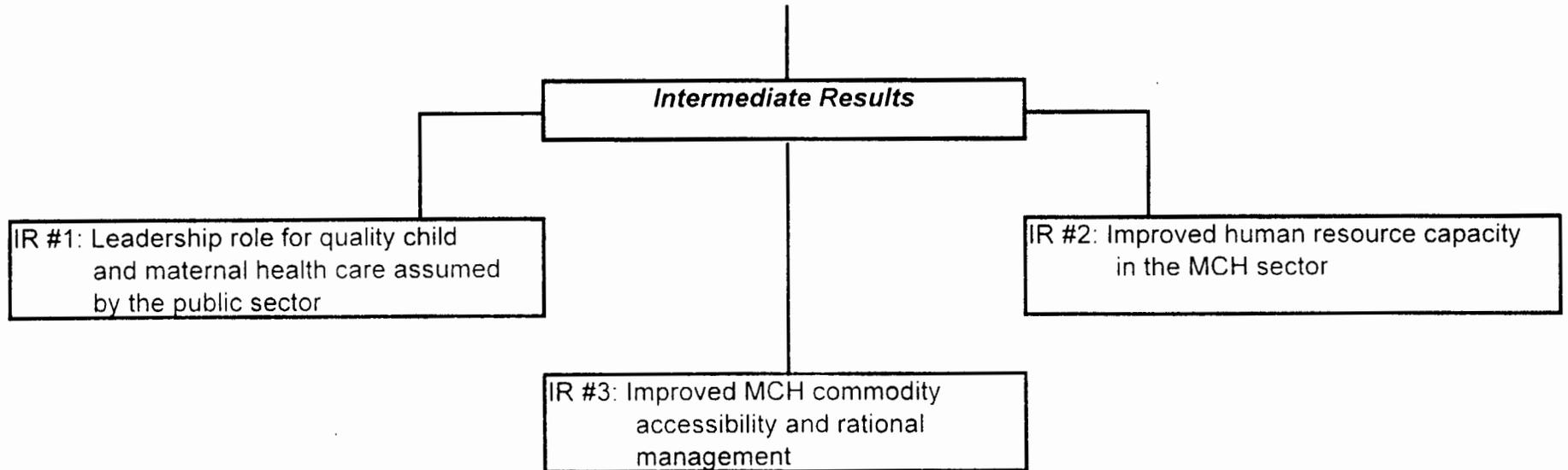


CHART #4 SPECIAL OBJECTIVE #1

**SpO #1: Sustainable Rural Development Programs
Established, Implemented and Strengthened**

INDICATORS:

- Number of people benefitting from rural micro-finance, secondary & tertiary road rehabilitation, small-scale irrigation and water & sanitation activities
- Policy and strategic planning undertaken and used for program development and financing at MAFF, MRD and MoE

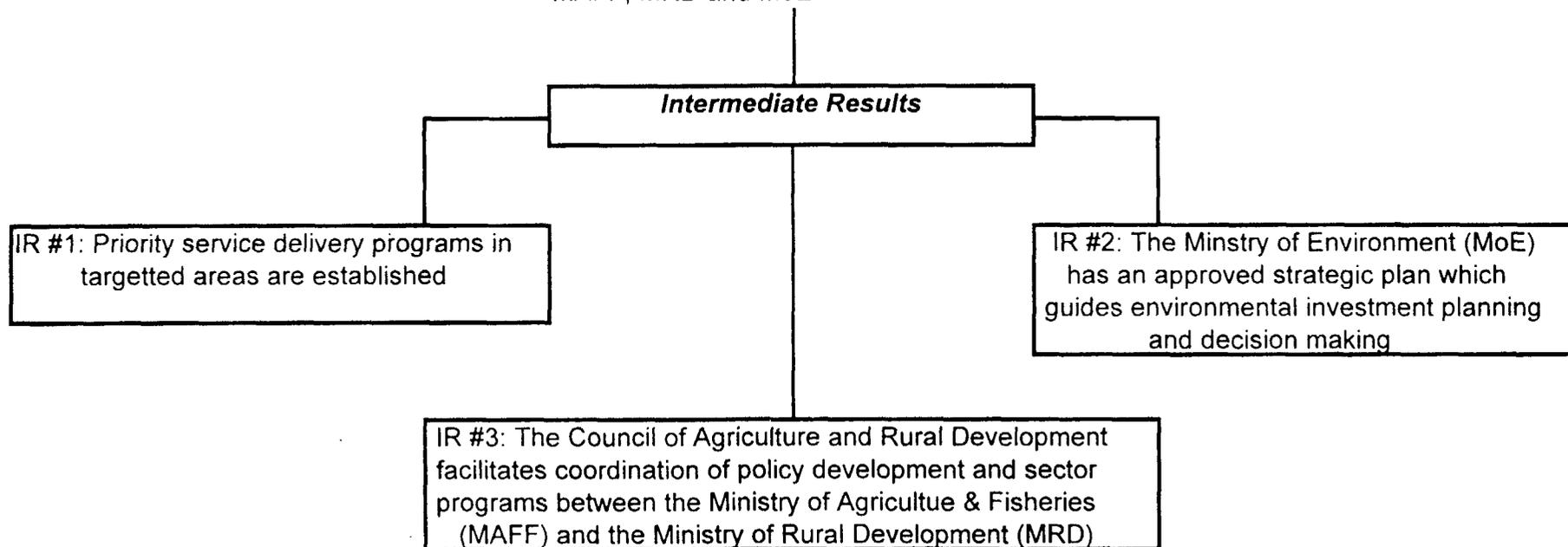


CHART #5 SPECIAL OBJECTIVE #2

**SpO #2: Enhanced Capacity to Provide Training
to Support Private Sector Growth**

INDICATORS:

- Number of Cambodians trained in business and business related programs
- Percent of business school graduates going into the private sector

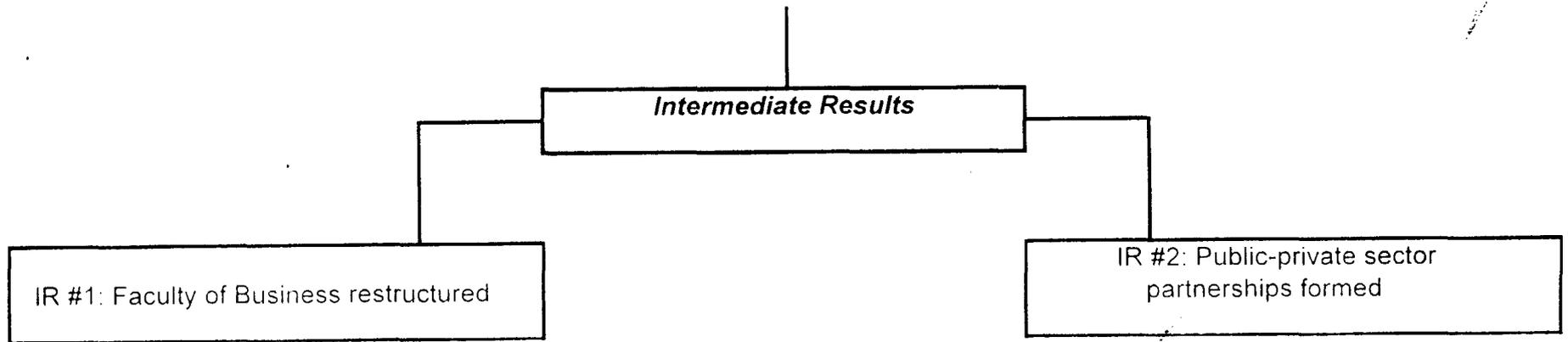


CHART #6 SPECIAL OBJECTIVE #3

SpO #3: Emergency Reconstruction of Vital
Roads Infrastructure

INDICATORS:

- Number of kilometers of roads rebuilt
- Number of bridges reconstructed

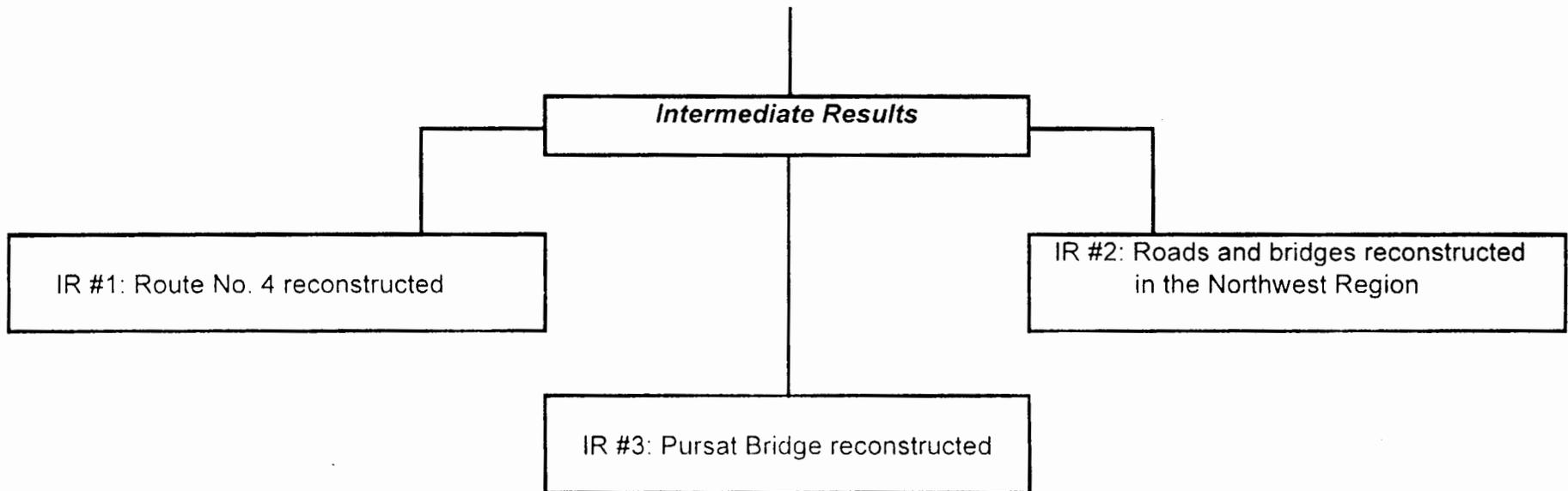


CHART #7 SPECIAL OBJECTIVE #4

**SpO #4: Humanitarian Needs Met for Targetted
Vulnerable Groups**

INDICATORS:

- Percentage of targetted vulnerable population with needs met

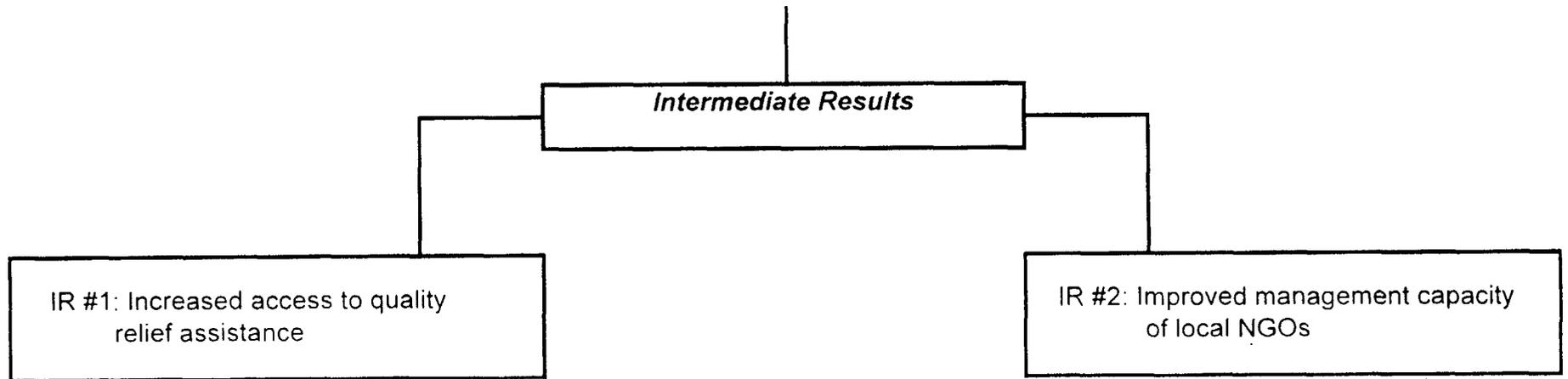


Table 2
ALL RESOURCES TABLE
USAID/CAMBODIA
(\$000)

Funding Category	FY 1996*	FY 1997		FY 1998	
		Base**	Base-20%	Base-10%	Base-30%
Sustainable Development	0	0	0	0	0
Economic Growth	-	-	-	-	-
Of which: Field Support***					
Child Survival/Disease	-	-	-	-	-
Of which: Field Support***					
Basic Education	-	-	-	-	-
Of which: Field Support***					
Population	-	-	-	-	-
Of which: Field Support***					
Environment	-	-	-	-	-
Of which: Field Support***					
USAEP					
Democracy	-	-	-	-	-
Of which: Field Support***					
Economic Support Funds	29,500,000	35,000,000	28,000,000	31,500,000	24,500,000
Of which: Field Support***	3,100,000	1,350,000	1,350,000	1,350,000	1,350,000
Of which Child Survival	2,700,000	950,000	950,000	950,000	950,000
Of which: Field Support***	2,500,000	750,000	750,000	750,000	750,000
Of which Basic Education	3,000,000	7,000,000	7,000,000	7,000,000	7,000,000
Of which: Field Support***	600,000	600,000	600,000	600,000	600,000
PL480:	0	0	0	0	0
Title II	-	-	-	-	-
Title III	-	-	-	-	-
Other (HG, MSED)	0	0	0	0	0
GRAND TOTAL	29,500,000	35,000,000	28,000,000	31,500,000	24,500,000

*The FY 1996 level is from operating bureau allocations based on 75 per cent of the 1996 CP request level.

**Base is defined as operating bureau allocations from the FY 1997 OMB request level.

***Refers to Field Support -- both Global-funded and Mission-funded.

Table 3
Funding Scenarios by Objective
(\$000)

OBJECTIVE	FY 1996*	FY 1997		FY 1998	
		Base**	Base-20%	Base-10%	Base-30%
Strategic Objective 1: Expand Access to Higher Quality Public Services which Strengthen Democratic Participation and the Rule of Law.					
ESF					
Total SO 1:	9,000	8,800	6,800	6,000	4,000
Strategic Objective 2: Improved Learning by Primary School Children					
ESF					
Total SO 2:	3,000	7,000	7,000	7,000	7,000
Strategic Objective 3: Improved Maternal Child Health					
ESF					
Total SO 3:	4,500	3,500	3,000	3,500	3,000
Special Objective 1: Sustainable Rural Development Programs Are Implemented and Strengthened.					
ESF					
Total SPO 4:	8,300	10,500	9,500	11,100	10,500
Special Objective 2: Capacity Enhanced to Provide Training to Support Private Sector Growth.					
ESF					
Total SPO 1:	2,500	3,000	1,100	2,500	0
Special Objective 3: Emergency Reconstruction of Vital Roads Completed.					
ESF					
Total SPO 3:	(1,500) TBD	(1,500) TBD	0	0	0
Special Objective 4: Humanitarian Needs of Targeted Vulnerable Private Sector Growth.					
ESF					
Total SPO 2:	2,200	2,200	1,100	1,400	0
GRAND TOTAL	29,500	35,000	28,500	31,500	24,500

* The FY 1996 level is from operating bureau allocations based on 75 per cent of the 1996 CP request level

** Base is defined as operating bureau allocations from the FY 1997 CMB request level.

ANNEX "B"

**Table 4
GLOBAL FIELD SUPPORT**

Mission Strategic Objective	Field Support: Activity Title & Number	Priority*	Duration	Estimated Funding (\$000)							
				Obligated by:		FY 1997 Base Obligated by:		FY 1997 Base Obligated by:		FY 1997 Base Obligated by:	
				Operating Unit	Global Bureau	Operating Unit	Global Bureau	Operating Unit	Global Bureau	Operating Unit	Global Bureau
SO1	Consort for Electoral & Political Processes	H	1998	2,300,000		4,400,000		4,300,000		1,000,000	
SO2	Advancing Basic Education & Literacy 2 (ABEL2)	H	1998	600,000		600,000		600,000		600,000	
SO2	Girls' and Women's Education Activity	H	2000	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
SO3	Basic + Follow-on 936-6006	H	2000	2,500,000		500,000		500,000		500,000	
SO3	SEATS 936 - 3048	H	2000	750,000		500,000		500,000			
SO3	AVSC 936 3068	H	2000			500,000		500,000			
SO3	AID SCAP F on	H	2000			500,000		500,000		500,000	
SO3	New G/PHN Performance Monitoring/DHS Project	H	2000			500,000		500,000		500,000	
GRAND TOTAL.....				6,150,000		7,500,000		7,400,000		3,100,000	

* For Priority use high, medium-high, medium, medium-low, low

** The FY 1996 level is from operating bureau allocations based on 76 per cent of the 1996 CP request level

*** Base is defined as operating bureau allocations from the FY 1997 OMB request level

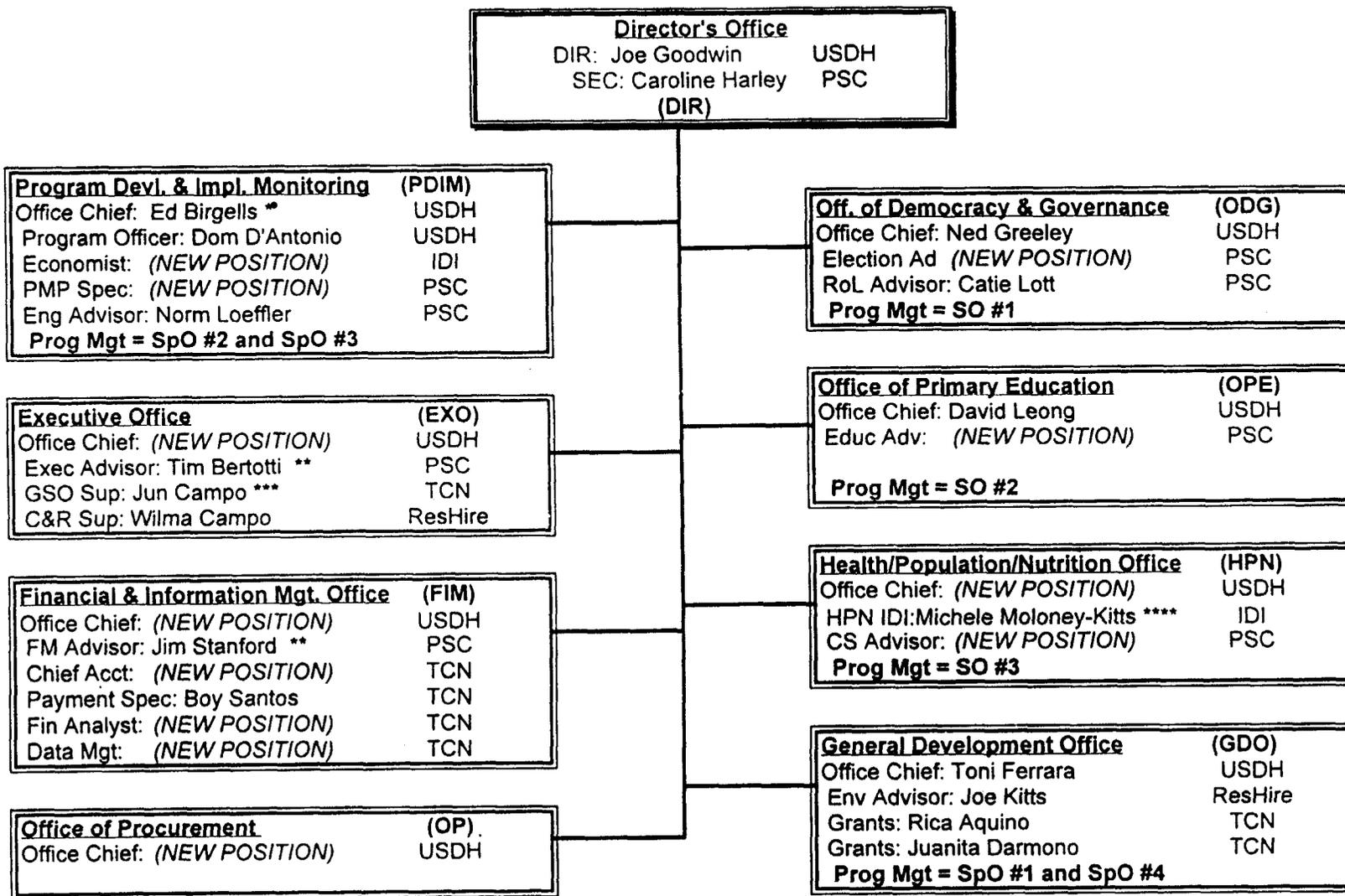
ANNEX "B"

	Strategic Objective 1	Strategic Objective 2	Strategic Objective 3	Special Objective 1	Special Objective 2	Special Objective 3	Special Objective 4	Other	Total Staff by Class
Staff	Rule of Law	Primary Education	Maternal/ Child Hlth	Rural Development	Human Resources Development	Roads	Assistance to Vulnerable Groups		
USDH	1.0	1.0	1.0	0.5	0.5	0.5	0.5	2.0	7.0
FSN(OE)	2.0	1.0	0.5	0.5	1.0	1.5	1.0	43.5	51.0
FSN(TF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FSN(Prog)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PSC(OE)	0.0	0.0	0.0	1.0	0.0	0.0	0.0	3.0	4.0
PSC(TF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PSC (Prog)	2.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0	3.0
TCN (OE)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.0	6.0
TCN (TF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TCN (Prog)	0.0	0.0	0.5	0.5	0.0	0.0	1.0	0.0	2.0
Total Staff By Objective	5.0	2.0	2.0	2.5	1.5	3.0	2.5	54.5	73.0

ANNEX "B"

Table 6	
Operating Expense Requirements	
OE/Trust Funded Levels by	
Major Function Code	FY 1996
U100 USDH	104.0
U200 FN Direct Hire	0.0
U300 Contract Personnel	773.4
U400 Housing	484.4
U500 Office Operations	551.5
U600 NXP	363.4
Total Mission Funded OE	2,276.7
of Which Trust Funded	0.0

USAID/CAMBODIA ORGANIZATIONAL CHART



* / Acting Director Designate

** / PSC position will be eliminated with USDH staff arrival

*** / GSO includes 3 additional TCNs

**** / Moloney moves to Chief after IDI completion

USAID/CAMBODIA STAFF REQUIREMENTS

1. **Director's OFFICE** (1 USDH; 1 USPSC)
 - i. Mission Director (USDH) - Converted from USAID/Rep
 - ii. Executive Assistant (USPCS) - Existing position filled.

2. **Program Development, Implementation and Monitoring (PDIM)**
(3 USDH; 2 USPSC)
 - i. Supervisory Project Development Officer (USDH) - Existing position filled. Will also serve as Acting Director Designate, and assume duties for Special Objective 2. Leader Human Resources Development.
 - ii. Program Officer (USDH) - New position to be filled by internal transfer of supervisory GDO. Will continue duties for Special Objective 3. Leader -Emergency Roads until activity ends in December, 1997.
 - iii. Economist(IDI/USDH) - New position to be created, will take over responsibility for Special Objective 2.
 - iv. Program Impact Monitoring (PSC) - New position already requested from USAID/W
 - v. Special Objective 3. Engineer - USPSC - Position currently filled and will be eliminated when Emergency Road Project finishes in December, 1997.

3. **Office of Democracy & Governance (ODG)**
(1 USDH; 2 USPSC)
 - i. S.O. 1. Leader Democracy (USDH) - Position filled.
 - ii. S.O. 1. Election Advisor (USPSC) - Position requested from USAID/W
 - iii. S.O. 1. Democracy Advisor Rule of Law (USPSC) - Position filled.

4. **Office of Primary Education (OPE)**
(1USDH; 1USPSC)
 - i. S.O. 2. Leader Primary Education (USDH) - Education Officer new position to be requested. (Position presently filled by PDO. Position will be eliminated in FY 1997.)
 - ii. S.O. 2. Education Advisor (USPSC) - Position already requested.

5. **Health/Population/Nutrition Office (HPN)**
(1USDH; 1USPSC)
 - i. S.O. 3. Leader - Maternal Child Health (USDH) - Position filled by IDI, will move to Leader after IDI completion in August, 1997.
 - ii. S.O. 3. CS Advisor (PASA/PSC) - Position already requested.

6. **General Development Office (GDO)**

(1 USDH; 2 TCNPSC; 1 RESIDENT HIRE)

- i. Special Objective 1 and 4. Rural Development (USDH) - New Rural Development Officer position to be created. Position will be covered by Special Project Officer. Special Project Officer position will be eliminated in FY 1997..
- ii. Special Objective 1. Grants Manager (TCNPSC) - Existing position currently filled.
- iii. Special Objective 2. Environmental Advisor/Ag Advisor (PSC-Resident Hire). Existing position filled.
- iv. Special Objective 4. Grants Manager (TCNPSC) - Position to be maintained until end of Special Objective.

7. **EXECUTIVE OFFICE (EXO)**

(1 USDH; 1 USPSC; 4 TCNPSC; 1 RESIDENT HIRE)

- i. Executive Officer (USDH) - This is a new position to be created. Presently occupied by USPSC, whose position will be eliminated once the EXO is on-site.
- ii. General Service Officer (PSC) - This is an existing position filled by TCN PSC. In addition, there are three TCNPSCs who are developing Cambodian capacity. Positions will be eliminated by the end of FY 1997.
- iii. C&R Supervisor (Resident HIRE) - This is an existing resident hire position, not an off-shore position and is currently filled.

8. **FINANCIAL & INFORMATION Management OFFICE (FIM)**

(1 USDH; 1 USPSC; 3 TCNPSC)

USAID recommends the initial transfer of accounting functions for Cambodia from RSM/Bangkok to the Philippines as of July 1, 1996 with a subsequent transfer to Cambodia as of March 31, 1997. Although the decision has been made to make Cambodia a full service Mission (and serving as an accounting station would be required), it seems unreasonable to assume that this could be done as of July 1, 1996, due to both equipment and staffing considerations. USAID further recommends the recruitment of a USDH Controller and a limited extension of the USPSC Financial Advisor, three new TCNs and an extension of the one existing TCN, and four new FSNs to supplement the five on board. Of this staff, one TCN and two FSNs will serve to manage the computer operation while the balance will serve in finance.

9. **OFFICE OF PROCUREMENT (OP)**

(1USDH)

- i. Office Chief - USDH Contract Officer. New position to be requested

**USAID/CAMBODIA FY 1996 R4
22 CFR 216 MATRIX**

STRATEGIC/SPECIAL OBJECTIVE	22CFR216 REQUIREMENTS	PLANNED DATE
SO #1: Strengthened Democratic Participation and the Rule of Law	IEE prepared under CDIP but only up to obligation of \$30 million; as figure will be exceeded, review of 22CFR 216 issues will be required prior to obligation of funds	TBD
SO #2: Improved Learning by Primary School Children	Categorical exclusion approved with CAPE Project authorization	N/A
SO #3: Improved Maternal Child Health	Categorical exclusion approved with FHABS Project authorization	N/A
SpO #1: Sustainable Rural Development Programs	IEE prepared under PVO Co-Financing but only up to obligation of \$50 million; as figure may be exceeded review of 22 CFR 216 issues will be required prior to the obligation of funds	TBD
SpO #2: Human Resource Dev. for Private Sector Growth	Categorical exclusion approved with TSP Project authorization	N/A
SpO #3: Emergency Reconst. of Vital Roads Infrastructure	IEE for Rt. 4 was not prepared due to security concerns; unless security improves, need for IEE could be overtaken by events	TBD
SpO #4: Humanitarian Needs Met for Targetted Vulnerable Groups	IEE prepared under PVO Co-Financing but only up to obligation of \$50 million; as figure may be exceeded review of 22 CFR 216 issues will be required prior to the obligation of funds	

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DRAFTED BY: AID/ANE/EA:PHENNING:MM
APPROVED BY: AID/ANE/AA:RCARPENTER
ANE/DAA:CLAUDATO STATE/EAP/WLC:DHARTER (INFO)
ANE/EA:JGILMORE PPC/CDIE:NYRELAND (INFO)
ANE/PPR:THURE (INFO) PPC/PAR:JSCHLOTTHAUER (INFO)
AID/ANE/EA:JVERMILLION R/B/PS/C:EMARVITZ (INFO)
DESIRED DISTRIBUTION:
ANE/PNS:GRAY (INFO) R/PA/CONT:TCULLY (INFO)

BECAUSE THE PRESENT CONDITIONS IN CAMBODIA PREVENT THE GATHERING OF ADEQUATE BASELINE DATA, THE CAMBODIA PROGRAM WILL BE GRANTED AN EXEMPTION FROM PRISM AND PRISM-TYPE EXERCISES DURING THIS ENTIRE STRATEGY PERIOD. THE OAR SHOULD BEGIN, HOWEVER, TO ACCUMULATE DATA THAT COULD SERVE AS A BASELINE FOR FUTURE PERFORMANCE MEASUREMENT AS WELL AS TRY TO STRENGTHEN INSTITUTIONS THAT COULD COLLECT AND MONITOR RELIABLE DATA IN THE FUTURE. ALSO, THE NEXT COUNTRY STRATEGY FOR CAMBODIA WILL BE EXPECTED TO MEET THE NORMAL AGENCY PRISM REQUIREMENTS.

5. THE MANAGEMENT AND STAFFING ISSUES RAISED BY THE STRATEGY AND DISCUSSED AT SEVERAL POST-STRATEGY REVIEWS AND SUBSEQUENTLY WITH USAID/CAMBODIA AND THE EMBASSY WILL BE ADDRESSED BY USAID/W ON A PRIORITY BASIS.
CHRISTOPHER

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INFO AEMBASSY BANGKOK

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E.O. 12336: N/A

TAGS:

SUBJECT: APPROVAL OF USAID/CAMBODIA COUNTRY STRATEGY

1. USAID/W APPROVES USAID/CAMBODIA'S COUNTRY STRATEGY AS IT WAS PRESENTED IN JUNE 1994, PROVIDED THAT USAID/CAMBODIA MAKE REVISIONS TO THE DRAFT DOCUMENT TO

REFLECT GENDER ISSUES AS DISCUSSED DURING THE STRATEGY REVIEW.

2. THIS APPROVAL OF USAID/CAMBODIA'S 1994-97 STRATEGY IS BASED ON REVIEW MEETINGS HELD IN JUNE 1994. AA/ANE MARGARET CARPENTER CHAIRED THE REVIEW WHICH INCLUDED USAID/CAMBODIA REPRESENTATIVE LEE THENTYVHA AND REPRESENTATIVES FROM ANE, S, PPC, R, AND STATE/EAP.

3. THE COUNTRY STRATEGY FOLLOWS CLOSELY ON THE PROGRAMS ALREADY IMPLEMENTED BY THE OAR. THE STRATEGY ACCURATELY DESCRIBES THE FAST-CHANGING CIRCUMSTANCES IN CAMBODIA AND EFFECTIVELY OUTLINES A PLAN TO CONTINUE THE FLEXIBLE, RAPID-RESPONSE PROGRAM IN THIS HIGH-PROFILE COUNTRY. THE FUNDAMENTAL GOAL OF THE COUNTRY STRATEGY IS TO SUPPORT THE NATION-BUILDING PROGRAM OF THE RCG. THE STRATEGY'S THREE MAIN OBJECTIVES ARE TO STRENGTHEN PLURALISM AND

GOVERNANCE, TO SUPPORT BROAD-BASED ECONOMIC GROWTH, AND TO MEET TARGETED BASIC HUMAN NEEDS. THE STRATEGY INCLUDES NEW STARTS IN THE AREAS OF FAMILY HEALTH/CHILD SPACING, PRIMARY EDUCATION, THE ENVIRONMENT, FARM-TO-MARKET ROADS, AND EXPANDING THE EXISTING DEMOCRATIC INITIATIVES PROJECT. APPROVAL TO PROCEED WITH NEW STARTS WILL BE SUBJECT TO MAD REVIEW.

4. GIVEN CAMBODIA'S RECENT HISTORY, THE COUNTRY STRATEGY CATEGORIZES USAID'S PROPOSED PROGRAM FOR CAMBODIA DURING

BY '94-97 AS A "POST-CRISIS TRANSITION" PROGRAM RATHER THAN A "SUSTAINABLE DEVELOPMENT" PROGRAM. USAID/W AGREES THAT THE USAID/CAMBODIA PROGRAM SHOULD QUALIFY AS A "POST-CRISIS TRANSITION" PROGRAM. FURTHER, USAID/W AGREES THAT,

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IGPP IRMO LENV MB MBBS OPB POP PPDC PPOD PPSP PVC STAG STN WID

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APPROVED BY: AID/AA/ANE:MCCARPENTER
AID/PPC/AA:CBRADFORD(DRAFT) AID/GC:MVELAZQUEZ(DRAFT)
AID/ANE/EA:JGILMORE(DRAFT) AID/ANE/EA:JVERMILLION(DRAF
AID/ANE/SEA:DDJKERMAN(DRAFT) AID/ANE/EMS:RGRAY(DRAFT)
AID/ANE/ORA:FYOUNG(DRAFT) AID/G/PDSP:TMAHONEY(DRAFT)
AID/PPC/PC:JSCHLOTTHAUER (DRAFT)
AID/M/B:HGRAY (DRAFT)
S/EAP/VLC/C:DSHIELDS (DRAFT)

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INFO AMEMBASSY BANGKOK

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E.O. 12356: N/A

TAGS:
SUBJECT: USAID/CAMBODIA ACTION PLAN REVIEW: CONCLUSIONS
OF PROGRAM WEEK MEETINGS, MAY 16-24, 1995. CHAIRED BY
AA/ANE MARGARET CARPENTER

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1. DURING PROGRAM WEEK FOR CAMBODIA, HELD MAY 16-24,
1995, USAID/W APPROVED THE ACTION PLAN FOR USAID/CAMBODIA
AND REVALIDATED THE COUNTRY STRATEGY. THE MISSION IS
COMMENDED FOR SUBMITTING A COHERENT, WELL-JUSTIFIED, AND
REALISTIC DOCUMENT WITH SPECIFIC ACTIONS TO STRENGTHEN
DESIGN, MANAGEMENT AND EVALUATION FUNCTIONS IN CAMBODIA'S
AMBITIOUS PROGRAM. ALTHOUGH CAMBODIA IS RECOGNIZED AS A
COUNTRY IN TRANSITION, THE ACTION PLAN REFLECTS ATTENTION
TO SUSTAINABILITY WHEREVER POSSIBLE.

2. THE MISSION WILL PROCEED UNDER CURRENT AUTHORITIES WITH
IMPLEMENTING THE STRATEGY (APPROVED DECEMBER 1994). THE
ACTION PLAN AND REPORTING ON RESULTS. FORMAL DELEGATION
OF AUTHORITIES TO MANAGE AND IMPLEMENT THE STRATEGY AND
ACTION PLAN UNDER A RE-ENGINEERED AGENCY SYSTEM IS
DEFERRED UNTIL THE AGENCY FINALIZES REMAINING OPERATIONAL
CONSIDERATIONS (E.G. CONTENT AND DETAIL OF USAID/W
MISSION MANAGEMENT CONTRACT, EXTENT OF THE DELEGATIONS OF

AUTHORITIES). AT THAT TIME, ANE WILL WORK WITH THE
MISSION TO REVISE THE CURRENT STRATEGY AGREEMENT INTO A
FORMAL MANAGEMENT CONTRACT, AS NECESSARY.

3. AGREEMENTS AND/OR FOLLOW-UP ACTIONS RESULTING FROM THE
ACTION PLAN REVIEW ARE OUTLINED IN PARAS 4-13. PARA 10
CONTAINS ANE BUREAU APPROVAL OF THE MISSION'S DEMOCRACY
AND GOVERNANCE STRATEGY AND A DELEGATION OF AUTHORITY FOR
THE MISSION TO AMEND THE DEMOCRATIC INITIATIVES PROJECT UP
TO DOLS. 50 MILLION LIFE OF PROJECT. ALTHOUGH THE MISSION
HAS AN APPROVED STRATEGY, A SIDE MEETING ON STRATEGY
CONCERNS WAS HELD; CONCLUSIONS ARE SUMMARIZED IN PARA 14.

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4. STAFF RESOURCES:

THE MISSION'S PROPOSED ADDITIONAL STAFF, WITH THE
EXCEPTION OF A CONTRACTING OFFICER REQUIRING AN ADDITIONAL
FTE, FALL WITHIN EXISTING USDH/PSC CEILINGS. AID/W AND
THE MISSION ARE SATISFIED THAT IF ALL OF THE FOLLOWING
ACTIONS ARE COMPLETED AS DESCRIBED, THE MISSION WILL BE
ADEQUATELY STAFFED TO MANAGE ITS PORTFOLIO.

(A) USDH CONTRACTING OFFICER: THE MISSION REQUESTED AN

13

ADDITIONAL FTE FOR THIS POSITION, GIVEN THE MISSION'S CONSIDERABLE CONTRACT/GRANT WORKLOAD. (NOTE: RSM/EA ALSO REQUESTED AN ADDITIONAL CONTRACTING OFFICER IN ITS ACTION PLAN.) ACTION: A CONTRACTING FUNCTION WORKLOAD ANALYSIS WILL BE COMPLETED BY AN EXPERIENCED CONTRACTING OFFICER BY THE END OF AUGUST 1995. A SCOPE OF WORK WILL BE DEVELOPED COLLABORATIVELY BY USAID/CAMBODIA AND THE RSM IN CONSULTATION WITH THE M BUREAU. ANE BUREAU WILL MAKE A DECISION ON THE NEED AND LOCATION FOR THE POSITION BASED ON THE RECOMMENDATIONS OF THIS STUDY.

(B) PSC FINANCIAL ANALYST: THIS POSITION WAS APPROVED IN MARCH 1995. GC HAS COMMUNICATED WITH THE MISSION REGARDING PROGRAM VS OE FUNDING.

(C) BACKSTOP-50 IDI: ASSIGNED, ETA O/A JULY 27.

(D) PASAS, OTHER: AID/W ACCEPTED THE MISSION'S PROPOSAL TO ACCESS PARTICIPATING AGENCY SERVICES AGREEMENTS (PASAS) OR OTHER ARRANGEMENTS TO FULFILL TECHNICAL NEEDS, BUT UNCLASSIFIED

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REQUESTED THAT THE MISSION ALSO CONSIDER OTHER MODALITIES.

SUCH AS THE CONTRACT UNDER THE REGIONAL TECHNICAL SUPPORT PROJECT (RTSP). THIS PROJECT MAY BE USED TO FUND THE ECONOMIST POSITION, WHICH USAID/W ADVISED WOULD BE CONSISTENT WITH AGENCY GUIDELINES. WHATEVER MECHANISM IS USED, THE MISSION WILL ENSURE THAT RESPONSIBILITIES ARE CONSISTENT WITH THE EMPLOYMENT STATUS OF THE INDIVIDUAL.

5. PERFORMANCE MONITORING/ACCOUNTABILITY REQUIREMENTS:

USAID/W COMMENDS THE MISSION'S EFFORTS TO MANAGE FOR RESULTS AND DEMONSTRATE GREATER ACCOUNTABILITY FOR IMPACT. AID/W ENDORSED THE MISSION'S PLAN TO ESTABLISH A PROJECT-FUNDED MONITORING AND EVALUATION UNIT IN THE NEW PROGRAM AND PROJECT DEVELOPMENT, IMPLEMENTATION, AND MONITORING DIVISION WITHIN USAID/CAMBODIA. TO STAFF THIS UNIT, THE MISSION PLANS TO TAP RSM'S REGIONAL TECHNICAL SUPPORT PROJECT, FOR STRENGTHENED ON-SITE ANALYTICAL, IMPLEMENTATION SUPPORT, AND PROGRAM IMPACT MONITORING AND EVALUATION FUNCTIONS. ANE AND GLOBAL WILL ALSO BE ASKED TO ASSIST IN DEVELOPMENT OF THE MONITORING SYSTEM.

6. GENDER INTEGRATION AND ANALYSIS: THE MISSION AGREED TO INCORPORATE GENDER ANALYSIS INTO THE SCOPE FOR THE NEW MONITORING AND EVALUATION UNIT, AND ALSO SEEK ASSISTANCE FROM ANE AND G.

7. BUDGET SCENARIOS:
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THE MISSION PRESENTED ALTERNATIVE ALLOCATION SCENARIOS REFLECTING 20 PERCENT AND 40 PERCENT REDUCTIONS IN OPERATING YEAR BUDGETS (USING A BASE OF DOLS. 40 MILLION). THE MISSION'S HIGHEST PRIORITY IS IN THE DEMOCRACY AND GOVERNANCE SECTOR (THE CONDUCT OF 1998 ELECTIONS IS A CRITICAL TARGET). WITH BUDGET REDUCTIONS, ACTIVITIES IN OTHER SECTORS WILL BE REDUCED IN SCOPE, WITH HIGHER PRIORITY BEING ACCORDED TO PRIMARY EDUCATION, AND LESS PRIORITY TO FAMILY PLANNING/HEALTH AND ENVIRONMENT.

8. POPULATION, HEALTH AND NUTRITION (PHN) AND HIV/AIDS: ACTIVITIES, INDICATORS, AND STAFFING:

USAID/W ENDORSES THE MISSION'S PLAN TO BRING GREATER FOCUS

TO ITS DIVERSE PHN PORTFOLIO (FUNDED UNDER BOTH THE PVO CO-FINANCING AND FAMILY HEALTH AND BIRTH SPACING (FHBS) PROJECTS). BY DEVELOPING A STRATEGIC FRAMEWORK FOR THE PHN SECTOR, ARTICULATION OF THIS STRATEGY WILL BE FACILITATED WITH THE ASSIGNMENT OF A BS-50 IDI TO THE MISSION. ANE, GLOBAL AND THE RSM AGREED TO COLLABORATIVELY SUPPORT USAID/CAMBODIA AS IT REFINES THE SECTOR STRATEGY. THE MISSION, WITH ASSISTANCE FROM G AND ANE AND IN COORDINATION WITH THE RSM/BANGKOK, WILL DEVELOP A PHN SECTOR STRATEGY WITH THE FOLLOWING INPUTS:

(1) THE RSM WILL PROVIDE USAID/CAMBODIA WITH UPDATED

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INFORMATION ON CORE RESOURCES AVAILABLE FROM THE TWO
REGIONAL PROJECTS FOR USE BY THE CAMBODIA MISSION (BOTH
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TECHNICAL RESOURCES AND BUDGET LEVELS) FOR TRAINING,
TECHNICAL SUPPORT AND HIV/AIDS PROGRAMMING.

(2) USAID/CAMBODIA WILL UNDERTAKE AN HIV/AIDS ASSESSMENT
IN THE NEXT 2-3 MONTHS, WITH ANE OR GLOBAL RESOURCES; AND

(3) USAID/CAMBODIA WILL DEVELOP REALISTIC AND ACHIEVABLE
INDICATORS AND OUTCOME MEASURES FOR STRATEGIC OBJECTIVE 3.

9. ENVIRONMENTAL MANAGEMENT ACTIVITY:

THE MISSION HAS WITHDRAWN THE CAMBODIA ENVIRONMENTAL
MANAGEMENT (CEM) NEW ACTIVITY DOCUMENT (NAD).

USAID/W APPROVES THE MISSION'S APPROACH TO ENVIRONMENTAL
ASSISTANCE TO THE ROYAL CAMBODIAN GOVERNMENT (RCG), TO BE
FUNDED AT A LEVEL OF DOLS. 5 MILLION OVER THE LIFE-OF-
PROJECT. THIS ACTIVITY IS DESIGNED TO STRENGTHEN THE
RCG'S INSTITUTIONAL CAPACITY TO SHAPE POLICY, AND TO
DEVELOP THE LEGAL AND REGULATORY FRAMEWORK TO MANAGE
CAMBODIA'S NATURAL RESOURCES. IT WILL BE CLOSELY
COORDINATED WITH OTHER DONORS ACTIVE IN THE ENVIRONMENT,
INCLUDING THOSE WORKING IN THE FORESTRY SECTOR, AND WILL
SPECIFICALLY ATTEMPT TO ENHANCE CAMBODIA'S ELIGIBILITY FOR
WORLD BANK LOANS IN THE FORESTRY/LOGGING SECTOR. THE
MISSION WILL FUND THE ACTIVITY UNDER AN AMENDED CAMBODIA
TECHNICAL SUPPORT PROJECT, THE SCOPE OF WHICH INCLUDES
PROVISION OF TECHNICAL ASSISTANCE TO STRENGTHEN RCG
INSTITUTIONS.

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10. DEMOCRACY AND GOVERNANCE

THE DEMOCRACY AND GOVERNANCE STRATEGY IS HEREBY APPROVED,
WITH THE AGREEMENT THAT THE MISSION WILL UNDERTAKE A
GOVERNANCE ASSESSMENT IN SUMMER 1995 AND PROVIDE TO
USAID/W A PLAN FOR GOVERNANCE ACTIVITIES WHEN COMPLETED
(ESTIMATED BY FALL 1995). THE ANE BUREAU'S CONCURRENCE TO
AMEND THE PROJECT AUTHORIZATION FOR THE CAMBODIA
DEMOCRATIC INITIATIVES PROJECT (DIP) TO DOLS. 30 MILLION,
AND EXTEND THE LOP BY ONE YEAR, IS HEREBY PROVIDED. THE
AA/ANE APPROVES AN AD HOC DELEGATION OF AUTHORITY TO AMEND
THE AUTHORIZATION AND PROJECT PAPER FOR THE DEMOCRATIC
INITIATIVES PROJECT TO A TOTAL OF DOLS. 50 MILLION, AND
EXTEND THE PACD TO SEPTEMBER 30, 2000, PENDING COMPLETION
OF A GOVERNANCE ASSESSMENT AND SUBMISSION TO USAID/W OF
USAID/CAMBODIA'S PLAN FOR GOVERNANCE ACTIVITIES. TO
PUBLICIZE ACTIVITIES IN THIS CRITICAL SECTOR, THE MISSION
AGREED TO PREPARE AN EXECUTIVE SUMMARY OF THE ENTIRE
PROGRAM FOR PUBLIC DISSEMINATION.

REGARDING POLICE TRAINING, THE MISSION WILL PREPARE AN
ACTION MEMO FOR THE ADMINISTRATOR'S APPROVAL THAT WILL
INVOLVE THE NOTWITHSTANDING PROVISIONS AFFECTING CAMBODIA.
SUCH AN ACTION MEMORANDUM SHOULD PROVIDE AS DETAILED A
DESCRIPTION AS POSSIBLE, INCLUDING THE TYPES OF TRAINING
TO BE PROVIDED, AND HOW THE ACTIVITIES RELATE TO THE
BROADER CONTEXT OF THE MISSION'S RULE OF LAW/JUDICIARY
STRENGTHENING ACTIVITIES.

11. PIPELINE: REVISED PIPELINE FIGURES INDICATE THAT
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THERE IS NO PIPELINE PROBLEM.

12. "C" PROJECTS: THE MISSION REPORTS THAT IT HAS NONE.

13. GLOBAL BUREAU SUPPORT: THE MISSION HAS AN MOU WITH
THE GLOBAL CENTER FOR DEMOCRACY FOR DOLS. 175,000 FY95
ASSISTANCE, TO BE PROGRAMMED PRIMARILY THROUGH THE ASIA
FOUNDATION'S WOMEN IN POLITICS PROJECT. ADDITIONALLY,
DOLS. 100,000 HAS BEEN RESERVED BY GLOBAL POP IN THE

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POPTECH PROJECT FOR POPULATION TECHNICAL ASSISTANCE.

14. STRATEGY CONCERNS ADDRESSED IN A SIDE MEETING HELD 5/22/95 ARE SUMMARIZED BELOW:

A. FOCUS IN THE STRATEGY: TO STRENGTHEN CAUSAL LINKAGES IN THE OBJECTIVE TREE, AND IMPROVE THE MISSION'S CAPACITY TO MANAGE FOR RESULTS. THE MISSION WILL ENGAGE AN INSTITUTIONAL CONTRACTOR O/A JULY 1995 TO ASSIST THE MISSION IN STRATEGY REFINEMENT AND PERFORMANCE MEASUREMENT. AS PART OF THE PROCESS OF DEVELOPING A PERFORMANCE MEASUREMENT SYSTEM BY THE END OF FY 1997, THE MISSION EXPECTS A DRAFT MONITORING PLAN (WITH BASELINES, TARGETS, DATA SOURCES, ETC.) TO BE IN PLACE BY THE NEXT ACTION PLAN. ANE AND THE MISSION HAVE AGREED TO WORK TOGETHER, ALSO DRAWING UPON THE RESOURCES OF CDIE, TO SUPPORT THIS ACTIVITY.

B. REALISM OF STRATEGIC OBJECTIVES: THE STRATEGY CURRENTLY HOLDS A WIDE VARIETY OF ACTIVITIES WITHIN THREE

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SOS WHICH ARE QUITE BROAD IN SCOPE. WHILE BREADTH IN SOS CAN SUPPORT FUNGIBILITY OF RESOURCES, THE MISSION AND AID/W RECOGNIZE THAT WHEN THE STRATEGY IS REVISED IN THE FUTURE, "UNBUNDLING" OF SOS MAY NEED TO BE CONSIDERED.**

C. DEMOCRACY STRATEGY: (SEE PARA 10) G BUREAU CITED A NEED FOR AN INCREASED CIVIL SOCIETY FOCUS. THE DISCUSSION ILLUMINATED THE EXTENT TO WHICH CIVIL SOCIETY ACTIVITIES, BROADLY DEFINED, ARE BEING CARRIED OUT UNDER THE PVO CO-FINANCING PROJECT AS WELL AS THE D/G PROJECT. THE BREADTH OF D/G ACTIVITIES IS APPROPRIATE TO CAMBODIA'S STATUS AS A COUNTRY IN TRANSITION, LACKING BASIC INSTITUTIONAL STRUCTURES TO SUPPORT A DEMOCRATIC TRANSITION.

D. SUSTAINABILITY: EFFORTS TO PROMOTE INSTITUTIONAL SUSTAINABILITY ARE PRESENT IN CURRENT AND PLANNED ACTIVITIES, INCLUDING THOSE IN EDUCATION, POP HEALTH, ENVIRONMENT, ECONOMIC GROWTH AND DEMOCRACY GOVERNANCE.

**E. PROSPECTS FOR ALLEVIATING RURAL POVERTY: THE MISSION EXPECTS ITS RURAL ROADS PROJECT TO BE AN INTERVENTION WITH SIGNIFICANT IMPACT ON RURAL POVERTY. IN ADDITION, OTHER DONORS (INCLUDING UNDP, THE ADB, WORLD BANK AND EU) ARE INVOLVED IN THE RURAL SECTOR.
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