



USAID/Cambodia

**INTERIM STRATEGIC PLAN
2002-2005**



MAY 2002

TABLE OF CONTENT

Executive Summary

<i>I. BACKGROUND AND CONTEXT</i>	<i>1</i>
A. OVERALL ASSISTANCE ENVIRONMENT	2
1. DEMOCRACY AND GOVERNANCE	2
2. POPULATION, HEALTH AND NUTRITION	6
3. BASIC EDUCATION	10
4. ECONOMIC GROWTH	12
B. ACCOMPLISHMENTS/CONTRIBUTIONS TO DATE	13
C. EXTERNAL ASSISTANCE ENVIRONMENT	14
<i>II. RATIONALE FOR CHOICE OF SOS</i>	<i>16</i>
CRITICAL ASSUMPTIONS	17
<i>III. STRATEGIC OBJECTIVES AND RESULTS FRAMEWORKS</i>	<i>18</i>
A. DEMOCRACY AND GOVERNANCE	18
1. PROBLEM STATEMENT	18
2. STRATEGIC OBJECTIVE FOR DEMOCRACY AND GOVERNANCE <i>"Increased Competition in Cambodian Political Life"</i>	18
3. KEY INTERMEDIATE RESULTS	19
<i>IR 1.1: Political processes and parties that meet international standards</i>	
<i>IR 1.2: Increased transparency and accountability on key economic and political issues</i>	
<i>IR 1.3: Focused monitoring and defense of human rights</i>	
<i>IR 1.4: Engagement of newly elected local officials with central, provincial and district officials on key development issues</i>	
<i>IR 1.5: Increased capacity of future leaders in and out of government to develop policies and effect change</i>	
4. PRIORITIES AND TRIGGERS	23
B. POPULATION, HEALTH AND NUTRITION	24
1. PROBLEM STATEMENT	24
2. STRATEGIC OBJECTIVE FOR POPULATION, HEALTH AND NUTRITION <i>"Increased Use of High Impact HIV/AIDS and Family Health Services and Appropriate Health-seeking Behaviors"</i>	24
3. KEY INTERMEDIATE RESULTS	28
<i>IR 2.1: Increased access to information and services</i>	
<i>IR 2.2: Strengthened capacity of individuals, families and communities to protect and provide for their own health</i>	
<i>IR 2.3: Improved quality of information and services</i>	
<i>IR 2.4: Improved capacity of health systems</i>	

4. PRIORITIES AND TRIGGERS	32
C. BASIC EDUCATION	33
1. PROBLEM STATEMENT	33
2. STRATEGIC OBJECTIVE FOR BASIC EDUCATION <i>"Increased Relevance and Quality of Basic Education"</i>	34
3. KEY INTERMEDIATE RESULTS	35
<i>IR 3.1: Increased relevance of the basic education curriculum to everyday life</i>	
<i>IR 3.2: Increased capacity of the school system to deliver competency-based education using student-centered teaching methodologies</i>	
4. PRIORITIES AND TRIGGERS	37
D. CROSS-CUTTING THEMES	38
E. PILLAR PROGRAMS	39
<i>IV. PERFORMANCE MONITORING</i>	<i>39</i>
<hr/>	
<i>V. MANAGEMENT PLAN</i>	<i>40</i>
<hr/>	

Annexes

- A. Parameters Cables
- B. List of Analyses and Assessment
- C. Summaries of Mandatory Analyses
 - 1. Environmental Analysis
 - 2. Conflict Vulnerability Analysis
- D. Illustrative Performance Measures
 - 1. Democracy and Governance
 - 2. Population, Health and Nutrition
 - 3. Basic Education
- E. List of Acronyms

Volume II: Analyses and Assessments (appended)

1. Environmental Analysis, including Bio-diversity and Tropical Forestry Assessments
2. Conflict Vulnerability Analysis
3. Donor Coordination Analysis
4. Democracy and Governance Assessment and Strategy
5. Population, Health and Nutrition Assessment
6. Population, Health and Nutrition Strategy
7. TB Coalition for Technical Assistance (TBCTA) Review
8. Basic Education Assessment
9. Economic Growth Assessment
10. Competitiveness Benchmarking
11. ICT Assessment

EXECUTIVE SUMMARY

The United States' main foreign policy objectives in Cambodia are promotion of democracy and good governance, and continued improvement of human rights. Addressing global problems of infectious diseases, especially HIV/AIDS and tuberculosis, and serious concerns related to maternal and child health are also high priorities. This USAID interim country strategic plan for Cambodia covers the period 2002 to 2005. Prevailing legislative restrictions and the country's limited progress in establishing democratic practices, good governance and the protection of human rights, preclude the development of a full sustainable development strategy at this time.

This interim strategy takes full advantage of opportunities for achieving strategic results within the three-year time frame of the strategy, and scaling up successful efforts in areas where there is clear political will on the part of the RGC to move forward. Although USAID's program in Cambodia will continue to focus on the promotion of democratic practices and human rights, prevention of HIV/AIDS, and addressing maternal and child health concerns, the nature of activities under this interim strategy will be significantly different in scope and scale from the current program. Under the new strategy, the Cambodia mission will consolidate and focus its efforts to achieve higher results within the changing development assistance environment, and strategically contribute to the achievement of U.S. foreign policy objectives in Cambodia.

A. Increased Focus in Priority Sectors

Strategic Objective for DG: "Increased Competition in Cambodian Political Life"

USAID's strategy for democracy and governance in Cambodia seeks to increase the power of those groups within Cambodian society who seek equitable treatment for Cambodian citizens to compete for their demands.

USAID will help political parties to develop more effective and internally democratic procedures and to improve their organizational capabilities, leadership development and message development, including party platforms. This new area of intervention is particularly relevant and important in the lead-up to the national elections scheduled for mid-2003.

As feasible within available resources and legislative restrictions, USAID will help to organize associations of elected officials within districts and provinces, as well as nationally, to represent issues of local governance at each level of government; and, support US-based participant training to provide exposure not only to excellence with regard to skills and knowledge in selected subject areas, but also to functioning democratic governance and international standards.

USAID will focus its efforts in the anti-corruption area on investigations and audits that are directed at important economic and political issues. This could include customs reform, trade and investment, intellectual property rights and assets disclosure. The objective is not simply to raise public awareness about corruption but to establish the basis for enforcement. To do so will require engagement with a limited number of local organizations that are prepared to conduct the research and provide the analysis that is necessary for engaging with government and other actors in a reasoned discussion.

USAID will also support the enforcement of human rights norms through monitoring and investigation. Preference will be given to organizations and programs that monitor and protect human rights over those that are focused primarily on general awareness-raising. In particular, support will be provided to NGOs who take on "cutting edge" cases that have high public visibility or the potential to influence government policy. These front-line grantees will be encouraged to form links with international human rights NGOs, both to give them a greater level of protection on controversial cases and to add a focus on international standards. This approach is a marked departure from current support in this area. Broad-based legal services, legal education and general civic education programs will no longer be priorities.

Strategic Objective for PHN: “Increased Use of High-impact HIV/AIDS and Family Health Services and Appropriate Health-seeking Behavior”

USAID will focus on a rapid scale-up and national level expansion of successful HIV-prevention interventions, combined with strengthening of health systems to meet reproductive, family health and infectious disease needs of Cambodia’s largely rural population. This combined approach will replace separate programs in HIV/AIDS and reproductive and child health.

USAID grantees will be assisted to develop and test community-based approaches for care and support of those infected by HIV/AIDS. Voluntary counseling and testing programs will be expanded. Continued support will be provided to Cambodia’s HIV/AIDS surveillance system to monitor the epidemiological and behavioral trends of the epidemic. These efforts are key to helping Cambodian NGOs and health authorities balance prevention and care efforts, and developing and targeting appropriate prevention messages. USAID will also fund technical assistance, social marketing, and public awareness campaigns at the national and provincial levels to help prevent HIV, address issues related to HIV-TB co-infection, and reduce the stigma associated with the disease.

USAID efforts in health system strengthening will focus on technical assistance, training and service provision. The focus will be on key provinces and operational districts where combining activities in HIV/AIDS, maternal and child health, reproductive health and infectious diseases will result in a strengthened health system and better services. Support will be provided for skills training for midwives and development of a referral system to provide emergency obstetric care. USAID activities will make voluntary contraceptive information and services routinely available at the community level; increase the availability and effectiveness of outreach antenatal-care services; provide tetanus toxoid and anemia prophylaxis; and, diagnose and treat sexually transmitted infections (STIs), TB, dengue fever and malaria. This program will also train health providers in standard clinical management practices for infectious diseases, and in the design of interventions aimed at public and private health providers, drug dispensers, and consumers in order to improve the quality of drugs and decrease the inappropriate use of drugs and other medications.

In addition, funding from the Bureau for Democracy, Conflict and Humanitarian Assistance for four child survival grants to NGOs complements bilateral family-health activities. These grants support innovative approaches to community-based health information and services, including an immunization tracking system called a “world’s best buy” in a 1998 evaluation.

B. Expanding Approaches in Other Critical Sectors

Strategic Objective for Basic Education: “Increased Relevance and Quality of Basic Education”

Basic education is another area in which there is a compelling need and clear political will for change within the RGC, similar to the health sector. High impact curriculum development and teacher training methods are two immediate areas where USAID could influence and support the development of the education system in Cambodia.

USAID will focus on the development and testing of a life-skills curriculum for grades 1 through 6, and training of teacher trainers and teachers in selected cluster schools in the use of this curriculum. The curriculum is intended to provide knowledge, skills and values necessary for effective participation in community life, maintenance of good health, and knowledge and practice of skills relevant to the agro-ecosystem as they apply to everyday life. The life-skills curriculum will also reinforce language, math, science and critical thinking skills covered in the core basic education curriculum as students apply these skills to addressing problems faced in everyday life at school, at home and in the community.

The curriculum will stress student-centered, activity-based learning. Critical values by subject and grade will be specified. As these are relatively unfamiliar approaches to education in Cambodia, the curriculum

development and teacher training process will also entail building an understanding and appreciation of these approaches at all levels of the education system. Emphasis will be placed on cultivating broad-based concurrence on the curriculum content and teaching methodologies, and ensuring support for smooth integration of the life-skills curriculum into the national school system once the curriculum has been developed.

Economic growth and agricultural development are also critically important in light of high levels of poverty and a rapidly expanding labor force. *Environmental and natural resource management issues* are also areas of on-going concern. Although efforts in these areas are constrained by available funding, underlying problems could be addressed through actions directed at increasing transparency and accountability on key economic and political issues under the democracy and governance SO.

C. Continuing Humanitarian Assistance

Pillar Bureau programs such as the Leahy War Victims Fund carry out additional activities complementary to USAID's strategic objectives in Cambodia. Activities will focus on provision of prosthetics and orthotics, vocational training and job placement for war and mine victims and the disabled. Building the capacity of Cambodian NGO service-providers through training and coordination within the sector will be emphasized.

USAID/CAMBODIA INTERIM STRATEGIC PLAN 2002-2005

I. Background and Context

The United States was one of the principal architects of the 1991 Paris Peace Accords, which effectively ended decades of civil war in Cambodia. Our national interest lies in assuring that our investment in that process is not lost. The United States' main foreign policy objectives in Cambodia are promotion of democracy, good governance and continued improvement of human rights. Addressing global problems of infectious diseases, especially HIV/AIDS and TB, and serious concerns related to maternal and child health are also high priorities.

The USAID program in Cambodia traces its roots to humanitarian assistance in support of Cambodian non-communist resistance groups and displaced Cambodians along the northwestern border with Thailand beginning in 1986. With the signing of the Paris Peace Accords in 1991, U.S. assistance accelerated sharply. The Cambodia program evolved towards a more traditional USAID program with emphasis on meeting basic human needs throughout the country and, supporting the UN-lead initiative to establish a freely elected government. By the mid-1990s, the program emphasis had shifted toward building the foundations for democratic governance and sustainable economic growth through support for nation-building efforts, establishment of effective delivery systems for basic health and education services, and promotion of sound management of the environment and natural resources.

On March 30, 1997, unidentified assailants threw grenades into a rally led by Sam Rainsy, leader of Cambodia's only significant opposition party, killing a reported 17 individuals. (An American citizen was seriously injured in the attack.) In July 1997, then Second Prime Minister Hun Sen ousted his coalition partner, then First Prime Minister Ranariddh, in a violent military clash. The U.S. suspended two-thirds of its \$37 million program until the Cambodian government made measurable progress toward free and fair elections. Left in place were activities that were demonstrably humanitarian in nature and/or were promoting democratic processes without directly benefiting the RGC. A legislative restriction against direct assistance to the central government has been in place since 1997, and has only been recently lifted for basic education and anti-trafficking. Notwithstanding authority also allows assistance for HIV/AIDS, infectious diseases and anti-corruption measures, the latter subject to consultation with the U.S. Congress.

This interim country strategic plan covers the three-year period 2002 to 2005. Prevailing legislative restrictions and the country's limited progress in establishing democratic practices, good governance and

PERSISTENT AND PERVASIVE POVERTY

Cambodia's struggle to rebuild comes after 30 years of civil strife and warfare, including the genocidal Khmer Rouge period. Despite progress over the past decade, Cambodia was ranked 121st out of 162 countries on the Human Development Index*. Cambodia lags behind nearly all of its neighbors in the region in bringing a higher quality of life to its citizens: Vietnam ranked 101st, Thailand 66th, Malaysia 56th. Within ASEAN, only Laos was lower at 131st.

Cambodia's annual per capita GDP is less than \$300; this figure is even lower for the 85% of the population that live in rural areas where life is harsh and access to basic services is difficult.

Life expectancy is only in the mid-50s. Infant and maternal mortality rates are among the highest in Asia. Rates of malnutrition in children and anemia in both children and women of reproductive age are alarmingly high.

Cambodia is facing the most serious documented HIV/AIDS epidemic in the region.

There is an alarming indication that literacy may actually be declining. In 1998 the adult literacy rate was 67.3%, including 79.5% for males and 57.0% for females, but the primary school completion rate was only 51.0% for males and 33.9% for females.

Cambodia's ravaged infrastructure and decimated human resource base from the many years of war and neglect remain a serious constraint to development.

*UNDP, Human Development Report 2001 (based on data for 1999)

the protection of human rights, preclude the development of a full sustainable development strategy at this time.

Within the time frame of this plan, Cambodia will hold its third national elections, currently scheduled for mid-2003. The process and the outcome of these elections may well shape the nature and scope of future USAID assistance. The elections themselves provide a window of opportunity for more focused support to the promotion of democratic practices.

The recent easing of legislative restrictions related to HIV/ AIDS, infectious diseases, anti-trafficking and basic education acknowledges the severity and urgency of these problems, as well as the RGC's commitment to reform in these areas.

Donors in Cambodia have shifted from relief and immediate needs to the development of broader strategies and plans, however, there is little sense of urgency for change in the political environment. Most Cambodians and donors accept the view that true change will only come about over the course of a generation. ***Waiting for genuine political change, however, leaves Cambodia vulnerable to renewed conflict and a deterioration of the fragile progress that has been made in improving democratic practices.***

The Interim Country Strategy for 2002 to 2005 is the result of an extensive assessment process that greatly benefited from inputs from USAID/Washington, officials of the Royal Government of Cambodia, USAID's NGO partners and contractors, other donors, and representatives from a wide range of Cambodian and international NGOs. This strategy has been designed to respond to changes in the overall assistance environment, take advantage of the immediate opportunities available within this time frame, and strategically contribute to the achievement of U.S. foreign policy objectives in Cambodia.

A. Overall Assistance Environment

1. DEMOCRACY AND GOVERNANCE

Status of democracy in Cambodia

Among the five key elements of democracy identified by USAID's Center for Democracy and Governance¹, *consensus* and *inclusion* are the least problematic. There is widespread consensus on the legitimacy of Cambodia's statehood, borders and constitution. Many, perhaps most, Cambodians accept their form of government and their political leaders although consensus is eroding regarding the relationship between the state and individuals where civil society activists and political parties vie for

***Rule of law
severely lacking***

◆
***Competition of
ideas controlled***

◆
***Slow progress in
improving
governance***

greater voice in national life. While discrimination remains against Vietnamese and other minority groups, and genuine reconciliation of former Khmer Rouge has not occurred, these groups, by and large, are considered citizens and can vote. They and their fellow Cambodians exercise this right in large numbers.

There are, however, serious problems in all three of the remaining elements. *Rule of law* is severely lacking in most areas. Wealth and political power rather than justice serve as the basis on which disputes are resolved. Human rights abuses are common. Notorious offenses, including trafficking of women and children, undermine fundamental rights. There is a continuing need for a credible international trial for crimes against humanity and genocide during the Khmer Rouge period. The structural base for rule of law is incomplete and the

¹ See "Conducting a DG Assessment: A Framework for Strategy Development", Center for Democracy and Governance, USAID, 2000.

laws that exist are only rarely enforced.

Avenues for *competition* of ideas are narrowly controlled. While on paper FUNCINPEC, the royalist party, shares power in a coalition government, in reality it must bow to the directives of the Cambodian People's Party (CPP). The official opposition, the Sam Rainsy Party (SRP), holds only 15 of the 122 seats in the National Assembly and, although often quite vocal, does not have significant influence on government policy. The three political parties are distinguished more by personalities than by differing platforms however, the SRP is far more committed, publicly and privately, to market-oriented economics, rule of law, anti-corruption, and many other policies the USG favors. Members of the legislature are accountable to their parties, not their constituents, inhibiting meaningful discussion in the National Assembly. Intimidation and procedural problems in recent elections worked to the disadvantage of opposition parties. Election authorities blocked the airing of roundtable discussions and debates related to the commune elections, and effectively prevented equal access to the media for all political parties. Civil society organizations have proliferated and are growing more mature and more strategic, but even the most daring self-regulate their activities. While the written press is quite free, its reach is limited to the cities. Most Cambodians rely on the CPP-controlled broadcast media.

Cambodia also falls very short on the pillars of *good governance*: accountability, transparency, predictability, participation, responsiveness and protection of citizen rights and security. Neither the legislature nor judiciary is independent of the executive. The Royal Government of Cambodia (RGC) has embarked on an ambitious, ten-point Governance Action Plan (GAP), however, progress is slow and Cambodia's leaders seem more motivated by the need to appease donors than by a sincere desire to change.

Finally, progress on every front is hampered by the scarcity of trained, experienced people, and the low capacity of institutions to carry out the analysis needed to shape good policy and implement programs effectively.

Forces affecting democratic development

Perhaps the greatest single constraint to Cambodia's democratic progress is the lack of justice. Given the rent-seeking opportunities available in government positions, incumbents have strong financial and personal interests in maintaining power. Decision-making appears to be the result of negotiations between vested interests – and dramatic change toward the basic elements of democracy would likely have a negative impact on many of these interests.

Lack of urgency for change

Cambodians, as well as many donors, seem to accept the view that change must occur over the course of a generation. Few people think in terms of five or even ten years. After so many devastating years of war, Cambodians cherish peace over the conflict that could result from intense competition with power-holders. Reformers are justifiably concerned that pushing too hard will jeopardize their personal security. Yet the slow pace of reform may itself lead to the conflict Cambodians so wish to avoid. Many of the factors associated with destabilization in other countries already apply in Cambodia and thus, time is not on its side.

Two prominent conditions related to livelihood are fueling low-intensity conflicts: 1) increased competition over natural resources and, 2) growing landlessness. Forests, fisheries, public lands and other common public resources are under ever increasing pressure due to poor management and pervasive corruption. The increasing frequency of conflicts in the Tonle Sap region, Cambodia's most important eco-system, is particularly prominent.

Access to land is not keeping up with population growth. Land allocations that may have been adequate two decades ago can no longer meet the needs of growing families. Increasing landlessness is also closely linked to high household expenditures for health care, growing indebtedness and the absence of social safety nets.

Low agricultural productivity and extremely limited alternative employment opportunities in rural areas are accelerating migration from rural to urban areas – contributing further to increased vulnerability to conflict.

In the transition from a centrally controlled economy to a free market, state resources – including public lands, buildings, forests, fisheries and other natural resources – continue to be treated as the property of the individuals vested with responsibility for regulating the management and use of such resources.

Desire for international recognition and increased investment

Still, there are some bright spots. Now that the country is at peace, it has aggressively sought to improve its international standing and attract foreign investment. Cambodia has joined the Association of Southeast Asian Nations (ASEAN) and the ASEAN Free Trade Agreement (AFTA), and is negotiating to join the World Trade Organization (WTO). This will require Cambodia to take serious steps to improve governance, to control corruption, and to protect investors' and workers' rights. The donor community is pressing hard for reforms on all fronts.

Arenas conducive to democratic reform

Several areas hold strong potential for interventions to expand the ability of Cambodian citizens and institutions to increase their participation in political life and protect their rights.

Human Rights. Monitoring, investigation and defense of human rights violations play a crucial role in the promotion and protection of human rights in Cambodia. USAID has supported the development of a number of human rights groups since 1993 and they have now become more professional and courageous. The work of these groups is, however, far from complete. Though the human rights picture in Cambodia has improved markedly since the overthrow of the Khmer Rouge in 1979, violations still abound. The seriously flawed judicial system and a culture of impunity exacerbate the situation. Violence casts doubt over elections, makes citizens fearful and suspicious of authority, and feeds an environment in which trust among diverse groups is difficult to achieve. In the absence of the rule of law, vigilantism remains a serious, unchecked problem.

Cambodia's donors remain a very strong human rights pressure group. In recent years donor governments have urged the government to fully comply with international standards. In some cases international human rights organizations have called for bilateral and multilateral donors to condition any direct assistance to the Cambodian government on demonstrable progress in prosecuting human rights abuses, strengthening the rule of law, implementing judicial reforms, initiating anti-corruption measures, and bringing Khmer Rouge leaders to justice. This agenda remains unfulfilled.

CONTINUED VULNERABILITY TO CONFLICT

Cambodia possesses many of the characteristics associated with destabilization:

- It is a post-conflict country: full peace only established in 1999.
- It is an intermediate regime – neither completely authoritarian nor democratic.
- It has high levels of poverty and low economic growth.
- It has experienced severe environmental degradation and intense competition exists over natural resources.
- Land tenure and land titling are key issues.
- Job creation falls short of growth in the labor force.
- There is rapid rural to urban migration.
- Infant mortality is high.
- Secondary school enrollment rates are low.
- HIV/AIDS prevalence is the highest in East Asia.

➔ *The likelihood of large-scale violence or collapse of government control is relatively low, however the potential for civil unrest and communal conflict is high with a potential outcome being increased central government control with the high risk of stalling or reversing progress in democratization and strengthening democratic institutions.*

Cambodia Conflict Vulnerability Analysis, 2002

Need for a more focused approach

Needed now is a more focused approach in which high profile cases with the ability to influence national policy will be pursued over the more mundane disputes that legal aid and human rights organizations often entertain.

Political Parties. Although the CPP dominates the political landscape, both FUNCINPEC and the SRP offer alternatives that could help develop a broader basis for competition on political issues. Some progress was made in the 2002 commune council elections in diversifying local governance. As the 2003 elections approach there is an important opportunity for furthering democratic development. If Cambodia is to deal with pressing economic issues in the next five years, the 2003 election will need to include debates over fundamental economic issues and articulate a choice on these issues for the voters so that the new government has a popular mandate for difficult changes. But, even more importantly, Cambodia's political parties need to be nurtured as institutions to help develop a forum for broader and more inclusive discussion and debate on critical political issues over time, and to develop party platforms.

Decentralization and Local Elected Government. That more than 11,000 freshly elected grass-roots politicians have appeared on the scene must be viewed as a potential opportunity for democratic development. Over 900 are women – a small number in absolute terms, but a strong beginning for inclusion of women in political participation. The SRP placed women higher on their party lists, thus ensuring a greater chance of victory. Some donors have already expressed interest in financing training for commune officials and resource transfers to commune governments for local infrastructure. With organization, either within individual parties or across party lines, these officials could have influence on central government policies and resource allocations to the local level.

Six flaws marred both the 1998 and 2002 election campaigns:

1. Violence and political killings
2. Interference with opposition party campaigning, including vote buying
3. Interference with media access by parties
4. CPP-controlled election authorities
5. Inconsistent, uninformed involvement by the international community

Democracy and Governance Assessment for Cambodia, 2002

Economic Governance. The RGC says it is determined to achieve economic development, increase foreign direct investment and enter into the WTO. This process will require the RGC to adopt laws and procedures to increase transparency, expand market access, protect the rights of workers, protect intellectual property rights, and reduce the costs of doing business. It will also nurture a new set of actors who interact with government for their own interests. Strengthening associations of indigenous businesses who would benefit from a more level playing field could help expedite change.

Further, to improve the environment for private investment, the government must take steps to reduce corruption. A two-track approach to the problem of corruption would include changing the environment in which the public sector and citizens interact and mobilizing public support for change. Programs designed to change the environment in which the public and citizens interact would have the twin goals of minimizing opportunities for corruption and changing the incentive structures that encourage corrupt behavior. Government reform and institution building in Cambodia are problematic, absent the will to embark on a path toward meaningful reforms.

Mobilizing public support for change, on the other hand, is a more promising arena. This involves working with targeted civil society organizations to better identify and expose corrupt practices, as well as promote active engagement by all sectors of the public to monitor government activities and advocate for changes in attitudes and practices.

Mobilize public support for change

2. POPULATION, HEALTH AND NUTRITION

Health sector in Cambodia

The health sector in Cambodia faces enormous and persistent challenges:

Enormous and persistent challenges

HIV/AIDS challenges: The HIV/AIDS prevalence rate in Cambodia remains the highest in Southeast Asia. Prevention is hampered by low use of condoms with intimate partners, a lack of counseling and testing services, and a paucity of information and services geared to the needs of especially vulnerable groups such as youth and internal migrant populations.

Safe motherhood challenges: Cambodia's maternal mortality rate is the highest in the region. This is directly related to low antenatal attendance at health centers; low level of deliveries assisted by trained health providers; and, harmful traditional practices during pregnancy, childbirth and postpartum. Most maternal deaths are due to complications related to unsafe induced abortion or direct obstetric causes.

Family planning/birth spacing challenges: Low contraceptive prevalence; large unmet needs and demands for family planning services; and, a high prevalence of unsafe abortions resulting from lack of access to voluntary contraceptive services.

Child health challenges: High infant, child and neonatal mortality rates; low use of oral rehydration salts; low EPI coverage; low rates of exclusive breastfeeding of infants below five months of age; and, indiscriminate use of antibiotics for childhood infections.

Infectious diseases challenges: Tuberculosis, malaria and dengue hemorrhagic fever continue to be leading causes of morbidity and mortality. HIV/AIDS-TB co-infection is increasing rapidly.

Service delivery challenges: The still nascent public health system is not yet playing a major role in responding to these public health challenges. The system's existing workforce, while perhaps excessive in number, is grossly inadequate in skills. Salaries are so low as to create little or no incentive to work. Supplies and equipment at health centers are not adequate or appropriate for many health care situations. The general population relies heavily on private service providers who most often have little or no medical knowledge.

Statistical Overview*

2002 Population **: 12.7 million

52% female

43% under the age of 15

Life expectancy at birth:

Females: 58.6 years

Males: 50.3 years

Annual population growth rate: 2.5%

Total fertility rate: 4.0

Contraceptive prevalence rate: 19%

Maternal mortality rate: 437/100,000
live births

Infant mortality rate: 95/1000 live births

Child mortality rate: 124/1000

HIV/AIDS adult prevalence rate ***: 2.8%

Persons affected by HIV/AIDS: 169,000

Children affected by loss
of one or both parents: 13,000

TB prevalence rate: 540/100,000 population

RGC health expenditures: \$2.10 per capita
(1% of GDP in 2000, up from 0.3% in 1998)

* Unless otherwise indicated, all data cited in this section are drawn from the 2000 CDHS.

** Based on General Population Census 1998, projected to 2002 at annual population growth rate.

*** UNAIDS/NCHADS, June 2000

Existing health services

The RGC launched its ongoing health sector reform program in 1995 with the presentation of the National Health Coverage Plan for 1996-2000. Key features of the plan included the creation of the Operational District (OD) – a population-based unit comprising anywhere from 100,000 to 300,000 people – as the functional focus of health reform efforts; designation of health centers (HC) as the first level of health care; and, a stated intention to provide a Minimum Package of Activities (MPA), and Complementary Package of Activities (CPA) at the health centers and referral hospitals respectively. The plan called for

***Limited capacity
to respond***

the establishment of 940 health centers. As of late 2001, approximately 700 health centers were in place (75% of the total) in 74 ODs around the country. Of the 67 referral hospitals called for in the plan, only 15 are currently in place. Only 55% of the population had geographic access to primary-level health facilities in 2000, defined as living within a 10 km radius or two-hour walk of a health center. Priority has been given to establishing the physical infrastructure and strengthening clinical services; outreach has not been a high priority. The range and quality of services offered at these facilities vary widely.

The bulk of Cambodia's public health system staff was recruited and trained quickly during the Vietnamese occupation of 1979-89. Many of the skills these new personnel learned are not adequate to respond to the country's burden of disease. Moreover, the planning, management and supervisory systems and skills needed to support the health care delivery system are similarly weak. Local and international NGOs are helping to fill this gap in many important ways but such heavy reliance on external assistance should not delay the strengthening of the public health system's own capacity to meet basic health care needs.

Most Cambodians look to non-government outlets (pharmacies, traditional healers, drug sellers) as their preferred sources of services for most health problems including delivery assistance, birth spacing methods, STD drugs and abortion. An uncontrolled drug industry and widespread self-treatment have serious implications for the quality and appropriateness of treatment. A number of studies have suggested that very few of the personnel at non-government outlets are familiar with common symptoms of reproductive health problems, correct drug dosage or potential side effects, or correct management procedures for many of the health problems they treat. In consequence, most Cambodians are receiving very poor quality of care, and little value for their money, at either public or private sources of health services. Nevertheless, high household expenditures for health care are an enormous financial burden for many families, particularly in rural areas.

Opportunities for high-impact interventions

HIV/AIDS. While awareness of HIV/AIDS is high and concern is increasing, the social environment is still highly permissive with a very active sex trade and many people engaged in high-risk behavior. Behavior change has occurred in some target groups, but in general, high-risk sexual behavior remains unacceptably high.

***High-risk sexual
behavior remains
unacceptably high***

The past three years' successes in reaching high-risk populations and changing behaviors demonstrate that Cambodians will act when provided adequate information and services. Most Cambodians, however, lack access to information, voluntary counseling and testing, condoms, and STI diagnosis and treatment – resulting in considerable unmet demand for these services, especially among high-risk and mobile populations.

***Scale up models
of successful
interventions***

Good models of successful interventions with high-risk populations have been developed, although these are mostly limited in scope and coverage. These models need to be scaled up significantly and rapidly to reach a broader segment of high-risk populations including police and military personnel, factory workers and commercial sex workers. Successful approaches need to be expanded to other high-risk populations such as indirect sex workers, and migrant workers, truck drivers and other mobile populations.

Major opportunities to improve the technical quality of services, take full advantage of all available channels for HIV/AIDS prevention, and improve cost-effectiveness have been missed by channeling

health services through various vertical structures. Service delivery needs to be integrated at the OD-level in order to ensure that links are made between HIV/AIDS and all other health interventions. This would entail defining and implementing the package of essential health services². HIV/AIDS-related services that need to be strengthened at the OD-level include voluntary counseling and testing, STD diagnosis and treatment, and dissemination of more general information about HIV/AIDS. Integrated programming should result in higher impact and would contribute to the identification of approaches that could be replicated in other geographic areas by the RGC and other donors.

Take full advantage of available service delivery channels through integration of services at the OD level

As the epidemic matures, issues related to pediatric AIDS, and care and support for those infected with and affected by HIV/AIDS have become more salient. OD-level interventions could contribute to the prevention of mother-to-child transmission of HIV through expansion of voluntary counseling and testing services. OD-level interventions would also foster synergies between HIV/AIDS and RH/FP/MCH and contribute to reducing overall maternal and child morbidity and mortality, consistent with USAID's global priorities and strategies in health.

Given the extremely limited capacity of the public health system, continued emphasis needs to be placed on developing and expanding effective community-based approaches to care and support of those infected and affected by HIV/AIDS.

Cambodia's HIV sentinel surveillance and behavioral surveillance systems, developed largely with USAID funding, have contributed significantly to effective program planning and creating a policy environment conducive to AIDS prevention. These systems need to be refined and expanded to include new high-risk target groups.

Maternal health. Cambodia's very high levels of maternal, infant and child mortality are clear indicators of the weaknesses in existing health service delivery systems. The vast majority of Cambodian women (89%) deliver at home assisted by untrained birth attendants (65%), receive no antenatal care prior to delivery (62%), and no tetanus toxoid immunization (55%). Most pregnant women are anemic (a range of 50 to 80% across provinces), and suffer from Vitamin A and iodine deficiencies in selected provinces. Access to emergency obstetric care is extremely limited. Postpartum services are virtually non-existent, despite the fact that postpartum hemorrhage is a common killer and breastfeeding practices are poor. Delivery practices of traditional birth attendants are known to include harmful practices.

High maternal, infant and child mortality are clear indicators of weaknesses in health services

Within the context of an integrated health service delivery strategy at the provincial and OD-levels, there is clear need and opportunity to continue to upgrade the skills of midwives and foster linkages between midwives and TBAs in order to ensure access to necessary and appropriate antenatal and postpartum services, and reduce harmful delivery practices. NGOs and the private sector will continue to have an important role to play in outreach activities.

Family planning/birth spacing. Despite a rapid increase in contraceptive knowledge and use over the last five years, the unmet need for family planning services is considerable – due mainly to the absence of extensive service delivery systems. Although the government policy environment toward birth spacing is favorable and permits distribution of a complete range of contraceptive methods, the only methods

² The MoH-sanctioned "Minimum Package of Activities-Plus" or MPA+, whereby the "plus" refers to HIV/AIDS and STD prevention activities.

currently available to any significant extent are pills, injectables and condoms – and even these are not always available in rural areas. Anecdotal evidence suggests that this limited availability of birth spacing services is at least partially responsible for Cambodia’s high incidence of unsafe abortions. Notably lacking is emergency contraception for which the need may be great given the reportedly high incidence of rape, which bears especially heavily on the adolescent population.

Move beyond the health center medical model

◆

Expand information and services through community-based approaches

Contraceptive products need to be made routinely available at the community level by strengthening and expanding information and services through community-based approaches, thus moving beyond the current health center medical model. These approaches would extend and complement the outreach activities of the health center staff without undermining or competing with them. Increased availability could also be achieved through expanding partnerships with private providers of reproductive health services, expanding social marketing in rural areas, and improving the health system’s capacity to provide post-abortion care.

Expanded voluntary family planning services at the OD-level would address the needs of married couples not yet using a contraceptive method, and who have said they want to limit or prevent future pregnancies. IEC efforts are needed to promote the practice of three-year birth intervals. Expanded OD-level services would also respond to the needs of a large group of women who

resort to abortion as a means of achieving their fertility preferences and provide post-abortion care. Adolescents at risk of unwanted pregnancies, especially in the burgeoning garment industry and the growing urban middle class, need specially designed youth-friendly information and services, including emergency contraception.

Child health. The chief causes of infant and child mortality are neonatal tetanus, acute respiratory infection, diarrhea, meningitis, septicemia, typhoid, malaria, and dengue. Child health service coverage is extremely low: the majority of children are not fully immunized (60%), do not receive Vitamin A prophylaxis (51%), oral rehydration therapy (62%), or treatment for ARI by a trained provider (60%). Half the children are malnourished. While breastfeeding is universal, less than 6% of babies are breastfed exclusively for five months, and few are breastfed immediately after birth.

Child health interventions need to be strengthened within the context of the MPA+ package, with special emphasis on ARI, diarrhea and malnutrition (particularly optimal breastfeeding and infant feeding practices and use of micronutrients, especially Vitamin A). There are also opportunities to work with UNICEF and WHO to support the RGC’s pilot testing of Integrated Management of Childhood Illness (IMCI), and to scale up that activity in selected ODs.

Infectious diseases. Tuberculosis (TB), malaria and dengue hemorrhagic fever (DHF) continue to be leading causes of morbidity and mortality. The emergence of drug-resistant malaria strains has been confounded by extensive national and cross-border mobility. There have been increasingly large DHF epidemics every two to three years. In recent years, transmission has spread from the urban centers of Phnom Penh and Battambang to smaller towns and villages.

There is a clear need for continued surveillance and increased capacity to deliver effective and appropriate clinic services, health education and control activities in high risk areas. Related to malaria, there is a continuing need for monitoring of drug-resistant malaria, drug-use practices and drug quality, and the development and implementation of interventions to improve the rational use of anti-malarial drugs. Efforts to control and manage DHF should be focused on geographic areas of highest risk, including Phnom Penh and Battambang.

A strategy for addressing tuberculosis, particularly HIV/AIDS-TB co-infection, has been developed with the assistance of the Tuberculosis Coalition for Technical Assistance (TBCTA). This strategy calls for assistance with formulating a national HIV-TB strategy, plan and expenditure framework; regular technical assistance to the National Tuberculosis Program (NTP); strengthening of planning and management skills at the national and provincial levels in communicable disease control; operational research on diagnostic issues and alternative service delivery mechanisms; expansion of the directly observed treatment short-course (DOTS) to the health center level and into communities; and, continued support for IEC and advocacy on TB.

Demand for quality health care. Individuals, families and communities need to be empowered to demand high quality care, change their health seeking behavior, and actively participate in and influence the systems responsible for delivery of their health care services.

***Stimulate
demand for
quality care***

3. BASIC EDUCATION

Education sector in Cambodia

Half a million Cambodian children of primary school-going age are out of school, the majority of them poor and living in remote rural areas. Census data indicate that only 60% of nine-year olds attend school regularly. Dropout rates in 1997/98 ranged between 10% and 16% with significantly higher rates in remote rural areas. Grade repetition rates are also very high and it has been estimated that it takes 19 pupil-years to produce each primary school graduate. Secondary school enrollment rates declined from 32% to 24% between 1990 and 1997. Although primary school enrollment rates for boys and girls are nearly the same at just over 80%, grade repetition tends to be higher for boys than for girls; dropout rates tend to be higher for girls and in rural areas.

The *relevance of instruction to daily life is low*: low attendance and high dropout rates reflect dissatisfaction among parents and students about the value and relevance of primary education, especially for girls and children in rural areas. When the content of the school curriculum is seen as impractical by parents and students, the opportunity cost of sending children to school is viewed as too high.

The *lack of human and technical capacity* is evident throughout the educational system, in teachers, national, provincial and district officials, as well as the commune leaders and principals. The under-qualification of teachers and problems of motivation due to abysmally low salaries and poor working conditions contribute to the low quality of education. Teacher absence is high due to work outside the classroom in order to earn enough money to feed their families. Teaching salaries are low and often not paid on time; outside of Phnom Penh, teacher salaries are often more than eight months overdue. The official instructional hours for primary grades 1-6 are 635 hours, around 30% below international norms. A recent study suggested that the real teaching time could be as low as 350 hours per annum.

***The lack of human
and technical
capacity is evident
throughout the
educational system***

Basic school infrastructure is still deficient. In response to the physical lack of school buildings, 57% of Cambodian schools have two-shift schedules with three-shift schedules in some areas. Sixty-seven percent of schools are without water and 62% are without toilets.

Limited capacity for learning standards. Technical assistance is needed to improve the capacity of the MoEYS (Ministry of Education, Youth and Sports) to assess the quality and effectiveness of primary education.

The *projected need for primary school teachers* is an additional 11,500 over the next five years. This is an intake of over 2,000 trainees per year. These new teachers are needed to respond to a projected growth in the target population by 80,000; new policies to increase promotion rates through remedial classes; the addition of grade six for the 50% of primary schools that are incomplete; provision of 474 schools in villages where there are none; and, the elimination of triple shift-schools and schools with more than 60 students per class.

Education sector reform

Although the country is far from achieving its goal of universal basic education to grade 9, progress is being made. MoEYS has spearheaded an education reform process characterized by increased consultation with other government ministries, donors and NGOs in an effort to move to a sector-wide approach to education commonly expressed as a move from “donorship to partnership.” A key focus of the education reform program has been the preparation of a Strategic Analysis (February 2001); an Education Strategic Plan (ESP) 2001-2005 (May 2001); and, an Education Sector Support Program (ESSP) for 2001-2005 (June 2001).

Key ESSP priorities are aimed at addressing disparities in access, low quality and efficiency within the context of underdeveloped infrastructure, limited resources, and civil service and administrative reforms. Medium-to-long term ESSP priorities are to provide universal, inclusive, quality basic education to grade 9 for all children by 2010. The collaborative work-plan sets out a variety of priority capacity-building requirements to gradually enable adoption of a sector-wide approach (SWAP) modality. Main ESSP priorities include:

- an administrative reform program within MoEYS, including performance and efficiency-based incentives;
- a selected number of efficiency and quality improvement programs (e.g., teacher training and development, increased primary grade progression);
- increased access, especially through facilities development and targeted scholarships;
- systemic capacity building for central, provincial, district, cluster school and community levels with increased decentralization to the 24 provinces; and,
- capacity building to facilitate priority program management and implementation and improve education governance based on better legislation/regulation and public information and accountability systems.

... the education system needs to provide the kind of life skills that allow graduates to earn a living and participate actively in social, community and political life.

- H.E. Tol Lah, Minister of Education, Youth and Sports, Donor Consultative Meeting, September 2000

Curriculum development has been a key component of the policy reform process. A new curriculum has been developed over the past four years spanning grades 1-12 with emphasis on grades 1-6. This curriculum has been piloted over the past school year and, based on feedback from the pilot, the MoEYS is currently revising the curriculum. The main purposes of curriculum reform are: 1) to improve students' achievement by increasing their knowledge of the surrounding environment; 2) to adapt the current education system so that it is relevant to the realities of a citizen's life; and 3) to cut down on wastage within the education system, especially grade repetition and dropouts. The new curriculum, which is still in the process of being refined, includes a life-skills component incorporating civic education, health and nutrition messages, and agricultural techniques.

The RGC's increased commitment to education is evidenced by the share of government funds allocated for education, which has increased from 9% in 1994 to 18.5% this year, and is anticipated to go to 20.5% in 2004. Five years ago, there was a 2-to-1 donor-to-government support ratio. Now there is a 3-

to-1 government-to-donor support ratio. The focal point of education expenditure is basic education³, which accounts for 70% of government expenditures in education. In 2002, the MoEYS has an allocation of approximately \$80 million.

Opportunities for high-impact interventions

USAID has authorization to fully engage with the government on basic education and the RGC has demonstrated a clear commitment to improving basic education. There is a clear need and opportunity to make high-impact contributions to education sector development efforts and achieve significant results within the timeframe of this interim strategy. The MoEYS plans to increase instructional hours in primary schools to meet international standards. In particular, well-targeted assistance for *curriculum development* and *teacher training* would greatly enhance the quality of basic education and complement the efforts of other major donors in this sector. This is an opportune time to provide technical assistance in the design of a life-skills curriculum, which comprises the knowledge and practical skills required to improve everyday life in the family and community.

As less than a quarter of children continue their education beyond primary school the integration of life-skills into the primary school curriculum is essential. Improving the quality and relevance of basic education is essential to not only the socio-economic future of the country but would also reduce the tremendous inefficiencies reflected in high dropout and grade repetition rates, and the related costs for families and government. Improving the capacity of teachers to teach more effectively could also contribute to keeping girls in school to higher grade levels if parents see that they are getting greater value for the money and time invested, or at least ensure that they are able to acquire a higher level of knowledge and skills in the few years they are allowed to attend school.

International donors and lending institutions believe that USAID has a widely acknowledged comparative advantage in teacher training and curriculum development with a strong emphasis on ensuring delivery of quality education at the community level. USAID assistance under the Cambodia Assistance to Primary Education (CAPE) project made significant contributions to reorienting primary education to a more community-based structure and establishing a model for teacher training in its little more than one year of implementation. Although regrettably this project was suspended in mid-1997 in response to a break in US-Cambodia relations, MoEYS, NGOs and other donors continued to build on the foundation established by the project. USAID has also contributed to curriculum development and teacher-training efforts focused on environmentally sound agricultural practices and human rights that have been well received by the government. USAID initiatives in basic education would build on the solid reputation that has already been established in this sector and the proven expertise of its partners.

4. ECONOMIC GROWTH

Status of the economy in Cambodia

At first glance, Cambodia's economy appears to be performing satisfactorily however there are underlying weaknesses. Economic growth for 2001 was approximately 5%, with low inflation and a stable exchange rate. Budgetary allocations for social sectors are slated to continue to increase as those for defense and security decrease. Cambodia is a member of ASEAN and is being fast-tracked to join the WTO. However, per capita income at less than \$300 is nearly the lowest in Southeast Asia. Nearly 80% of the labor force is dependent on agriculture as their primary source of livelihood however low productivity and poor market development is resulting in low levels of growth in this sector. Economic growth is concentrated in only two sectors: garments and tourism.

³ The Cambodian constitution defines basic education as schooling spanning Grades 1-9 (primary plus lower secondary).

The garment sector created an estimated 180,000 new jobs in recent years, greatly benefiting from the preferential access to US markets afforded by MFN status. These jobs are threatened by the global phase-out of all quotas and restrictions applying to the garment sector in 2005, and a weak competitive position vis-à-vis other countries in the region.

Tourism is starting from a low base and is not large enough to carry the economy. Poor transport infrastructure and high energy costs are physical constraints, while unofficial transaction costs at all levels are pervasive and a tangible disincentive for investment.

The baby boom of the early to mid-1980s is resulting in acceleration in the growth of the labor force. Cambodia had an average of 150,000 new jobs per year created in the labor market between 1994 and 1998. New entrants are likely to be 200,000 to 250,000 per year over the next five years.

Opportunities for high-impact interventions

Increasing opportunities for private sector development remain critical for continued economic growth in Cambodia. Consistent application of trade and investment law, reduced corruption, financial sector reform, and small and medium enterprise (SME) development are priorities.

The private sector is beginning to exert limited influence in lobbying the government for economic reform and a more favorable environment for investors. Technical assistance could further this process through drafting and supporting the implementation of regulatory measures aimed at ensuring a secure financial sector. Assistance for development of SME associations would help to bring the smaller, under-represented players to the table, and would further empower private sector advocacy with the government. Trade reforms required for WTO accession and reduction in domestic and external trade barriers have to be implemented for sustained economic growth. Quantitative analysis that measures the effects of economic policy changes is necessary to strengthen the hand of pro-WTO reformers in the government and private sector. To support this process, assistance could be provided for institutions to conduct ongoing analysis and studies on key private sector development issues.

B. Accomplishments/Contributions to Date

Democracy and human rights

In the past decade, the major strength of U.S. assistance has been its support to NGOs engaged in protecting human rights and strengthening civil society. From only one local NGO in 1992, there are now more than 400; over 25% of these have received support from USAID. USAID funding has allowed NGOs programs to reach Cambodians throughout the country and, in some cases have an impact on policy. A public defender's program now makes legal aid available in 95% of the country's courts. Human rights monitoring is ongoing in 23 of Cambodia's 24 provinces and municipalities. USAID-supported Cambodian NGOs are speaking out persuasively on government accountability and other public policy issues. While human rights violations are still either ignored or unreported, last year USAID's partners investigated over 600 alleged human rights cases. The Cambodian Human Rights Action Committee (CHRAC), an umbrella group of 16 human rights NGOs, launched a high-profile investigation into suspected extra-judicial killings, drawing important attention to this issue.

Several Cambodian NGO partners continue their advocacy for a Criminal Code and Code of Criminal Procedure that meets international standards. Three USAID-supported NGOs issued recommendations for revisions to drafts of the Land Law while another partner also contributed to the development of the Anti-Corruption Law. In all, eight civil society organizations and the CHRAC made over 30 contributions to draft legislation and government policies, including the Commune Administration Law, the Commune Council Election Law, the Law on Arms, Explosives and Ammunitions, and the Khmer Rouge Trial Law.

Population, health and nutrition

USAID's NGO partners have penetrated rural areas with high-impact child survival programs through village development committees, increased the proportion of women seeking antenatal care, and provided high quality care for obstetric complications in areas where none was available before. USAID implements family planning and reproductive health activities through local NGOs, with an emphasis on strengthening their capacity. National population policies in Cambodia affirm the right of women to have access to contraception and emphasize birth spacing and safe motherhood. Sale of contraceptive pills through social marketing initiatives increased 87% in one year. The Reproductive Health Association of Cambodia (RHAC) generated a 60% increase in outreach clients in one year.

The RGC's positive policy environment related to reproductive health, safe motherhood, HIV/AIDS and infectious diseases has enabled USAID to achieve significant progress in the health sector over the past four years. In reproductive and child health, USAID support has played a critical role in increasing contraceptive prevalence using modern methods from 6.9% in 1996 to 19.1% in the year 2000; reducing infant mortality from 115 per 1000 live births in 1996 to 95 per 1000 in 2000; decreasing child mortality from 181 per 1000 to 124.5 per 1000 over the same period; and, decreasing HIV/AIDS prevalence from 3.2% in 1997 to 2.3% in 2000 among pregnant women attending antenatal clinics.

USAID and its partners have developed programs that are characterized by flexibility, innovation, and the ability to effectively implement outreach at the grassroots level. USAID has made distinctive and important contributions through its assistance to human rights and democracy NGOs, social marketing initiatives, and partnering with the private sector. Well-targeted technical assistance such as the HIV sentinel surveillance and behavioral surveillance systems, and demographic and health surveys, have provided critically needed information for policy and program development.

C. External Assistance Environment

Cambodia continues to be heavily dependent on foreign assistance and thus, external assistance continues to play a vital role in national development. Although Cambodia's GDP grew at an average of four percent per year over the period 1996 to 2000, and progress is being made in mobilizing government revenue, external assistance was still equivalent to an average of 15 percent of GDP from 1998 to 2000, and 138 percent of the national budget. External assistance in the year 2000 was equivalent to approximately \$40 per capita. The overall deficit in this period was nearly completely financed from foreign sources (96 percent), and 73 percent of capital expenditures were foreign financed.

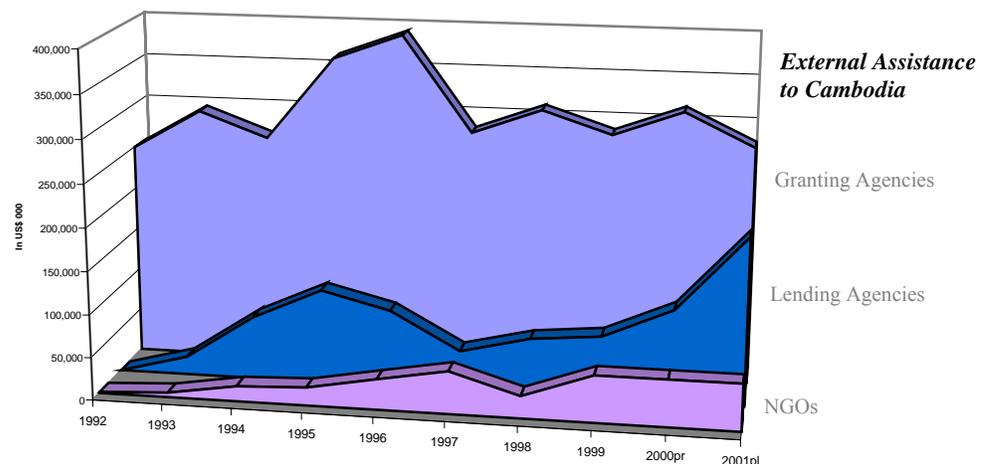
Although overall assistance levels remain high at approximately \$500 million per year, the nature of development assistance is changing in a number of ways:

- *Sectorally*, there has been a shift from a heavy emphasis on humanitarian assistance and relief to an increasing emphasis on social sectors. Assistance to the agriculture, forestry and fisheries sector has declined. Donor assistance for industry and trade development has been negligible. Economic management and development administration absorbed a very high proportion of external assistance in 1994-97, however this fell significantly in 1998-2000, with most of the decline in the economic management sector (i.e., balance of payments and budget support). The transport sector has absorbed a fairly consistently high proportion of total external assistance since 1992 at 10 to 13 percent.
- The *types and terms of assistance* are also changing. Free-standing technical cooperation grants continue to be the most important form of assistance – but this has been declining since 1998.

The nature of external assistance is changing in many ways

Investment project loans have increased significantly in recent years and are expected to continue to increase into the future (e.g., World Bank, ADB). With the resumption of assistance from the IMF, loans for budgetary aid and balance of payments support are also expected to increase.

- The changing nature of the assistance environment can also be seen in the distribution of contributions from different *types of assistance agencies*. Assistance from donors that primarily provide grant assistance is leveling off or even declining. Although official development assistance is fairly stable globally, the overall state of the global economy and emerging new priorities in other parts of the world may make it difficult for Cambodia to continue to attract high levels of assistance. NGO support is also fairly level and is affected by similar global issues. The growth in overall external assistance levels in Cambodia is primarily coming from lending agencies.



Source: RGC, Development Cooperation Report 2000
 Note: 2000 amounts provisional, 2001 amounts planned

Japan is by far the largest bi-lateral donor, providing nearly \$90 million per year, however this is likely to decline in the near future. Although not reflected in official statistics, assistance from China is reported to be some \$30 million a year. China is also the source of substantial foreign direct investment. The U.S., Australia and France have each contributed around \$20 million per year over the past two years, with the U.S. the biggest donor in the health sector. Other important bi-lateral donors include Sweden, Germany, the UK and the Netherlands at \$8-16 million per year. Japan, Australia, France and Germany all implement projects directly with the government. Australia, Sweden, the UK and the Netherlands channel significant portions of their assistance through UN agencies. Nearly all major donors channel a portion of their assistance to donor-country NGOs and/or local NGOs.

II. Rationale for Choice of SOs

This interim strategy takes full advantage of opportunities for achieving strategic results within the three-year time frame of the strategy, and scaling up successful efforts in areas where there is clear political will on the part of the RGC to move forward. Although USAID's program in Cambodia will continue to focus on the promotion of democratic practices and human rights, prevention of HIV/AIDS, and addressing maternal and child health concerns, the nature of activities under this interim strategy will be significantly different in scope and scale from the current program. Under the new strategy, the Cambodia mission will consolidate and focus its efforts to achieve higher results within the changing development assistance environment.

The RGC has clearly demonstrated the political will to develop and implement an effective program in the response to HIV/AIDS. There are clear opportunities and a strong rationale for using this favorable assistance environment to rapidly scale up and expand effective HIV prevention, and care and support activities. Addressing the HIV/AIDS pandemic cannot be achieved independent from the public health services delivery system, or without attention to the health-seeking behavior of families. Thus, the strategic objective for health focuses on: *“Increased use of high impact HIV/AIDS and family health services and appropriate health-seeking behavior”.*

The slow pace of reform in democratic practice, governance and human rights, however, is an indication that the RGC places much lower priority on these reforms. It would be difficult to make much progress on much needed judicial reform or strengthening of rule of law until there is strong RGC political commitment to tackle these reforms. Ten years after the Peace Accords in 1991, there are, however, significant short-term opportunities for helping Cambodians achieve reform. The recent commune-level elections have given multiple political parties a role in local governance – replacing a structure put in place in the early 1980s controlled by the CPP. Strengthening of political parties in the lead up to the national elections scheduled for mid-2003 will provide opportunities for alternative voices to be heard. Creating opportunities for newly elected local officials to voice their ideas will provide another channel for diverse viewpoints. Increasing understanding of the nature, mechanisms and extent of corruption will provide a basis for mobilizing advocacy for specific changes in policies and procedures. Nurturing a new generation of leaders will increase the voices for reform. Therefore, the strategic objective for democracy and governance focuses on: *“Increased competition in Cambodian political life”.*

Education is another area where there is a compelling need and clear political will for change within the RGC, similar to the health sector. High impact curriculum development and teacher training methods are two immediate areas where USAID could influence and support education sector reform efforts with short-term, moderate levels of funding. Such inputs would also build on USAID's comparative advantages and complement the efforts of others. Thus, the strategic objective for education focuses on: *“Increased relevance and quality of basic education”.*

Economic growth and agricultural development are also critically important in light of high levels of poverty and a rapidly expanding labor force. *Environmental and natural resource management issues* are also areas of on-going concern. Although efforts in these areas are constrained by available funding, underlying problems could be addressed through actions directed at increasing transparency and accountability on key economic and political issues under the democracy and governance SO.

CRITICAL ASSUMPTIONS

- Continued national stability.
- National elections proceed on schedule in 2003.
- The RGC continues to make progress in respecting the independence and contributions of NGOs and other civil society organizations.
- The RGC continues to allocate an increasing share of its budget to social sectors.
- The donor community continues to press for fiscal and public administrative reforms.
- An adequate and appropriate mix of sectoral funding will be available to USAID/Cambodia in a timely manner.
- An easing of legislative restrictions will allow for engagement with the central government on health.
- Other donors and international foundations and private voluntary organizations will continue to provide essential complementary resources, particularly in health and education.

III. Strategic Objectives and Results Frameworks

A. Democracy and Governance

1. PROBLEM STATEMENT

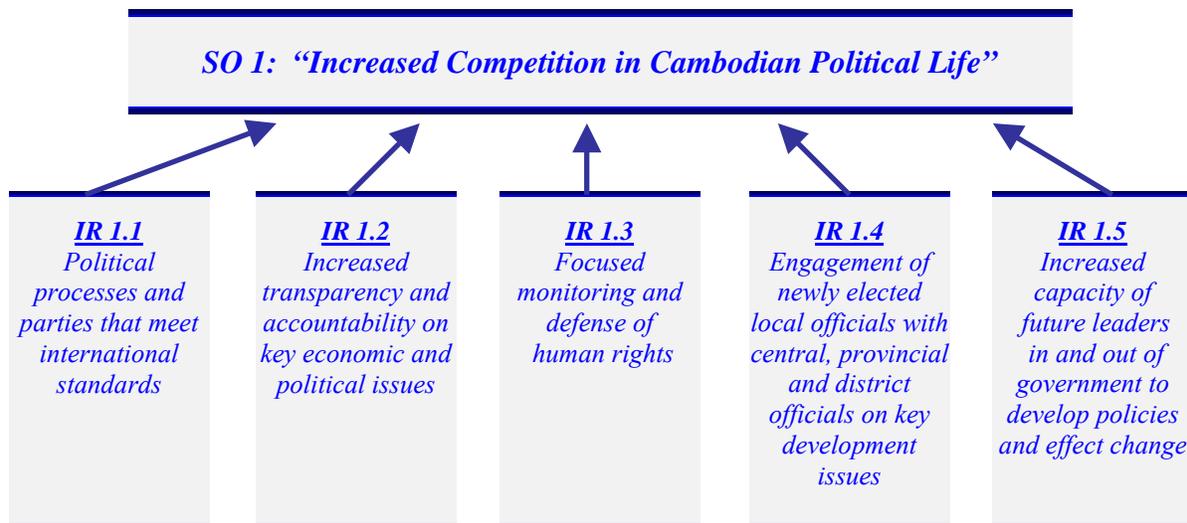
Although the most serious democratic problem in Cambodia today is lack of justice, a political decision still to be made in Cambodia is to substitute rule of law that benefits all Cambodians for a system which favors the rich and powerful. This precludes a strategic objective centered directly on judicial reform and assistance to government reform efforts.

USAID/Cambodia's strategy for democracy and governance seeks to increase the power of those groups within Cambodian society who seek equitable treatment for Cambodian citizens to compete for their demands.

Empower those who seek equitable treatment for Cambodian citizens to compete for their demands

2. STRATEGIC OBJECTIVE FOR DEMOCRACY AND GOVERNANCE

USAID Cambodia's strategic objective and intermediate results for democracy and governance for the three-year period 2002 to 2005 are:



The program will focus on the first three IRs with nation-wide activities. Implementation of IRs 1.4 and 1.5 is contingent on political developments and available resources, as discussed later in this section.

3. KEY INTERMEDIATE RESULTS

IR 1.1:
Political processes and parties that meet international standards

USAID will help political parties to develop effective and internally democratic procedures and to improve their organizational capabilities, leadership development and message development. Comparable US technical assistance would be offered to all significant political parties, including parties in government, as long as they forswear violence and accept competition in democratic elections.

Political party assistance will be inclusive for several reasons: because all parties – including the CPP – need to adapt to a genuinely democratic, multi-party political environment. It is entirely appropriate for the US government and the international community to insist that political processes in Cambodia are democratic, but it is Cambodians, not Americans, who should decide who is elected to public office in their country. While party assistance would be offered to all major parties, programs would not necessarily work with all parties simultaneously; rather US technical assistance could be offered separately and targeted to the individual needs of each party.

Illustrative activities:

- Encourage and aid the participation of women in political life. This might include working with women candidates for public office from all parties, in multiparty or separate single-party programs, or supporting the development of caucuses of elected women officials.
- Support efforts of Cambodian election monitoring organizations (EMO) to monitor national and local elections, including efforts to advocate for fairer election rules and institutions.
- Support to international election monitoring projects focused on the entire process, including the political environment, the legal framework, voter registration processes and vote tabulation, adjudication of complaints and formation of the government after elections.
- If a sufficient commitment to reform is demonstrated, US technical and material assistance could help constitute more legitimate electoral authorities and bring about a genuinely democratic electoral process, one that meets international norms. USAID will consider engaging directly in the organization and administration of national elections in 2003, but only if there is genuine reason to believe that the rules will meet democratic norms and authorities will be impartial.

Relation to other sectors:

Empowering political parties, particularly below the national level, can create new interest groups for reform in key areas of the economy. USAID's assistance can help stimulate debate within and between parties on how to address key development issues in economic growth, health, education and natural resource management.

Addressing gender concerns:

Targeted assistance to female party members can help to strengthen their participation in political life, and foster interest in issues of special importance to women.

Addressing the specific needs of youth:

Exposing Cambodia's small but growing group of better-educated youth to the principles and processes of good democratic practices could begin to breakdown widely accepted corruption and intimidation in electoral processes.

IR 1.2:
Increased transparency and accountability on key economic and political issues

USAID will focus its anti-corruption efforts on investigations and audits related to important economic and political issues. These may include customs reform, trade and investment, intellectual property rights and assets disclosure. The objective is not simply to raise public awareness about corruption but to establish the basis for enforcement. To do so will require engagement with a limited number of local organizations that are prepared to conduct the research and provide the analysis necessary for engaging with government and other actors in a reasoned discussion. Too often these sensitive issues are debated solely on an emotional level. USAID will no longer fund activities to educate the public on the evils of corruption. Surveys indicate that people already consider corruption a problem.

Several different entities have been created by the RGC to address corruption including a newly established Ministry of National Assembly, Senate Relations and Inspection, and an anti-corruption unit within the Council for Administrative Reform. The recently constituted National Audit Authority also has the mandate to audit government finances. Other anti-corruption measures are part of more general reform efforts including civil service reform, legal and judicial reform, and public finance reform. Anti-corruption legislation is being drafted in consultation with a task force that includes NGOs.

Although there is a clear need to strengthen the capacity of the RGC institutions responsible for ensuring transparency and accountability in government, none of the existing mechanisms are sufficiently independent from the government to provide effective oversight.

USAID might select one or two local grantees for direct assistance to analyze and foster public debate on key corruption issues, and push the process of adopting and enforcing measures to increase transparency and accountability in government.

Illustrative activities:

- Surveys and diagnostics on targeted areas of high corruption such as customs, public procurement and the judicial system to highlight their costs to society.
- Public opinion surveys focused on a specific area of public service delivery such as water or power, conducted on an annual or biannual basis. The result will be the issuance of "Service Delivery Report Cards" that can be shared with the responsible government departments and the public.
- Support to indigenous business associations or similar groups to advance the case for reforms that simplify business operations and reduce informal costs.

Relation to other sectors:

Corruption is a deterrent to investment and a contributor to natural resource degradation. Corruption raises costs of almost all government services, including education and health care. Research and analysis related to corruption under this IR might include:

- Identifying the irregularities that raise the costs of doing business in Cambodia and analyzing the opportunity costs to the country.
- Identifying and publicizing the costs to the economy of government practices in land concessions and fishing concessions.
- Analyzing and publicizing the informal payments that raise the costs of health care. In 1999, household expenditures on health averaged \$29 per person – over 10% of per capita income. There are indications that sale of land to pay for medical expenses is an important cause of the rise in landlessness. Since the Ministry of Health appears serious about reducing the costs of health care, analysis of the informal costs could help bring about change.

This IR also addresses economic growth by helping business associations and think tanks to advocate for reforms that reduce corruption, increase transparency, lower the costs of doing business, protect intellectual property rights and pave the way for WTO accession.

Addressing gender concerns:

Given the generally lower social and political status of women, surveys should include an analysis of differences in the ways women and men are affected by corruption.

Addressing the specific needs of youth:

Including the views of young people in surveys on issues relevant to their lives and livelihood would provide a channel for them to voice their attitudes and concerns. Issues related to education and access to health services would be particularly relevant.

IR 1.3:
*Focused monitoring
and defense of
human rights*

USAID will support the enforcement of human rights norms through monitoring and investigation. As human rights NGOs evolve and become more effective they traditionally gain more important roles, adding to their initial work of fact-finding and standard setting to serving as ombudsmen intervening on behalf of the oppressed. Preference will be given to organizations and programs that monitor and protect human rights over those that are focused primarily on general awareness-raising. USAID will, in particular, support NGOs who take on “cutting edge” cases that have high public visibility or that have the potential to influence government policy. Front-line grantees will be encouraged to form links with international human rights NGOs, both to give them a greater level of protection on controversial cases and to add a focus on international standards.

The front-line human rights NGOs in Cambodia have reached a level of sophistication at which they no may longer need funds funneled to them through an intermediary US organization. In fact, direct grants to the front-line organizations, including core funding, would both empower these organizations and could provide greater protection for their staff who take on controversial cases. Assuming these NGOs are able to meet USAID financial standards for direct grants, these grants could be structured to enable them to contract or subgrant with other local or international NGOs (for example, for legal services to pursue certain cases, or for technical assistance on strategic planning).

The approach to this IR is a marked departure from current support in this area, as it focuses on national impact instead of broad-based legal services or legal education. Limited funding would be better applied to the front-line human rights groups which can, in turn, contract for the legal services they need to pursue important cases. General civic education programs would no longer be a priority.

Although simply establishing new media outlets would not contribute to the new SO, USAID will explore further the feasibility of establishing Community Access Points (CAPs) for Internet service to facilitate the gathering and dissemination of information throughout the country.

Illustrative activities:

- Assistance to the Ministry of Women’s and Veterans’ Affairs focused on women’s rights and anti-trafficking. Women’s rights programming would focus on high-profile, high-impact cases of gender-based human rights violations including trafficking, domestic violence, rape.
- Support for the protection of the human rights of minority groups, including indigenous, ethnic, cultural and linguistic minorities. This would include activities that help members of disadvantaged groups obtain land title under the new land law.

Relation to other sectors and gender:

Among the important human rights issues addressed within IR 1.3 are women’s rights, labor rights, land use and land ownership.

A comprehensive approach to women’s rights addresses issues similar to those targeted in the health strategy. Women at risk of domestic violence and trafficking are also those most vulnerable to STDs, HIV and other reproductive health problems. The health strategy supports a multi-sectoral approach to address reproductive health issues. The D/G women’s rights activity should be coordinated closely with the organizations implementing health strategy to enhance the effectiveness of both.

Labor rights are important both for improving the environment for economic growth and for protecting rights of women. Cambodia’s biggest foreign exchange earner, the garment industry, has a labor force almost entirely of young women who have recently moved from the countryside to Phnom Penh. An economic downturn could easily send them into the commercial sex business. For that reason, the health strategy includes a focus on garment workers. USAID’s D/G and health interventions aimed at labor will work in tandem.

Land rights are a major human rights issue. Legal Aid of Cambodia advises that some 40 percent of the cases it defends are land rights issues. Decisions on land ownership and land and water use relate directly to the sustainability of natural resource management.

Addressing the specific needs of youth:

Young people are particularly vulnerable to human rights abuses related to human trafficking, as well as violation of rights in employment.

- Programs to protect the rights of workers to organize and obtain fair treatment. In addition to textile workers, this could include labor areas such as construction, hotel workers, teachers and others.
- Limited assistance to help Cambodians deal with past human rights violations such as those committed by the Khmer Rouge. Finding, recording and preserving history associated with the Khmer Rouge regime for cathartic and potential evidential purposes also promotes justice and accountability.

IR 1.4:
Engagement of newly elected local officials with central, provincial and district officials on key development issues

Significant donor attention is already being focused on the training of newly elected local commune officials with regard to helping these officials carry out their duties more efficiently and effectively. Given the intense attention of other donors as well as the unclear legal and policy environment in which these new officials will work, USAID attention building on the capacity of these local officials is probably not an area where returns on US investment are likely to be marginally significant beyond what will be accomplished by others.

But there is promise in working with newly elected local officials, particularly in creating new opportunities for discussion and debate beyond the existing, limited fora that exist. Evaluations of local government programming in other countries indicate that new political engagement on issues is important to both

the concept of decentralization and the needs of citizens at the local level. This could be achieved through associations of local officials, local community leaders and/or local governments that engage their central government counterparts on local issues. Limited donor investments have proven to have high returns in national level change, for example in terms of legislative action, policy change and resource flows.

USAID could focus on helping organize associations of elected officials within districts and provinces, as well as nationally, to represent issues of local governance at each level of government. Even across party lines similar issues will be common to local governments. These newly formed associations can be given a voice to lobby the central government and its subsidiaries for laws, policies and resources needed to successfully implement the national decentralization program.

Relation to other sectors:

Associations will enable local officials to have influence on resource allocations and policies affecting development sectors important to their constituencies. Health and education services are both being de-concentrated to the district level, at least in some parts of the country. Since decision-making for these services will be at a level close to the elected commune councils, associations can serve as both monitors, to ensure that resources are allocated effectively and efficiently, and as advocates for their communities on service delivery.

Addressing gender concerns:

Such associations would also provide a mechanism for the relatively small but growing group of female elected officials to develop their own networks and agendas for action.

Addressing the specific needs of youth:

Attention needs to be paid to ensuring that younger officials have the opportunity to engage in dialogues and mobilize support for addressing the particular needs and concerns of youth.

IR 1.5:
*Increased capacity
of future leaders in
and out of
government to
develop policies and
effect change*

The scarcity of trained, experienced people is a major constraint to development in almost every sector as well as in terms of general management, governance and policy analysis. Evaluation of development assistance has shown that development impact from long-term participant training has had a singularly important impact in overall development. US-based participant training would provide exposure not only to excellence with regard to skills and knowledge in selected subject areas, but also to functioning democratic governance and international standards.

To contribute to this IR, USAID could ‘buy -in’ to the existing Fulbright program administered by the US Embassy in Cambodia. This would be a cost-effective way to maximize the number of participants that could be supported.

Focus would be on selecting candidates who are not already well-connected and who belong to under-represented groups (women or people from outside Phnom Penh) and training them in policy analysis as well as in management of sectors of focus for the entire USAID program, including health and education.

4. PRIORITIES AND TRIGGERS

Within the context of upcoming national elections, highest immediate priority is given to IR 1.1 as there is a time-bound window of opportunity to contribute to enhancing democratic processes within political parties, and helping the parties move towards competing on the basis of policies, rather than personalities and vested interests, in the next election. Priority is also given to IRs 1.2 and 1.3 to provide well-focused support to local organizations directed at bringing about tangible action on key economic, political and human rights issues.

For the most part, legislative restrictions prevent USAID from providing assistance to the central government. Programs under IR 1.3 to combat human trafficking and promote women’s rights are expressly permitted in the 2002 legislation, although Congressional consultation would be required. Implementation of IR 1.4, and possibly IR 1.5, would require the lifting of restrictions unless anti-corruption notwithstanding provisions could apply. Even if legislative restrictions were lifted, significant additional funding would be needed to fully implement IR 1.5.

B. Population, Health and Nutrition⁴

1. PROBLEM STATEMENT

The need for reproductive and child health (RCH) and HIV/AIDS interventions is compelling: Cambodia's maternal, infant and child morbidity and mortality rates are among the highest in the world; and, HIV prevalence is alarmingly high and the epidemic has been one of the fastest growing in the world. The incidence of tuberculosis is also the highest in the world outside Sub-Saharan Africa. Malaria is a leading cause of morbidity and mortality. Dengue hemorrhagic fever is the leading cause of death among children aged 1-5 years. And, poor health conditions are more than just a health sector problem: household expenditures for health care are a leading cause of landlessness and indebtedness.

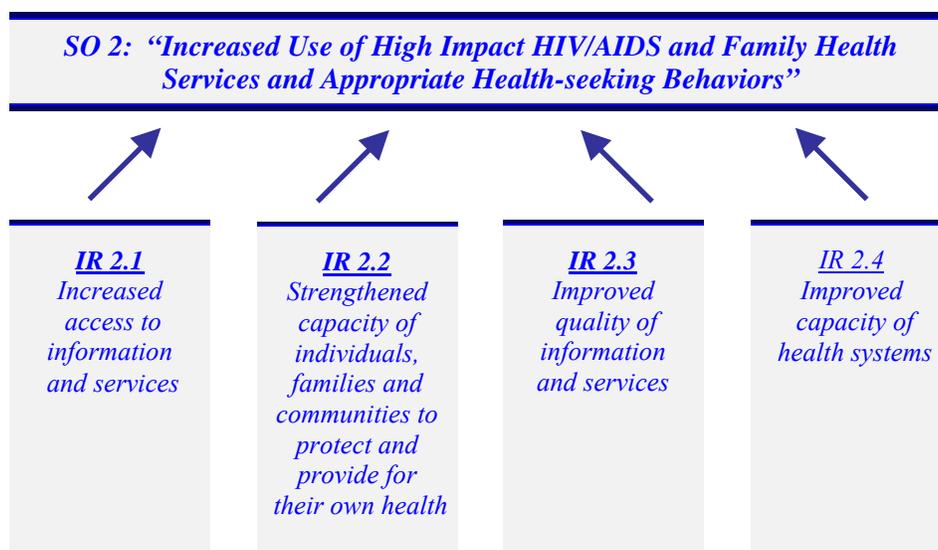
The problems are formidable. The capacity of the health system to address these problems is, however, extremely limited. The current public health system is only five years old and not yet fully established. Numerous NGOs and other donors have been contributing to the strengthening of the health system and delivery of health information and services. These efforts are often quite limited in scope and scale, however. Most Cambodians rely on private service providers who have little or no medical knowledge.

Although progress is being made by the Ministry of Health in implementing a national health coverage plan, it will take time to achieve the goal of accessible health services nation-wide. The need to deliver both RCH and HIV/AIDS interventions is urgent and cannot wait for the full development of the health care system. At the same time, interventions cannot be delivered without such a system and will always be constrained by the level and pace of system development.

USAID/Cambodia will therefore proceed on two tracks simultaneously: strengthening the nascent service delivery system, and promoting the delivery of specific, well-targeted, interventions addressing the formidable HIV/AIDS, maternal and child health, and infectious diseases situation in Cambodia.

2. STRATEGIC OBJECTIVE FOR POPULATION, HEALTH AND NUTRITION

USAID Cambodia's strategic objective and intermediate results for population, health and nutrition for the three-year period 2002 to 2005 are:



⁴ This section is based on the PHN strategy reviewed by USAID/Washington in October 2001 and approved on February 12, 2002 (State 027608)

***Holistic focus
on health services
at the provincial
and operational
district level***

USAID will address the critical family health problems noted above by strengthening the capacity of the Cambodian health system to provide a basic package of essential health services⁵ in predominantly rural areas. In this context, “health system” is defined holistically to include the planning, management and oversight systems in selected provinces and operational districts (OD); OD-level service delivery facilities, plus the supervisory and referral systems to support them; cooperating international and local NGOs; commercial and other private sector health care providers; and – key to the success of the strategy – community-level organizations prepared to help educate, mobilize and serve the needs of health-seeking clients at the grassroots level.

A key consideration behind the adoption of an OD-based strategy is the continuing upward trend in the RGC budget for the health sector. RGC per capita outlays in the health sector have doubled over the past three years. If this trend continues, the RGC may eventually be in a position to assume a significant share of the investment required to implement the OD-based portion of the strategy. USAID and other donors in Cambodia are currently making per capita investments of such magnitude in localized areas, but largely through NGOs. The distinctive aspect of USAID’s onward strategy is that it would focus a significant portion of its future investment on measures to substantively improve the institutional, managerial and human capacity of the public health system – in cooperation with its non-governmental partners and communities – to provide health information and services. While this approach might produce less evident quantifiable achievements in the short-term versus for example, the “contracting out” arrangement adopted by some donors, it is likely to produce a more sustainable host country delivery capacity over the medium-to-long term. It should also be noted that the USAID strategy, unlike those of other donors, will not include any salary supplements or other inducements for public sector employees.

***Improving the
institutional,
managerial and
human capacity
of the public
health system***

***Stimulating a
demand for
quality care***

Individuals, families and communities will be empowered to demand high quality care, to change their health-seeking behavior, and to actively participate in and influence the systems responsible for delivery of their health care services. An increase in demand for services will increase utilization rates of public sector health care services.

USAID is confident that this strategy charts a course whereby we, with our Cambodian, NGO and other donor partners, can have a significant impact on HIV/AIDS transmission most importantly, but also on the delivery of other quality health services and the use of such services and information by informed, proactive citizens, particularly women.

Sectoral Strategies

Through a holistic approach centered on the provincial and OD-level, in addition to high-priority national-level initiatives, USAID will address critical concerns related to HIV/AIDS, RH/MCH and infectious diseases.

In designing its assistance program for the **HIV/AIDS** sector, USAID will follow the guidance of Cambodia’s National Strategic Plan for a Comprehensive and Multisectoral Response to HIV/AIDS

⁵ The MoH-sanctioned “Minimum Package of Activities-Plus” or MPA+, whereby the “plus” refers to HIV/AIDS and STD prevention activities.

(2001-2005). This Plan reflects an important paradigm shift from a vertical, exclusively health-centered and top-down approach to a more holistic development approach that is gender- and community-sensitive. In developing health sector-related interventions to address HIV/AIDS, USAID will ensure consistency with the policies and guidelines of the National Centre for HIV/AIDS, Dermatology and Sexually Transmitted Diseases (NCHADS) and the National AIDS Authority (NAA).

***Delivering an
integrated health
package***

Indeed, USAID will seek to broaden this paradigm shift across its entire PHN strategy. This strategy will take advantage of opportunities to improve the technical quality of services and cost-effectiveness through development and delivery of an *integrated* health package at the OD level, ensuring that appropriate links are made between HIV/AIDS and all other health interventions. These efforts would contribute to the identification of effective approaches to service delivery that could be replicated by the RGC and other donors.

USAID will employ a *three-pronged approach* in its response to HIV/AIDS:

- Activities at the *national* level, taking advantage of USAID's and cooperating agencies' (CA) comparative advantage and success in providing technical assistance, condom social marketing, and behavior change communication services targeted at commercial and indirect sex workers, high risk men (including the uniformed services), and other vulnerable groups such as garment workers and mobile populations. Much of this work will involve taking-to-national-level-scale activities that have demonstrated their effectiveness in reaching high-risk and vulnerable populations.
- Activities at the *provincial* level, and within the context of the holistic OD-based strategy discussed above including:
 - HIV/AIDS prevention activities at the OD level, ensuring that prevention messages and condom supplies are integrated with other reproductive, maternal and other health services.
 - Expansion of voluntary counseling and testing (VCT) and linkage with other testing and curative treatment at the OD level; particular attention will be paid to preventing mother-to-child transmission (MTCT) of HIV.
 - Assistance to eventually ensure comprehensive availability of the MPA+ and the hospital-based CPA.
 - Home-based care to offer simple treatment and palliative care for Persons Living with HIV/AIDS (PLWHA), plus social support services for children and families affected by AIDS.
- Continued strong support for *field-based research* on effective approaches to reach key populations with 1) prevention and care and 2) surveillance and monitoring of sero-prevalence and sexual behavior.

USAID has been an active and important partner in the battle against HIV/AIDS in Cambodia since 1993. USAID's support, together with that of other donors, for policy change, national information campaigns, targeted interventions with high-risk populations, and critical surveillance and behavioral studies have contributed to heightened HIV awareness, behavior change and reduced prevalence among key populations. Good models of successful interventions with high-risk populations which have been developed should now be scaled up.

Many of the current activities are focused on relatively small segments of the high-risk and at-risk populations such as police and military personnel, factory workers and commercial sex workers. These will be scaled up significantly and expanded to other high-risk populations such as indirect sex workers, migrant workers, truck drivers and other mobile populations.

***Scaling up
successful
interventions,
expanding outreach***

In addressing the critical ***maternal health*** situation, USAID will support efforts to gradually shift deliveries from traditional birth attendants to trained midwives in selected provinces and ODs. The main

focus of this effort will be on capacity building and support to midwives through training in Life Saving Skills (LSS); strengthening the referral system to provide emergency obstetric care; building the capacity of doctors who support and supervise the trained midwives; and, supporting partnerships between midwives and traditional birth attendants (TBA).

In **reproductive health**, USAID will focus on increasing availability of contraceptive products at the community level through community-based approaches – moving beyond the current health center medical model. Partnerships with private providers of reproductive health services will be further developed and social marketing of contraceptives will be expanded in rural areas. The expansion of voluntary family planning services will address the significant needs and unmet demand for contraceptive products by married couples. IEC efforts will promote the practice of three-year birth intervals⁶.

The reproductive health needs of adolescents will be addressed through support for the development and expansion of youth-friendly information and services, including emergency contraception. Particular attention will be paid to particularly vulnerable groups of young people, including the growing urban middle class, and garment sector workers. Emphasis will also be placed on improving the health system's capacity to provide post-abortion care and treatment for STDs in targeted provinces and ODs.

USAID will increase access to **child health** services by strengthening the capacity of selected ODs to deliver the necessary and appropriate services within the MPA+ package that are directed at addressing critical child health problems. Particular attention will be paid to ARI, diarrhea and malnutrition, including optimal breastfeeding and infant feeding practices and use of micronutrients, especially Vitamin A. USAID will also work with UNICEF and WHO to support the RGC's pilot testing of Integrated Management of Childhood Illness (IMCI), and scale up that activity in ODs selected for implementation of assistance under this strategy.

Related to **tuberculosis**, USAID will work in close collaboration with the National Tuberculosis Program (NTP) in developing a national HIV/AIDS-TB strategy and plan, and strengthening capacity at the national, provincial and district levels to provide more effective diagnosis and treatment services. Emphasis will also be placed on identifying and supporting community-based approaches to expanding information dissemination and service provision. These efforts will be carried out in close collaboration with NTP, WHO, Centers for Disease Control (CDC), the TBCTA, and selected local partners.

In addressing **malaria**, USAID will continue to support the RGC's national Roll Back Malaria plan in collaboration with WHO and selected local partners. Particular attention will be paid to addressing issues related to drug-resistant malaria and rational use of anti-malarial drugs.

USAID will also work in collaboration with WHO and local partners in addressing **dengue** and will continue to support the RGC's dengue hemorrhagic fever (DHF) program. Efforts will focus on

Relation to other sectors:

A number of key elements of the health strategy are closely linked to the democracy and governance strategy. IR 2.2 in particular contributes to protecting the human rights of people living with HIV/AIDS, protecting the rights and health of factory workers, and creating a demand for quality public health services.

Addressing gender concerns:

The gender-specific concerns of women are addressed throughout the health strategy. This strategy responds to the significant unmet need and demand for birth spacing, antenatal/postnatal care, and safe delivery information and services. It also clearly addresses the particular vulnerabilities of women to HIV/AIDS as sexual partners, mothers and care-givers.

Addressing the specific needs of youth:

Particular emphasis is placed on addressing the reproductive health needs of youth. Increasing availability of youth-friendly information and services is an integral part of the HIV/AIDS and RH strategies.

⁶ Estimates suggest that three-year birth intervals may contribute to reductions of 20-30 percent in neonatal, infant, child and under-five mortality. Rutstein, S., *The Effects of Birth Interval on Mortality and Health: Multivariate Cross-Country Analysis*, MACRO International, July 2000.

geographic areas of highest risk, including Phnom Penh and Battambang, and will expand and improve surveillance, clinical management, health education, and control activities in other high-risk areas of the country.

3. KEY INTERMEDIATE RESULTS⁷

IR 2.1: *Increased access to information and services*

HIV/AIDS: Documented successes in changing the behavior of high-risk populations demonstrate that Cambodians will act when provided adequate information and services. Most however, lack access to information, voluntary counseling and testing, condoms and STI diagnosis and treatment – resulting in considerable unmet needs, especially among high-risk and mobile populations. Advancing the availability of affordable, effective, high-quality health care and social services is also essential to mitigate the effects of the epidemic on the 72,000 adult women and 97,000 adult men in Cambodia who already are living with or affected by HIV/AIDS.

Reproductive Health/Maternal & Child Health : Inadequate and often inaccurate information, and low access to RH/MCH services underlie the high mortality and morbidity rates. There is a significant unmet need and demand for birth spacing, antenatal/postnatal care, safe delivery, and child health information and services. Access to these services is currently limited as a result of geographic, economic and social barriers.

Infectious Diseases: Increased access to diagnosis and treatment services is essential for controlling the rapid expansion of TB, particularly as linked to HIV/AIDS. Improper use of anti-malarial drugs and the emergence of drug-resistant strains of malaria are threatening efforts to reduce malaria deaths. The spread of DHF from urban centers to smaller towns and villages is creating new challenges in prevention and control.

Key approaches and illustrative activities

- ◆ Improve collaboration among the public, NGO and private sectors
 - *pilot test private sector provision of VCT for HIV/AIDS*
 - *conduct operational research on private sector provision of the directly observed treatment short-course (DOTS) for TB*
 - *develop a private provider network to expand access to contraceptives; train rural retailers to provide non-clinical contraceptives, including emergency contraception*
 - *scale up successful models of midwife-TBA partnership*
 - *strengthen the Cambodian Midwives Association as a vehicle for improving the quality of care, and for developing advocacy and leadership skills in the safe motherhood policy-making process*
 - *test the feasibility of contracting selected services to the NGO and private sector*
- ◆ Integrate information and services
 - *link VCT to care and support*
 - *link HIV/AIDS and TB diagnosis and treatment*
 - *improve access to information and services for prevention of MTCT*

⁷ The PHN strategy identified an extensive list of illustrative activities for each of the IRs under this SO. As this component of the strategy has already been approved, the activities are summarized here to indicate the range and nature of possible activities.

- ◆ Expand coverage by increasing the number of service delivery points and community outreach
 - *expand community-based distribution of contraceptives*
 - *expand social marketing of contraceptives in rural areas*
 - *test feasibility of expanding social marketing product line to include MCH and vector control products*
 - *train garment factory health services personnel to provide contraceptive products and referrals*
 - *test and replicate community-based approaches to HIV/AIDS care and support*
 - *expand availability of maternal and child health services through health center and NGO outreach workers*
 - *support pilot studies on the provision of DOTS through community-based groups*
- ◆ Broaden services offered by providing integrated MPA+ and selected components of the CPA
 - *increase access to VCT and, STD treatment and diagnosis*
 - *scale up Life Saving Skills (LSS) training to all midwives in selected ODs*
 - *strengthen logistics and information systems to ensure a reliable supply of contraceptives and other essential drugs*
 - *train referral hospital staff in voluntary surgical contraception and counseling*
 - *support efforts to pilot test and phase-in IMCI efforts to address diarrhea, ARI, measles, malaria, malnutrition and dengue in selected ODs*
 - *support DOTS expansion to health centers in selected ODs*
- ◆ Focus on selected target groups
 - *scale up HIV/AIDS targeted interventions to achieve national coverage, and expand coverage to other high-risk groups*

IR 2.2:
Strengthened capacity of individuals, families and communities to protect and provide for their own health

HIV/AIDS: Many Cambodians still lack critical information about what they can do to prevent infection for themselves and their loved ones, as well as the risks of relationships with sweethearts and infected partners. Few women are empowered to insist that their sexual partner wear a condom. Inaccurate knowledge about HIV/AIDS and its transmission contributes to the stigmatization of those infected and affected by HIV/AIDS. Many communities and families are reluctant to provide care for the children of those who have died of AIDS because of fear of infection.

Reproductive Health/Maternal & Child Health: Demand for MCH services from trained providers is low compared to the demand for services from the unregulated, unskilled private sector, and reliance on inappropriate, and often harmful, self-care practices. Whereas latent or unmet demand for contraceptive services is great, individuals' ability to use contraceptives is constrained by an environment that is largely unresponsive to their needs. Although knowledge about some form of contraception is nearly universal, individuals have not been systematically informed about their range of choices, including the pros and cons of different contraceptives, where to obtain services or their options when encountering side effects.

Infectious Diseases: Individuals need to be made aware of the signs and symptoms of TB and the availability of treatment. Communities need to be more actively engaged in efforts to protect themselves from malaria and dengue vectors. Incorrect behaviors and practices (e.g. in dispensing and using anti-malarial drugs) contribute to the spread of drug resistance.

Key approaches and illustrative activities

- ◆ Make health information more broadly available through mass and print media, community mobilization, and interpersonal communication and counseling.
 - *promote an integrated 'package' of messages that will educate individuals, families and communities about appropriate health-seeking behavior*
 - *scale up 'sweetheart' condom campaign*

- *promote dual use of condoms, three-year birth interval, use of skilled birth attendants, optimal breastfeeding, use of ORS, immunization, Vitamin A, improved maternal nutrition and TB awareness*
 - *conduct intensive health education to promote appropriate behavior among care-givers of children*
 - *develop IEC materials which address the needs of adolescents and young adults and make available where large numbers of young people are found*
 - *develop IEC messages on TB in collaboration with ODs and village feedback committees (FBC)*
- ◆ Increase partnerships with non-health organizations and programs
- *involve FBCs, village development committees (VDC) and other appropriate community structures/mechanisms in efforts to strengthen community-level tolerance and support for Persons Living with HIV/AIDS (PLWHA)*
 - *train VDCs, FBCs, shop owners and other influential figures such as monks and nuns in basic family planning, counseling and referral*
 - *link with non-health community groups such as VDCs, micro-credit groups, literacy groups, etc. as channels for health promotion*
 - *develop joint activities with education and rural development programs, and other partners for vector control*
- ◆ Raise level of demand for quality services
- *increase the involvement of PLWHA in the full range of program and policy activities*
 - *create a demand for tetanus toxoid immunization, iron tablets, postpartum Vitamin A*

IR 2.3:
Improved quality of information and services

HIV/AIDS: Many public providers lack the knowledge and training to provide clients with the information they need to protect themselves and their families from HIV/AIDS. Key services and commodities are often unavailable or available on an erratic basis. Public services and service providers are often unwelcoming to men, single women and youth. Private health care providers such as drug sellers supply expensive, ineffectual and sometimes dangerous remedies as well as misinformation. Increasing the quality of HIV/AIDS prevention and services is essential to ensure that persons in need actually avail themselves of these services and that these services are integrated, effective, culturally appropriate and relevant for Cambodia at this stage of the epidemic.

In the context of improving the quality of curative care at the OD level, USAID will seek opportunities to improve the diagnosis of both HIV and TB, and to treat TB and other opportunistic infections related to AIDS. Referral links will be fostered between health care services that diagnose AIDS via VCT, clinical case definition, or home-based care and social support services. Since care and support services are just beginning to be introduced in Cambodia, efforts will be undertaken to support them through appropriate non-governmental organizations (NGOs).

Reproductive Health/Maternal & Child Health: Except for a handful of health facilities that have received support from international donors and NGOs, the quality of services in both the public and private sectors is generally inadequate. Improving the quality of care in both public and private sectors will increase client satisfaction, expand utilization of services, and result in improved health outcomes.

Infectious Diseases: Proper diagnosis of TB and responses to the link between TB and HIV/AIDS need to be strengthened. Efforts should continue to focus on identifying factors contributing to the emergence and spread of drug-resistant malaria. Health providers need to be trained in correct drug identification and dispensing procedures.

Key approaches and illustrative activities

- ◆ Improve consistency and accuracy of health promotion messages
 - monitor and refine health promotion messages at all levels
- ◆ Health worker training
 - maintain focus on capacity building of midwives and on selected doctors who work with these midwives
 - provide intensive training in interpersonal counseling to all health care providers
 - provide competency-based training in IMCI to outreach, health center and referral hospital staff
- ◆ Promote quality standards of care in provision of health services
 - integrate HIV/AIDS with TB services: develop national strategy and action plan to address HIV-TB issues; improve diagnosis of both HIV and TB; provide treatment for TB and other opportunistic infections related to AIDS
 - support operational research on laboratory diagnostic issues related to TB directed at improving the accuracy of diagnosis
 - support home-based care and social support services through ODs and appropriate NGOs
 - provide training to public and private sector health care providers in HIV universal precautions
 - create awareness among TBAs about safe delivery practices, recognition of danger signs and referral to health centers and midwives
 - institute continuous quality improvement in all health centers and referral hospitals to ensure compliance with standards for clinical management of obstetric, neonatal care and infectious diseases
 - train private health care providers in the correct use of antibiotics, contraceptive technology updates, appropriate use of anti-malarial medications, etc.; certify trained providers with a seal of high quality

IR 2.4: *Improved capacity of health systems*

HIV/AIDS: Many of the approaches to HIV/AIDS prevention, care and mitigation are limited in scope and coverage. Better information is needed on effective public and private approaches and how to scale these up in a cost effective manner. Information is also lacking on the spread of the epidemic within the general population and the behavior of certain critical populations. Cambodia's HIV Sentinel Surveillance System (HSS) and Behavioral Surveillance Surveys (BSS), developed largely with USAID funding, are of high quality and have been credited with contributing significantly to effective program planning and a policy environment conducive to AIDS prevention in Cambodia. Assistance for these tools will be expanded by USAID during 2002-2005 to include new target groups, as relevant, and will provide an ongoing basis for HIV/AIDS program planning and priority-setting.

Reproductive Health/Maternal & Child Health: Current public health systems are only five years old. Service delivery is inadequate in many areas. Both public and private sector providers need better skills, higher motivation and greater knowledge. Planning, management and supervisory skills are lacking, resulting in inefficient use of scarce financial and human resources. Accurate data are not routinely collected, analyzed or used for management or oversight purposes.

Infectious Diseases: There is a continuing need to strengthen the capacity of the health systems to plan and manage TB control efforts, particularly as related to HIV-TB co-infection. Continuing surveillance is needed to identify geographic and population "hot spots" of malaria drug resistance, drug use, and drug quality. Surveillance capacity for dengue should continue to focus on geographic areas of highest risk, including Phnom Penh and Battambang, while also expanding and improving surveillance, clinical management, health education, and control activities in other high-risk areas of the country. This approach is consistent with the RGC's national dengue/DHF control plan.

Key approaches and illustrative activities

- ◆ Strengthen planning and management skills at all levels
 - support the development, with the NAA, of HIV/AIDS policies and action plans of the 12 non-health ministries which comprise the NAA
 - strengthen the capacity for planning and management of TB control at the national, provincial and OD levels; develop operational work plan and expenditure framework for TB control
 - work with MoH technical working groups to improve the policy environment, particularly operational policies at the provincial, OD and health center levels (e.g., safe motherhood, midwifery training, IMCI, micronutrients, HIV/AIDS, HIV/AIDS-TB management, communicable disease control, etc.)
 - strengthen referral linkages between all levels of the health system for emergency obstetric care (EmOC) and other selected CPA interventions
 - support the implementation of the National Safe Motherhood Workplan which details first aid care in village and home, basic EmOC at health centers, and comprehensive EmOC at referral hospitals
 - strengthen the contraceptive logistics system through refresher courses, on-the-job training, and facilitative supervision at the field level
- ◆ Improve use of data at operational and management levels
 - develop a field-based research agenda on critical issues in HIV prevention, care and support
 - support the operation and further refinement of the HSS and BSS
 - support operations research to improve service delivery management
 - conduct baseline drug-resistance surveys to map focal points of malarial drug resistance
 - conduct behavioral surveillance to assess how dispensing and use of anti-malarial drugs contribute to the spread of drug resistance
 - strengthen DHF laboratory capacity and disease and vector surveillance
- ◆ Transfer program skills and responsibility gradually to host country organizations
 - strengthen the capacity of public and private sector organizations to deliver effective HIV/AIDS, RCH and infectious diseases services
 - strengthen the human and organizational capacity of health service providers
 - strengthen the skills of health providers in management, facilitative supervision and use of data
 - strengthen the capacity of Cambodian institutions to respond to DHF
 - train health providers in the development of hospitalization emergency plans
 - increase access to reference material and training on communicable disease control

4. PRIORITIES AND TRIGGERS

USAID has authority to engage with the central government on HIV/AIDS and infectious diseases; legislative authority will be sought to engage more fully on maternal and child health. The strategy and funding parameters fully reflect Cambodia's status as a rapid scale-up country for HIV/AIDS, and priority for TB control.

Key provinces and ODs will be identified as part of the design phase of the strategy. The number and location of these ODs will be determined by 1) the amount of funds available for implementation of this portion of the strategy⁸; and, the application of selection criteria to be developed with the RGC. It is expected that these criteria will include, *inter alia*, population size, HIV prevalence (e.g., among sex workers and women attending ante-natal clinics), the existence of a functioning health services infrastructure, the presence of other international donors, and the effectiveness and readiness of provincial and OD-level leadership to work constructively with USAID and its partners. The effectiveness of implementation of health programs by provincial-level authorities might be further assessed by such proxy measures as the proportion of central funds passed downward to support health facilities, and/or the coverage of the provincial EPI programs.

⁸ WHO and NGO data indicate that a holistic approach to health service improvement at the OD level can be expected to cost \$700,000 - \$1,000,000 per OD per year.

C. Basic Education

1. PROBLEM STATEMENT

The destruction of social and human infrastructure during the Pol Pot era (1975-1979) and its negative effects on the Cambodian education system are well known. Substantial efforts were made to rebuild and expand the education system throughout the 80s and 90s. Notable progress has been made in recent years including substantial increases in primary school enrollment, construction and expansion of school facilities, development of a sector-wide strategy and support program, and increased allocations for education in the national budget.

The legacies of the past still pervade, however. There is a clear need to raise overall levels of education in Cambodia however the education and skills required to meet this need are extremely limited. Only 10% of the Cambodian labor force has more than a primary school education and the vast majority of primary school teachers never finished high school. Teaching, particularly in remote rural areas, is not an attractive employment alternative for those with higher levels of education. Teaching methodologies focus primarily on rote memorization and teachers have little personal experience with or capacity to facilitate creative learning processes or foster the development of critical thinking. Recent increases in teacher salaries may provide a stronger incentive for better-educated persons to become teachers; nevertheless, the low levels of education and training of existing teachers remain a serious constraint to the delivery of quality basic education.

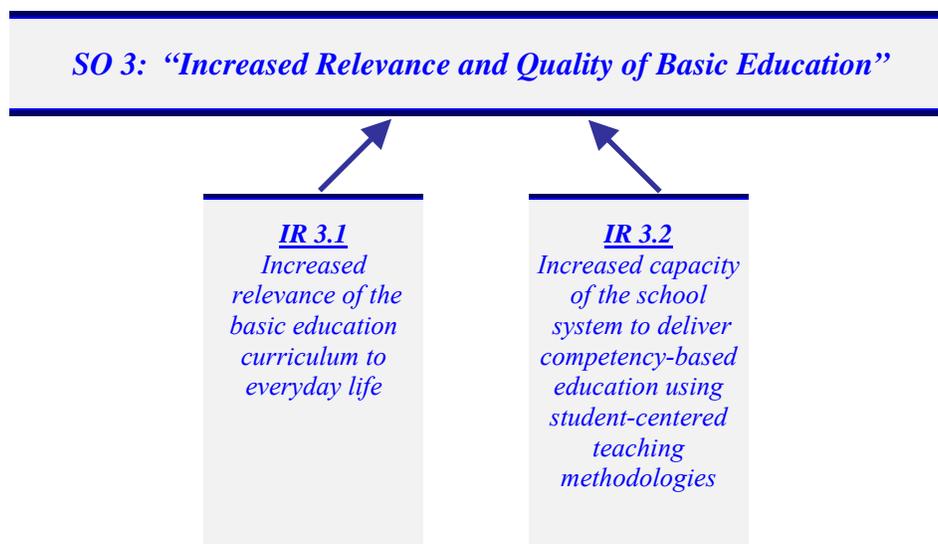
Proxy indicators of educational quality and effectiveness are far from encouraging: primary school retention rates remain low, with less than 50% of the age cohort reaching grade 5. In addition, grade repetition rates remain high, and a low percentage of children continue to higher grade levels. The limited capacity of teachers to provide quality education and the consequent dissatisfaction of parents and students with the value and relevance of basic education is certain to be contributing to this situation. The overall financing of the education system is heavily reliant on household contributions in the form of unofficial fees and, families also weigh the value of available educational services against competing demands for student time to contribute to family livelihood or, particularly for girls, attend to household chores. The majority of young people leave the education system with little knowledge and few skills thus perpetuating the cycle of poverty and leaving the country with a predominately unskilled labor force and a large proportion of the population vulnerable to being at best marginalized, if not actively exploited.

The existing quality of the basic education program provides a poor foundation for building the human resource base needed to support achievement of national economic growth objectives, respond to the changing demands of a growing market economy, or enable broad-based participation in social, community or political life.

USAID/Cambodia's strategy for basic education seeks to effect change through the development of a new life-skills curriculum that is relevant to everyday life and which uses student-centered teaching methods.

2. STRATEGIC OBJECTIVE FOR BASIC EDUCATION

USAID Cambodia's strategic objective and intermediate results for basic education for the three-year period 2002 to 2005 are:



Activities under this SO will focus on the development and testing of a life-skills curriculum for grades 1 through 6, and training of teacher trainers and teachers in selected cluster schools in the use of this curriculum. The curriculum is intended to provide knowledge, skills and values necessary for effective participation in community life, maintenance of good health, and knowledge and practice of skills relevant to the agro-ecosystem as they apply to everyday life. The life-skills curriculum will also reinforce language, math, science and critical thinking skills covered in the core basic education curriculum as students apply these skills to addressing problems faced in everyday life at school, at home and in the community.

The curriculum will stress student-centered, activity-based learning. Critical values by subject and grade will be specified. As these are relatively unfamiliar approaches to education in Cambodia, the curriculum development and teacher training process will also entail building an understanding and appreciation of these approaches at all levels of the education system.

USAID will work through MoEYS and in close consultation with other donors and stakeholders in the project development process to ensure complementarity of efforts and establish mechanisms for coordinating and managing activities under this SO. In particular, collaborative working relationships will be established with UNICEF, ADB, the World Bank, and other donors and NGOs involved in curriculum development and teacher training at the primary school level. USAID and its partners will also be actively involved in the donor sub-working group on education that has been established as part of the consultative group process. In the implementation phase, strong emphasis will be placed on cultivating broad-based concurrence on the curriculum content and teaching methodologies, and ensuring support for smooth integration of the life-skills curriculum into the national school system once the curriculum has been developed.

3. KEY INTERMEDIATE RESULTS

IR 3.1:
*Increased
relevance of the
basic education
curriculum to
everyday life*

The lack of relevance of the school curriculum to daily life plays a key role in high grade repetition and dropout rates, especially in rural areas. MoEYS is currently engaged in a curriculum reform effort which seeks to respond to the issue of relevance. A key element of the new curriculum is a life-skills component focused on civic education, health and nutrition, and practical knowledge about the agro-ecosystem.

The task of developing the life-skills curriculum has fallen on the Pedagogical Research Department (PRD) in MoEYS. This unit has low capacity and poorly or untrained staff who are unfamiliar with competency or skills-based education methodologies. USAID will provide technical assistance to the PRD in developing a life-skills curriculum and incorporating it into the school system.

USAID will assist MoEYS/PRD to consolidate, refine and build on materials that have already been developed in Cambodia into a cohesive curriculum and training package that can be used throughout the country. The curriculum development process will include identification of critical life situations by age, determining coping skills, and matching these with needed academic or process skills and underlying values. This will provide the basis for defining grade-specific competencies.

Elements of a life-skills curriculum and related teacher training materials have already been developed by various projects and organizations including:

- ♦ An Integrated Pest Management (IPM) in Schools program has been developed and tested over the past three years with USAID support. In addition to teaching environmentally sound crop production techniques, the program encourages team work and provides exposure to a variety of other skills that are academically rich and foster critical thinking and democratic processes. This program has already been identified by MoEYS as a core element of the agriculture component of the life-skills curriculum.
- ♦ An environmental education course has been prepared by the Environmental Technical Advisory Project under the guidance of an inter-ministerial committee.
- ♦ Health education materials have been developed by a number of organizations that could be adapted to the life-skills curriculum at the primary school level.
- ♦ Civic participation materials developed by civic organizations, universities, human rights organizations and other NGOs.

Relation to other sectors:

The civic education component of the life-skills curriculum would complement efforts under the democracy and governance SO by introducing democratic principles and process in the classroom thus preparing the next generation to participate actively in Cambodian political life.

There are also clear linkages between the health and nutrition component of the life-skills curriculum and the population, health and nutrition SO, particularly related to IR 2.2, strengthening capacity of individuals, families and communities to protect and provide for their own health. There may be opportunities to coordinate and collaborate on materials development efforts.

From a long-term perspective, this IR also contributes to agency economic growth objectives and promotes environmentally responsible behavior.

Existing materials will be reviewed, selected and adapted to best achieve the defined age-specific competencies. Additional material will be designed as necessary. Procedures for eliciting feedback from teachers and other key stakeholders, and pilot testing each element of the curriculum with students will be established and the curriculum revised and refined as needed. Pre-service and in-service teacher training programs and materials will be designed along with resource materials for teachers and competency assessment tools. The teacher training and resource materials will provide guidance on how to tailor the curriculum to local conditions.

Illustrative activities:

- Assistance to MoEYS/PRD with the development and testing of:
 - a student-centered, competency-based life-skills curriculum and syllabi for grades one through six for each of the three elements of the life-skills curriculum (civic participation, health and nutrition, agro-ecosystems);
 - an accompanying three-part, competency-based pre- and in-service teacher training curriculum and syllabi; and
 - pre-service and in-service training materials, including draft activity guidelines that will assist teachers in compiling their own teaching guides for use in the classroom.
- On-the-job training for MoEYS/PRD staff in the design and testing of student-centered, competency-based curricula and learning materials.
- Strengthening of partnerships between MoEYS and non-education organizations and programs in the curriculum development and testing process.
- Continued involvement of the community in supporting the life-skills curriculum through the cluster school system.

Addressing gender concerns:

Gender disparities in enrollment, repetition and dropout rates are not significant enough to warrant an intervention that specifically targets either one of the sexes. However, the life skills curriculum should also promote mutual respect between girls and boys, and provide opportunities for both to engage in non-traditional roles in class activities.

Addressing the specific needs of youth:

Preparing young people to participate more actively and effectively in economic, social, community and political life is intrinsic to this SO.

IR 3.2:
Increased capacity of the school system to deliver competency-based education using student-centered teaching methodologies

USAID will support training of teachers in the life-skills curriculum. Training will be conducted at two levels: 1) in-service training in cluster schools as part of the MoEYS's in-service training program, and 2) pre-service training at the primary teacher training colleges (PTTCs) responsible for educating new primary school teachers. In-service training would respond to the urgent need to up-grade the skills of existing teachers, and begin to benefit students relatively quickly. The cluster school structure now covers about 95% of all primary schools⁹. Integration of the life-skills curriculum into the PTTCs takes advantage of the opportunity to help the next generation of teachers acquire skills in delivering student-centered, competency-based training before they begin their teaching career. There are 18 PTTCs located in 18 provinces. A large number of new teachers will be trained at these colleges over the next five years.

Although focused on the life-skills curriculum, the teacher training would also contribute to strengthening general skills in competency-based training and approaches to enhancing the learning environment including student-centered teaching methodologies, alternatives to rote learning, and techniques for fostering critical thinking skills.

As part of project design and implementation, emphasis will also be placed on ensuring that education sector officials, school administrators, parents and local government officials, including commune council members, understand and are supportive of the life-skills curriculum.

⁹ A cluster is one core school, generally the strongest academically or the largest, with 6-10 satellite schools, administratively grouped together within a 5-10 kilometer distance. In 2000/01 there were 729 cluster core schools. 270 of the 5,468 primary schools are not in clusters.

Illustrative activities:

- Incorporation of the life-skills curriculum and syllabi into the regular pre-and in-service training program in selected cluster schools.
- Incorporation of the life-skills curriculum and syllabi into the regular pre-service training program at selected PTTCs.
- Education of trainers at the cluster school level to provide training and support to other teachers in the cluster in the delivery of the life-skills curriculum.
- Education of trainers at the PTTCs to train new teachers in the life-skills curriculum.
- Meetings with parent groups integrated into the implementation process at the cluster school level to gain support for the life-skills curriculum, discuss ways in which parents can help their children attain competency, and to elicit feedback on the new curriculum.
- Publicize new curriculum to build demand and support.
- Workshops and seminars on life-skills education, and rationale and approaches to student-centered learning methodologies for school principals, education sector officials and other stakeholders at national, provincial and cluster school levels.

Relation to other sectors:

At a very basic level, this IR contributes to the promotion of basic democratic processes and values. This is clearly reflected in the civic education component of the life-skills curriculum but is also underlies the teaching methodologies directed at development of the independent learning and critical thinking processes that are essential for effective participation in democratic processes.

There may be opportunities to forge links between the OD-level initiatives of the PHN strategy and the work that will be done at the cluster school level under this IR. The cluster schools could provide an avenue for stimulating demand for quality health services, and the OD services a source of technical expertise on child health and nutrition which could complement the life-skills curriculum.

Addressing gender concerns:

Attention will be paid to ensuring there is an appropriate gender balance in the selection of teacher trainers and trainees, as well as in the team engaged to provide the training to teacher trainers. Particular emphasis will be placed on ensuring that female teachers are able to participate in the program.

The project and impact monitoring system will incorporate gender-disaggregated indicators to facilitate assessment of overall participation in the program as well as the impact of the program on girls and boys, to the extent feasible within the timeframe of this strategy.

4. PRIORITIES AND TRIGGERS

Within the context of this interim strategy, highest priority is given to IR 3.1. A one-time infusion of sufficient funding will allow for the development and testing of the life-skills curriculum and related materials for teacher training and support. These valuable resources would then be available to MoEYS for potential use in all pre-service and in-service training for teachers. Building the capacity of teacher trainers, teachers and other education sector officials to use these materials effectively is the focus of IR 3.2. Although at least some teacher training would be carried out under any funding scenario, the scale of implementation of this IR is contingent on the level of funding available for this SO. The number and location of primary teacher training colleges and cluster schools to be included will be determined in the design phase of the strategy in close consultation with MoEYS and other stakeholders once funding levels have been ascertained.

D. Cross-cutting themes

Gender

Although the Constitution of the Kingdom of Cambodia guarantees equal rights for women and men, and the existing legal framework supports this principle of equality, the ability of Cambodian women to claim these rights is seriously constrained by prevailing social attitudes about gender roles and gender relations. Gender inequities exist at many levels. 82% of employed women are illiterate or have less than a primary school level of education; although school enrollment rates in the lowest grades are fairly even, girls drop out of school at a much earlier age than boys, thus perpetuating the gender gap in education into the next generation. The female labor force participation rate in Cambodia is the highest in the region. Agriculture continues to be the primary source of employment for the vast majority of the population with women providing more than half the total labor force. Employment opportunities for women outside of agriculture are extremely limited with most engaged in sales and market work. The recent emergence of the garment industry has provided a new alternative for young women – but with related risks. The public sector is overwhelmingly a male domain: women comprise only 10% of legislators, senior officials and managers.

Young girls, particularly from poor rural families, are increasingly vulnerable to trafficking, domestic violence and rape. This same group is also particularly affected by the very poor state of the public health system related to their role as mothers and child bearers. The HIV/AIDS epidemic places additional burdens on women as sexual partners in a highly permissive sexual environment controlled by males. They also bear the primary burden of providing care and support for family members infected with HIV/AIDS.

Serious gender concerns relating to human rights, participation in political life, HIV/AIDS, reproductive health and basic education are incorporated into the SOs of this interim strategy.

Youth

A baby boom in the early to mid-1980s is now culminating in a large number of young people entering the labor force and engaging independently in the social and political life of the country. The improved internal security and shift to a market economy are shaping migration patterns, behaviors and values of young people. This presents both opportunities and challenges.

Status and authority in Cambodian society are very much related to age. Opportunities lie in engaging young people in the practice of democracy and good governance. There are also opportunities for countering the social attitudes governing gender relations that underlie the active sex trade that is placing many young people at risk of contracting HIV/AIDS, and undermine access to appropriate reproductive health services. Young people need access to youth-friendly information services that address their particular needs and vulnerabilities. The needs of young people exposed to new sources of vulnerability due to changes in the economic and social environment also need to be addressed. This would include increased internal migration of young people, increased trafficking of (mostly) young women and children, and risk of sexual violence and exploitation among young factory workers and freelance sex workers.

Youth is incorporated in the SOs of this strategy by taking advantage of opportunities to shape the attitudes and behavior of the next generation of leaders, and addressing the special needs of young people at risk of HIV/AIDS and trafficking.

Capacity Development

Capacity building is integrated throughout this strategy. The PHN strategy addresses the critical need for strengthening the capacity of organizations, systems and individuals to provide quality services at all levels of the health system. The DG strategy addresses the need to strengthen political parties, civil society organizations and future leaders as a means of strengthening democratic practices and protecting

human rights. The basic education strategy is centered on strengthening the capacity of the education system to provide quality, relevant basic education, and thus contribute to strengthening the human resource base of the nation.

E. Pillar Programs

Funding from the Bureau for Democracy, Conflict and Humanitarian Assistance for four child survival grants to NGOs complements bilateral family-health activities. These grants support innovative approaches to community-based health information and services, including an immunization tracking system called a “world’s best buy” in a 1998 evaluation.

Pillar Bureau programs such as the Leahy War Victims Fund carry out additional activities complementary to USAID’s strategic objectives in Cambodia. Activities will focus on provision of prosthetics and orthotics, vocational training and job placement for war and mine victims and the disabled. Building the capacity of Cambodian NGO service-providers through training and coordination within the sector will be emphasized.

IV. Performance Monitoring

A Performance Monitoring Plan (PMP) will be developed after approval of the interim strategy. Illustrative indicators have however been identified for each of the results frameworks. Key performance indicators would include:

Democracy and Governance

Possible impact measures for SO 1 will include a decline in reported abuses of human rights; improved efficiency and equity in use of government resources; more democratic structures and mechanisms in place within political parties and, citizens’ perceptions of changes in options for protecting their interests.

Population, Health and Nutrition

In the focus Operational Districts, key beneficiary-level impacts by the end of three years will include increases in the contraceptive prevalence rate; a decrease in high-risk sexual behavior; an increase in the percent of children under one year of age fully immunized; and, an increase in the percent of births assisted by a trained provider.

Within the special target population groups reached by expanded HIV/AIDS prevention activities, changes will include an increase in the percent of men using condoms with CSWs; and, an increase in the percent of men using condoms with a “sweetheart”. These and related behavior changes among high-risk and vulnerable populations will contribute to a *decrease in the HIV prevalence rate* among those populations.

Basic Education

Improvements in the relevance and quality of basic education will be assessed based on feedback and actions of school officials, teacher trainers, teachers, students and families, as well as education sector specialists, in response to the new curriculum and teaching methodologies.

Further details on illustrative performance measures for democracy and governance are included in Annex D-1; and, for basic education in Annex D-3. Expected results and illustrative indicators for health are included in Annex D-2.

V. Management Plan

With the addition of program -funded US specialist positions to meet the technical and management responsibilities of the expanded program in HIV/AIDS and Family Health over the past several months, the Office of Public Health is better prepared to manage the integrated strategic objective, including the greatly expanded activities in HIV/AIDS. Additional program-funded Cambodian staff are being recruited as well and will complete the office's required staffing.

As soon as the strategy is approved and the level of resources decided for the interim strategic plan period, the Office of General Development will proceed with the hiring of additional program-funded US and Cambodian staff as required to manage and monitor its new program. With the exception of the Regional Legal Advisor who is based in Manila, all key management functions are provided in the Mission. Mission offices work closely with ANE/SPOTS and Pillar Bureaus in program planning, management, monitoring and reporting.

In order to strengthen efficiency and accountability, semi-annual program reviews will be instituted beginning in this fiscal year. Special emphasis will be placed on performance monitoring and reporting, with the Program Office playing the lead role in coordination of impact monitoring and information gathering, analysis and dissemination.

Starting from May 2000, the Mission has assumed increasing levels of responsibility for programs in surrounding countries in Southeast Asia – Thailand, Laos, Vietnam, the Burma border program, and proposed activities inside Burma. Since this strategy is for Cambodia alone, this management plan does not address the broader scope of responsibilities, although the operating budget proposed does include costs of operations in Hanoi and Bangkok. A management review is scheduled shortly to assess the adequacy of management systems, current staffing – both number and specialty – and resource levels to meet the Mission's new responsibilities.

ANNEXES

PARAMETERS CABLES

ANALYSES AND ASSESSMENTS
For the USAID/Cambodia Interim Strategic Plan 2002-2005

<p>Environmental Analysis <i>(Incl. Biodiversity and Tropical Forestry Assessments)</i> Jim Schweithelm, Team Leader, ARD, Inc. Pat Foster-Turley Andrew McNaughton Sri Sugiarti Srey Chanthy</p>	<p>August/September 2001</p>
<p>Population, Health and Nutrition Assessment Sheryl Keller, independent consultant (Synergy Group), Co-Team Leader Jay Parsons, independent consultant (Synergy Group), Co-Team Leader Monica Kerrigan, USAID/W Mary Ellen Stanton, USAID/W Elizabeth Preble, independent consultant (Synergy Group) Paurvi Bhatt, USAID/W Erika Barth, USAID/W Linda Sussman, USAID/W Monique Derfuss, USAID/W</p>	<p>February-April 2001</p>
<p>PHN Strategic Framework Team Jay Parsons, independent consultant (POPTECH), Team Leader Jerry Bowers, independent consultant (POPTECH) Elizabeth Preble, independent consultant (POPTECH) Harriet Destler, USAID/W Lily Kak, USAID/W</p>	<p>September 2001</p>
<p>TB Coalition for Technical Assistance (TBCTA) Review Dr. Maarten Bosman, KNCV, Team Leader Dr. Charles Wells, CDC/Atlanta Dr. Marcus Hodge, WHO/WPRO</p>	<p>January 2002</p>
<p>Conflict Vulnerability Analysis Leslie Johnston, PPC</p>	<p>January 2002</p>
<p>Democracy and Governance Assessment and Strategy Vivikka Mollrem, Team Leader James Vermillion, USAID/W, Center for Democracy and Governance Ed Anderson Eric Bjornlund Bradley Bessire, USAID/Cambodia Sok Narin, USAID/Cambodia</p>	<p>January-February 2002</p>
<p>Basic Education Assessment Vijitha Eyango, Team Leader, ANE Nicole Sayres, ANE Anne Dykstra, GWID</p>	<p>January-February 2002</p>

ICT Assessment Darrell E. Owen, SETA Corporation Jonathan R. Metzger, AED/Advisor to ANE Borany Penh, AED/CDIE Development Information Services Project Hong Sok, USAID/Cambodia	June 2001
Competitiveness Benchmarking J.E. Austin Associates, Inc.	September 2001
Economic Growth Assessment Naren Chanmugam, USAID/W	January 2002
Donor Coordination Assessment Cheryl Urashima, independent consultant	January-February 2002

ENVIRONMENTAL ANALYSIS
Including Bio-diversity and Tropical Forestry Assessments required under FAA 118 and 119

SUMMARY

Status Biodiversity and Tropical Forests¹

Cambodia is a country with diverse terrestrial, fresh water and marine habitats supporting a great variety of species, many of which are endangered and threatened regionally or globally. Remaining forest habitats, such as the dry dipterocarp forests in the north, are among the largest remaining expanses of this forest type left in the region and the wetlands within them provide habitat for a diversity of large water birds and mammals. Globally important species including tigers, clouded leopards, elephants, banteng (a type of wild cattle), sarus cranes, Siamese crocodiles and many more still inhabit the wilds of Cambodia. Likewise, the Mekong River and associated systems including the Tonle Sap (Great Lake) contain an abundance of fish and other aquatic species that provide an important food source for most Cambodians. Coastal systems of Cambodia are also diverse, including coral reefs, mangroves, seagrass beds and other biodiverse ecosystems.

Threats to the forests and biodiversity of Cambodia are many and varied, and synergistically impact upon one another. Habitat destruction is a major threat and is manifested in many ways including unsustainable logging, excessive conversion of land to agricultural uses, destructive fishing techniques such as dynamiting reefs, and various other factors. Various species with high economic value are also directly targeted, leading to the purported declines in populations of such globally significant species as tigers, primates, bears and crocodiles, and many others. Fish are a primary source of food for most Cambodians, but overfishing, the use of harmful fishing devices and habitat destruction of major spawning and feeding areas is reducing both catch sizes, and the size of individual fish and in some cases even leading to the disappearance of once common species. In Cambodia these threats are exacerbated by ineffective and often corrupt natural resources management (NRM) practices.

The policy and management frameworks for natural resources conservation efforts are sorely deficient, although a few relevant natural resources policies have been rewritten and are passing through the adoption process. The government, however, lacks the capacity and/or political will to enforce natural resources laws and regulations. Widespread corruption has led to the misuse of natural resources by large private sector entities that are often from other countries with no long-term commitment to the natural environment of Cambodia. Not only is biodiversity being lost in this way, but so is the quality of life of many poor Cambodians who rely on sustainable natural resources for their own continued survival.

Many donors, NGOs and concerned government officials are working together in Cambodia to correct some of these wrongs. Various approaches being used include developing management plans for protected areas, providing better capacity and tools for law enforcement efforts, the establishment of community-based conservation efforts in various areas, the development and dissemination of environmental education programs and materials, and other initiatives.

Recommended actions that would help to address the loss of forests and biodiversity in Cambodia, within the constraints of current congressional restrictions on direct engagement with the central government, include:

¹ Conducted by ARD, Inc. under the Biodiversity and Sustainable Forestry (BIOFOR) Indefinite Quantity Contract (Contract No. LAG-I-00-00-00013-00), October 2001.

- Local government agencies at the provincial level need to be strengthened in their efforts to understand and enforce existing natural resources laws and regulations.
- New policies and laws need to be developed that provide a better framework for conservation and sustainable use of forests and biodiversity.
- Communities need to be strengthened in their understanding and capacity to sustainably manage the natural resources within their domain.
- Appropriate management plans need to be developed and implemented for important protected areas and key resources.
- CITES efforts need to be strengthened and the trafficking of wildlife species needs to be curtailed.
- The management rights of private sector timber concessionaires and commercial fishing block holders must be appropriately defined and enforced to reduce conflicts with local communities and to avoid unsustainable extraction of Cambodia's natural resources.
- Capacity-building efforts are needed to strengthen the knowledge base of natural resources managers in government agencies and NGOs and to strengthen Cambodian institutes of higher education to produce graduates with such knowledge.
- More information, environmental education and awareness programs about forests and biodiversity are needed in Cambodia at all levels.
- A database of information on species and their occurrence in Cambodia needs to be established and the relevant data collected from the field to enable effective management of biodiversity resources.
- Geographical focus: Local and provincial level biodiversity and forest conservation activities are especially scarce but critically needed in the dry dipterocarp forests and associated wetlands and river stretches in the northern plains and adjacent highlands.

Relation to the Interim Strategic Plan

The Interim Strategic Plan does not explicitly address environment and natural resource management issues. Nevertheless, as corruption is a major factor in natural resource degradation, anti-corruption measures under IR 1.2 could be directed at building support for increased transparency and accountability in natural resource management. In addition, issues related to human rights, particularly minority and ethnic rights, are also very much affected by conflicts over natural resources and thus efforts to protect human rights under IR 1.3 could also contribute to strengthening natural resource management at the local level. The creation of new fora for discussion and debate of local governance issues under IR 1.4 would also provide a mechanism for raising the profile of threats to Cambodia's forests and biodiversity, particularly in those parts of the country where environmental degradation is becoming a serious threat to livelihoods. IR 1.5 could also include participation of key individuals engaged in environment and natural resource management issues in US-based participant training.

CAMBODIA CONFLICT VULNERABILITY ANALYSIS¹

SUMMARY

The USG has a long-term interest in pursuing economic and political stability in Southeast Asia. Part of this strategic engagement is to support democratization efforts in Cambodia. This is reflected in a principle and enduring US foreign policy objective to promote peace and stability throughout the world through democratic processes. There are a compelling set of country relationships and factors that could detract from or stall Cambodia's democratization process. Therefore, it is important for the USG to expand its development efforts in Cambodia.

It is widely acknowledged that violent conflict can adversely affect hard-won economic and social gains in developing countries, undercutting democratization and sustainable development goals. Therefore, the purpose of conducting the Conflict Vulnerability Analysis (CVA) was to assess the potential for future conflict in Cambodia and help identify areas of USAID programmatic engagement for conflict prevention. The CVA recognizes that not all conflict is bad. The very process of change and development often stimulates conflict in that it changes the balance between differing and sometimes opposing interests and perspectives. Conflict can lead to positive change that improves behavior, conditions or equity. However, violent conflict which results in substantial injury or loss of human life with the potential to destabilize the country and either slow or stop the process of democratization, is the target of the CVA and USAID's conflict prevention goals.

After decades of conflict, and almost a decade after the 1991 Paris Peace Agreements, Cambodia finally established peace after the national elections in 1998. However, continuing national stability and progress from a semi-autocracy to a democracy is still fraught with significant dangers and pitfalls. As one looks forward, it is important to keep in mind that Cambodia's history has been characterized in part as a chronic failure of contending groups of patrons and their clients to compromise, cooperate or share power. Even today, political parties are highly personalized and politics are played as a zero sum game. Parties seek power and leaders seek personal aggrandizement, with little fundamental regard for the needs of the people.

Comparing the social and economic conditions of rural Cambodians today and the period of the 1960s should give us pause since Cambodia still faces many unresolved problems of the past, in addition to new challenges. In fact, in many respects the conditions in Cambodia at the start of the 21st Century are worse than ever before. Today, the country has the highest infant mortality rate in Southeast Asia, illiteracy is higher now than in the 1960s, violent crimes – rare in the 1960s – are now frequent, HIV/AIDS prevalence is one of the highest in Southeast Asia, corruption is rampant, government/elite impunity is pervasive, extreme disparity of wealth, and grinding poverty – all factors which threatened livelihoods and consequently, democratic reform.

For an agrarian society, the availability of secure land tenure and viable ecosystems to support natural resource productivity are important key factors to human security. However, in Cambodia, land is becoming increasingly scarce for the rural poor. In fact, before the war, the average landholding was 2.2 hectares, now it is less than 1 hectare. Landlessness is an increasingly critical development and human rights issue in Cambodia. In 1984, landless families represented about 3% of total families (slightly lower than in 1969 – 4%). In 1999, this percentage increased to 12% (= 1.2 million people), while landlessness in female-headed households was 21%. Within fishing communities, landlessness can be as high as 24%. Researchers estimate that this trend in landlessness will worsen. The lack of governance

¹ Conducted by Leslie Johnston, USAID/PPC, January 2002.

and widespread corruption has resulted in high rates of deforestation, increasing desertification, decreasing fish catches, exacerbation of natural disasters – all of which undermine economic and social development.

Cambodia possesses many of the risk factors associated with violent conflict that have been identified by empirical research. Cambodia is a post-conflict, semi-autocratic country that is experiencing stagnant economic growth, grinding poverty, high rates of unemployment and infant mortality, low rates of education, increasing rural to urban migration, and an eroding natural resource base resulting in loss of ecosystem services and productivity.

These risk factors, in and of themselves, do not necessarily cause conflict. However, they are exacerbated by the existence of weak and corrupt state institutions and by manipulative political systems and parties that principally serve the purposes of the elite. Additionally, the capacity of groups to translate their grievances into collective action depends upon their ability to harness financial, human and other resources. The demographic shifts taking place in Cambodia, the wealth of natural resources and pervasiveness of illegal trafficking in a variety of areas, can provide opportunities for mobilization under effective leadership. Contributing to potential future instability are low-intensity conflicts that are not being adequately addressed by the state such as loss of livelihoods, that are translated into a growing number of fishery conflicts, land tenure conflicts and labor demonstrations that could, over time, generate civil unrest and/or communal conflict. Finally, there are discrete events that could serve as 'triggers' to the outbreak of conflict. These include the 2003 national elections, economic shocks and natural disasters.

Thus, the likelihood of large-scale violence or collapse of government control is relatively low. However, the potential for civil unrest and communal conflict is high with a likely outcome being increased central government control with the high risk of stalling or reversing progress in democratization and strengthening democratic institutions.

USAID's long-term investments in developing countries must be balanced to enable the processes for sustainable development to take place. The means to prevent widespread violent conflict lie in a country's ability to address current economic, environmental, social, cultural and political inequities or grievances internally while adequately dealing with international or cross border issues and conflicts. Thus, the conclusions derived from the CVA suggest that a democracy and governance approach alone is insufficient to mitigate the prospect of, and ameliorate the incidence of, violent conflict.

For example, continued work only with NGOs raises serious risks as expectations are increased without the ability of the government to meet these expectations. The positive democratic changes of the past several years have not necessarily made government institutions better able to provide basic public services or protect public goods. Justice and protection of individual rights, a sound business environment, adequate infrastructure, basic services conducive to sustainable economic and social opportunities for all citizens (such as education, public health, sanitation), protection of the environment and natural resources, and a social safety net for vulnerable populations or individuals are all lacking in Cambodia. Nor have changes meant that state institutions can adequately manage conflicts. Thus, the interaction of rising frustrations from unattended underlying grievances with incompetent and corrupt government institutions increases the risk of future conflict.

Recommendations:

- Corruption impacts the sustainable management of natural resources at the expense of local people. Therefore, use the notwithstanding language on corruption to develop a series of activities with the government and local NGOs to improve accountability and transparency, initially focusing on the governance of natural resources.

- Develop the capacity of the appropriate entities to ensure that commune councils' development activities are done in an environmentally sustainable manner. Environmental management issues transcend commune borders, therefore, there needs to be a built-in mechanism to ensure that activities are done in an environmentally sustainable manner and there are no negative impacts on communes which depend directly or indirectly on ecosystem services and products.
- Develop small-credit, insurance or grant programs for the vulnerable poor so that medical costs do not force them to sell their land.
- Explore the potential of developing programs to increase access to secondary school education.
- Explore the opportunities for developing micro-enterprises to generate employment in rural areas.

ILLUSTRATIVE PERFORMANCE MEASURES

DEMOCRACY AND GOVERNANCE

Strategic Objective: “Increased Competition in Cambodian Political Life”

Possible performance measures:

1. Reported abuses of human rights decline

If there is increased competition in political life, opportunities for powerful elites to abuse citizens’ rights will be reduced as other actors in society compete to protect these rights. Reported abuses can be measured by using the statistics gathered annually by the UNHCHR or other international and local human rights organizations.

2. Efficiency and equity in use of government resources improves

This would be a direct result of increased accountability and transparency in government operations and could be measured in a number of ways:

- ♦ USAID could rely on annual qualitative assessments done by the IBRD and ADB in the context of the Consultative Group meeting and the GAP. This would have the advantage of being easy to measure, but the disadvantage of being highly subjective, since many GAP indicators relate to passage of new legislation.
- ♦ USAID could study central resource allocations reaching local areas in a sample number of districts (including some with communes that elected FUNCINPEC or SRP commune chiefs). A baseline study of resources that actually reached the district for key services like health care, education, infrastructure and agricultural development would be compared with a similar study taken after two years. The study would assess whether transfers increased, reached the districts earlier in the fiscal year, and in amounts based on a legitimate formula (e.g. population, income levels).
- ♦ USAID could study changes in the informal (unofficial, under-the-table) costs of a few key services (like education, health care, or business licenses) over time, to see if they decrease. This could be done by a grantee under IR 1.2.

3. Citizens perceive they have more options for protecting their interests

If competition in political life increases, citizens should be able to identify more people and places they can go to for help in protecting their interests, and should be able to distinguish between the philosophies of the major political parties. USAID could commission a poll of citizens to determine where they go when they need help to resolve an issue; whether they know who their local representatives are; whether they consider them helpful in problem-solving; and whether they can distinguish policy differences between the three parties. This could be done in 2002 or 2003 to establish a baseline and again in 2005.

IR 1.1: Political Processes and Parties That Meet International Standards

There are separate measures for political party development and for electoral processes.

1. Political parties develop more democratic structure and mechanisms for member participation

USAID could develop an index, based on key characteristics of a democratic political organization. The index would assign values and weights to each of the characteristics suggested below (or others as determined by USAID). Each political party receiving USAID support would be graded each year according to the index. Parties showing progress in developing democratic structures would earn a higher ranking each year.

Characteristics:

- ♦ The party has a geographically -distributed base of support with low-level organization throughout the country.
- ♦ The party has an identifiable platform based on specific ideologies and/or policies.
- ♦ The party has internally democratic structures, including regular party meetings at all levels, and a caucus or other internal process to solicit views of members, to determine leadership, and to establish policies.
- ♦ There are significant numbers of women in leadership positions in the party, at all levels.
- ♦ The party runs candidates in most locations during elections.
- ♦ The party has good systems for internal communications.

Annual ranking of parties on this index could be done in a number of ways: by the grantee, by an independent expert on party development, or by a committee consisting of USAID D/G staff, the Embassy political officer, and other experts. However the ranking is done, it should involve inputs from party members themselves. One option is to ask party leadership to do their own ranking for comparison with that done by outside evaluators.

A simpler alternative to an “index” is a narrative analysis, prepared annually, that states whether progress has been made on each characteristic and supports each statement with specific examples.

2. The election process allows for fair and equal treatment of all parties

USAID will provide assistance for administration of the 2003 election only if there is a fair legal framework for elections and all major parties accept the legitimacy and impartiality of a newly constituted National Election Council. If USAID does support the election administration, the process should be evaluated on each of the following characteristics:

- ♦ Reasonable opportunities for all parties to compete; e.g. absence of obstacles to campaigning and equal access to media.
- ♦ Impartial election authorities.
- ♦ Absence of intimidation, serious investigation of excesses of previous elections and immediate, serious and fair investigation of any violence or intimidation that occurs in the run-up to the 2003 election.

USAID can carry out such an evaluation on its own, with assistance from Embassy political staff, or it may ask an impartial outside observer to do so.

3. Credible election monitoring and administration

If USAID determines it cannot support the election administration in 2003 and supports only election monitoring and voter education, it should evaluate whether (1) election monitors understood their roles

and carried out their responsibilities conscientiously , (2) voters were free to cast their ballots as they chose, and (3) ballot count was accurate.

USAID could carry out such an evaluation on its own or by hiring an outside observer. Evaluation information would include reports of the Embassy and USAID staff who observe the election, news reports, and reports of domestic and international election monitors.

IR 1.2: Increased Transparency and Accountability on Key Economic and Political Issues

Illustrative measures:

1. Government practices are influenced by analysis and discussion of key corruption issues

As with human rights, the grantee or grantees working on corruption should have a say in developing specific measures and targets, because they take risk in studying and publicizing corruption issues. The grantee would track changes in government practices that result from its studies. To achieve this end, grantees must engage with government on results of their analysis. The grantee could also take credit for donor use of grantee analysis to press government on corruption issues.

2. Public opinion surveys show improved satisfaction with service delivery

The public opinion surveys and resulting “Service Delivery Report Cards” described in the strategy narrative have the dual advantage of affecting service delivery and evaluating it over time.

3. Government practices are influenced by analysis and advocacy of business and professional associations.

USAID’s grantee should track any changes in government practices that result from specific advocacy programs carried out by USAID-supported associations. Rapid reconnaissance polling could also be used for specific businesses or professions to see if members perceive government practices as improving.

4. Impartial findings of audits and investigations of government bodies and projects are available to the public.

If USAID provides assistance to the National Audit Agency or other government inspections body, the grantee (e.g. USAID’s IG) should annually evaluate the impartiality of the audits/investigations undertaken and the extent to which these results were available to the public. To confirm grantee findings, USAID should track (perhaps through its grant to an anti-corruption NGO) the number of newspaper articles that appear revealing audit results critical of the government, and the ability of NGOs to obtain in a timely manner the full audit reports, particularly for audits with adverse findings.

IR 1.3: Focused Monitoring and Defense of Human Rights

This IR is intended to support those human rights activities that involve the most important abuses (usually related to impunity of government officials), are visible both in Cambodia and in the international human rights community, and/or have strong potential to bring about change in government practices.

The human rights organizations that implement USAID-funded activities are taking political risk. Their leaders should have a say in developing the performance measures, because they know best what cases they can safely take on and how much progress they can expect to make. That said, the following measures might be used:

1. Government practices are influenced by activities of human rights groups

Emphasis here is on government practices rather than government policy, because in absence of rule of law, policy alone has little value. To show results, grantees would have to engage with government to resolve issues. USAID would ask grantees to track and record cases they work on where their advocacy leads the government to decide differently than it otherwise would have. Though this would include cases that go to court, it would also include cases where the government reconsiders or revises its decision because of discussions with the NGO. It would also include cases where, thanks to NGO pressure, serious investigation is made of human rights abuses and corrective action is taken.

The types of actions that would qualify and quantitative targets should be determined through consultation between USAID and the core grantees. Grantees would report to USAID annually on these impacts, and USAID would do independent verification in year 2 or 3.

2. Adherence to basic workers' rights increases

Grantee/s would track obstacles by employers and/or government to basic worker rights including organization, speech, assembly, and reasonable working conditions. Initially, as more workers attempt to organize, USAID can expect an increase in the number of worker rights violations. Over time, however, the number of independent labor organizations should increase and the number of cases of labor rights abuses should decline.

USAID may also want to track growth in democratic organization of labor unions, to ensure that they truly represent the workers. This might be done through a review, by the grantee or by an independent organization, of the organizational structures and participatory mechanisms used by the labor groups receiving USAID funding.

3. Government policies and practices to improve protection of the rights of women adopted and implemented

Should USAID grant funds directly to the Ministry of Women's and Veterans' Affairs to protect women's rights, USAID and the grantee would track changes in government policies and practices in areas that the ministry and cooperating NGOs work on. USAID could also track changes in the number of trafficked women and children reported to human rights organizations and the government.

4. Media report key human rights cases regularly

Media coverage of human rights abuses is constrained, except for the Phnom Penh-based written press. Nonetheless, if the human rights agencies focus on important cases that have potential to affect government policies or practices, more cases should get news coverage. Grantees should seek to get news coverage when the government takes appropriate actions as well as when it takes inappropriate action. The grantees should keep press clippings and track radio and television coverage on cases they cover. If progress is being made on this IR, there should initially be an increased number of human rights cases that draw attention from the press, but as the government reacts to avoid criticism by curbing human rights violations, there should be fewer cases for the press to report in later years.

**POPULATION, HEALTH AND NUTRITION
RESULTS MATRIX AND ILLUSTRATIVE INDICATORS**

By the end of three years:

<p align="center"><u>IR 2.1</u> <i>Increased access to information and services</i></p>	<p align="center"><u>IR 2.2</u> <i>Strengthened capacity of individuals, families and communities to protect and provide for their own health</i></p>	<p align="center"><u>IR 2.3</u> <i>Improved quality of information and services</i></p>	<p align="center"><u>IR 2.4</u> <i>Improved capacity of health systems</i></p>
<p>HIV/AIDS</p>			
<ul style="list-style-type: none"> ● HIV/AIDS prevention information and services – including peer education and outreach services-will be more broadly available, especially for direct sex workers, indirect sex workers and the men most likely to use their services, and adolescent populations. ● The number of voluntary testing and counseling sites will be increased from the current seven to at least one in each targeted operational district. ● Successful approaches/models of community-based care for those infected and affected by HIV/AIDS as well as the prevention of mother to child transmission of HIV will have been developed, tested and, as appropriate, expanded in the targeted operational districts. ● HIV positive pregnant women in these districts will have counseling in how to prevent mother to child transmission of HIV/AIDS. Those with AIDS will receive care and support from community based organizations. ● Reproductive health information and services – including particularly, but not exclusively HIV/AIDS – will be available to major work-based populations such as garment factory workers and adolescent populations. 	<ul style="list-style-type: none"> ● Decline in high risk behaviors among key populations ● Choice of public or private services in target districts and provinces ● More effective use of personal resources for health care ● Greater community tolerance, involvement with and support for those infected or affected by HIV/AIDS 	<ul style="list-style-type: none"> ● Specialized services for target populations will be available nationwide ● HIV/AIDS related services will be integrated into ongoing health services in focus ODs - high quality voluntary testing and counseling services will be linked to care and treatment ● HIV/AIDS counseling skills of health providers will be improved at all levels of health care in focus ODs 	<ul style="list-style-type: none"> ● More effective service delivery through the public and private sector. ● Increased human and organizational capacity. ● Improved policies linked to operational guidelines and regulations. ● Better information for decision makers including lessons learned on what increased knowledge of what works especially in critical areas like HIV/AIDS care and support. ● Improved epidemiological, behavior and programmatic information and increased use of such data by decision makers at all levels.

<p align="center"><u>IR 2.1</u> <i>Increased access to information and services</i></p>	<p align="center"><u>IR 2.2</u> <i>Strengthened capacity of individuals, families and communities to protect and provide for their own health</i></p>	<p align="center"><u>IR 2.3</u> <i>Improved quality of information and services</i></p>	<p align="center"><u>IR 2.4</u> <i>Improved capacity of health systems</i></p>
RH/MCH			
<ul style="list-style-type: none"> ● Each health center in selected ODs will be staffed by trained midwives and health workers using the MPA+. ● Referral systems from the HC to the referral hospital will be strengthened and will include functioning emergency obstetric care (EmOC), where feasible. ● The outreach system in selected ODs will be functioning effectively with full participation from communities. ● The number of social marketing outlets will be expanded in rural areas. ● The number of service delivery outlets will be expanded in the NGO sector and new approaches of linking with the private sector, such as private provider networks, will be developed, tested and quickly scaled up. 	<ul style="list-style-type: none"> ● Knowledge and attitudes about key family health, birth spacing and HIV/AIDS services will be improved among adolescents, young adult men and women, married couples, care-takers of children, and high risk groups in selected ODs ● Individuals and families will understand their right to receive high quality services and will seek these services ● Communities will be mobilized to actively participate in protecting their health 	<ul style="list-style-type: none"> ● The quality of care will be improved in all health centers in focus ODs ● A model for improving the quality of RH/MCH services in the private sector will be tested and scaled up. ● A system of continuous quality improvement will be instituted in all HCs and referral hospitals in focus ODs. ● Health worker skills in appropriate case management of ARI and diarrheal diseases will be strengthened in all focus ODs; skills in IMCI will be improved in selected pilot and scale-up ODs. ● Midwifery and life saving skills of midwives will be improved in all HCs. ● Inter-personal counseling skills in RH/MCH will be improved among all HC health providers in focus ODs. 	<ul style="list-style-type: none"> ● Referral linkages between all levels of the health system for emergency obstetric care and other selected CPA interventions will be improved in focus ODs. ● Operational policies for the delivery of integrated RH/MCH services will be in place at the provincial, OD, and HC levels. ● Monitoring, supervision, and routine use of data for better management will be institutionalized in focus ODs.
INFECTIOUS DISEASES			
<ul style="list-style-type: none"> ● Access to vector control measures such as high quality anti-malarial drugs, water jar lids, etc., will be expanded in public and private sectors in areas at high risk for dengue and drug-resistant malaria. ● NTP will have developed a strategy for community-based DOTS and for private practitioners to implement DOTS. ● All HCs with MPA will provide DOTS. ● 60% of new cases will be detected in the early stage of the disease; 90% of detected cases will be cured. 	<ul style="list-style-type: none"> ● Communities will be mobilized to undertake vector (malaria and dengue fever) control measures ● Communities will understand the effect of using inappropriate anti-malarial drugs ● Improved public KAP regarding TB as demonstrated by early self-referral of possible TB patients manifesting chronic cough. ● Families will bring family members with chronic cough for examination. ● Community health workers and FBC members will identify potential TB patients and promote examination at the HC. ● Communities will support families with TB; stigma of TB reduced 	<ul style="list-style-type: none"> ● A joint NTP/NCHADS TB-HIV strategy and action plan will have been developed and established. ● The quality of the TB laboratory network will have improved as demonstrated by a false positive rate of less than 0.5%. ● Utilization of standard clinical management practices for treatment of infectious diseases will be increased among health providers in focus ODs. 	<ul style="list-style-type: none"> ● The capacity for planning and management of TB control at the national, provincial and OD level will have been improved. ● TB control planning will be coordinated at the MoH level and integrated with general health planning at the provincial and OD levels. ● A five-year expenditure framework for TB programming will have been developed and financial support will have been solicited. ● A planning and management course for infectious disease control will have been developed in collaboration with NIPH and NTP and general health staff will have been trained.

<p align="center"><u>IR 2.1</u> <i>Increased access to information and services</i></p>	<p align="center"><u>IR 2.2</u> <i>Strengthened capacity of individuals, families and communities to protect and provide for their own health</i></p>	<p align="center"><u>IR 2.3</u> <i>Improved quality of information and services</i></p>	<p align="center"><u>IR 2.4</u> <i>Improved capacity of health systems</i></p>
			<ul style="list-style-type: none"> ● Selected NTP staff will have received specialized health planning and management courses. ● An external Country Review Mission will have been held in 2003. ● Regular external assistance for monitoring and evaluation will have been secured. ● The capacity to monitor drug-resistant malaria and the factors contributing to its emergence and spread will be enhanced. ● The capacity to use surveillance data to change health policies (as needed) and design/implement effective control strategies for drug-resistant malaria will be enhanced.

Performance Data Table: Illustrative Indicators
2002-2005

Input baselines and targets for the life of the SO for each SO and IR indicator. Modify the table to include additional indicators and years as needed.

SO or IR	Results Statement	Indicator	Unit of Measure	Dis-aggregation	Baseline Year	Baseline Value	2003 Target	2003 Actual	2004 Target	2004 Actual	2005 Target	2005 Actual
SO	Increased use of high impact HIV/AIDS, family health services and appropriate behavior	Contraceptive Prevalence Rate	Percent	Currently married women	2000 CDHS	18.5% (Modern methods) CDHS						
		Couple Years of Protection	Couple years of protection		2000 Update for 2002	194,675 Update for 2002						
		Percent infants <6 months exclusively breastfed	Percent		2000 CDHS	5.4%						
		Percent of children <12 months fully immunized	Percent		2000	31%						
		Percent of births assisted by trained provider	Percent		2000 CDHS	31.8%						

SO or IR	Results Statement	Indicator	Unit of Measure	Dis-aggregation	Baseline Year	Baseline Value	2003 Target	2003 Actual	2004 Target	2004 Actual	2005 Target	2005 Actual
		Percent of women with live births received 2 doses of more of TT	Percent		2000 CDHS	30%						
		Percent of men 15-49 using condoms with CSW	Percent	Rural/Urban	BSS							
		Percent of men 15-49 using condoms with sweetheart	Percent	Rural/Urban	BSS							
IR 2.1	Increased access to information and services	Percent of health centers in target provinces/ODs with staff trained and equipped to deliver key elements (define elements) of the MPA+ package	Percent		2003 Annual facility study	TBD						
		Percent of entertainment places with condoms in stock	Percent		2002 (PSI?) TBD	TBD						
		Percent of new TB cases detected at the early stage of disease	Percent									
		Percent of detected TB cases cured	Percent									

SO or IR	Results Statement	Indicator	Unit of Measure	Dis-aggregation	Baseline Year	Baseline Value	2003 Target	2003 Actual	2004 Target	2004 Actual	2005 Target	2005 Actual
		Percent of reproductive health clinics providing HIV/AIDS related information and services, including referrals										
		Percent patients who present with STIs at health care facilities who are appropriately diagnosed and treated										
IR 2.2	Strengthened capacity of individuals, families and communities to protect and provide for their own health	Percent change in case-load in target operational districts	Percent		2003 Facility study	TBD						
		Percent of villages in targeted operational districts with feedback committees that have met in the past two months	Percent		2003 Facility study	TBD						
IR 2.3	Improved quality of information and services	Percent of health centers in targeted ODs implementing selected (TBD) service delivery protocols	Percent		2003 Facility study	TBD						

SO or IR	Results Statement	Indicator	Unit of Measure	Dis-aggregation	Baseline Year	Baseline Value	2003 Target	2003 Actual	2004 Target	2004 Actual	2005 Target	2005 Actual
		Percent of HIV/AIDS related interventions providing RH and TB related information and services, including referrals	Percent		2003 facility survey	TBD						
		Rate of false positive diagnosis for TB										
IR 2.4	Improved capacity of health systems	Percent of target ministries which have implemented HIV/AIDS strategies and plans	Percent		2003	TBD						
		Percent of health centers in target ODs using data for program management	Percent		2003	TBD						
		Percent of ODs with an annual plan	Percent		2003	TBD						

ILLUSTRATIVE PERFORMANCE MEASURES

BASIC EDUCATION

Strategic Objective: “Increased relevance and quality of basic education”

IR 3.1: Increased relevance of the basic education curriculum to everyday life.

Illustrative indicators:

1. Assessment of the quality and relevance of the life-skills curriculum.

External assessment of the quality and relevance of the life-skills curriculum with significant input from MoEYS as well as experts in primary school curriculum development methodologies. Criteria should be developed for assessing the quality and relevance of the curriculum which could include: contents and methods that are appropriately adapted to the Cambodian context; responsive to the basic knowledge and skills needed to effectively participate in the rapidly changing economic, social and political environment in Cambodia; technically sound in each of the content areas; age appropriate with practical expectations of competency; and, responsive to the specific needs and concerns of girl students. The assessment would also need to look at the relevance of the content in each component; the effectiveness of methodologies used to convey concepts; and the feasibility of introducing the curriculum and teaching methodologies on a large scale.

2. Life-skills curriculum adopted and integrated into MoEYS pre-service and in-service training programs.

Technical assistance will be provided to MoEYS to officially adopt and implement a new life-skills curriculum for pre-service and in-service training programs for grades 1 through 6. A strong collaborative relationship will be maintained with other key donors and organizations engaged in basic education development, particularly UNICEF, ADB, the World Bank and NGOs. A process for approval at strategic points during the curriculum development process will assure that problems are solved as they occur and final adoption of the new curriculum is smooth.

3. Improved perceptions of the quality of basic education by students and families.

Surveys (questionnaires, focus group discussions, etc.) conducted during the project design phase could be used to gather information on student and family expectations of basic education services, and an assessment of the extent to which these expectations are being met. This would provide not only a baseline for assessing program effectiveness but could also provide valuable input into the design of the life-skills curriculum. Similar surveys could be conducted during trial teaching of the new curriculum and after implementation by grade.

IR 3.2: Increased capacity of the school system to deliver competency-based education using student-centered teaching methodologies.

Illustrative indicators:

1. Increased capacity of MoEYS staff to design, test, evaluate and train teachers to use a competency-based, student-centered life-skills curriculum and support materials.

This could be measured by documenting the extent to which the techniques and skills acquired by MoEYS/PDR staff are institutionalized in clusters and cluster supervision during grade-by-grade national implementation.

2. *Increased number of teachers trained and able to deliver the life-skills curriculum in the classroom.*
The effectiveness of teacher trainers can be assessed at a very basic level through pre- and post-training assessments and student feedback. The extent to which adequate capacity has been acquired to apply what has been learned in the classroom can be assessed through periodic direct observation and/or feedback from students and parents. Long-term, standardized methods might be developed for monitoring teacher performance.
3. *Increased number of administrators, local government officials and citizens supportive of the life-skills curriculum content and methodologies.*
This could be measured through documentation of actions taken by officials and communities to facilitate integration of the life-skills curriculum into the education system.

LIST OF ACRONYMS

ADB	Asian Development Bank
AFTA	ASEAN Free Trade Agreement
AIDS	Acquired Immune-Deficiency Syndrome
ANE	Asia Near East Bureau
ARI	Acute Respiratory Infection
ASEAN	Association of Southeast Asian Nations
AusAID	Australian Agency for International Development
BSS	(Sexual) Behavioral Sentinel Survey
CA	Cooperating Agency
CAP	Community Access Point
CBD	Community-based distribution
CDC	Centers for Disease Control (Atlanta)
CDC	Council for the Development of Cambodia
CDHS	Cambodia Demographic and Health Survey
CENAT	National Anti-TB Center
CHRAC	Cambodian Human Rights Action Committee
CMA	Cambodian Midwives Association
Co-Com	Coordinating Committee
CPA	Complimentary Package of Activities
CPP	Cambodian People's Party
DCR	Development Cooperation Report
DFID	Department for International Development (UK)
DG	Democracy and Governance
DHF	Dengue Hemorrhagic Fever
DHS	Demographic and Health Surveys
DOTS	Directly Observed Treatment Short-course
EC	European Community
EMO	Election Monitoring Organization
EmOC	Emergency Obstetric Care
EPI	Expanded Program of Immunization
ESP	Education Sector Strategy
ESSP	Education Sector Support Program
EU	European Union
FBC	Feedback Committee
FUNCINPEC	National United Front for a Neutral, Peaceful, Cooperative and Independent Cambodia
GAP	Governance Action Plan
GDP	Gross Domestic Product
GTZ	German Technical Cooperation
HACC	HIV/AIDS Coordinating Committee
HC	Health Center
HIV/AIDS	Human Immuno-deficiency Virus/Acquired Immuno-deficiency Syndrome
HSS	HIV/AIDS Sentinel Surveillance

ICT	Information and Communications Technology
IEC	Information, Education and Communication
IMCI	Integrated Management of Childhood Illnesses
IMR	Infant Mortality Rate
IR	Intermediate Result
IUD	Intrauterine Device
JICA	Japanese International Cooperation Agency
KAP	Knowledge, Attitude and Practice
KfW	Kreditanstalt für Wiederaufbau (German Bank for Reconstruction)
KHANA	Khmer HIV/AIDS National Alliance
KR	Khmer Rouge
LSS	Life-Saving Skills
MCH	Maternal and Child Health
MoEYS	Ministry of Education, Youth and Sport
MoH	Ministry of Health
MOI	Ministry of Interior
MoSALVY	Ministry of Social Affairs, Labor, Vocational Training and Youth Rehabilitation
MPA	Minimum Package of Activities
MRD	Ministry of Rural Development
MTCT	Mother-to-Child Transmission
MWVA	Ministry of Women's and Veterans' Affairs
NAA	National Aids Authority
NAA	National Audit Authority
NCHADS	National Centre for HIV/AIDS, Dermatology and Sexually Transmitted Diseases
NCHP	National Center for Health Promotion
NGO	Non-governmental Organization
NIPH	National Institute of Public Health
NMC	National Malaria Center
NMCHC	National Maternal and Child Health Center
NRM	Natural Resource Management
NTP	National Tuberculosis Plan
OD	Operational District
OPV	Oral Polio Vaccine
ORS	Oral Rehydration Salts
PAP	Priority Action Program
PHD	Provincial Health Department
PHN	Population, Health and Nutrition
PLWHA	Persons Living With HIV/AIDS
PMTCT	Prevention of Mother-to-Child Transmission
PRD	Pedagogical Research Department (MoEYS)
Pro-CoCom	Provincial Coordinating Committee
PSI	Population Services International
PTTC	Primary Teacher Training College
RH	Referral Hospital
RH	Reproductive Health

RCH	Reproductive and Child Health
RGC	Royal Government of Cambodia
RHAC	Reproductive Health Association of Cambodia
SO	Strategic Objective
SRP	Sam Rainsy Party
STD	Sexually Transmitted Disease
STI	Sexually Transmitted Infection
SWAP	Sector-wide Approach
TA	Technical Assistance
TB	Tuberculosis
TBA	Traditional Birth Attendant
TBCTA	Tuberculosis Coalition for Technical Assistance
TOT	Training of Trainers
UN	United Nations
UNAIDS	Joint United Nations Program on HIV/AIDS
UNICEF	United Nations Children's Fund
UNDP	United Nations Development Program
UNESCO	United Nations Education, Social and Cultural Organization
UNFPA	United Nations Population Fund
UNTAC	United Nations Transitional Authority for Cambodia
USAID	United States Agency for International Development
USG	US Government
VCT	Voluntary Counseling and Testing
VDC	Village Development Committee
WB	World Bank
WHO	World Health Organization
WTO	World Trade Organization

Volume II: Analyses and Assessments

1. Environmental Analysis, including Bio-diversity and Tropical Forestry Assessments
2. Conflict Vulnerability Analysis
3. Donor Coordination Analysis
4. Democracy and Governance Assessment and Strategy
5. Population, Health and Nutrition Assessment
6. Population, Health and Nutrition Strategy
7. TB Coalition for Technical Assistance (TBCTA) Review
8. Basic Education Assessment
9. Economic Growth Assessment
10. Competitiveness Benchmarking
11. ICT Assessment

Final Report submitted to the
United States Agency for International Development

Cambodia

Environmental Review: Status and Trends in Environmental Management and Options for Future Action

Including

Interim Environmental Strategic Plan (IESP) And FAA 118/119 Assessment

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Table of Contents

Executive Summary.....	iii
Acronyms.....	vii
1. Purpose and Approach.....	1
2. The Cambodian Context.....	2
2.1 Biophysical.....	2
2.2 Socioeconomic.....	2
2.3 Value of Natural Resources to the Nation and Rural People.....	3
3. Status and Trends in Natural Habitats and Agricultural Ecosystems.....	5
3.1 Forests.....	5
3.2 Freshwater Habitats.....	7
3.3 Coastal and Marine Habitats.....	9
3.4 Agroecosystems.....	10
4. ENR Planning and Management Framework.....	12
4.1 Government Institutions.....	12
4.2 Policy and Law.....	15
4.3 Cambodia’s Involvement in International Conservation Conventions.....	17
4.4 Rural Communities and Minority Ethnic Groups.....	18
4.5 Gender Roles in NRM.....	19
5. Issues in Cambodia’s ENR Management and Governance.....	22
5.1 Land.....	22
5.2 Forests.....	23
5.3 Harvest and Trade of Wildlife.....	25
5.4 Fisheries.....	26
5.5 Biodiversity.....	27
5.6 Pesticide Use.....	28
5.7 Agriculture and Rural Livelihoods.....	29
5.8 Regional and Transboundary Dimensions.....	32
5.9 Gender.....	32
6. Priority Actions to Improve ENR Management and Governance.....	34
6.1 Laws and Institutions.....	34
6.2 Improved Natural Resources and Land Governance.....	35
6.3 CBNRM.....	36
6.4 Protected Area System.....	37
6.5 Environmental Education and Awareness.....	38
6.6 Forest and Wildlife Law Enforcement.....	38
6.7 Private Sector.....	40
6.8 Ecotourism.....	41
6.9 Agriculture and Pest Management.....	41
7. Current Donor and PVO Activities in Relevant Programming Areas.....	43
7.1 Sustainable Forest Management and Conservation.....	43

7.2	Freshwater and Fisheries	44
7.3	Coastal and Marine.....	45
7.4	CBNRM.....	46
7.5	Land.....	47
7.6	NRM Governance, Laws, and Institutions	47
7.7	Environmental Education and Awareness.....	48
7.8	Wildlife Harvest and Trade	49
7.9	Integrated Pest Management	50

Appendices

Appendix A. Key References

Appendix B. Persons Interviewed

Appendix C. Description of Field Visits

Appendix D. Scope of Work

Annexes

- 1. USAID/Cambodia Interim Environmental Strategic Plan (IESP)**
- 2. Tropical Forests (FAA 118) and Biodiversity (FAA 119) Assessment for Cambodia**

Executive Summary

Purpose

This assessment of environment and natural resources (ENR) in Cambodia was conducted for the purposes of:

- **Assessing the status of, and trends in Cambodia’s environment and renewable natural resources**, particularly with respect to forests, inland waters, the coastal zone, and marine waters. These resources were evaluated in terms of their biodiversity, their use for subsistence and commercial purposes, governance issues related to their management, and how natural resources are related to rural livelihoods, poverty, and human rights. Agriculture was also assessed because of its dependence on natural resources and its role in directly supporting the vast majority of the Cambodian people;
- **Describing current and planned activities of donors and nongovernmental organizations (NGOs)** in environment and natural resources management (NRM) while identifying potential USAID programming opportunities;
- **Identifying potential partners for USAID/Cambodia** with respect to possible ENR programming; and
- **Formulating an Intermediate Result (IR)** in the area of improved natural resources governance to be included in the Mission’s Strategic Objective (SO) 1, which is currently under review and will be revised over coming months.

Findings

Biodiversity Status

Cambodia is a country with diverse terrestrial, freshwater and marine habitats supporting a great variety of species, many of which are endangered and threatened regionally or globally. Remaining forest habitats, such as the dry dipterocarp forests in the north, are among the largest remaining expanses of this forest type left in the region and the wetlands within them provide habitat for a diversity of large water birds and mammals. Globally important species including tigers, clouded leopards, elephants, banteng (a type of wild cattle), sarus cranes, Siamese crocodiles and many more still inhabit the wilds of Cambodia. Likewise, the Mekong River and associated systems including the Tonle Sap (Great Lake) contain an abundance of fish and other aquatic species that provide an important food source for most Cambodians. Coastal systems of Cambodia are also diverse, including coral reefs, mangroves, seagrass beds and other biodiverse ecosystems.

Sadly, most of these resources are threatened by various combinations of habitat destruction and targeted persecution of those species with significant economic value. Most natural habitats are being degraded at a rapid rate, and no doubt many species are disappearing. Little data exists on the rate of loss or on the presence or absence of any but the most conspicuous

species. Much more work needs to be done quickly to ensure the integrity of Cambodia's ecosystems and the sustainable use of species that inhabit them.

Natural Resources Use and Management

Cambodia's forest, freshwater, and marine resources are being used in an unsustainable manner. Coherent systems of management either do not exist, are not enforced, or have been subverted by collusion among politicians, government officials, military officers, and businessmen. The rush for forest, fish, and wildlife resources that has accompanied the relative peace and security of the past several years has restricted access to critical natural resources for many rural people, has left forests degraded and fish stocks depleted, and is pushing many valuable wildlife species to the verge of extirpation in Cambodia. The resource extraction crisis is being driven largely by demand from neighboring countries, but also by Cambodia's expanding urban centers. Demobilized soldiers and displaced people are moving to more remote parts of Cambodia in search of land, along with businessmen looking for cheap land on which to establish commercial crop plantations.

The current turmoil over land ownership and resource access causes conflicts on all levels of society. Land and resource use conflicts between communities and business interests often result in violence and displacement of rural people. Natural resource access issues are closely tied with human rights, livelihoods, and poverty in rural Cambodia. The poorest families are most affected when access to forest and fishery resources is restricted, and women, especially those who head households, are disproportionately affected. Improving NRM in Cambodia is closely tied with livelihood and gender issues, human rights, and the strengthening of governance.

Natural Resources Governance

The Royal Government of Cambodia (RGC) is undertaking a major effort to improve governance at all levels by strengthening the legal framework, by reforming government administration and the judiciary, by demobilizing part of the military, and by decentralizing and deconcentrating some government authority and functions. An important focal point of the RGC's governance program is the improvement of governance over land, forests, fisheries, and wildlife and to put more management authority into the hands of communities and local government. A number of key laws that are currently in the final stages of government review will provide a rational legal basis for the management of land and natural resources. Passage of these laws and formulation of implementing regulations will be an important step forward, but resources, knowledge, and political will are needed to enforce provisions that are counter to the interests of powerful figures in Cambodian society. Commune councils, to be elected for the first time in early 2002, will be a logical government level for natural resource management in partnership with communities.

Donor and NGO Activities

Natural resource issues, especially those related to forests and land, have attracted international attention and considerable donor support. The Danish International Development Agency

(DANIDA) has just begun a very large five-year Natural Resources and Environment Program that includes a variety of project types as well as capacity building in relevant ministries. A group of multilateral and bilateral donors have been assisting the RGC to reform its system of production forest management and several donors have been very active in helping to improve land management and allocation. NGOs and some donors have implemented community-based natural resources management (CBNRM) projects directed at forests, fisheries, and coastal resources. Several NGOs are working with the government to control the illegal wildlife trade and to promote environmental education and conservation awareness. A number of NGOs work on natural resources policy advocacy at the national level.

Conclusions

USAID/Cambodia can provide valuable assistance to improve NRM in Cambodia at a critical time when these resources and the people who depend on them are highly at risk. The RGC is taking positive steps in strengthening the framework of natural resources governance that create opportunities for the Mission to make strategic interventions at the community and local government levels to place the control of critical resources into the hands of the communities that use them. This important community and local government-level work can be augmented with policy advocacy at the national level via donor and NGO partners and through carefully selected private sector partnerships.

Recommendations

The ARD assessment team recommends that USAID/Cambodia incorporate Natural Resource Governance as an IR under SO 1 as set forth in Annex 2. The Mission can flexibly develop programming under this IR by selectively choosing activities from one or more of the four proposed points of entry. Activities should be selected to take advantage of synergies with other governance activities under the SO and with the activities of partners. USAID has valuable experience in CBNRM, NRM policy formulation, and NRM governance gained in other countries that can provide lessons to guide the development of this IR. The knowledge and contacts gained through support of the commune council elections can be used as a basis of cooperation with local governments. Funding levels should be high enough to permit the implementation of a suite of activities that will effectively address one or more NRM governance needs in one or more provinces, plus national-level policy interventions by civil society organizations.

Cambodia Map inserted here

Acronyms

ADB	Asian Development Bank
ANE	Asia Near East (USAID)
APIP	Agricultural Production Improvement Project
ASEAN	Association of South East Asian Nations
AusAID	Australian Agency for International Development
BAMS	Bureau of Agricultural Materials and Standards
BSAP	Biodiversity Strategy and Action Plan
CAA	Community Aid Abroad
CARERE	Cambodia Area Rehabilitation and Reconstruction
CBD	Convention on Biological Diversity
CBNRM	Community-Based Natural Resources Management
CCD	Convention to Combat Desertification
CDC	Council for the Development of Cambodia
CDRI	Cambodia Development Resource Institute
CEMP	Cambodia Environmental Management Program (USAID)
CEPA	Cultural and Environmental Preservation Association
CI	Conservation International
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
CPP	Cambodian People's Party
CTIA	Cambodia Timber Industry Association
DAALI	Department of Agronomy and Agricultural Land Improvement/MAFF
DANIDA	Danish International Development Assistance
DDT	Dichlorodiphenyltrichloroethane
DFID	Department for International Development (UK)
DFW	Department of Forestry and Wildlife/MAFF
DG	Democracy and Governance
DoF	Department of Fisheries
DoLA	Department of Local Administration/MoI
EAPEI	East Asia and Pacific Environmental Initiative (USAID/ANE)
EIA	Environmental Impact Assessment
ENR	Environment and Natural Resources
ESIA	Environmental and Social Impact Assessment
FAA	Foreign Assistance Act
FAO	Food and Agriculture Organization of the UN
FCMP	Forest Crimes Monitoring Project
FFI	Flora and Fauna International
FINNIDA	Finnish International Development Agency
FUNCINPEC	National Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia
GAP	Governance Action Plan
GDP	Gross Domestic Product
GEF	Global Environmental Facility
GIS	Geographic Information System

GTZ	Gesellschaft für Technische Zusammenarbeit (German Technical Assistance)
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
IDRC	International Development Research Center (Canada)
IESP	Interim Environmental Strategic Plan
IMF	International Monetary Fund
IPM	Integrated Pest Management
IR	Intermediate Result
IRRI	International Rice Research Institute
ITTA	International Tropical Timber Agreement
ITTO	International Tropical Timber Organization
IUCN	World Conservation Union
JICA	Japanese International Cooperative Agency
MAFF	Ministry of Agriculture, Forestry, and Fisheries
MARPOL	International Convention for the Prevention of Pollution by Dumping of Wastes and Other Matter
MLMUPC	Ministry of Land Management, Urban Planning, and Construction
MoE	Ministry of Environment
MoI	Ministry of Interior
MOWRAM	Ministry of Water Resources and Meteorology
MRC	Mekong River Commission
MRD	Ministry of Rural Development
MVWA	Ministry of Veterans and Women's Affairs
NEAP	National Environmental Action Plan
NGO	Nongovernmental Organization
NRM	Natural Resources Management
NTFP	Non-Timber Forest Product
PA	Protected Area
PAM	Protected Areas Management
PAS	Protected Area System
PDR	People's Democratic Republic (Lao PDR)
PLUP	Participatory Land Use Planning
PPC	Program and Policy Coordination
PRDC	Provincial Rural Development Committee
PVO	Private and Voluntary Organizations
RGC	Royal Government of Cambodia
SCSR	Supreme Council for State Reform
SEDP	Socio-Economic Development Plan (2001-2005)
SIDA	Swedish International Development Agency
SO	Strategic Objective
UK	United Kingdom
UNCLOS	United Nations Convention on the Law of the Sea
UNDP	United Nations Development Program
UNFCCC	United Nations Framework Convention on Climate Change
UNTAC	United Nations Transitional Authority in Cambodia

US	United States
USAID	United States Agency for International Development
USFWS	United States Fish and Wildlife Service
USG	United States Government
WCS	Wildlife Conservation Society
WFP	World Food Program
WI	Wetlands International
WPO	Wildlife Protection Office/DFW/MAFF
WWF	Worldwide Fund for Nature/World Wildlife Fund
VDC	Village Development Committee

1. Purpose and Approach

This assessment of environment and natural resources (ENR) in Cambodia was conducted for the purposes of:

- **Assessing the status of, and trends in Cambodia's environment and renewable natural resources**, particularly with respect to forests, inland water bodies, and coastal and marine waters. These resources were evaluated in terms of their biodiversity, their use for subsistence and commercial purposes, governance issues related to their management, and how natural resources are related to rural livelihoods, poverty, and human rights. Agriculture was also assessed because of its dependence on natural resources and its role in directly supporting the vast majority of the Cambodian people;
- **Describing current and planned activities of donors and nongovernmental organizations (NGOs)** in environment and natural resources management (NRM) while identifying potential USAID programming opportunities;
- **Identifying potential partners for USAID/Cambodia** with respect to possible ENR programming; and
- **Formulating an Intermediate Result (IR)** in the area of improved natural resources governance to be included in the Mission's Strategic Objective (SO) 1, which is currently under review and will be revised over coming months.

The assessment was conducted by an ARD team of five people with expertise in biodiversity, forest and fisheries management, natural resources laws and institutions, agriculture, community-based natural resources management (CBNRM), and gender. The Team Leader of the project was Jim Schweithelm, and members included Pat Foster-Turley, Andrew McNaughton, Sri Sugiarti, and Srey Chanthly. The assessment was conducted over a period of six weeks that included consultations with Asia Near East (ANE) and Global Bureau staff in Washington, DC, an intensive period of interviews and document review in Phnom Penh; and field visits to the Tonle Sap, two national parks, and the coast. Additional time was allotted to revising the report. Due to the fact that USAID is currently prohibited from engaging directly with the Royal Government of Cambodia (RGC) at the national level, the team concentrated on programming opportunities at the provincial and lower levels of government, with communities, and via NGOs. Because programming must fit within the Democracy and Governance (DG) SO, the team narrowed its assessment to natural resources governance-related programming opportunities. The commune level of government was of particular interest because of its potentially critical role in decentralized NRM and the fact that the Mission is currently supporting the commune council election process, due to take place in February 2002.

2. The Cambodian Context

2.1 Biophysical

Cambodia is a relatively small tropical Southeast Asian country (181,035 km²) abutting the Gulf of Thailand to the south and sharing borders with Thailand, Laos, and Vietnam. Except for some mountainous areas on the coast and borders, most of Cambodia consists of wetlands, plains, savannas, and agricultural areas. Cambodia's largely rural human population is located primarily in the lowlands in the center of the country, especially around the Tonle Sap and the Mekong River. The highest upland areas in Cambodia are the Cardamom and Elephant Mountains that form the coastal ranges and part of the border with Thailand to the west. The eastern border of Cambodia includes the Kontoum Plateau extension of the Annamite mountain chain of Vietnam and Laos and the Chhlong Plateau further south. Finally, the steep escarpment of the Dangrek Mountains defines the border with Thailand to the north. The wet and dry forests of the highlands of Cambodia are sparsely populated with humans and contain some of the last remaining habitats for wild ungulate and predator species in Southeast Asia.

It is not the mountains and lowlands that most define Cambodia, but its fresh water resources. The Mekong River and the Tonle Sap dominate central Cambodia and wetlands cover 30 percent of the country, a proportion second in Asia only to Bangladesh. The Mekong River enters Cambodia at the Laotian border to the north and flows through Cambodia in a mostly southerly course to Vietnam. The Tonle Sap is connected to the Mekong River through the Tonle Sap River, which flows northward from the Mekong to flood the Tonle Sap at the start of the rainy season, and southward to drain the lake near the end. When fully flooded, the lake swells to nearly five times its dry season size, and at approximately 10,400 km², forms the largest lake in Southeast Asia and the largest flood plain lake in the world.

Cambodia is also blessed with a diverse coastal zone that includes mangrove forests, seagrass beds, coral reefs and a combination of sandy beaches and rocky shorelines over its 435-km length. There are also more than fifty offshore islands, which are largely wooded with rocky shores and sandy beaches and often ringed by coral reefs. Much of the coastal habitat has been degraded due to a combination of anthropogenic factors, but it still contains large blocks of natural habitats that are among the best preserved in the Gulf of Thailand.

2.2 Socioeconomic

The Cambodia Poverty Assessment of the Ministry of Planning indicated that 36 percent of the Cambodian population had a per capita consumption below the poverty line, as defined by food consumption equivalent to 2,100 calories per day plus a small allowance for non-food consumption, or in monetary terms about 54,000 Cambodian Riels per month, less than US \$0.50 per day per capita. However, a large proportion of the population is clustered around the poverty line, indicating a potential for significant changes in the incidence of poverty from slight changes in the economy, either up or down. Serious flooding in 2000 has had a significant negative impact on poverty in the country.

Close to 8.4 million of Cambodia's more than 11.4 million people live in rural areas. Rural poverty accounts for almost 90 percent of total poverty, where it is more pervasive and more severe than in the capital, Phnom Penh, or the other three urban centers. Estimates of the growth in the labor force range up to 228,000 new entrants into the labor market annually.

Cambodia's Human Development Index in 1998 was 0.512, which placed the country in 136th position out of 174 developing countries. At the time of the *General Population Census of Cambodia 1998*, life expectancy was a low 53.5 years. Infant mortality was a high 89.4 per 1,000 live births. Mortality under the age of five was 115 per 1,000 live births, with 49.3 percent of children in that age category moderately or severely underweight. Maternal mortality was 473 per 100,000. Only 60.3 percent of urban households and 23.7 percent of rural households had access to a safe water supply, 15 percent of households had electricity, and 8.6 percent had toilet facilities within the home. The figures vary greatly between provinces, with no province (outside of Phnom Penh) having sanitation coverage greater than 12 percent. The prevalence of infectious communicable diseases and HIV/AIDS remains high by regional and global standards. The adult literacy rate in 1998 was 67.3 percent, including 79.5 percent for males and 57.0 percent for females. Net primary and lower secondary enrollment rates were 78.0 and 14.2 percent, respectively, reflecting high dropout and repetition rates. The primary school completion rate was 51.0 percent for males and 33.9 percent for females.

For war related and other reasons, Cambodia has a very high proportion of female-headed households. Female participation in the economy is 52 percent as compared to 48 percent for men. In the rural sector, it is over 80 percent for women between the ages of 20 and 54 years. In rural areas, economic participation by female-headed households is almost 90 percent. Sixty-five percent of the farming population is female, and 80 percent of these women are engaged in agriculture. Gender and age distributions of the population are skewed toward female and young, and gender roles in the society are undergoing significant change, with women undertaking new work roles in all sectors.

2.3 Value of Natural Resources to the Nation and Rural People

The monetary value of natural resources to Cambodia is not known with certainty because there has been no attempt at comprehensive national income accounting. Making this calculation would be complicated by the fact that a large proportion of natural resource-based products are used for subsistence purposes or are marketed through informal channels. Also, a significant portion of valuable resources, such as timber, fish, and wildlife, are sold illegally to neighboring countries and are difficult to track. For example, the World Bank-funded Log Monitoring and Logging Control Project estimated that total national timber harvest in the politically turbulent year of 1997 was 3 to 4.3 million m³, but only seven percent of this volume was officially reported to the government. Only \$9 million in timber royalties and other fees were paid in 1997, while illegal payments to local government officials and the military were believed to have exceeded \$150 million. In 1998, by comparison, forestry contributed 6.1 percent to the Gross Domestic Product (GDP) and \$180 million in foreign exchange. The timber industry generates significant employment in rural areas, but it is unclear to what extent

local people benefit. A large proportion of the profits of timber concessionaires are moved abroad rather than invested in Cambodia.

Agriculture, broadly defined, contributed about 42 percent of Cambodia's GDP in 1999, down from 52 percent in 1990 due largely to growth in garment manufacturing for export. Of that, about 70 percent is from crops and livestock, 20 percent from fisheries, and 10 percent from forestry. Subsistence rice culture in Cambodia is generally insufficiently productive to supply 100 percent of family food requirements. Rural Cambodians living in or near forests typically depend on non-timber forest products (NTFPs) for food, medicine, building materials, and cash income. A recent study of 46 households in Pursat Province found that on average, almost 47 percent of household income is derived from extraction of forest products, while in 24 percent of the households studied, forest products constituted more than half of their income. An evaluation of a CONCERN community forestry project in Kampong Chhnang Province found that in 1998, the five villages that participated in managing 150 hectares of degraded forest harvested a total of \$10,549 worth of NTFPs from the mixed planted and natural forest. An important social benefit was the strengthening of social structures and development of community institutions needed to manage the forest. An International Development Research Center (IDRC)-funded study of tropical forest land use options in Ratanakiri Province found that the benefits of sustainable community extraction of natural resources exceed the value of commercial timber extraction by at least \$200 per hectare. This study documented 17 productive uses and ecological services of the forest including watershed protection, carbon storage, and biodiversity conservation. One village harvested over \$5,000 worth of fuel wood per year while a family can earn \$370 every seven years from the periodic fruiting of the forest tree that bears the valuable malva nut.

Cambodia's valuable inland fishery has been estimated to produce a catch of between 300,000 and 400,000 tonnes of fish per year with the harvest of edible aquatic animals from rice fields providing another 100,000 tonnes per year. Tonle Sap Lake is estimated to produce 230,000 tonnes of fish per year valued at \$100 million. A significant proportion of the Tonle Sap catch is marketed in Thailand, creating foreign exchange earnings. The total annual average catch from rice field fisheries has been estimated to be 681 kg per family per year valued at \$100 for each family. This is approximately 42 percent of the value of annual household rice production. Fish provide about 70 percent of the protein intake for rural Cambodians and fishing is critical to family survival during the months when rice supplies have been exhausted and the new crop has not been harvested.

3. Status and Trends in Natural Habitats and Agricultural Ecosystems

Cambodia contains a number of diverse natural habitats that are important to maintain existing biodiversity, sustain economically and socially valuable natural resources, and provide an overall healthy environment for the people of Cambodia. Most natural systems have been modified over the centuries by human settlement, agriculture, resource extraction, and other forms of human disturbance. In keeping with the scope of this assessment, the current status and trends in forest, freshwater, and coastal habitats are assessed because they are of primary conservation and development interest. Status and trends in the major types of agricultural ecosystems (agroecosystems) are assessed as a basis for later discussion of livelihood and pesticide issues as well as the potential impact of these trends on natural resources.

The diverse landscapes, ecosystems and species assemblages of Cambodia are interrelated and interdependent. For instance, blocks of terrestrial forest are bisected by rivers and riddled with freshwater swamps, lakes, and ponds. Coastal mangrove forests back up to paperbark swamps which themselves back up to the steep slopes of the Cardamom and Elephant Mountains. Similarly, the inundated forests of the Tonle Sap back up to agricultural land and then to forests. Many plant and animal species depend upon the ecotones between different habitats for their survival. A number of other species require access to a number of different interrelated ecosystems to fulfill their life cycles. No discussion of ENR status and trends is possible without keeping in mind the diversity of these ecological habitats and the myriad of interrelationships between them. Also, habitats and ecosystems are linked by physical, biological, and chemical flows, such as sediment and pesticides entering water bodies from poorly managed agriculture.

3.1 Forests

Cambodia has some of the largest remaining blocks of some types of tropical forests in continental Southeast Asia, a region where unsustainable logging practices and conversion to agriculture have taken their toll. Much forestland in Cambodia was inadvertently spared during many years of war and unrest. Now that the domestic situation has calmed, logging rates are thought to be among the highest in the region. In 1965, forests were estimated to cover 73 percent of Cambodia's land area; most recent estimates indicate that less than 60 percent of Cambodia still remains forested and this percentage continues to shrink. Most forests in timber concessions have already been depleted of commercially valuable timber.

Cambodia still contains a diversity of forest types that have been variously described by different authors. Two very distinctive forest types—coastal mangroves and freshwater flooded forests around the Tonle Sap and the Mekong River corridor—are associated with aquatic ecosystems and provide nursery and breeding grounds supporting Cambodia's critical inland fisheries. Terrestrial forest types include wet evergreen, mixed deciduous, dry dipterocarp, pine montane, savanna, and a number of others that are associated with specific micro-climates, soil conditions, and altitude ranges. For instance, wet evergreen forests are largely found along the south-facing slopes of the Cardamom and Elephant Mountains where

rainfall is heaviest. Dry dipterocarp forests are mostly found north of the Tonle Sap floodplain and east of the Mekong River, in areas of seasonal drought. Anthropogenic factors such as swidden agriculture and increased incidence of wild fires have helped shape the present distribution of different forest types, and continue to do so.

The forests of Cambodia serve a variety of ecological functions including watershed protection, carbon sequestration, and climate modulation. Moreover, Cambodia's forests are a valuable resource and legacy to the people of this nation. An estimated 85 percent of Cambodia's population live in rural areas, most of which are in proximity to forests and forest patches. Most rural people are poor and depend upon firewood and various NTFPs to fulfill many of their nutritional, health, and domestic needs. Additionally, many Cambodian people have spiritual and cultural associations with forests and particular resources therein. The quality of life of most Cambodians in one way or another hinges on forests and the resources and ecological services they provide.

The forests of Cambodia are globally important for the representation they provide of once more widespread natural habitats, and for the remnant populations of a number of species that have disappeared elsewhere. For most taxa, few surveys have been conducted until recently, and little information is available in scientific literature and museum collections. Recent biological surveys conducted in forests in Monduliri and Ratanakiri Provinces in eastern Cambodia and in the Cardamom and Elephant Mountains in the southwest have provided evidence of the existence of mammal and bird species that are globally endangered or threatened and extremely rare in other areas within their range. Tigers and elephants are found in both areas, and the forests of Monduliri are exceptionally rich in wild ungulate species that are exceedingly rare in other Southeast Asian countries. The reptile, amphibian, and fish fauna of Cambodian forests include a few endemic and rare species. Very little is known about the diversity of insects, mollusks and other invertebrate species in Cambodian forests, but the diversity of habitat types most likely means that these taxa are diverse as well. The plant species in Cambodian forests are also extremely diverse and include a number of regionally endemic species with commercial value, such as rattan, and many species which have nutritional, medicinal, cultural, and domestic value to local communities. Further details on the flora and fauna of Cambodian forests are provided in the corollary document, *Tropical Forests (FAA 118) and Biodiversity (FAA 119) Assessment for Cambodia* found in Annex 2.

It is evident that the forests of Cambodia are important for many reasons and on many scales, ranging from global biodiversity conservation perspectives, to that of a villager harvesting forest nuts. Most forests and many forest products in Cambodia are presently under serious threats from various forms of unsustainable use and habitat degradation. Although logging and timber interests attract the greatest attention, forests are also being degraded through firewood extraction and production of charcoal. Authors of the July 2001 *Draft National Biodiversity Strategy and Action Plan* (BSAP [FAO/UNDP/GEF, 2001]) estimate that considering both the commercial extraction of timber and extraction of firewood and wood for charcoal, the current extraction rate is about seven times the sustainable level, and will decimate much of the remaining commercial forests within the next ten years. Although these figures are difficult to prove, there is no doubt that high-value forests are being lost at a rapid rate. Additionally, once valuable timber is removed, many hectares of degraded forestland are being converted to

agriculture or otherwise encroached upon. Swidden agriculture and fires account for further reduction in some forestland. Unsustainable extraction of certain commercially valuable plants such as rattan also leads to further habitat degradation.

Finally, hunting for local consumption and for the wildlife trade is taking its toll on some forest-dwelling species. Various protected species, like tigers and sun bears, have extremely high commercial value in neighboring countries, thus driving a sizeable illegal trade. Some forest species, including many rare ungulates, often find their way to expensive restaurants within Cambodia. Other species are hunted for local use but at unsustainable rates. The combined effects of various forms of habitat destruction and focused hunting of target species threaten the integrity of many Cambodian forest ecosystems and the survival of animal populations within them.

3.2 Freshwater Habitats

Cambodia is a country with globally significant freshwater features, including the Mekong River, the Tonle Sap, a number of smaller rivers and streams, and a preponderance of ecologically important wetlands that encompass about 30 percent of its area. As a result of these ample water resources and habitats, fish are plentiful and locally available for much of the rural population. For many of the rural poor, their primary source of protein is found in the aquatic resources they can harvest themselves. Overall, for the entire Cambodian population, it is estimated that fish and other aquatic species make up at least 70 percent of the protein intake. Ensuring the adequate preservation of freshwater habitats and the sustainable use of the resources found therein is of major importance to the continued well being of Cambodians.

The Mekong River originates in the Tibetan Plateau and travels through a number of countries in the region before entering Cambodia at the Laotian border. In Cambodia, the river flows south through Stung Treng and Kratie Provinces, then westward at Chhlong and south again through Phnom Penh and on to Vietnam where it becomes a delta. Although a number of tributaries enter the Mekong River along its course, up to 90 percent of its flow is thought to originate upstream of Cambodia. The Mekong River in Cambodia is not a uniform habitat, but consists of a number of different ecosystem types. In northern Cambodia, the Mekong River and three tributaries (the Tonle San, Srepok and Kong Rivers) flow in part through nearly intact lowland mosaic forests. These relatively undisturbed riverine habitats harbor endangered giant Asian soft-shell turtles (*Pelochelys cantorii*) and a particularly diverse assemblage of bird species that are rare throughout the rest of the region. The stretch of the Mekong around Kratie is known for the presence of Irrawaddy dolphins (*Orcaella brevirostris*) that are rarely seen in other parts of the Mekong. Similarly the rapids between Khone Falls and Sambor provide an important habitat for a diversity of fish species not found elsewhere. Some fish are even known to make long migrations throughout many stretches of the river. The endangered Mekong giant catfish (*Pangasianodon gigas*), for instance, is known to migrate from Tonle Sap to upper Laos.

The Tonle Sap is part of the Mekong hydrological system and in some ways even more economically and environmentally important to Cambodia than the river itself. The Tonle Sap River flows from the Tonle Sap south to join the Mekong River near Phnom Penh during the

dry season, and reverses its flow north from the Mekong back into the Tonle Sap during the wet season. During its annual peak, the Tonle Sap expands to nearly five times its dry season surface area and nearly three times its dry season average depth, forming a lake that encompasses approximately 10,400 km². The annual cycle of flooding and draining of the Tonle Sap and its surrounding swamp forests and the seasonal infusion of nutrients into the system nurtures Cambodia's major freshwater fishery resource. The swamps and flooded forests around the lake also provide habitat for a number of water birds, turtles, crocodiles, otters, and other species that are otherwise rare in Southeast Asia.

The threats to the Mekong/Tonle Sap hydrological system are many and varied and originate from both local factors and from activities far upstream from Cambodia. Further plans to dam and/or channelize parts of the Mekong in other countries can change water flow patterns, migratory fish spawning grounds, and otherwise impact the distribution and abundance of fishery resources in Cambodia. Logging both within Cambodia and upstream may contribute to increased siltation of the river and lake. Within Cambodia, a cause of particular concern is the continual destruction of the flooded forests around Tonle Sap and along many river and stream margins. It is well recognized that in the wet season, the vast expanses of flooded forests provide food, shelter, and nursery grounds for many economically important fish. As more and more of this natural flooded forest is cut for firewood or converted to agricultural uses, the protective canopy of shade is lost, and the water temperature rises, with deleterious effects upon the fish stocks. In addition, fish catches from Cambodia are beginning to show the classic signs of overfishing, including the disappearance of some commercially valuable species and decreasing size of others. The synergistic effects of overfishing, both legally and illegally, and destruction of fish nursery and feeding habitats can be devastating to the economy of Cambodia unless care is taken now. Other species are also suffering the combined effects of habitat destruction and hunting. Wild crocodiles have all but disappeared due to harvest for their skins and as brood stock for crocodile farms. Freshwater turtles have become exceedingly rare. Various water snake species, although still common, are now being harvested in vast numbers as food for captive crocodiles, and for people who have recently acquired a taste for them when other more expensive food fish are beyond their reach.

On a more positive note, pollution of the aquatic food chain by pesticides in Cambodia does not yet seem to be a serious problem. One recent study indicates that persistent organochlorine levels in Cambodian fish are very low compared to other countries in the region. This study noted, however, that the freshwater fish sampled around in the Mekong watershed had more DDT residues than the marine fish, implying that the sources of these pesticides were from agricultural activities in the region. Vigilance and appropriate practices regarding pesticide use are needed before the situation worsens.

Freshwater habitats in Cambodia extend well beyond the Mekong River, the Tonle Sap, and other conspicuous features most evident on a map. A number of rivers and streams drain the southern slopes of the Cardamom Mountains to the coast, providing rich nutrients to enhance the mangroves and mudflats that in turn nurture marine fish and macrocrustacean populations. Within most forest types are pockets of permanent and seasonal wetlands, ponds, and streams that are exceptionally important to forest dwelling species, and in some cases, migratory birds. Peat swamps that are found in some areas in Cambodia are especially important to the diversity

of fish species in the country. Throughout the country, the myriad of large and small water bodies provide fish and other aquatic food sources for the many Cambodian people who cannot afford to purchase them. Logging, agricultural expansion, and all of types of land degradation greatly impact these resources and all the species, including man, that depend on them.

3.3 Coastal and Marine Habitats

Cambodia has a 435-km long coastline with a diverse variety of habitats ranging from coastal forests, beaches, and rocky shores to coral reefs, seagrass beds, and mangrove forests. There are more than fifty islands off the Cambodian coast, mostly uninhabited, which contain a representative sampling of all of these habitat types. Much of the coastal mainland and island natural habitats have been heavily utilized by humans, but compared to other countries in the region, much natural habitat and significant biodiversity still remains in Cambodia. Sadly, this situation is rapidly changing.

Beaches are found in many spots along the Cambodian coastline and in some cases, these provide nesting habitats for sea turtles. Although there is much domestic tourism to these beaches, they are not yet attracting many international tourists. Unfortunately the beaches are often heavily littered with trash and waste, and in some areas, also subject to heavy erosion.

Much of Cambodia's coastline is rocky and there are few significant estuaries so the development of extensive mangrove forests is limited to only a few areas. Mangroves cover about 85,000 hectares of the coastline and are particularly prevalent in the Koh Kong area where a significant tract has been declared a Ramsar site for its ecological importance to Cambodia. This designation sadly has not deterred the removal of mangroves for firewood and charcoal production by both small and large interests alike in this area. Mangroves are also found around Kompong Som Bay, in Ream National Park and in a few other locations along the coast. The mangroves of Cambodia include a few species and are in some locations backed up by a unique scrub habitat known as "rear mangrove paperbark swamps". It is well known that mangrove habitats provide important spawning and feeding grounds for a number of species including some economically important fish and shellfish. Unfortunately, for the most part, the mangrove habitats in Cambodia all suffer different degrees of degradation from human influences. Threats to mangroves include cutting for fuel wood and charcoal production, land clearing for shrimp farming and crab-fattening operations, the establishment of salt evaporation pans and various other factors related to human development. As the mangroves become converted to such uses, the fishery resources that depend upon them will most likely decline as well.

Like mangrove forests, seagrass beds provide an important habitat, breeding and feeding grounds for a variety of economically important fish and invertebrate species. Seagrass beds also provide a major component of the diet of dugongs (*Dugong dugong*), a marine mammal similar to a manatee, and green sea turtles (*Chelonia mydas*). Both of these species are rare in Cambodian waters partly due to the loss of this habitat but no doubt exacerbated by targeted hunting efforts on these species as food items and for the trade value of their bones, shells and other hard parts.

Different types of seagrasses are typical of various water and substrate conditions in different parts of the Cambodian coast. Although these various seagrass habitats were once much more widespread, healthy stands of different forms now occur only in pockets along the Cambodian coast and nearby islands. The threats to seagrass beds stem from two main sources: degradation of water quality and destructive fishing techniques. Changes in water quality are attributed to many anthropogenic factors, including increased siltation from logging efforts, increased use of fertilizers and pesticides in coastal agricultural areas, and outflows of a variety of municipal and industrial wastes. Destructive fishing practices are largely illegal, but there is no enforcement. Techniques such as trawling in nearshore waters and the use of push nets and other devices tear up the bottom substrate and destroy seagrass beds and all the species that they harbor.

Coral reefs are found on rocky substrates along much of the coastline and around many islands in Cambodia. Due to the presence of siltation from terrestrial sources, those reefs closer to shore typically have fewer species of coral and other biodiversity than those in clearer water further offshore. There is little actual data on the condition of Cambodian reefs, but reports indicate that many of them have been heavily degraded. Anecdotal accounts and site-specific surveys for the most part show a low level of species diversity in Cambodian reef species, a lack of large fish, and evidence of crown-of-thorn starfish blooms and coral bleaching, all signs of an unhealthy reef system. Main continued threats to coral reef habitats include a number of factors such as overfishing and the use of dynamite and other destructive fishing practices, the harvest of corals for trade, and degradation of water quality due to a variety of anthropogenic factors that also impact seagrass beds. No doubt the effects of these various disturbances have synergistic deleterious effects on the remaining coral reefs of Cambodia.

Despite the many threats, the coastal and marine habitats of Cambodia still contain a diversity of species and an abundance of some of them. Marine biological studies of the waters in the Gulf of Thailand show seasonally strong currents that influence dispersal patterns for a number of marine species that spawn and feed within Cambodian waters. Thus, the loss and degradation of these habitats are of importance not only to fisherfolk of Cambodia but also those in neighboring countries. More work needs to be done to sustainably manage these important ecosystems in Cambodia for the benefit of the entire region.

3.4 Agroecosystems

Agroecosystems differ from natural ecosystems in that humans have shaped their structure and function to provide desired goods and services. Agroecosystems are important for this assessment in terms of the relationship between resource access and livelihoods, the environmental and human impacts of improper pesticide use, and the importance of agricultural biodiversity. The majority of Cambodians engage in farming at the subsistence level and their welfare is closely tied to the performance of the agroecosystem upon which they depend. Agroecosystems may fail to meet household needs for a variety of agronomic reasons, but also as the result of governance practices that unjustly deny poor people access to land and natural resources. The improper use of agricultural chemicals may be harmful to humans and to the natural environment. Finally, the degree of genetic diversity in crops is an important aspect of biological diversity and can be an important factor in household and national food security.

Cambodia has about two million farm households with an average land holding of about one hectare. Less than one quarter of the land area of the nation is currently used for agriculture and most agricultural land is concentrated in the low-lying Central Plains. The predominant agroecosystem in Cambodia is rainfed lowland rice, which is characterized by low productivity, high genetic diversity, and important by-products of fish and aquatic organisms. Households typically cannot produce enough rice to feed themselves throughout the year. Shrinking land holdings, insecure land tenure, lack of access to irrigation, and improper use of pesticides are important issues in lowland rice production. Most households depend on fishing, wage labor, and NTFP collection for part of their needs. The area under rice cultivation will increase as population increases and people continue to move to remote and recently de-mined areas.

Shifting cultivation is practiced in upland areas, particularly in the northeastern part of the country. Plots are normally planted for one to five years before clearing new plots in secondary forests. Upland rice is the primary crop in these agroecosystems with a diverse mixture of other food crops interspersed. Shortened rotation periods, soil erosion, forest degradation, and competition with timber concessions and lowland immigrants for land and resources are important issues in shifting cultivation. Most households depend on NTFP collection and hunting to supplement agricultural production.

Commercial monocultures are agroecosystems designed to supply urban and commodity markets with a large volume of specific products. Vegetables, tobacco, cotton, sugarcane, pineapple, and banana are important commercial field crops in Cambodia. Perennial crop agroecosystems include rubber, oil palm, coconuts, tea, citrus, and fruit trees. The area devoted to commercial field crops and plantations is likely to increase, and may do so rapidly if land concessions continue to be awarded for this purpose. This may accelerate the process of forest clearance as described in Section 5.7. Conflict over the land and resource use rights of local people is a common problem as is soil erosion if plantations occur on steep slopes. Appropriation of smallholder plots and improper use of fertilizer and pesticides are key issues related to field crops and plantations. Both types of commercial agriculture are likely to expand as Cambodia increasingly enters the regional economy.

4. ENR Planning and Management Framework

The management and use of Cambodia's natural resources are determined by a number of factors that include formal laws, policies, and government institutions that comprise the system of governance, the provisions of international conventions, and informal rural institutions and societal norms including gender roles. Cambodia's formal legal and institutional framework for NRM is currently weak, incomplete, and open to manipulation by powerful people inside and outside government. The RGC is taking important steps to strengthen the legal framework, but much remains to be done with respect to implementing laws and bringing natural resource allocation and access under the control of government or communities.

4.1 Government Institutions

Cambodia's current political environment and overall institutional structure provide important context for understanding the nation's NRM institutions. Under the Constitution adopted at the end of the United Nations Transitional Authority in Cambodia (UNTAC) period in 1992, Cambodia became a constitutional monarchy with three branches: an executive (Council of Ministers); a bicameral representative body consisting of an elected National Assembly and an appointed Senate; and a judiciary governed by a Supreme Council of the Magistracy. Provincial governors, holding considerable power, are appointed by the Council of Ministers and report through the Ministry of Interior (MoI). District and commune officials are currently appointed by provincial governors, although commune/sangkat councils are scheduled to be elected in February 2002. The word "commune" no longer refers to a collective as it did during past socialist governments. The commune, and its urban counterpart the sangkat, play the role of a subdistrict and may in time replace the district level as decentralization efforts continue.

The incumbent RGC is a coalition between the two dominant and rival parties: Cambodian People's Party (CPP), led by the Prime Minister Samdech Hun Sen, and the National Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia (FUNCINPEC) led by Prince Norodom Rannaridh, Chair of the National Assembly. While the political violence of 1997 and the election of 1998 have resulted in an accommodation between the parties, the CPP is clearly dominant. The coalition is dynamic and power is shared by careful distribution of political assets, especially ministerial positions and second tier (Secretaries of State) and lower level positions within ministries and departments. While a spirit of cooperation is definitely emerging, competition between parties remains a strong determinant of the evolution of ministries and their mandates. The following ministries are key for NRM and all have a CPP minister: Agriculture, Forestry, and Fisheries (MAFF); Water Resources and Meteorology (MOWRAM); Land Management, Urban Planning, and Construction (MLMUPC); Environment (MoE); and the Council for the Development of Cambodia (CDC), which coordinates investment and donor assistance. The Ministry of Rural Development (MRD), created in 1993 in response to FUNCINPEC's demand to have a presence in the countryside, has not played a strong role in NRM or other aspects of rural development, in part because of the dominance of MAFF and MoE, both in the countryside and at the Council of Ministers table.

Considerations of institutional “turf” are not limited to inter-party rivalry. The MoE was created in 1993 in response to pressure from the international community, and remains politically and functionally weak, notwithstanding its CPP minister and considerable inputs from donors. In practice, MAFF exerts central- and provincial-level control over natural resource exploitation through granting and management of concessions, awarding of licenses, and monopolistic “distributorships” as in the fish marketing system, and (decreasingly) through control of state enterprises as in rubber and agricultural input supplies. For example, the Environment Law and Environmental Impact Assessment (EIA) Sub-Decree stipulate that MoE approval of EIA is required on all investments meeting specified criteria. The MAFF Department of Forestry and Wildlife (DFW) has required that, as a condition of renewal of forest concession contracts, environmental and social impact assessment (ESIA) reports be submitted to DFW for review, partly to keep control and partly in recognition of the present functional incapacity of MoE to carry out such a review. The present compromise is that concession ESIA reports will be submitted first to MoE, but that final approval rests with DFW and MAFF. In another instance of institutional inconsistency, the Environment Law places protected areas (PAs) under MoE jurisdiction, but protecting the wildlife within them is the responsibility of the Wildlife Protection Office (WPO) within DFW. The draft Forestry Law adds to the confusion by giving MAFF the authority to establish its own PAs.

The policy shift toward decentralization and participatory processes is the second major dimension of institutional development that affects the future of NRM. Cambodian provinces have until recently been the fiefdoms of the appointed Governors, appointments whose primary criteria have been political. The Seila (the Khmer word for “foundation stone”) experiment in provincial and village capacity building has contributed significantly toward effective management at provincial levels, through its support to Provincial Rural Development Committees (PRDCs), which are in effect the cabinet of the provincial governor. Representation on the PRDC is by the directors of the provincial departments, including Agriculture, Forestry and Wildlife, Environment, Rural Development (usually the PRDC Secretary), Land Management, Women’s Associations, and others. Seila began as the United Nations Development Program (UNDP)-funded Cambodia Area Rehabilitation and Reconstruction (CARERE) project, and has developed into the RGC’s primary programmatic approach to supporting and integrating local government institutions. The election of commune councils in February 2001 will add an additional dimension to decentralized NRM as these bodies will have an as yet unspecified role in the management of natural resources.

There are tensions between the central and provincial levels of government that derive largely from reporting relationships, wherein provincial officials on the one hand owe their appointments to the governors (who report to the Prime Minister via the MoI) but on the other hand report formally to their sectoral line ministry. In its attempt to bring “anarchic and illegal logging” under control, DFW finds itself in the awkward position of having to swim against the tide of decentralization, attempting to establish a direct chain of command from the DFW to the provincial forestry departments. Forest crimes continue, in part, because the DFW is as yet unable to provide its provincial personnel with the authority and material resources necessary to bring criminals under control. Similar problems beset the attempt of the Department of Fisheries (DoF) to cancel fishing lot concessions and bring the resource under some form of co-managed community control.

At the lowest level of government in Cambodia are the community organizations, the village chief and the village development committee (VDC), the Wat (pagoda) committees, and the local NGOs. The Seila program has provided a strong element of empowerment at the village level, including provision of village development funds to the VDCs for community infrastructure including wells, culverts, and schools. The soon-to-be elected commune councils may be able to play a key role in land use planning and NRM if they are given a strong mandate backed up by training and resources. Unfortunately, the Law on Commune/Sangkat Administration does not make provision for proportional distribution of representation on the commune councils. Villages that are more remote from the commune center may be under-represented at this critical level of governance.

Local NGOs concerned with NRM have been emerging in the past few years, some of which are described in Section 7 and the Interim Environmental Strategic Plan (IESP). While local environmental/NRM NGOs remain small and patchy in their coverage, international conservation NGOs have a strong presence in the country and have been playing major roles in biodiversity conservation, CBNRM, and policy advocacy, especially in forestry.

The private sector plays a key role in NRM management in Cambodia simply because the control of large tracts of forests and fishing grounds have been put into their hands. Timber concessionaires and other large investors in Cambodian natural resources extraction tend to be looking for short-term profits at the expense of sustainability. As all types of concessions come under tighter government control, with greater participation of affected communities, one may reasonably hope for more responsible behavior on the part of concessionaires. Moreover, as the rural economy develops, there will hopefully be a flowering of local entrepreneurship, including wood and other forest product processing, rural electricity production including micro-hydro and possibly biomass, domestic and agricultural water supply enterprises, and agro-industrial product processing. Such development is the focus of the “pro-poor trade development strategy” of the Ministry of Commerce. These kinds of enterprises provide both the need for local NRM, and the creation of a “yeoman peasantry” and the rural middle class who will be the strongest participants in local democratic governance including NRM.

In general, the political culture continues to reflect the feudal and colonial ideas of Cambodia’s more distant past (importance of personalities and kinship; vertical, patron-client vs. institutional relations, cronyism), and the far from complete transition from a command and control system into a democratic and fundamentally market-driven economy. A major need in the evolution of democratic governance in Cambodia is to change the mind set and behavior of officials at all levels from that of an authority giving orders and demanding compliance, to an orientation of service provision. This is particularly true in the NRM domain, but similarly in water supply and sanitation, rural roads, education, and other components of the social and economic landscape. The success of decentralization and deconcentration will depend significantly on this change. Realistic salaries, extensive training in modern management methods, and a culture of apolitical professionalism are required in the civil service. The RGC’s effort at administrative reform is in part an attempt to address this need.

4.2 Policy and Law

Cambodian national policy on NRM is not given in any single policy statement, and must be construed from various sources, including especially the second five-year Socio-Economic Development Plan (SEDP) 2001-2005, the Poverty Reduction Strategy Paper, and the Governance Action Plan (GAP). Cambodian NRM policy can be said to have three major themes, under the overarching national objectives of poverty reduction, transparency, and responsiveness of administration, and sustainable economic growth. The three NRM themes are:

- promoting exploitation of forests, fisheries, and agriculture as large-scale commercial components of the economy, and as sources of revenue for the treasury through license fees, royalties, and taxation;
- promoting food security and local economic development in the countryside through sustainable management, increasingly decentralized to the local level, and through increased value-added processing of a diversifying range of primary products; and
- conservation of critical environmental components (e.g., upper watersheds), and of relatively pristine habitats with their biodiversity and potential for ecotourism and other values.

The legal framework for NRM is at present largely based on laws established in the 1980s and later under UNTAC in 1992. It is now in a period of very rapid change as new laws, which have been under development since the beginning of the second mandate of the present government (September 1998), are coming into force or are in the final stages of development. Laws, Sub-Decrees, and guidelines governing land tenure, decentralized local government, forestry, concession management, community forestry, fisheries management, environmental impact assessment, protected areas management (PAM), and biodiversity conservation, have been enacted in the past three years or are likely to be enacted within the year. The following table presents a list of key pieces of legislation and regulation, presented according to responsible ministry

Table 4.1. Key Legislation and Regulations, by Ministry

MINISTRY	LAWS and KEY SUBDECREES
MoE	Law on Environmental Protection and NRM Environmental Impact Assessment Sub-Decree Water Pollution Control Sub-Decree Royal Decree on Creation and Designation of PAs Declaration on the Organization and Functions of the Provincial Environment Departments
MAFF	Forest Law (in draft) Sub-Decree on Concession Management Sub-Decree on Community Forestry (in draft) Fishery Conservation, Management and Development Law Wildlife Law (in draft) CITES Scientific and Management Authority Sub-Decree
MOWRAM	Law on Water Resources Management

MINISTRY	LAWS and KEY SUBDECREES
MLMUPC	Law on Immovable Property (Land Law) -- 2001 Sub-Decree on Reduction of Agricultural Concessions over 10,000 Hectares Sub-Decree on Industrial Agricultural Exploitation Concessions Sub-Decree on Social Concessions Sub-Decree On The Recognition of the Legal Personality of Indigenous Communities Law on the Management of State Property Procedures for a Unified Land Dispute Resolution System outside of the Court System
Mol	Law on Commune/Sangkat Administrative Management Sub-Decree on Powers and Functions of Communes/Sangkats
MRD	(Seila Program)
CDC	Investment Law

Of these, two of the new laws are of particular importance for their crosscutting impact. The **Land Law** will provide the legal basis to improve security of tenure (ownership and use rights) over land, and will enable transparent processes for the transfer of such assets. This is a fundamental requirement for good governance, and for the development of a market economy. Successful application of the Land Law at local level will require considerable capacity building among provincial and commune administrations, as the implications for tenure rights of indigenous peoples with respect to PAs and concessions will be complex. Secondly, the **Law on Commune/Sangkat Administration** provides the context and structure for the development of local government institutions, on which the whole decentralization experiment critically depends

The National Environmental Action Plan (NEAP) 1998-2002 and the soon-to-be-completed BSAP are important cross-sectoral statements of ENR policy as well as guidelines for planning and action. The process of formulating the BSAP has provided an important opportunity for involving a wide range of stakeholders from government and civil society.

Sectorally important new legislation includes:

- the **Forestry Law**, and Sub-Decrees pursuant to it on Concession Management and on Community Forestry. In terms of governance, the latter provides the basis for community forest agreements between local communities and the DFW;
- the **Wildlife Law** establishes roles and functions of government agencies with respect to wildlife, defines prohibited and permitted activities, implements the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) provisions including lists of endangered and vulnerable species, and promotes public education on wildlife issues;
- the **Law on Water Resources Management** covers utilization, monitoring and protection of lakes, rivers, and streams including authority to control pesticide use in priority watersheds; and

- the **Fishery Conservation, Management and Development Law** covers management of fisheries in coastal, marine, and freshwater habitats. The Sub-Decree on Community Fisheries provides the legal basis for community management of fish resources.

Two aspects of the emerging framework are noteworthy in the context of democratization of the governance of NRM. Firstly, it is increasingly acknowledged that harmonization of legal development by individual ministries has been lacking. For example, as noted above, there is a disparity between the EIA Sub-Decree and the Forestry Law, and some provisions of the Water Law overlap with the Environment Law. The elaboration of Sub-Decrees and the many supporting forms of regulation can provide the necessary opportunity to deal with some of the gaps and overlaps, if appropriate support is given to overcome the competition for turf among ministries. Secondly, the RGC has made considerable progress in opening the process of development of laws and regulations to the participation of all stakeholders. The further establishment of norms for stakeholder participation in regulatory impact assessment would be a significant advance.

4.3 Cambodia's Involvement in International Conservation Conventions

Cambodia is a party to a number of international conservation conventions but its compliance with these agreements varies greatly in effort and effectiveness. The NGO and donor community is playing an expanding role in helping Cambodia fulfill the international mandates it has agreed upon in a number of the agreements listed here.

Cambodia ratified the **Convention on Wetlands of International Importance (Ramsar Convention)** in 1999 and has so far listed three Ramsar sites in Cambodia: Boeng Chhmar on the Tonle Sap Lake, Koh Kapik/Koh Kong and surrounding areas along the coast and parts of the middle stretch of the Mekong River north of Stung Treng. Work is now being done to develop management plans for these areas. Cambodia also protects the Angkor Wat area and is considering the inclusion of other areas under its involvement in the **UN World Heritage Convention**, which it signed in 1992.

Cambodia became a signatory to the **Convention on Biological Diversity (CBD)** in 1997 and work required under this agreement is progressing in Cambodia, with the preparation of the Biodiversity Prospectus in 1997 and the nearly completed efforts to prepare a BSAP that are being undertaken for the government of Cambodia with support from the Food and Agriculture Organization (FAO). Although Cambodia has been a party to **CITES** since 1997 there is a great need for further capacity building before it can effectively be applied in this country. Recent regional discussions with Laos and Vietnam are a good step in the right direction.

Cambodia has been a signatory to the **United Nations Framework Convention on Climate Change (UNFCCC)** since 1996 and has been involved in preparing greenhouse gas inventories and other requirements of this convention under the Global Environmental Facility (GEF)-funded Climate Change Enabling Activity Project. It also became a party to the **International Tropical Timber Agreement (ITTA)** in 1995 and is involved in the regional tree seed project and other tasks under this agreement.

Cambodia also became a party to the **Agreement on the Cooperation for the Sustainable Development of the Mekong River Basin** and is the current home of the Mekong River Commission (MRC) Secretariat.

Cambodia is also a signatory to other conventions, including **the International Convention for the Prevention of Pollution by Dumping of Wastes and Other Matter (MARPOL)**, **the International Convention to Combat Desertification (CCD)**, and **the United Nations Convention on the Law of the Sea (UNCLOS)**.

The RGC is not a member of the **World Conservation Union (IUCN)** and does not participate officially in the important general assemblies and other activities of this global organization. However, a number of international NGOs including the Worldwide Fund for Nature (WWF), Flora and Fauna International (FFI), Wetlands International (WI), and Conservation International (CI) are members of the IUCN and can help carry Cambodian conservation matters forward.

4.4 Rural Communities and Minority Ethnic Groups

Daily NRM decisions relating to forests, fisheries, and coastal resources are made by Cambodia's rural people, often in ignorance of relevant laws and sometimes in conflict with government agencies and private sector firms. Households and communities are typically the most important agents of NRM except when local people are excluded from timber and fishing concessions. Community-level institutions for NRM are frequently weak or nonexistent due to the social disruption of the Khmer Rouge period and the large-scale internal migration resulting from improved security in rural areas. NGOs have been successful in building the social structure and community institutions needed to manage resources at the community level, but they have only worked in a limited number of areas. Legal authority for CBNRM will be articulated in the forthcoming Community Forestry and Community Fisheries Sub-Decrees and the Sub-Decree on the Powers and Functions of Communes/Sangkats will provide an institutional basis.

Minority groups, which comprise less than 10 percent of Cambodia's predominately Khmer and Sino-Khmer society, play important roles in the management of forests in the hilly and mountainous areas in the northern and northeastern parts of the country. These hill peoples are more likely than Khmers to rely on swidden agriculture, NTFP collection, and hunting for their livelihoods and CBNRM is part of their cultural heritage. Hill folk are often looked down upon by lowlanders as being backward, and are set apart from Khmer society by language and culture. Lao-speaking and other groups in the north have strong affinities with ethnic kin in Lao People's Democratic Republic (PDR) and Vietnam. Minority groups are especially likely to lose their land to timber concessions and land grabbing by wealthy lowlanders. NGOs and the CAREERE II Project in Ratanakiri Province have worked to document and gain government recognition for traditional land and resource uses of minority groups. The new Land Law and its Sub-Decrees provide legal authority for recognizing the land rights of traditional users of the forest.

4.5 Gender Roles in NRM

In Cambodia, as is the case in most agrarian societies, there are established gender roles with respect to livelihood tasks and the management of natural resources. Cambodian women play important roles in NRM, but women are currently constrained by societal norms and restricted access to education and politics from playing a wider role in managing and harvesting resources.

Women in Cambodia do not enjoy equal access to the resources and benefits of development. They have less access to education, especially at the higher levels; less access to paid employment, especially well-paid jobs; less access to land ownership and other property rights because of inheritance customs; and fewer opportunities to ensure their views are included in political processes (e.g., only 10 of the 122-member National Assembly are women). The general lack of health services in rural areas has a greater impact on women than men because of the health risks associated with pregnancy and maternity. Under these circumstances, women are particularly vulnerable to poverty, and are constrained from participating effectively in contemporary society. It is women who are often the managers of family finances, the entrepreneurs in petty trade, and the heads of a disproportionate number of Cambodian households (25.7 percent), yet traditional attitudes of domestic orientation and obedience to husbands make women's participation in political life more difficult. These facts of life will require special attention as local governance of natural resources is strengthened.

Women currently represent seven percent of the decision-makers at the national level in Cambodia. At the district level and department and office level, the figure is less than three percent. In February 2002, Cambodia will hold its first ever elections for commune councils. The 1,623 communes will elect five to eleven members each. The Ministry of Veterans and Women's Affairs (MVWA) and some NGOs advocated for a quota to increase women's representation on the councils, but this was judged to be unconstitutional. The MVWA then went to each of the political leaders asking that they increase women's involvement in each party. Currently it is believed that about 10 percent of the candidates for commune councils will be women, however, this may not reflect actual representation, as the elections are based on proportional representation and it is feared that most parties will put women at the bottom of their list, where they are unlikely to gain a seat.

4.5.1 *Agriculture*

Men, women, and children participate in livelihood activities depending on strength, mobility, and skills. Both men and women do cultivate rice and fish for home consumption. Men are responsible for making fishing equipment and for raising cattle. Men are predominantly responsible for gathering forest resources in lowland agricultural areas because the forests are normally far away, and collecting trips deep into distant forests may require two to three days. Among the NTFPs normally collected are vines, rattan, fuel wood, resin, turtles, frogs, bamboo shoots, and mushrooms. Women and children are involved in collecting aquatic plants and animals in rice fields, making charcoal, processing palm sugar, and producing rice wine. Women mainly do marketing of vegetables and forest products.

Both men and women undertake off-farm activities. Women earn a regular income through wage labor, exchange labor, petty trade and handicrafts. Men derive income from agricultural and migrant labor, fishing, and some handicrafts. Men's off-farm cash income is often seasonal.

4.5.2 *Freshwater Fisheries*

Women are very involved in small-scale subsistence fishing in the Tonle Sap, rivers, flooded forest, canals and small ponds. Men do most of the large- and medium-scale commercial fishing. In lowland areas near freshwater fisheries, the collection of firewood is the domain of men and boys (in contrast to the practice in other areas). Men also have primary responsibility for house and boat maintenance. Men, women and children all chop firewood and repair nets. Women tend domestic animals, raising chickens, pigs, and sometimes crocodiles. Women also weave fish traps and barriers. Women and children collect or gather other aquatic resources, such as water lilies, morning glories, small fish, lotus, water beetles, and shells for home consumption and for sale. For many women and landless families, aquatic resource gathering is their main source of income.

Women are actively involved in processing of fish. Sun drying, salting, smoking and preparing fish and fish derived food such as fish sauce and fermented fish, is done by women either in cottage industries or as wage laborers. They subsequently sell the fish products. Additional family income in fishing communities comes from renting boats, selling cash crops such as rice and mung beans, and selling fuel wood by both men and women. Other income generation such as making rice porridge, making rice cakes, tailoring, and hairdressing are done only by women. Normally, women keep the income from these activities for family consumption and to meet unexpected expenses.

4.5.3 *Coastal Areas*

In coastal areas, men are primarily responsible for fishing in the open ocean, while women undertake fishing activities closer to home as well as process and market food. In family fishing businesses, women sometimes manage the business and market the catch. These women are relatively powerful and may have more influence or rights in decision making than their husbands. Even in poorer families, women help their husbands by picking crabs from the net, processing fish products, repairing nets, and painting boats. During the dry season, the most productive season for coastal people, fisher women often work more than 10 hours per day, excluding household work. For women-headed households the work is even harder, as they must also look after children, conduct small businesses, maintain the home, collect firewood, cook, and collect crabs for neighbors.

4.5.4 *Minority Upland Groups*

Minority upland groups have traditional methods of NRM integrated into their way of life. Shifting cultivation is the most common subsistence strategy practiced by these groups in northeast Cambodia. The livelihood system among indigenous groups is heavily reliant on the inputs of female labor. Women collect forest fruits, honey, bamboo, medicinal plants, small

animals, firewood, water, and vegetables. Men collect resin, rattan, bamboo, house construction materials, and wild game. Men and women decide what crops to plant in swidden fields, however women have more say, with women selecting the seeds. Women also have an important role in marketing the family produce in the forms of crops, domestic animal products, handicrafts, and NTFPs. Men normally sell large animals such as cows or buffaloes because women do not know how to count large sums of money.

4.5.5 Hunting Wildlife

Small-scale hunting and marketing of wildlife products, whether for subsistence or for sale, is primarily the preserve of men. In large-scale illegal hunting efforts that are carried out by men, women are often involved in networking for marketing and managing transport of the animals.

5. Issues in Cambodia's ENR Management and Governance

5.1 Land

The allocation and management of land is the most fundamental natural resources issue in Cambodia and has important implications for the growth of the national economy and the welfare of rural people. The Statement of the RGC on Land Policy states that the RGC is “endeavoring to implement a coordinated set of laws, programs of work, and institutional arrangements regarding land which are directed toward enabling the achievement of national goals of economic development, poverty reduction, and good governance, as described in the Socio-Economic Development Plan, Interim Poverty Reduction Strategy, and Governance Action Plan.” The objectives of the RGC’s land initiatives are to:

- strengthen land tenure security and land markets, and prevent or resolve land disputes;
- manage land and natural resources in an equitable, sustainable, and efficient manner; and
- promote land distribution with equity.

Rural people are faced with the following land-related problems:

- uneven land ownership distribution, with wealthier households owning proportionally much more land than poorer households;
- increasing landlessness due to forced land sales, land grabbing by powerful individual or groups, population increases, and land speculation (A 1999 WFP study found that landlessness exceeded 20 percent in eight of twenty communes surveyed.);
- lack of availability of enough agricultural land in some areas;
- lack of secure land tenure and difficulty in obtaining secure title;
- poorly functioning land markets;
- unequal access to land by female-headed households;
- rural livelihoods are severely constrained by the small size of land holdings and low productivity of agricultural systems coupled with restricted access to common property natural resources; and
- large areas of agricultural land are contaminated with mines or unexploded ordinance.

From the viewpoint of public land policy, the following issues are currently preventing the rational allocation and use of land:

- Lands are assigned to various uses on an ad hoc basis by a variety of government actors because there has been no nationwide, systematic attempt to classify land into various use categories based on the characteristics of the land, current use, and the needs of Cambodian society.

- Until the present time, the legal framework for land management has been weak, often contradicting laws in related sectors, and providing virtually no rights for community use of land.
- Land use planning has not been implemented in most parts of the country. It is needed at provincial and lower levels of government.
- The management of public land and the administration of land titling has been very inefficient and characterized by corruption.
- There has been no rapid and publicly acceptable means to resolve land conflicts, although non-judicial conflict resolution mechanisms are being piloted in some provinces. Land disputes constitute the second largest case category in the Cambodian court system.

5.2 Forests

5.2.1 Concession Forestry

The major issues concerning commercial concession forestry relate to state revenues, the transparency and legality of concession awards, the implementation of sustainable forest management, and conflicts with the land and resource uses of communities. Governments normally establish a system of private sector forest concessions to obtain a stream of revenue from the forest estate. National forest concession systems must be underpinned by a strong legal framework and a professional forest service to ensure that forests are managed sustainably and that the state receives the revenues to which it is entitled. Under the political conditions of the 1990s in Cambodia, concessions were granted to cronies of senior officials (or via such cronies to international firms) in exchange for large bribes, which constituted a cost of doing business for the company and a corresponding reduction in revenues potentially available to the national treasury. In the climate of political and military insecurity of those times, vast amounts of timber were harvested and exported to neighboring countries with little revenue capture by the concessionaires, let alone any significant returns to the treasury. It has been estimated that up to 40 percent of the country's timber resource standing in 1993 has now been lost in this way. Few remaining operators are estimated to have more than 10 years of commercially viable harvest remaining in their concession areas. The forests were once thought to be able to produce 0.5 to 1 million m³ of timber but annual production rates of 4.0 million m³ in the 1990s make it unlikely that a production level of 0.5 million m³ could now be sustained.

Concessions were granted with only a cursory timber inventory based on Landsat imagery and often with no knowledge of current uses by communities. Realistic field-based inventories of timber stocks within concessions are only now becoming available. Under these circumstances, the establishment of timber royalty rates presents some difficulties, with the government, international financial institutions (notably the International Monetary Fund (IMF) and the World Bank) and the Cambodia Timber Industry Association (CTIA) taking widely differing positions. The CTIA commissioned a study by an international accounting firm in an attempt to provide a starting point for negotiations, but its preliminary results were equivocal and its final report is not yet available.

Donors, particularly the World Bank and the Asian Development Bank (ADB), have been supporting a process of forest policy and concession management reform, of which the draft Forest Law and the Concession and Community Forestry Sub-Decrees are important outputs. As a result of a DFW/ADB assessment of concession contract compliance and remaining timber stocks made in 1999-2000, several concessions have already been cancelled outright, and a requirement for renegotiation of remaining contracts based on sustainable forest management plans has been put in place. Of the 17 extant concessions, 11 are known to be making good progress on the resource inventories and ESIA's that are the basis of the management plans, and which will be primary considerations for contract negotiation. The MAFF/DFW will soon have to decide which concession contracts will be renewed and which will face cancellation. The deadline for contract renegotiation has been set for 30 September 2001, although there is a distinct possibility that it will slide a few months to allow the World Bank to field legal advisors to the DFW.

It remains to be seen to what extent the political connections of nonperforming concessionaires will protect them from contract cancellation, and it is not clear what sort of management regime will be substituted in cancelled forest concession areas. The open access and often murderously violent regime that has ensued in the Tonle Sap fishery after the recent cancellation of a number of fishing lot concessions is a fearsome prospect. Cancelled concessions could be invaded by wildcat loggers or grabbed by businessmen for plantations if government control is not maintained. A nontransparent transfer of concession forests to other concessionaires, as has already happened recently, would simply perpetuate the current system. Turning over former concession forests to community management is a good option if communities are capable of discharging this responsibility.

5.2.2 Community Forestry

Community forestry is an attractive option for management of much of the forest estate, either as community-held commercial concessions, or through more integrated management approaches at the local level. The new Forest Law makes provision for community forestry, and as noted the Land Law enables indigenous community ownership of land in perpetuity. Nontraditional communities may acquire management rights over forest, however the 15-year duration of management agreements gives communities little incentive to manage forests for long-term sustainability. Guidelines for community forestry were developed under the ADB Sustainable Forestry Project and MAFF has incorporated this material into the Community Forestry Sub-Decree, which is now under participatory review by an interministerial task force chaired by the DFW and involving representatives of all stakeholders. A draft is expected to go to the Council of Ministers before the end of 2001. Issues being addressed include control of land grabbing, the role of commune councils and VDCs in community forestry planning, the applicability of Seila mechanisms, the role of the DFW, and community/government revenue sharing.

WWF and the IDRC have initiated a case study review of CBNRM and community forestry projects to draw lessons from the many activities being undertaken in Cambodia. Probably the most significant impediments to the development of community forestry in Cambodia are the

lack of trained practitioners at both the institutional and community levels, and similarly a lack of knowledge about the new legal framework, and the opportunities and constraints it presents. Putting forest management rights into the hands of communities is being contemplated at a critical time when many logged over forests are being returned to government control and there is great pressure to convert forest to commercial and subsistence agriculture. The success of community forestry may well determine the ultimate fate of many of Cambodia's forests.

5.2.3 Forest Conservation

Cambodia's protected areas system (PAS) was established by Royal Decree in 1993 covering about 18 percent of the nation's land area, and mostly in forested areas. The PAS is under the jurisdiction of the MoE, which lacks the manpower, financial resources, and political power to protect most units of the PAS, except in cases where there has been significant donor or NGO support (e.g., the Cardamom Mountains and Virachey National Park). The 1993 delineation of PAs was done by drawing lines on a 1:50,000 scale topographic map, without benefit of biodiversity and community field surveys and land use planning analysis. There is an urgent need to revisit those delineations and establish boundaries on the ground, within the context of an overall national forest estate and PA planning exercise, and in careful participatory processes with concerned communities and local governments. The MAFF has begun to establish its own system of protected forests parallel to the MoE PAS, which could complicate the planning process by adding to the already serious turf battle between the two agencies. Several methods to fund PAS management have been discussed, including carbon credits, debt for nature swaps, and private fund endowments, but nothing has materialized to date.

5.2.4 Watershed Management

Cambodia is largely flat with mountains in the northeast and the Cardamom Mountains in the southwest and hilly regions and low mountains in other parts of the country. The need for watershed management is often cited as a necessary countermeasure to the negative environmental impacts of shifting cultivation, especially in the northeast. Experience in other countries indicates that upland forestland use practices associated with improper logging techniques and land clearance for commercial tree plantations are more likely to lead to serious soil erosion and sedimentation of water bodies. Swidden fields tend to be too small and scattered to have a similar effect. Logging and land clearance impacts are better addressed through enforcement of the logging code of practice and land use planning that prohibits plantations on steep slopes. Shifting cultivation is best kept within sustainable limits through community-level land use planning and management with oversight by commune councils. Watershed management as a separate activity is a relatively low NRM priority in Cambodia, but watershed protection should be built into land use planning and forest management.

5.3 Harvest and Trade of Wildlife

Cambodia's forests and water bodies once abounded with a number of plant and animal species that are increasingly rare elsewhere. Unfortunately, the illegal harvest and trade of many species in Cambodia and the unsustainable harvest of legal species is reaching epidemic proportions. A number of synergistic issues need to be addressed before the situation can be

positively resolved. Some issues are outlined here, and a further more detailed assessment of this sector will be forthcoming from the USAID/PPC perspective.

The money to be made from the trade in illegal wildlife is astronomical and tempting to many who live close to Cambodia's natural areas. Cambodia's forests abound with displaced military personnel, who often supplement their meager government income with illegal hunting and capture of prohibited species. Often these animals, and in some cases, plants, are illegally exported to neighboring countries through a widespread network of middlemen and dealers. Concessionaires are often similarly involved in illegal extraction of wildlife and forest products. Poverty makes illegal wildlife trade an attractive option for rural Cambodians. Overharvesting of some species for food and other local consumptive uses, both by military personnel and by other more traditional communities is also an issue in some areas. Until the economic factors driving these extractive forces are resolved, and excess military units are demobilized, these problems will continue.

Another major issue is the lack of enforcement of wildlife laws at all levels. At the international level, although Cambodia is a signatory to CITES, there has so far been little implementation of its guidelines. A draft Wildlife Law, currently under review, contains provisions to give the WPO within MAAF greater power to control the wildlife trade and implement CITES. Recent steps to translate the CITES handbook into Khmer are a much needed initiative, as are training courses and workshops for CITES officials. However, even with further training, the resources required to adequately patrol borders and enforce international wildlife trade are lacking in Cambodia. Similarly, there is a general lack of a government enforcement presence due to lack of capacity and resources in the many areas on the ground where wildlife is being illegally extracted. Finally, even when communities are legally empowered and motivated to protect their own areas, soldiers and business interests will still present a poaching threat that villagers cannot control.

A third issue is the lack of knowledge on the distribution and populations of remaining wild stocks of even the most key species. Some surveys have been conducted in a few natural areas, but many more are needed before the situation can be adequately assessed. Unfortunately, the time needed to perform research and monitoring is not available given the current pressure on wildlife. To preserve viable populations of remaining wildlife species of global interest, conservationists must be action-oriented first, and scientists second.

5.4 Fisheries

The fisheries industry in Cambodia includes both freshwater and marine resources, with somewhat different issues and constraints in each sector. Both areas, however, are seeing a decline in size and abundance of key fish species, a widespread amount of illegal and unsustainable fishing, and a lack of enforcement of existing laws and regulations.

One issue common to both freshwater and marine fisheries is the overall lack of knowledge about the fishery resources. Little is known about the habitat requirements, distribution and key life-cycle factors for even the most important commercial fish and macro-invertebrate species. Even the statistics on fish catches in both freshwater and marine areas are extremely

variable and unreliable. Relevant information such as the size of the available fishing stock, location and seasonality of fish spawning grounds, and other ecological requirements of various species are needed before realistic fishing regulations can be formulated. At present, MAFF and the DoF do not have the capacity and resources to remedy these information gaps. In many cases there is also a lack of environmental knowledge and understanding of sustainable use concepts among many fishery resource users.

Enforcement of existing rules and guidelines is seriously lacking in both freshwater and coastal habitats. The DoF has a limited budget and staff for enforcement at both national and provincial levels and there is an overriding lack of on-the-water enforcement presence in fishing areas. The use of illegal fishing techniques such as electrofishing, dynamiting, small-mesh size nets, etc. is prevalent in freshwater areas. Similarly, the use of large trawls and push nets in near shore waters, and dynamiting of reefs wrecks havoc on coastal fishery resources and habitats.

The lack of enforcement of regulations has led to serious conflicts among small fisherfolk and larger commercial entities plying the same waters. In the Tonle Sap there are ever-present conflicts between lot owners and communities. In coastal areas the conflicts between small-scale fisherfolk and commercial trawlers and push-netters that are fishing illegally (and destructively) in coastal areas are a constant and growing issue. Conflicts also arise between commercial aquaculture projects, such as shrimp ponds and seaweed farms, and local fisherfolk. The influx of foreign fishermen from nearby Thailand is also exacerbating these conflicts. Conflict resolution is a serious need throughout the fishery sector.

A major issue in both coastal and freshwater fisheries is the necessity to further empower local communities with access rights to appropriate fishing grounds and the tools and knowledge to sustainably manage them. As the Fishery Law and the Community Fishery Sub-Decree are passed and implemented, it is important that communities understand them, and have the knowledge and abilities to look out for their own interests. At present, there is little relevant knowledge at the community level and a great need for more.

A final key issue and constraint in the fishery sector is the lack of attention to the importance of small streams, ponds, ditches, rice fields, etc. as fishery resources for the rural poor. Catches from these sources are significant as discussed in Section 2.3, and the aquatic food items obtained from these sources are often critical to the majority of rural people who depend upon them. These small-scale resources need to be taken into account and access to them preserved when irrigation schemes and agriculture and development projects are designed.

5.5 Biodiversity

Cambodia is now a party to the CBD and significant efforts are underway to prepare and circulate a BSAP. This is a much-needed initial step towards biodiversity conservation planning. Most of the biodiversity-related attention is not on the maintenance of biodiversity as such, but only on a few species with economic or global conservation value. While conservationists scramble to save remaining small populations of tigers, elephants and

crocodiles, many other species are quietly disappearing. Well-meaning development programs are in some cases helping speed these extinctions.

For instance, in the aquatic sector, the thrust of attention to fisheries issues and fish is not the numbers of fish species, and how many of these have become extinct, but only on the number of kg of harvestable fish are brought to market. This focus has led to the expansion of some development programs that are actually counter to maintaining biological diversity. One such program is the continued and expanding introduction of non-native tilapia (*Oreochromis niloticus*) into pond aquaculture programs around Siem Reap. These hardy, opportunistic, rapid growing, quick-breeding fish easily escape from ponds through drainage ditches and water overflows, and, in many other parts of the world, have displaced native fish. If previous experience elsewhere is relevant, the biodiversity of fish and even the fish catches of some species in Tonle Sap can be jeopardized by such introductions. The fairly recent introduction of non-native water hyacinths (*Eichhornia crassipes*) into the Tonle Sap environment presents similar problems. Presently the people of the region benefit from water hyacinths and harvest them for food and fiber. Quite possibly the annual cycle of flooding and recession of the lake may flush them downstream and out into the South China Sea so they do not become established and a nuisance in the lake. If not, however, before long navigational passages will be disrupted, benthic native plants will be shaded and die, and many former niches for native biodiversity will be lost. Quite possibly such changes will also impact commercial fisheries stocks and not only biodiversity.

Biodiversity has been given little consideration in natural resources extraction and development programs in Cambodia's forests. Attempts to increase production of commercial crops can lead to further encroachment of natural habitats, water pollution, and less access for rural people to the forest biological resources that they have long depended on. Although a number of donors and NGOs are looking at the impacts of the harvest and trade of wildlife, for the most part this only includes a number of large, charismatic species. The maintenance of Cambodia's biodiversity also involves less obvious species and the habitats they depend on. Except for a few NGOs working to protect key forest and mountain habitats, the less charismatic species seem largely forgotten.

5.6 Pesticide Use

The RGC Sub-Decree on Standards and Management of Agricultural Materials was promulgated in 1998, but is not fully enforced. Pesticides, fertilizers, and other agricultural chemicals are available on the market, including banned substances. The sub-decree requires that manufacturers, importers, and sellers of agricultural chemicals register their products with MAFF. Only six international firms have registered while no domestic firms have done so. The volume of pesticides available on the markets is far more than is officially reported. The Bureau of Agricultural Materials and Standards (BAMS) of MAFF estimated that at least 80 percent of pesticides available on Cambodian markets are smuggled across from Thailand and Vietnam and are sold under more than one hundred trade names. Extremely hazardous pesticides, which are banned or restricted in other countries, are available in Cambodia. A comprehensive study conducted in 1996 showed that the most toxic category of pesticides make up 70 percent of those sold in Cambodia. As little as two percent of the pesticide

products in Cambodia carry labels in Khmer language. Usually labels are in Thai, Vietnamese, English, or French.

Two major concerns are associated with the utilization of pesticides, namely human health and environmental risks. Cambodian farmers unfortunately prefer extremely hazardous pesticides since they have immediate effect on insects and other pests. While applying these chemicals, most farmers do not wear protective clothing, and have almost no knowledge of the impacts of the chemicals on their health, on consumers, or on the environment. In most cases, pesticides are misused or overused. Some farmers even mix different pesticides together in the belief that the resulting mixture will be more effective. After use, pesticide containers are utilized for other purposes including drinking water containers or are disposed of in the open within reach of children.

BAMS believes that cash crops farmers are more likely to be able to afford pesticides than subsistence farmers and that commercial farms are more likely to use more dangerous pesticides. Despite the high likelihood of pesticides entering natural water bodies, the presence of residual chemicals in the flesh of fish is substantially lower than is the case in neighboring countries. This probably reflects the fact that agricultural intensity is relatively low in Cambodia meaning that the total volume of pesticide use is still low in comparison with the intense agriculture practiced in Vietnam and Thailand. The misuse of pesticides is a serious public health problem that affects rural people and consumers and is likely to cause environmental damage over time.

5.7 Agriculture and Rural Livelihoods

Cambodia is primarily an agricultural country, with rice the single dominant crop. Crop, livestock, and poultry production was officially reported as only 25.5 percent of GDP in 1999. This low figure reflects serious underreporting of the subsistence and unmarketed products upon which most rural Cambodians depend. Currently, land under rice totals 2.16 million hectares. The vast majority of rice is grown in rain-fed paddies. Rice yields are very low by regional standards because farmers are not able to control water levels in their paddies, cannot afford sufficient fertilizer, and tend to use traditional, rather than high-yielding varieties. The vast majority of farmers do not grow enough rice to feed their families year-round. Environmental impacts from agriculture are low compared with other countries of the region, largely because of its low intensity. Low education levels and lack of information, skills, resources, and agricultural support services render Cambodian farmers unable to increase yields and diversify to other crops. These constraints also prevent them from understanding and avoiding potential environmental impacts.

5.7.1 Shifting Cultivation

Government officials often express concern over the impacts of the swidden agriculture practiced by upland communities, particularly the perceived destruction of forests and in some cases soil erosion. Official assessments of these practices often fail to recognize differences between swidden systems that have long-term ecological stability, and those that do not. This misperception is also due partly to cultural chauvinism on the part of lowlanders toward

highlanders. It is also frequently a case of “blaming the victim” for deforestation caused by illegal logging activities. When practiced in a sustainable manner, shifting agriculture is a stable livelihood strategy on poor upland soils in forest areas.

5.7.2 Fertilization

In the past, Cambodian farmers employed compost and animal manures to improve and maintain soil fertility. Since the late 1980s, inorganic fertilizers have been used to achieve food security. In 1996, FAO estimated that 250,000 metric tons of fertilizers would be required annually in Cambodia to simply maintain soil fertility. The actual amount sold is far lower than this. However, the Department of Agronomy and Agricultural Land Improvement (DAALI) is encouraging farmers to revive the use of compost, organic fertilizers, and manures to maintain soil fertility while avoiding the eutrophication of water bodies caused by excessive application of chemical fertilizers.

5.7.3 Exotic Species

Fish is the major source of protein for Cambodians, with per capita fish consumption between 20 and 87 kg per annum. In an attempt to achieve food security, some government, donor, and NGO projects have introduced aquaculture and rice/fish culture. Exotic species have often been introduced, the most common being tilapia (*Tilapia nilotica*). Introduced fish species can migrate freely from ponds and rice fields during the rainy season. The likelihood that they will find their way into natural water bodies is very high. The impact of these exotic species on the natural aquatic ecosystem and indigenous species has not been studied in Cambodia, but evidence from elsewhere indicates that they range from serious to catastrophic.

5.7.4 Agricultural Biodiversity

During the Khmer Rouge period, many rice varieties were completely abandoned, including the formerly common floating rice. Many households depended on traditional floating rice varieties that can withstand the swift annual rise of the Mekong and the Tonle Sap, but the seeds of these varieties are no longer available, resulting in the threat of food shortages each year. Some agricultural firms have introduced hybrid high-yielding rice imported from China. However, DAALI is very concerned about the loss of indigenous rice varieties adapted to local conditions and which tend to require less labor and fewer inputs than hybrid varieties.

5.7.5 Lack of Water for Irrigation

Only 16 percent of the land under rice cultivation is irrigated. One rice crop per year can be grown under rain fed conditions, and there is often not adequate water for even that one crop. Lack of water is a major reason why rice farmers produce an average of only 1.6 metric tons per hectare. There are many remnants of small- and large-scale irrigation systems constructed in the past, but due to warfare, inappropriate technical design, and lack of maintenance these systems are in disrepair and are out of use.

5.7.6 *Small Land Holdings*

The average family holding of rice land before the war was 2.2 hectares. During the Khmer Rouge period, land ownership titles were destroyed. The current land holding by a household is less than one hectare, while landlessness ranges from 11 to 30 percent, and the majority of rural households do not have land title certificates. As roads are rehabilitated and security improves, land speculation gives rise to land disputes and seizure of land by powerful people. A study by the World Food Program (WFP) found that three percent of households surveyed lost their land through forced seizure in 1998. This is an important land management, human rights, and poverty alleviation issue.

5.7.7 *Lack of Access to Forest and Fisheries/Aquatic Resources*

Rural Cambodian populations always live closely with and rely on natural resources. Small landholdings, landlessness, lack of irrigation water, natural disasters, lack of capital, household emergencies, and large households cause many rural households to face food shortages between two and nine months of the year. During food shortages, people subsist on NTFPs from nearby forests and aquatic products from rice fields and wetlands. In Cambodia, where a social safety net does not exist, people must resort to extraction of natural resources for survival when times are bad, and for many necessities of life at other times. Government decisions regarding the exploitation, management, and protection of natural resources have rarely considered existing human uses, often badly impacting the livelihoods of local people. Rural people are politically and economically weak, making it difficult for them to defend their access rights. Many forest concessions, PAs, and national parks restrict access by local communities to NTFPs upon which they have always depended.

The rights of local communities to common fishing grounds were denied for many years by the issuance of fishing concessions to powerful people. The boundaries of fishing lots expanded and shrank with water level. Recently, as part of the reform program and decentralization process, the government declared that 56 percent of commercial fishing lots had to be handed over to local communities for management. The DoF was unprepared for this rapid change in policy. Local communities, which were not yet organized to manage the fishery, began fishing in an unsustainable manner. The poorest people do not benefit from this shift in management because they are not able to afford more expensive fishing gear. Conflicts among community members may arise because institutions and capacity for management are not developed.

5.7.8 *Commercial Agriculture as a Threat to Forests*

After the massive logging of recent years, a large proportion of the nation's forests have suffered some level of degradation. With the current RGC policy to give land concessions for plantation establishment, these degraded forests are at risk of conversion to agriculture simply because they are not capable of producing timber commercially at this point in time. There is a critical need for a national-level land allocation exercise to establish a permanent forest estate that will be managed for forest products and to identify those forests upon which communities depend before allocating land for plantations. Even degraded forests provide valuable environmental services including habitat for wildlife and wild plants as well as providing

communities with products they need for survival. If properly managed and protected, these forests can produce a stream of economic benefits in the forms of timber and NTFPs.

5.8 Regional and Transboundary Dimensions

Cambodia's history has been shaped to a large extent by the fact that it shares borders with three neighboring countries, two of which are now much larger and more economically developed. This spatial and economic relationship with neighbors also has an enormous influence on NRM and demand in Cambodia. Water flows, ecological processes, fish and animal migrations, wild fires, and exotic species infestations do not stop at international borders, creating a complex web of ecological relationships with neighbors. Ecoregions, comprised of vast interrelated landscapes that provide habitat for large mammals, almost always straddle international borders.

The fact that Cambodia is at the lower end of the Mekong River dictates that water management decisions made upstream in China, Thailand, and Lao PDR will affect Cambodia through its heavy reliance on the Mekong and its fisheries. Cambodia's fisheries can be adversely affected by upstream dams, manipulation of the river profile and flow, irrigation withdrawals, and industrial and urban pollution. Any blockage in fish migration or changes in inundation patterns could negatively affect the critical Tonle Sap fishery. Cambodia has already suffered serious impacts from a dam built in Vietnam on the Yali River that causes unpredictable floods in Ratanakiri Province, resulting in death and loss of property.

Another major transboundary natural resources problem is the virtually uncontrolled flow of illegally harvested logs and wildlife, primarily to Vietnam and Thailand. This results from the collusion of corrupt Cambodian and neighboring country officials with logging companies compounded by the lack of cooperation of border authorities in neighboring countries to stem the flow of logs and wildlife. Senior MAFF officials report that high-level officials of both neighboring countries have pledged cooperation on illegal natural resources trade at periodic Association of South East Asian Nations (ASEAN) environment meetings but that this has not translated into cooperation at the border.

A final transboundary dimension of NRM is the negative impact of the effort to link the countries of the lower Mekong region with a high quality road network with bridge crossings of the major rivers. These roads facilitate the ease with which logs and wildlife can be moved across borders and also create increased demand for land on which to grow commercial crops. This puts the onus on the RGC to control illegal natural resources trade and land use rather than implying that development of Cambodia's transport system should be halted.

5.9 Gender

Women are more involved and dependent on collecting and gathering for their livelihoods. Degradation of the environment, through logging, pollution, overfishing, or denying access to traditionally common resources hurts women and especially women-headed households the most. When they cannot ensure food security for the family, many have to migrate from their villages to find jobs in the city, often in factories. Although the Land Law does not

discriminate against women, in practice most land is generally registered in the husband's name only. Both men and women are involved in communal labor such as building schools and repairing roads, but they have less of a role in village governance institutions.

Economic development and the transition from a subsistence to a market economy also affects men and women differently. The market economy favors those with some education, who can speak Khmer, and have literacy and numeracy skills. In an indigenous society that means men. Poorly planned development interventions—for example, training activities that take place at night, or in the meeting hall of a village—often reach only men, thus empowering men at the expense of women. Cash crops are men's domain and the income from selling cash crops is normally kept and controlled by men. Through the transition to cash mono-crops, women's indigenous knowledge and stocks of seed varieties will also be lost, diminishing biodiversity. Women are also more negatively impacted by the use of hazardous pesticides, since they are often illiterate and cannot read even properly labeled containers. If sickened from pesticides their health is often a lower priority than that of others in their family

5.9.1 Forest Resources

For security reasons, collecting in lowland areas is primarily men's work because collecting valuable products may require journeys of two or three days into the forest and few women can leave home for so long, or would feel safe alone in the forest.

Among shifting cultivators, illegal logging has a negative impact on women because they must walk further to collect NTFPs and fuel wood, while men's workloads may be reduced, as a major part of their work is clearing the forest for cultivation. Forest resources provide an important "safety net" for forest-dwelling groups, particularly women-headed households. Forest resources supplement their livelihood, making up deficits in crop production. A study conducted in late 2000 by the NGO Forum and other groups in 20 provinces found that the economic benefits derived from the collection of NTFPs are greater than previously thought. In upland areas, the collection of NTFPs is primary done by women, and forest products play a significant role in balancing the economic contributions of men and women. When access to NTFPs is restricted or closed, the economic balance between men and women is upset, and women lose decision-making power in the family.

5.9.2 Fisheries and Coastal Resources

Improved fishing gear and increased catches can increase the post-harvest workload of women. This extra burden is often undertaken without a raise in pay and at the expense of other income-generating activities. If a fisheries activity is enlarged or mechanized, it often becomes the domain of men. When workshops on managing coastal resources have been held in provincial towns, many village women have been reluctant to participate because of the distance from home. Mangrove degradation affects members of the household differently. Women are forced to spend more time wading to collect oysters, whereas men are forced to fish further away from home. Small-scale aquaculture activities, while initially taking more of men's time for cage construction and trials, tend to place more burdens on women over the long term as they are responsible for feeding, monitoring, and harvesting the fish.

6. Priority Actions to Improve ENR Management and Governance

Cambodia clearly must address a wide range of issues in order to improve environment and NRM in the country. This section does not address all needs, but rather those of greatest importance and those that are particularly pertinent to the scope of this assessment or the potential natural resources governance programming opportunities for USAID/Cambodia.

6.1 Laws and Institutions

6.1.1 Land Law

The MLMUPC is developing sub-decrees and regulations under the Land Law with legal assistance from the ADB and technical assistance from GTZ. Support is required to assist community groups and local governments to participate in the process and for their effective implementation of legal provisions.

6.1.2 Law on Commune/Sangkat Administration

The sub-decree on the powers and responsibilities of commune councils is now under discussion and needs to be brought into force before the February 2002 commune elections. The Department of Local Administration (DoLA) in the MoI should proceed quickly in preparing commune clerks for their roles, and in providing materials to educate new commune councilors on their roles and responsibilities. Longer-term priorities include the redefinition of commune boundaries, and the integration of the Seila methodology into commune administration nationwide.

6.1.3 Forest Law

A joint MAFF/donor/NGO group is working to revise the Community Forestry Sub-Decree. The RGC should be encouraged to issue the sub-decree within the agreed timeframe. Donor support to CBNRM and particularly community forestry will be an urgent priority after the expected cancellation of a number of concession contracts later this year.

6.1.4 Environment Law

Action is required to develop the national PAM framework and to build the capacity of the MoE to administer it, in collaboration with DFW and with local government and community organizations. The MoE has not been able to implement the provisions of the EIA Sub-Decree. Support is required to overcome this stall, as MoE will soon have to review forest concession ESIA's, and other investment projects will be in need of review. Support is needed for provincial departments of environment, in order to strengthen their delivery of services to communes.

6.1.5 Fishery Law

The draft Fisheries Law and the Community Fisheries Sub-Decree are being developed under the leadership of MAFF's DoF. Consultations with stakeholders are underway, and support is required to empower local communities to participate in this process and in the community fishery management that is currently being developed in an ad hoc manner.

6.1.6 Wildlife Law

A new Wildlife Law has been drafted with funding from the UK's Department for International Development (DFID) and legal/technical assistance from WCS. The law is currently being reviewed by the Department of Forests and Wildlife in consultation with stakeholders. The WPO of DFW has already begun an enforcement effort against the wildlife trade, complemented with a public awareness campaign. More support is needed for this work, especially active enforcement of the provisions of the new law.

6.2 Improved Natural Resources and Land Governance

There are two aspects to improved natural resources governance in Cambodia. The first involves improving the transparency of procedures and the accountability of politicians and government officials in managing natural resources that are the property of the entire nation, such as the national forest estate, marine fisheries, and the fisheries of Tonle Sap and the Mekong system. Many of these national resources are being used unsustainably to the benefit of powerful people in government and in the military rather than providing income for national economic development. The second type of improved natural resources governance involves the ability of the government to fairly and equitably allocate land and resources to individual citizens and communities who depend on them for their livelihoods.

Improving national natural resources and land governance at the national level requires:

- strengthening of the legal framework for management of land, forests, fisheries, and wildlife;
- administrative reform to make resource management agencies more effective, more transparent, and more cooperative with related agencies and local government;
- judicial reform to make courts more accountable and transparent;
- military demobilization to reduce the role of military units in illegal natural resources extraction and trade;
- improved enforcement of laws through more, better trained, and equipped field staff of NRM agencies;
- integration of NRM into decentralization procedures and establishment of specific roles for each level of government;
- oversight by civil society groups and international watchdogs; and

- cooperation with the governments of neighboring countries to prevent or mitigate transboundary infrastructure impacts and to control the illegal trade in forest and wildlife products.

Allocating land and resources to individuals and communities requires the same steps just described plus:

- decentralization of some NRM authority and resources to lower levels of government;
- laws and implementing regulations that empower communities to manage resources;
- knowledge of the provisions of relevant laws by local government officials and communities;
- technical resource management skills by communities and local officials; and
- mechanisms to resolve conflicts within communities, among communities, and with outsiders.

The following actions apply specifically to land management:

- The Council for Land Policy, under the Supreme Council for State Reform (SCSR), must take an active role in coordinating and monitoring the implementation of the Land Law and its coordination with provisions of other relevant laws.
- Land use planning and NRM should be coordinated at provincial and lower levels.
- Strengthen the capacity of the recently created MLMUPC to play its intended role in coordinating land allocation and planning.

6.3 CBNRM

CBNRM provides natural resource-dependent communities with rights and responsibilities for managing or co-managing the resources upon which they depend. In order for CBNRM to work, communities must have legal rights over the resource, appropriate internal management institutions, technical skills, and incentives for management. Forests and fisheries are the resources most commonly managed by communities. Management approaches depend on the legal framework, the characteristics of the resource, the characteristics of the community, and their management objectives. A number of CBNRM approaches have been developed in Nepal, India, the Philippines, and Indonesia. All approaches require participatory means to identify, map, and sometimes value resources used by the community and to develop a plan for their management that includes mechanisms for enforcement and conflict resolution.

NGOs and International Organizations have implemented a number of successful community forestry and community fishery projects in Cambodia in recent years, learning valuable lessons in the process. The following priority actions are needed to make CBNRM a tool to both improve NRM and to secure community livelihoods in rural Cambodia:

- Legal: Pass the new Forestry Law and Fishery Law along with the Community Forestry Sub-Decree and the Community Fishery Sub-Decree. Develop implementing regulations and harmonize them with relevant regulations developed under the new Land Law. Implement the procedures articulated in the Community Forestry Guidelines of June 2000. Make communities aware of their rights under the new laws and educate local government officials and concession owners about their responsibilities.
- Implementation: Document lessons learned through CBNRM implementation in Cambodia, disseminate this information, and strengthen the network of groups working on CBNRM. WWF is currently working on these tasks with a grant from IDRC. Seek donor assistance to scale up CBNRM activities through support to NGOs and local government. Standardize administrative procedures and technical approaches.

6.4 Protected Area System

Cambodia currently has 23 PAs, covering about 3.3 million hectares (18.23 percent of nation's total area) and including seven national parks, ten wildlife sanctuaries, three protected landscapes, and three multiple use areas. Tonle Sap is a Biosphere Reserve and there are three wetlands of international importance (Ramsar sites). The Cardamom Mountains are being reviewed for nomination as a World Heritage Site and there are seven PAs adjacent to areas protected in neighboring countries that could be managed through transboundary cooperation. Funding for one such project is currently under review by the International Tropical Timber Organization (ITTO). Virachey National Park in the northeast, Cambodia's largest PA at 332,500 hectares, abuts PAs in both Vietnam and Lao PDR, creating an opportunity for a very large protected landscape at the juncture of these three countries.

Preliminary priority setting for PAM has been conducted by the MoE, the agency responsible for managing the PAS. The MoE has limited field staff and resources to manage PAs and illegal extraction of resources is common throughout the system. The Department of Forestry within the Ministry of Agriculture, Forestry and Fisheries (MAFF) is in the process of establishing three PAs under its jurisdiction within the national forest estate.

There are a large number of issues related to the improved management of Cambodia's PAS. Among the most important are:

- Legal and Institutional: The respective roles of MoE and MAFF in PAM and in wildlife/timber crimes enforcement must be harmonized to allow cooperative effort between the two ministries. PA boundaries must be rationalized to reflect biodiversity values and current land use. Cambodia, in cooperation with partners, must develop a long-term funding mechanism (such as a Trust Fund) for managing the PAS.
- Implementation: MoE needs additional technical and financial support to 1) increase the number and skill of its field staff; 2) increase scientific knowledge to support management; 3) demarcate boundaries and delineate management zones; 4) identify and combat threats from commercial activities, infrastructure development, hunting, and

forest product extraction; 5) develop management plans; 6) identify additional areas that must be protected to ensure that the system is representative of the biodiversity found in Cambodia; and 7) engage communities living in and around PAs as partners in conservation.

6.5 Environmental Education and Awareness

The public education system of Cambodia is severely underfunded with too few trained teachers, a scarcity of educational materials and overall limited capacity to fulfill even the most basic educational needs of the populace. In a country where the literacy rates are among the lowest in the world, there is much scope for improvement in all aspects of this sector. The paucity of environmental education materials in the public schools is only a small part of the overall problem. Although a few environmental organizations have begun implementing environmental education elements in various public schools, most of this work is in the “nonformal” sectors and takes into account low literacy rates, and limited access to formal educational systems.

Environmental education activities are needed at all levels from primary schools, to higher education facilities, from community programs to those for the national government. Topics needed include basic conservation and environmental concepts of sustainable use adjusted for particular audiences and resources. Other subject areas where further education is needed at all levels include information about the content and applicability of laws and policies, conflict resolution methods, and other relevant areas that can help improve the role of civil society in NRM in Cambodia.

Literacy is a particular problem in Cambodia and any environmental and awareness programs planned as part of development efforts need to take this into consideration. The continued publication of written materials, even if translated into Khmer, will have little impact on the vast majority of people. Programs need to be developed in other media, such as radio, television and videotapes and in person-to-person discussions, where possible, to enable them to reach targeted audiences with any level of effectiveness.

6.6 Forest and Wildlife Law Enforcement

6.6.1 Forests

Illegal harvest and export of timber is the NRM issue that has attracted the most international attention to Cambodia. The scale and openness of illegal logging have caused international observers and even senior RGC officials to refer to the situation as forest anarchy. Beginning in the late 1990s, the World Bank and the IMF made further structural adjustment loans contingent upon reduction in illegal logging. The Prime Minister issued a declaration in January 1999 in which he ordered, among other things, a complete crackdown on the illegal log trade and directed MAFF and MoE to establish a system for monitoring timber harvest and trade. This led to the establishment of Forest Crimes Monitoring Units in both Ministries with the support of the FAO-implemented Forest Crimes Monitoring Project (FCMP). Global

Witness, a UK-based NGO, was invited by the Prime Minister to play an independent watchdog role over forest crimes, reporting directly to the Council of Ministers.

The FCMP and its counterparts in MAFF and MoE have established systems for reporting and in some cases investigating and prosecuting forest crimes. These efforts are hindered by staff and funding limitations, vague laws, a judiciary that can't be relied upon to make impartial judgments and collusion between government officials at all levels with forest criminals. The FCMP recently suffered a six-month funding hiatus that limited its operations during the dry season harvesting season. Global Witness periodically issues reports on forest crimes that draw considerable media and political attention both inside and outside Cambodia. Illegal timber harvest dropped significantly in 1999 due to political pressure, but rebounded in the 2000/2001 dry season as concessionaires attempted to maximize cuts prior to possible loss of their concession under a newly mandated system of concession management planning. Small-scale illegal loggers operating outside the concession system are particularly difficult to bring to justice. As the number of timber concessions drops due to regulatory pressure, more effort will be needed to investigate crimes by small-scale loggers whose operations are dispersed and difficult to track.

Priority actions by the RGC are:

- passing of the Forestry Law and the Forest Concession Management Sub-Decree,
- continuing the effort to eliminate poorly performing concessions and bring the remainder into conformance with international forestry standards, and
- politically and financially supporting forest crimes monitoring and enforcement.

Donor support is needed to maintain the political momentum behind forest crimes monitoring. NGOs, commune councils, and communities are needed to play a watchdog role in reporting crimes as the MAFF and MoE field staff are spread too thin to do this without help.

6.6.2 Wildlife

The need to enforce laws against the illegal harvest and trade of wildlife is arguably more critical from a biodiversity viewpoint than illegal logging since the numbers of critically endangered species, such as tigers, are very low and hunting pressure is high. The WPO within the DFW is primarily responsible for enforcing wildlife laws but is hindered by lack of field staff and financing as well as weak law enforcement skills. Since wild animals and wildlife products are valuable and are relatively easy to transport compared with logs, much of the trade goes unnoticed through remote border check posts or with the collusion of border guards. Most of the hunters are men from remote villages who see hunting as a means to augment their livelihoods. The legal underpinnings of wildlife enforcement are currently weak, but will be strengthened by the passage of a new Wildlife Law that is currently in draft. Beyond the legal framework is the perhaps more serious problem of lack of awareness among the Cambodian public that the wildlife trade is illegal. Until recently, it has been transacted in one of the largest markets in Phnom Penh and meat and products from endangered animals have been

available openly in city restaurants. Recent efforts by the MAFF WPO are now being initiated to stem this problem.

The FCMP has a mandate to enforce wildlife laws and has made some notable seizures, but is generally focused primarily on logging. The US-based NGO, Wild Aid, is assisting the WPO to build enforcement capacity as is the US Fish and Wildlife Service (USFWS). WWF and WCS have conducted studies of the trade and the international NGO, TRAFFIC, recently opened an office in Phnom Penh as part of a regional effort to reduce the trade.

Given the gravity of the wildlife trade, serious efforts at control would require an effort on the scale of the program to control illegal logging, although such a political and financial commitment from the RGC and donors seems unlikely. Donor and NGO pressure is needed to send necessary signals to the RGC and the governments of Thailand and Vietnam, who are the recipients of the illegal trade. The RGC, donors, and NGOs should agree on enforcement priorities to ensure that meager resources are used as effectively as possible.

6.7 Private Sector

As described in Section 4.1, the private sector is a key component of civil society, the engine of growth in a market economy, and in a largely rural economy plays a major role in NRM decision making. Growth of the private sector in rural areas will contribute tax revenues to local government. In particular, the development of small- and medium-scale rural enterprises requires support from the RGC. The current programs of MAFF in agricultural extension, and of the Ministry of Commerce in promoting pro-poor trade policies are valuable but very much underresourced at present. Community groups such as associations of farmers and of rural entrepreneurs (e.g., the Rice Millers Association) will become important civil society components interacting at local and national levels. Some support to their development is being provided by the Ministry of Commerce and by the NGO, Enterprise Development Cambodia, but more effort in this direction is required.

As noted in the IESP, support via Seila or otherwise to local government and community groups for resource assessments, land use planning, EIA, and related NRM technical inputs will create effective demand for Cambodian firms to provide consulting services. This will strengthen the NRM capacity of communities and local government.

Timber concessionaires directly affect communities in terms of access to natural resources. One concessionaire is encouragingly proactive in partnering with WCS to work with local government and communities on issues of wildlife conservation and of management of traditional community use areas. Other concessions are being legally compelled to recognize the traditional use rights of communities. Concessionaires could be encouraged to help communities to manage and market NTFPs, including tree resins, medicinal plants and forest honey, perhaps with some economic incentives worked into the structure of royalty payments. Forest management certification programs rate concessionaires on their recognition and support of community land and resource use rights, providing a market incentive for concessions to work with communities as well as improve other aspects of their operations.

6.8 Ecotourism

Tourism development is high on the RGC's priorities, although little has been done officially to promote ecotourism. Ecotourism is usually developed for one or more of the following purposes: 1) to generate income for local communities while giving them an incentive to support conservation; 2) to stimulate growth in the local economy; and 3) to contribute to national economic growth and foreign exchange earnings. Developing ecotourism sites in a manner that is environmentally and culturally sensitive and is also commercially viable takes considerable skill and financial support. Most ecotourists are demanding in terms of the quality of the attraction and accommodations.

Cambodia has a number of potential ecotourism destinations, but none are fully developed. One example of interest is Riem National Park, where the local community is engaged by the MoE, with UNDP and Danish International Development Assistance (DANIDA) support, to manage and protect the coastal mangrove forest. Although visitors can and do take ranger-led boat trips into the park, the fees that are charged go to the MoE and do not bring any tourism money to the communities. Prek Toal Wildlife Sanctuary at the northern end of the Tonle Sap is another area where ecotourism may be further developed. Most visitors to Cambodia visit nearby Angkor Wat from a base at Siem Reap and it is estimated that 10 percent of these tourists also visit Tonle Sap during their stay. An NGO, Osmose, collaborates with the MoE to bring tourists by boat to Prek Toal to see the flooded forest and the seasonally nesting water birds. This enterprise brings tourist fees to the MoE, but it is uncertain if these funds are used for the protection of the sanctuary.

Throughout Southeast Asia there are many well-developed sites where visitors can enjoy coral reefs, tropical forests, and other natural habitats. Cambodia's ecotourism attractions are undeveloped and are unlikely to be competitive enough to bring in large numbers of tourists, although opportunities for small-scale development do exist. Cambodia's ecotourism do not justify the cost to develop them in relation to other potential NRM investments. In terms of the entry points identified for this IR, ecotourism development is not considered a priority for USAID support.

6.9 Agriculture and Pest Management

The three aspects of agriculture in Cambodia that are within the scope of this report are 1) reducing the impact of agricultural development on natural resources and biodiversity; 2) maintaining agricultural biodiversity; and 3) reducing the negative environmental impacts of pesticide use. Expansion of both commercial and subsistence agriculture is a clear trend in Cambodia. The RGC must allocate land to these uses through a formal, consultative process rather than ad hoc conversion of forest as is currently the case. Raising the productivity of existing agriculture would make it possible to produce more crops on less land, thereby reducing the need to clear additional land. Using hybrid, high-yielding seeds is one means to achieve increased yields, but this increases the need for labor, fertilizer, pesticides, and irrigation. Also, traditional varieties should continue to be grown to avoid a loss of agricultural biodiversity that could endanger the food security.

The improper control and use of pesticides is a public health and environmental issue that needs to be approached in several ways. There is a very obvious need for the RGC to enforce laws relating to importation and sale of pesticides as well as to educate farmers about their proper use and handling. Integrated pest management (IPM) provides a means to reduce pesticide use, educate farmers to use pesticides safely, and build community capacity to manage agroecosystems and natural resources. IPM training and community organization can be applied to agricultural landscapes including community forests and wetlands, fisheries, and water resources. The Cambodian national IPM program is well established in MAFF's Department of Agronomy, with links to the extension service, and funding from several donors. The program should be expanded both geographically and in terms of crop focus, with NRM more explicitly integrated into the methodology to make it more complementary to CBNRM.

7. Current Donor and PVO Activities in Relevant Programming Areas

7.1 Sustainable Forest Management and Conservation

The lead donors in forest sector reform in Cambodia are the **World Bank** and the **ADB**, who have been alternately supporting the **DFW** to strengthen forest concession management and government oversight. A joint study with UNDP/FAO in 1997 led to a major, multi-consultant review, funded by the World Bank and covering concession management, law and contract review, log monitoring and control, and forest policy reform. The study was completed in 1998.

The **ADB** followed up with a review of the concession system, completed in May of 2000—the conclusions of which had a major impact on the reform process. The project addressed concession performance, guidelines for sustainable forest management planning in concessions, guidelines for community forestry, an initial draft of the Forest Law, and the preparation of a draft model concession agreement. The conclusions of the **ADB** project prompted the RGC to cancel three concessions judged to have managed their concessions unsustainably and set the current agenda for sustainable forest management planning and renegotiation of contracts.

DFID provided a Facilitator for the Joint Working Group on Forest Concession Management, a forum between the **DFW** and the **CTIA**, which negotiated and finalized the Sustainable Forest Management Planning Guidelines and the Model Concession Agreement.

At present, the **World Bank** is providing a “learning and innovation loan” to build the operational capacity of **DFW**, and to support collaboration with the timber industry as new concession contracts are negotiated and sustainable forest management plans are approved and implemented. The **IMF** has played a key role in maintaining momentum, by tying the disbursement of macroeconomic support to performance on the agreed timetable for forest management reform.

Other donors are making important contributions. The **UK-DFID**, **DANIDA**, and **UNDP/FAO** support of the **Forest Crime Monitoring Unit** in **DFW** and **MoE** has had a major impact on development of the forest monitoring function. **GTZ** is supporting the Cambodia-German Forestry project, piloting **CBNRM** activity in **Kampot Province**, and the Sustainable Management of Natural Resources in the Lower Mekong project, with the **MRC**.

In terms of forest conservation, the **World Bank** has provided a Learning and Innovation Loan to assist the **MoE** to manage **Virachey National Park** and increase their technical capacity in **PAM**. **WWF** has provided considerable assistance to **MoE** in **Virachey** and is now beginning the process of applying for a **GEF** grant to assist with the management of the dry forests in **Mondulkiri Province**. **FFI** and **CI** are providing assistance to the **MoE** and **MAFF**, respectively, to protect the **Cardamom Mountains**. **FFI** expects to receive a **GEF** grant soon to support their work. **WCS** is working on the conservation of forests and biodiversity resources in **Mondulkiri** and is designing a project to begin conservation work in the northern plains

provinces. A partnership of ICEM, IUCN, WWF, and Birdlife will soon undertake a review of the PAS in the four countries of the Lower Mekong River Region (i.e., Cambodia, Lao PDR, Thailand and Vietnam).

7.2 Freshwater and Fisheries

A number of donors, multilaterals, and NGOs are active in supporting and carrying out various initiatives within the freshwater fishery sector and/or with related wetlands conservation efforts. These activities widely range from regional initiatives to those focused on the needs of particular communities, PAs or resources. Some of the key freshwater programs are presented here but a full description of all of these projects is beyond the scope of this report.

Among the donors most active in fishery and wetland issues are **UNDP** through the **GEF** mechanism. Various freshwater-related GEF initiatives include large-scale programs such as Integrated Resource Management and Development in the Tonle Sap Region, and the Mekong River Basin Wetland Biodiversity Conservation and Sustainable Use Program, with others presently being proposed.

The **FAO** supports a diverse program centered in Siem Reap on the north side of Tonle Sap in collaboration with the Provincial Office of Fisheries. This project (Participatory Natural Resource Management in the Tonle Sap Region) includes a number of fisheries-related components, including work with local fishing communities, aquaculture projects, environmental education and various other approaches.

The **ADB**, with UNDP-GEF, is financing the Tonle Sap Biodiversity Conservation project, and in association with Japan and Finland, is funding a regional freshwater project—Protection and Management of Critical Wetlands in Lower Mekong Basin. The World Bank also supports some work in the freshwater sector within its Agriculture Productivity Improvement Project - Fisheries Component. Various bilateral donors, including GTZ, DANIDA, the Australian Agency for International Development (AusAID), the Japanese International Cooperative Agency (JICA), and a number of others also support programs with fisheries and freshwater components.

UNDP, **DANIDA** and a number of other donors provide funding to the **MRC** for regional watershed wide economic and conservation-based actions within four countries—Cambodia, Vietnam, Thailand and Laos, but unfortunately not China, which also has a large interest and effect upon the overall Mekong River system. The MRC has a number of projects in collaboration with Cambodia's DoF, including the Project for the Management of the Freshwater Capture Fisheries of Cambodia, Management of the Reservoir Fisheries in the Mekong Basin, Rural Extension for Aquaculture Development, the Inventory and Management of Cambodian Wetlands Project, and some others.

Although the donor support base in freshwater fisheries and wetlands is large and widespread, there are few NGOs in Cambodia that primarily engage in such work. One of the most visible NGOs in this sector is **WI** which currently receives limited donor support (more proposals are

in the works) to conduct wetlands surveys, training courses, and community based conservation work, to develop management plans for PAs and various other conservation projects.

Oxfam Great Britain (Oxfam GB) has done considerable work investigating and reporting on inland aquatic resources and livelihoods in various communities within Cambodia. Various international NGOs with a Cambodian presence such as **WWF** and **Wildlife Conservation Society (WCS)** address freshwater fish, fisheries, and related habitats in their site-specific programs when these components are relevant. A number of other NGOs work at the local level with fishing communities in various sites around Cambodia. For instance, one such organization, the **Community Capacities for Development** is conducting advocacy activities and training communities in techniques of active nonviolence in the Kampong Chhnang area that address inequities in fishing rights and access. The **NGO Forum** in Phnom Penh has a fisheries specialist and a working group on fisheries that helps in information coordination and dissemination in this sector. Although there are already many fishery and wetlands programs underway throughout Cambodia, there is still a need for more activity to enable assurances that the fishery stocks and habitats will be used sustainably for future generations of Cambodians.

7.3 Coastal and Marine

The coastal and marine sector in Cambodia has received relatively little support compared to the freshwater fisheries and wetlands initiatives, although the issues facing these habitats and resources are similarly severe.

One large project, the **ADB**-funded Coastal and Marine Environmental Management in the South China Sea, Phase 2, has recently concluded and the final report is available on CD-ROM for all interested parties. In Cambodia, this project worked with MAFF, MoE, and other government agencies and with NGO partners including **WWF** and **WI**. Principle achievements of this work include the development of a national strategic plan for coastal and marine management and a PA plan for particular areas. The development of these plans involved community and natural resources surveys, the establishment of a coastal and marine database, and a demonstration project in fishing communities of Ream National Park.

The **DANIDA**-supported project, Environmental Management of the Coastal Zone - Cambodia, is being undertaken in collaboration with the MoE. The first and second phases of this program resulted in the production of ten case history studies of various coastal and marine resources and issues, established a Geographic Information System (GIS) facility within MoE, and worked on other capacity-building efforts and continued community level work in and around Ream National Park in conjunction with **WI**. Although the funding has stopped, the pilot communities are said to be continuing on in these community-based coastal management efforts on their own. Five pilot projects were also established, including two in Koh Kong area in association with the **IDRC** that involve communities in such activities as “crab-fattening” and alternative livelihoods such as chicken raising. Another related **IDRC** project in this region is the Participatory Management of Mangrove Resources, underway since 1997.

WI remains engaged in coastal activities even now that their ADB funding has expired. Their existing coastal projects include the identification of possible new coastal Ramsar sites,

training on coral reefs and seagrass surveys and identification, and other initiatives. **CI** programs focusing on the coastal Cardamom and Elephant Mountains might also have relevance to coastal conservation efforts. **WCS** has conducted surveys of marine mammals and may continue to include coastal species within their sights.

A number of regional initiatives also involve Cambodian waters. The Integrated Coastal Management Project - Sihanoukville focuses on training and other ways of developing strengthened institutional arrangements for integrated coastal management in Cambodia as one part of a regional study and is funded by the **International Maritime Organization** and **GEF**. The **ADB** supports regional coastal initiatives in Southeast Asia and China, which may involve Cambodia. The **IUCN** in Cambodia is also presently developing a concept paper on regional coastal activities including Cambodia. Various research projects of universities and other institutes might also involve the flora, fauna, and coastal habitats of Cambodia. Despite all of this potential interest, the coastal problems Cambodia faces are progressing rapidly towards continued degradation. There is still a need for many more conservation activities in this sector in Cambodia before its habitats rivals the degradation seen in its neighboring countries.

7.4 CBNRM

Donors and NGOs have been very active in supporting CBNRM projects in recent years, often in cooperation with DFW, MoE, and local government. A recent survey of CBNRM in Cambodia by **WWF** found that there are currently 16 ongoing projects, some of which operate at multiple sites. All projects share the objectives of securing community access to natural resources and helping communities manage their resources sustainably. Community forestry is the most common project type, although there are projects directed at inland fisheries and coastal resources. Some projects work in and around national parks as a means to involve communities in conservation. It should be noted that even with this large number of projects, the actual number of communities that have been helped is small compared with those that need assistance to manage their resources. Community use provisions of the new laws on Land, Forestry, and Fisheries, plus the Sub-Decrees on Community Fisheries and Community Forestry, will create a firm legal basis and increased demand for CBNRM.

Projects that serve as examples of donor/NGO activity in CBNRM are:

- The **FAO** Participatory Natural Resource Management in Tonle Sap which has implemented CBNRM for both flooded forest and upland forest.
- **Concern Worldwide** has a long running Community Forestry Programme, funded by DANIDA, operating in a total of 23 villages in Pursat and Kampong Chhang Provinces.
- **Community Aid Abroad (CAA)** and the **Cultural and Environmental Preservation Association (CEPA)** conduct community fishery projects in seven villages of Stung Treng Province in the north.
- The **NTFPs** project is a long-running and well-publicized attempt to assist hill tribe communities in Ratanakiri Province to secure their land rights, plan land use, and manage forest resources.

- **IDRC** works with MoE to assist coastal communities living in and near the Peam Krasop Wildlife Sanctuary of Koh Kong Province to manage mangroves and related fisheries.

Practitioners of CBNRM in Cambodia have developed mechanisms to share knowledge and work together on policy advocacy through the **Community Forestry Working Group**. This group meets regularly and provided input into MAFF's **Community Forestry Guidelines**, developed last year with ADB funding. A **Task Force to Revise the Draft Sub-Decree on Community Forestry** is currently spearheading efforts to revise that critical implementing regulation. Training support for community forestry is provided by **CAMCOFTT**, a group of professional trainers that travel around the country training officials and communities. The **Community Forestry Research Project**, funded by **IDRC** and technically supported by **RECOFTC**, strengthens CBNRM capacity among government agencies, NGOs, and communities and has field sites in Kampot, Siem Reap, and Koh Kong Provinces. **Community Forestry International, Inc.** has funding from USAID's **East Asia and Pacific Environmental Initiative (EAPEI)** to support community forestry networking in Southeast Asia including Cambodia.

7.5 Land

Donor and NGO efforts to improve land allocation and management are addressed at improving the legal framework, documenting the extent and causes of landlessness, assisting the RGC with land-related governance, developing procedures for land use planning at provincial and village levels, assisting communities to gain legal recognition of their land rights, and land titling.

The **ADB** has provided technical assistance to the RGC to draft the Land Law and will provide continuing assistance to draft implementing regulations. **Oxfam GB** has done extensive fieldwork to document the extent of landlessness in the country and to determine how it is related to other factors. The **WFP** has also done surveys to determine the relationships between land holdings and poverty. The **GTZ**-funded Land Management Project assists the MLMUPC with land titling, land use planning, and institutional strengthening. The **World Bank** will soon appraise a large land management project that will work on land titling in 11 provinces with technical assistance from **GTZ** and the **Finnish International Development Agency (FINNIDA)**. The **MRC/GTZ** Sustainable Management of Resources in the Lower Mekong Basin Project is assisting the RGC to develop a system of Participatory Land Use Planning (PLUP) that can be used at local levels of government. The **Seila/CARERE II Project**, implemented by **UNDP**, piloted techniques for land use planning in Ratanakiri Province and similar work will continue under a **Swedish International Development Agency (SIDA)** grant.

7.6 NRM Governance, Laws, and Institutions

Institutional strengthening of MLMUPC and support to the development of the Land Law and its Sub-Decrees and regulations, is coming principally from the **World Bank**, **GTZ** and the

Government of Finland. Oxfam GB and the **NGO Forum** have been first among the NGOs participating on the civil society side.

The **MoI** is receiving support for capacity building in the administration of the Law on Commune/Sangkat Administration, principally from the **ADB** and **GTZ**. The Commune Council Support Project with funds from **DFID** and **AusAID**, is working on the civil society side, via a consortium of NGOs.

Development of the Forest law has been prepared with support from both the **ADB** and the **World Bank**, with significant input from the NGO community, in particular the **NGO Forum**. The Wildlife law was developed with support from **DFID** and assistance from **WCS** and **WWF**.

UNDP support to Seila in Ratanakiri province has made important contributions to the development of local governance of natural resources, in partnership with **SIDA**, the **IDRC**, and **Oxfam's** NTFP.

The Environment Law and the sub-decrees were produced with technical assistance from **UNDP** and the **ADB**.

The **ADB** is preparing a support program for **MOWRAM**, building on previous work supported by the **World Bank** and by the **Government of Japan**.

7.7 Environmental Education and Awareness

A number of NGOs are dedicated primarily to developing and implementing environmental education and awareness programs in Cambodia. **Save Cambodia's Wildlife** is active in the production of wildlife-related educational materials in both English and Khmer and distributing these throughout Cambodia. It is also instrumental in providing interpretive materials and programs for school children at the government-run Phnom Tamao Wildlife Rescue Center outside Phnom Penh in conjunction with **Mlup Baitong** (green shade). Mlup Baitong began as an offshoot of Global Witness but is now independent of this parent organization with its own local board of directors. The main focus of this group is community-level education and alternative livelihoods work around Kirirom National Park; ranger, monk and teacher training; developing interpretive materials within the park; and providing educational programs for school children that they bring to the park. They also work at the national level, and are soon beginning to develop and broadcast an environmental radio program, the first in the country. **Wild Aid** helps support some of these educational initiatives and also works directly with the government agencies involved on various wildlife awareness activities. A recent Wild Aid/MAFF initiative is the environmental banners in Khmer and English that were displayed prominently in Phnom Penh during this consultancy period. The **Buddhism for Development** initiative has also been instrumental in developing and translating environmental educational materials into Khmer and training monks to use these in their teaching activities.

Some Cambodian environmental education activities are more locally focused. For instance, **CEPA** has a strong education and advocacy role in Stung Treng targeting community fisheries

representatives. The **FAO** Participatory Natural Resource Management in the Tonle Sap Region project has spawned the development of the **Gecko Environmental Center** and related programs for school children and others in the region. The **Osmose** nature tour program in the same region fulfills a similar role for tourists and other visitors to the Prek Toal Biosphere Reserve. A partnership between FAO, Osmose and the **WCS** also plays a significant education and awareness role through the publication and dissemination of the journal, *Cambodia Bird News*, which details new conservation findings and initiatives.

Environmental education also plays a role in the activities of more widely focused NGOs and donors working in the natural resources sector in Cambodia. Some focus on particular target groups, like rangers and government officials. Others integrate environmental activities within their other community-level programs. As with other conservation approaches in Cambodia, even with this diversity of players, much work still remains to be done.

7.8 Wildlife Harvest and Trade

The problems of illegal wildlife trade in Cambodia have garnered a lot of attention and attracted some NGO efforts to work towards stemming it. In addition to some of the environmental education and awareness efforts listed in the previous section, some NGOs have taken even more direct approaches to stemming this trade.

One organization of note in this regard is **Wild Aid** with its global presence and an organizational mandate to help government entities enforce existing wildlife laws, and protect existing national parks and PAs. In Cambodia these efforts include the establishment of a “Department of Forestry and Wildlife/Wild Aid Wilderness Protection Mobil Unit,” which enforces wildlife laws in the field using two 4-wheel-drives, four motorbikes and a staff of twelve originating from DFW and the military. Other Wild Aid initiatives include ranger training courses, provision of equipment to rangers working in key national parks, and posting letters signed by the Minister of the Agriculture that publicize the use of prohibited species in 100 restaurants in Phnom Penh.

TRAFFIC is a global NGO that works to monitor and decrease the illegal international trade in endangered species. An office has recently opened in Phnom Penh, but most efforts are coordinated from a regional office in Vietnam. Aside from anecdotal accounts, however, very little information and data currently exists on the extent of the illegal wildlife trade stemming from Cambodia.

Another key component helping track and enforce wildlife trade issues in Cambodia is the **FAO Forest Crime Monitoring Unit** and **Global Witness** that work together and in association with MAFF and MoE. Additionally, the **USFWS** has been involved in training rangers in some PAs in Cambodia, and in other initiatives focusing on target species of global concern, such as tigers and elephants. Finally, wildlife trade and monitoring programs are often integrated into other conservation activities of various NGOs working in particular locations within the country.

7.9 Integrated Pest Management

The Cambodian National IPM Program was established by the **MAFF** in 1993, with support from **IDRC**, **FAO**, and the Cambodia-International Rice Research Institute (IRRI)-Australia Project funded by **AusAID**. **USAID** made an important contribution through the pesticide work of the Cambodia Environmental Management Program (CEMP) project. Core support to the program now comes from **DANIDA**, a **World Bank** loan (Agricultural Production Improvement Project [APIP]), the **FAO**, and **World Education**. Other donor and NGO projects utilize the IPM program's trainers to train farmers in their own project areas. **FAO** is presently assisting the national program to set up a foundation to be called The Field Alliance, which will become the focal point for IPM work, especially as it pertains to issues of local governance in NRM.

Appendices

Appendix A. Key References

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Appendix C. Description of Field Visits

Field Visit 1: Tonle Sap and Vicinity (August 15-20, 2001)

The ARD assessment team, minus the institutions specialist, and accompanied by Dr. Mary Melnyck of the Asia Near East (ANE) Bureau, visited the Tonle Sap area during the period 15 to 20 August 2001. The team was hosted by the FAO-implemented project Participatory Natural Resource Management in the Tonle Sap Region and was based in the provincial capital of Siem Reap during the visit.

The purposes of the visit were to:

- gain insight into the status of aquatic resources in the lake and surrounding flooded forests as well as the status of upland forest resources;
- visit communities and observe CBNRM activities in flooded and upland forests;
- observe livelihood activities related to aquaculture;
- discuss issues related to fishery and forestry CBNRM with government officials and FAO project staff;
- meet with local government officials at the province, district, commune, and village levels;
- visit the Gecko Environment Center to understand its role in environmental education;
- visit the Prek Toal Wildlife Sanctuary to gain insight into management issues and ecotourism potential.

Highlights and learning points of the trip were:

- a visit to the community-managed flooded forests of Kampong Phluk Village and discussions with the village forest management committee about both forest and fisheries management;
- boat trips on the great lake that helped the team understand the size and importance of this resource;
- discussions with senior officials in the provincial fisheries office regarding challenges to implementing community fisheries in Tonle Sap; and
- a discussion with the Governor of Siem Reap Province who explained the challenges of NRM from his perspective and the need for technical assistance to implement decentralized NRM governance at the province and commune levels.

Field Visit 2: Kirirom and Ream National Parks (August 30-31, 2001)

Field visit overview: Three team members, Sri Sugiarti, Srey Chantey, and Pat Foster-Turley joined the staff of Mlup Baitong at Kirirom National Park for a look at the new environmental education center, and some of the CBNRM efforts in surrounding villages. Some of the CBNRM activities observed included chicken-raising and crafts production as new sources of income for women and a primary school nature club where children were rehearsing their nature play for presentation to the community. Plans were also underway to initiate ecotourism

activities in various villages near the national park. Two team members continued from Kirirom National Park to the coast to talk with regional fisheries officials in Sihanoukville and to tour the mangrove areas of Ream National Park. Major findings are summarized here.

Key Findings:

- Both Kirirom and Ream National Parks showed heavy signs of disturbance, including very visible logging efforts at Kirirom Park and eroded logged-out hillsides at Ream National Park. Although both national parks had very little environmental educational material, efforts of Mlup Baitong are underway to enhance this feature in Kirirom National Park. In Ream National Park, a knowledgeable ranger on the boat enhanced the educational experience. Both parks seem to be a good step in the right direction, but more work is needed before they can fully achieve their mission.
- Within Ream National Park there is a widely touted successful community-based fishery supported in the past in part by DANIDA, the United Nations Environment Program (UNEP) and WI but now self-sustaining. The fishing communities have banded together to enforce fishing regulations in their areas and to collaborate on other conservation efforts. Despite this work, however, there is a large commercial “crab-fattening” operation within the park near these communities that has converted many hectares of mangrove to this purpose, and that uses fine-mesh nets to capture tons of fish fry to feed the crabs. Dealing effectively with large commercial ventures such as this is beyond the scope of the communities.

Meetings with fishery officials Buoy Roitana and Sin Sotharath at the regional fisheries office in Sihanoukville were enlightening, but depressing as well. Although the problems facing fishery resources such as illegal fishing, destruction of habitat, and pollution are well known to these people, there is nothing in their power to prevent it. With no functioning boat, and little authority, it is impossible for them to patrol the 119 km of coastline in their domain, or to contend with the large-scale industrial fishing that is decimating the fish populations. The situation for effective conservation of fishery resources under the present conditions seems hopeless.

Appendix D. Scope of Work

Cambodia Environmental Review: Status and Trends in Environmental Management and Options for Future Action¹

I. Introduction

The Indochina region of mainland Southeast Asia contains globally significant tropical forests, biodiversity, and water systems that provide a valuable range of environmental goods and services. Three principal biomes make up the region: (1) Cambodia and the neighboring areas of Laos and Vietnam possess the largest remaining contiguous area of tropical and mixed forest cover in east Asia, which provides habitat for a large and varied diversity of plant and animal species; (2) Cambodia and Vietnam possess extensive coastal and marine habitats, including the mangroves and wetlands of the Mekong and Red River deltas; and (3) the lower Mekong River Basin, including Cambodia's great lake, the Tonle Sap, constitutes one of the most productive freshwater fisheries in the world. Cambodia's Cardamom Mountains contain unique and endangered species thought to be near-extinction or extinct in other parts of SE Asia.

Decades of civil conflict and turmoil, combined with economic stagnation and isolation of the region's governments, have retarded development and resulted in extensive disturbance of environmental systems in many parts of the region. More recently, the gradual opening of the region to foreign investment has accelerated the exploitation of natural resources through unregulated timber and fuel wood harvesting, mining, unregulated hydropower development, conversion of uplands and wetlands for agricultural and fisheries production, and the use of destructive harvesting methods in inland and offshore fisheries. As a result, the international environmental community has raised concerns over the pace, and the extent to which, the region's natural resource base has come under the threat of degradation. At the same time, the international donor community has come to recognize that sustainable economic and social development of Cambodia and the rest of the Indochina region is, in significant part, dependent on the sound and disciplined management of the natural resource base. Conservation and sound management of the region's natural patrimony is a matter of urgency.

II. Background

Cambodia currently possesses a wealth of natural resources, but these resources are increasingly at risk, unless more appropriate policies, strengthened institutions, and improved management practices are put into place.

¹ Sections 118 (Tropical Forests) & 119 (Endangered Species) of the Foreign Assistance Act specifies: "COUNTRY ANALYSIS REQUIREMENTS – Each country development strategy statement or other country strategic plan prepared by the Agency shall include an ANALYSIS OF [1] the actions necessary in that country to achieve conservation and sustainable management of tropical forests and conserve biological diversity, and [2] the extent to which the actions proposed for support by the Agency meet the needs thus identified."

Cambodia hosts a rich biodiversity including a variety of rare and endangered species. Of particular concern are the Kouprey, endemic wild cattle believed to survive solely in remaining undisturbed Cambodian forest. More than 850 species of fish have been recorded from the lower Mekong River and Tonle Sap Lake. Cambodia’s extensive wetlands and lands provide habitat for migratory birds, including a large flock of rare Sarus Cranes. The forests of Cambodia contain the region’s last significant populations of tigers, elephants, and other rare endemic species.

The biodiversity of Cambodia is rich but very poorly inventoried. The Annamite Mountains along the eastern border are considered a globally important biodiversity area. The Annamites have high levels of species richness and endemism in both flora and fauna and are home to several only recently discovered species of large mammals. This extraordinary circumstance, in and of itself, makes this region an area of critical global biodiversity importance.

Category	Total known species	Endemic species	Threatened & endangered
Plants	7,571	1,175	No data
Birds	307	0	18
Reptiles	82	1	9
Amphibians	28	0	0
Freshwater Fishes	300	No data	5
Mammals	123	0	23

Although Cambodian law forbids the hunting and export of most wildlife (fishes excluded), Cambodia is intimately involved in Indochina’s thriving regional trade in wildlife and wildlife products. The trade in wildlife products is a well-organized, large-scale artisanal and commercial industry that involves numerous rare and endangered species of plants and animals and operates more-or-less freely within and among most countries within Indochina. Populations of elephant and tiger appear to be smaller than previously thought and may be severely threatened by the burgeoning trade in wildlife products. Steps are needed to protect Cambodia’s natural heritage, which has important economic and development potential in terms of medicinal usage, tourism, and other forms of sustainable use.

Protected Areas and Forest Reserves

Prior to 1957, approximately one-third of Cambodia had been inventoried and classified into 173 forest reserves (3.9 million ha) and six wildlife protection areas (92.2 million ha), including an 11,000 hectare forest area within a National Park established at Angkor Wat. Cambodia reaffirmed its interest and commitment to the development of protected areas under the Paris Peace Accords that established the current government of the Kingdom of Cambodia. Although about 20 percent of Cambodia’s land area is still nominally under some form of legal conservation protection, there is currently no protected areas legislation and extremely limited management capacity.

Wildlife reserves established during the French colonial period are still recognized by the current government, but they are not properly demarcated, protected or actively managed. There are currently 172 production forest reserves covering 3,875,000 ha, six forest reserves for wildlife

protection, and a single national park of 10,717ha. In addition, there are 1,080 designated historical sites encircling ancient monuments whose management status is not yet clearly defined.

Forest cover declined from 75% in 1969 to 58% in 2000. There was a decline of almost 10% in forest cover from 1990 – 2000. State forestlands include 80% of all Cambodia's remaining forests. The southern and central parts of the country have been largely deforested for agriculture, and now face major shortages of wood products, particularly fuel wood. Illegal logging has had major impacts in recent years in the coastal province of Koh Kong and the areas along Cambodia's international borders. Illegal logging and cross-border log smuggling to Thailand, Laos, and Vietnam are significant problems for Cambodia. Forests currently cover an area of approximately 93,350 km². Current rates of commercial logging, most of it illegal, are unsustainable. Logging was so severe in 1997-1998 that World Bank estimates indicated a total exhaustion of commercial timber could occur within three to five years.

Illegal Logging

Although the Royal Government of Cambodia is attempting to exert greater control over the forestry sector, recent reports indicate resurgence in illegal logging during late 2000. The RGC is being deprived of valuable revenues from logging, either through fraud or chronically poor record keeping by timber concessionaires. Global Witness estimated revenue losses from illegal logging from just one compartment of one concession (coupe 2 of the Everbright Kratie concession) at over US\$250,000. The World Bank estimated total revenue losses from illegal logging in 1997 at over US\$60M, equivalent to two percent of Cambodia's GDP. The bulk of the illegal logging is attributed to unregulated timber harvest and export by legal concessionaires, with the collusion of powerful elements within the Cambodian military, Forestry Department, Ministry of Agriculture, other government agencies, and court officials. Cambodia's forests are central to the livelihood of its people and represent Cambodia's main natural resource.

From 1993-1997, 4 million cubic meters of timber were extracted from the seven million hectares of land allocated to logging concessions. If timber concessionaires return to 1998 levels of cutting, Cambodia's forests could be approaching commercial extinction within two to four years. Government officials have failed to report the large-scale illegal activities documented by outside investigators. Timber concessionaires appear to be returning to large-scale illegal logging after a comparative lull in the 1999/2000 dry season that coincided with the ADB concession review. Despite all efforts by many parties to reform the forestry sector, the concessionaires operate today as they have always done and continue to enjoy complete impunity. It is possible that many concessionaires, fearing concession cancellation or harvesting restrictions ahead of the implementation of the new management plans in 2001, are attempting to harvest as much timber as possible under existing regulations.

Combating this problem will require action at the local, national, and regional level. Despite the establishment of the Forestry Crime Monitoring Program (FCMP) and its case tracking system, there is no comprehensive forestry monitoring system in place. With its current lack of resources and capacity, the Royal Government of Cambodia is powerless to control illegal logging in Cambodia at this time. This is one example of where the DHR and the CER would benefit from working together to devise a common interim strategy.

Actions Needed For Conservation

Greater cooperation from Cambodia's neighbors will be needed to effectively curb illegal logging. There is currently no multilateral cooperation on illegal logging and there are continued large-scale exports of illegal logs to Thailand, Laos, and Vietnam. Donor leverage and assistance stimulated RGC reform of the timber sector between 1997-1999. Multilateral donors are working with RGC Forestry and Agriculture ministries through a UNDP-administered Forestry Crime Monitoring Project. Management and monitoring capabilities are perhaps improving, but the RGC still lacks the capacity to effectively regulate—much less manage—its tropical forestry sector assets and biodiversity resources at the present time.

For the past decade, local communities have been competing with transnational timber corporations for access to forest lands and natural resources. Many local communities have lost access to, or have been dispossessed, from forestlands they have used or inhabited for generations. Community-based forest management may provide a more ecologically and economically sustainable alternative to current industrial timber harvesting regimes.

The Tonle Sap, Cambodia's great lake, plays an important role in the hydrology of the Mekong River. In addition, together with the flooded forest surrounding it, the Tonle Sap represents the heart of Cambodia's fisheries resources, accounting for 60% of commercial inland fish production. Fish and other aquatic life are extremely important in Cambodia, providing around 90% of the protein for the Cambodian people.

Once one of the richest inland fishing lakes in the world, the Tonle Sap is now under serious ecological threat. Sediment caused by deforestation of the upper reaches of the Tonle Sap watershed and by unregulated development of the Mekong system threatens its integrity, adversely affecting its capacity to act as a buffer during the wet season and as the main source of fish for the country. The cutting down of the flooded forests of the Tonle Sap has led to the destruction of critical habitat that serves as a nursery for aquatic life inhabiting the lake itself, as well as the Mekong River and the offshore fishing areas of Cambodia and Vietnam.

Cambodia's future depends, in important part, on how well it can sustainably manage its natural resource base. Although currently well endowed with natural resources, efforts to effectively manage these resources may be thwarted by inappropriate policies and institutional weaknesses. Cambodia's needs are great, while the financial and human resources available to address these concerns are limited.

To ensure that USAID's resources are strategically targeted, the Cambodia environmental review will assess the current status and trends in environmental protection and management in Cambodia, and present options to USAID for engaging in environmental conservation and management. In the past, the USAID Mission has been reluctant to invest in the protection of these environmental resources because of the misconception that Congressional restrictions restrict USAID programs to support for humanitarian, democracy and governance activities. However, recent experience in other countries has shown that some of the best grassroots democracy and governance activities undertaken by USAID have been through advocacy by environmental NGOs.

III. Critical Assumptions

Relationship with the Royal Government of Cambodia (RGC)

Since the resumption of humanitarian assistance to Cambodian non-Communist groups in the country's northwest in 1986 up to the present day, all USAID programs have been and continue to be funded to and implemented by private, non-governmental organizations (NGOs) through grants and contracts. This was true prior to current legislative and policy restrictions which has constrained the scope of USAID's program and prohibits direct assistance to the central government, and if restrictions were lifted, funds would still be directed to private organizations and not directly to the government.

We are at a point where re-engagement in key areas with reform minded professionals in the government will promote U.S. national interests to bring about a more democratic and just Cambodia. The Mission believes we will miss a unique opportunity to transfer skills and methods that our NGO programs have fielded and fine-tuned. If restrictions are not eased to enable them to work directly with the civil servants in central ministries, these ministries can not benefit from the lessons we have learned and investments we have made as they embark upon nationwide programs funded by other donors. USAID's current efforts to promote human rights, end the prevailing climate of impunity, establish a rule of law and strengthen the judiciary are greatly diminished if the Mission can not engage with judges and legislators.

Given the extent of rural poverty and the overwhelming importance of forest products in the lives of rural communities, the forestry sector is a critically important part of the development equation in Cambodia. USAID's extensive experience in Community-Based Natural Resources Management could be used to improve capacity for community-based management of biodiversity and tropical resources in Cambodia. USAID Cambodia could make a significant contribution to improved protection of biodiversity and tropical forest resources in Cambodia by incorporating an IR for Community-Based Management of Natural Resources under its Democracy and Governance SO.

If USAID/Cambodia were once again authorized to work with the RGC, we envision providing support to a number of activities in democracy, human rights, governance and environment and natural resources management. However, since it is likely that work with the RGC will resume at some point in the future, an interim strategy should be developed, not to exceed three years. The [interim](#) strategy should also identify any triggers that might expedite or hasten a transition from one scenario to another. The strategy should also specify how these triggers would be monitored.

Department of Forestry and Wildlife

The Department of Forestry and Wildlife includes divisions of conservation, silviculture, reforestation and plantations, forest management, timber technology and forest research. However, the number of professional staff in all fields, including forestry, was severely depleted during the 1975-1979 Pol Pot regime. The Directorate of Forests and Hunting

(Direction des Forêts et Chasse) was not operationally effective during the initial post-war reorganization due to lack of management, training, and support staff.

The principal activities of the Directorate of Forests and Hunting are

- the management and control of forests;
- operation of industrial saw mills for export,
- smaller sawmills at the craft level for local consumption,
- transport of wood and wood products; and
- reforestation in the security zones of non-forested provinces with the establishment of experimental nurseries for forest plants.

Rampant corruption and the lack of trained professional staff have severely handicapped the forestry and conservation functions of the DFW. In recent years, however, accelerated training of new staff, promotion of forest officers, and forest-hunting staff have brought the number of personnel to 235. In addition to professional staff, local labor is used for maintaining tree nurseries and plantations.

IV. Objective

The purpose of this task order will be to review the principal environmental and natural resources conditions and trends in Cambodia and to assess the prospects for more environmentally sound development. This review will:

- (1) provide USAID/Cambodia and the ANE Bureau with an updated analysis of the status and trends in natural resource availability, management, and use/abuse in Cambodia and the Mekong sub-region²,
- (2) identifying the socio-economic, policy, and institutional factors affecting these trends;
- (3) review current and planned donor-supported environmental activities in Cambodia and related activities in Laos, Vietnam, and Thailand;
- (4) identify and assess the capacity of partner organizations that can support the implementation of potential USAID-funded environment activities in Cambodia; and
- (5) document and make recommendations (issues and opportunities) on future environmental improvements and investments based on this analysis.

V. Team Composition and Experience

The Contractor shall propose a team with the skills and experience to effectively achieve the objective of this task order. All team members should possess superior written and verbal communication skills. Fluency in Khmer is desirable, but not required. The assessment team selected by the contractor shall possess at a minimum the following characteristics:

² The six countries of the Greater Mekong Subregion are Cambodia, Laos, Myanmar, Thailand, Vietnam, and the Yunnan Province of China. For this study, the consultants will focus on Cambodia and its neighboring countries of Laos, Thailand, and Vietnam.

- (1) A professional background in developmental work, especially in environmental programming, with a focus on support of NGOs in transitional, post-communist settings.
- (2) Previous experience in working on environmental sector/strategy assessments/designs for USAID is desirable.
- (3) Strong and recent experience and background knowledge of the region.

The Contractor will guarantee that substitutions of team members will not be made for individuals selected without the approval of the USAID/Cambodia.

The Contractor will also ensure that the approved team members will be available for the full period of the assessment.

VI. Methodology

- (1) Contractor shall review background documents, including:
 - Environment: Concepts and Issues: A Focus on Cambodia, UNDP/ETAP Reference Guide Book, January 1999
 - An in-depth study of the structures of governance, key issues and case studies of reforms, conducted by the Cambodia Resource Development Institute, published in October 2000.
 - Environmental Profile: Cambodia, prepared by DAI for USAID February 1, 1995. (Contract No. 410-0004-C-00-3483, Regional Support Mission for East Asia; Bangkok, Thailand).
 - Cambodia: An Environmental and Agricultural Overview and Sustainable Development Strategy, Michael D. Benge, USAID, November 20, 1991).
 - USAID/CAMBODIA Result Review and Resource Request (R4) April 2001.
 - USAID/CAMBODIA Concept Paper, Building the Foundation for Participatory Democracy and Sustainable Development in Cambodia.
 - Relevant sections of the ADS Series 200 Programming Policy that illustrate current USAID policy for the presentation and write up of the document (i.e. ADS 201.3.4.10 Results Framework).
 - Recent and ongoing donor projects (enclosed at the end of the SOW).
- (2) The Contractor shall conduct interviews with appropriate USAID staff of the ANE and Global Bureaus in Washington. The team will also communicate before departure with USAID/Cambodia for advice on whom to interview in the field, and for help in scheduling appointments.
- (1) The Contractor will request country clearances for the team from USAID/Cambodia.

VII. Statement of Work

The environmental review team shall carry out the following tasks:

Task 1: Prepare an overview and assessment of environmental and natural resource conditions and trends for Cambodia and its neighboring countries in the Mekong region. Identify environmental planning and management priorities for Cambodia, with appropriate attention to regional actions necessary to accomplish environmental objectives in Cambodia.

The overview of environmental conditions and trends will focus on the status of the natural resource base in Cambodia, particularly forests, biodiversity, agriculture (particularly the use and abuse of pesticides) and water resources, and review current management and governance systems affecting natural resource management. Other trends, such as urbanization, industrialization, changes in patterns of energy use are to be considered primarily as they affect management of Cambodia's natural resources or otherwise threaten to impact on Cambodia's social and economic development.

To develop this overview, the consultants will draw on secondary data sources such as national environmental action plans, relevant national analyses and strategies, and donor investment strategies to the extent possible. The contractors will also interview national and international specialists familiar with environmental policy and practice in Cambodia and its neighboring countries.

Task 2: Prepare a synopsis of current donor-supported environmental activities in Cambodia, and for the region as a whole, focusing attention on areas identified as priorities in Task 1.

The contractor shall develop a synopsis of current donor-supported environmental activities in Cambodia to identify programming gaps in current donor activities, and to identify options for appropriate USAID-funded interventions. The synopsis will be included in the final report as an annex.

Note: The Asia Forest Network has established Community Forestry Working Groups in the region, with active groups in Cambodia and Vietnam, and a dormant one in Laos. The Asia Forest Network (through its companion NGO, Community Forestry International) will receive funding from the Department of State/USAID's East Asia and Pacific Environmental Initiative.

Also it is worth noting that Conservation International has offered the government \$500,000 a year to halt logging contracts and create a wildlife sanctuary in the 6,000 sq. mile Cardamom Mountains. Since Cambodia is predominantly a Buddhist country, the activity initiated before the '97 coup on the translation and putting into a Cambodian context of the publication, "A Cry from the Forest: Buddhist Perception of Nature," should be revisited to determine its relevancy to present conditions in Cambodia. The training of Monks in community forestry should also be revisited as well.

Task 3: Identify and assess the capacity of partner organizations that can support the implementation of USAID-funded environment and natural resources management activities in Cambodia as well as elsewhere in the Mekong region.

The contractors will interview appropriate public and private sector representatives responsible for the management of environmental and natural resources in Cambodia, including forest management, watershed and river basin management, tourism, wildlife protection, parks, protected areas management and environmental health specialists.

The team will assess the capacity of these organizations, both public and private, to support potential USAID-funded environmental activities with their own technical and human resources adequate to achieve the objectives of these activities. Specifically, the viability of the following types of organizations will be addressed:

- Organizations or groups successfully promoting national identity and environmental awareness.
- Organized and progressive elements/groups that are pressing for environmental reform.
- Organizations or groups capacity to monitor government implementation of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).
- Organizations or groups able to assure government compliance with the rule of law, i.e., watchdogs, ombudsman organizations, media.
- Organizations or groups able to contribute to local and national decision-making.
- Important advocacy groups in the area of human/environmental including women's, youth, agriculture, environment and natural resources management and health groups.
- Civil Society organizations that advocate for increased transparency, accountability and participation related to environmental and natural resources issues.
- Business associations or other civil society organizations that not only focus on the Environment but Human Rights and Economic Growth issues as well.

Task 4: Prepare a report that incorporates the findings of tasks 1-3 above and an interim environmental strategic plan that provides programming options and recommendations through FY 2005.

The consultants shall prepare a report that summarizes the status and trends on Cambodia's environment and natural resources, identifies constraints to appropriate action. Examples should include inappropriate policies and subsidies, economic forces, institutional weaknesses, and lack of public participation in environmental decision-making.

The consultants shall provide programming options for USAID/Cambodia and its neighboring countries in Indochina that are consistent with the Missions' and the ANE Bureau's overall economic and social development objectives in the Mekong sub-region. The report will highlight programming opportunities that are complementary with other donor initiatives to develop the potential for leveraging technical and financial resources so as to maximize the Agency's investments at the country and regional level.

The consultants shall coordinate closely with the Democracy and Human Rights (DHR) Interim Strategy Design Team that will arrive in Cambodia just prior to the departure of the CERT. The consultants shall provide program/project recommendations into the overall interim strategic plan.

Additional Mandatory Technical Requirements to be included in the report.

Conflict Prevention Analysis

The team should prepare as part of the environmental assessment: (1) an appropriate vulnerability analysis that addresses the potential for conflict; (2) summarize the findings of such analyses in the strategy document; and (3) specifically indicate when and how these findings affect the proposed strategy. For example, the team should examine conflict over access to resource land use, as well as how this impacts the poor versus the rich. This requirement applies only to situations where clear potential for conflict exists. It is not intended for resolving, mitigating, or planning the recovery from current or past conflicts. There is no standard scope or methodology for the type of analysis that is most appropriate.

Gender Analysis

The environmental assessment must reflect attention to gender concerns. Unlike other technical analysis, gender is not a separate topic to be analyzed and reported on in isolation. Instead, USAID's gender mainstreaming approach requires that appropriate gender analysis be applied to the range of technical issues that are considered in the development of a given Strategic Plan. Analytical work performed in the planning and development of Results Frameworks should address at least two questions: 1) how will gender relations affect the achievement of sustainable results; and 2) how will proposed results affect the relative status of women? Addressing these questions involves taking into account not only the different roles of men and women, but also the relationship and balance between them and the institutional structures that support them.

VIII. Deliverables

To ensure that USAID's resources are strategically targeted, the Contractor will assess the current status and trends in environmental protection and management in Cambodia, and present options to USAID for engaging in environmental conservation and management.

The Contractor shall provide to the Cognizant Technical Officer (CTO) the following deliverables:

- (1) An assessment of the Cambodia Environmental Sector
- (2) An interim environmental strategic plan for assisting in the development of this sector.
- (3) Incorporate the interim environmental strategic plan into USAID/Cambodia's overall new three-year Interim Strategic Plan. The team shall to produce a "partial results package" detailing formal strategic objectives and intermediate results, as well as provide an overall assessment and program recommendations. This "partial results package" will incorporated into the Mission's overall three-year country interim strategy document.

Considering the importance of Cambodia’s environmental resources to its economy, results of the environmental analysis should be considered in designing civil society elements of the strategy. As a result, the team shall collaborate closely with the DHR Interim Strategy Design Team in recommending and designing civil society elements for the interim strategy. To the extent practicable, the team should examine and review those organizations that advocate increased transparency, accountability and participation related to environmental issues.

The final environmental sector assessment report shall include the following:

- (1) An executive summary, not to exceed three single-spaced pages, shall list in order of priority, the major findings, and conclusions, lessons learned and recommendations.
- (2) Body of the assessment report and interim strategic plan (preferably not to exceed 50 pages including all charts, graphics and tables).
- (3) A Biodiversity/Tropical Forest Annex which complies with the requirements of Sections 118 & 119 of the FAA.
- (4) Generally, the assessment report should be organized into “Findings, Conclusions, Lessons Learned and Recommendations.” The strategic plan should follow the ADS 200 for guidance when writing the final draft of the report.
- (5) The suggested programs should include clear statements of the overall objectives along with realistic expectations of what may reasonably be achieved.

Annexes

Additional material should be submitted as Annexes, as appropriate (e.g. Scope of Work, bibliography of documents reviewed, list of agencies and persons interviewed, list of sites visited, synopsis of current donor-supported environmental activities in Cambodia, etc.)

Draft Report

A copy of the draft report will be left with USAID/Cambodia at the out briefing prior to departure from Cambodia, in electronic as well as hard copy. The designated CTO for this activity in USAID/Cambodia shall provide its comments within ten (10) calendar days after receipt of the draft report.

Final Report

Once the team receives all written comments from USAID/Cambodia on the draft report, Contractor will have 15 days to finalize and submit the final report, incorporating responses to any and all comments. The final report shall be submitted to USAID/Cambodia (an electronic copy as well as 10 hardbound copies of the final assessment and strategic plan).

Electronic copies of the drafts and final assessments and plans will be presented on a diskette in the format "MSWord 6.0 for Windows." The report is the property of USAID, not the consultants or contractors, and any use of material in the report shall require the prior written approval of USAID.

IX. Technical Direction

Technical directions during the performance of this task order will be provided by: Dr. Kevin A. Rushing, DVM, Chief Office of General Development, USAID/Cambodia.

X. Terms of Performance

Work on this task order shall commence o/a July 2001 and be completed by no later than 65 calendar days after the effective date of the task order (including submission of the final report).

XI. Access to Classified Information

The contractor shall not have access to classified information.

XII. Logistical Support

The contractor shall be responsible for all logistic support needed to successfully complete the contract.

XIII. Workweek

The contractor is authorized up to a five-day workweek in the U.S. and a six-day workweek in the field with no premium pay.

Submitted to the United States Agency for International Development

Cambodia

**Interim Environmental
Strategic Plan**

Annex 1
to the
**Environmental Review: Status and Trends in Environmental
Management and Options for Future Action**

USAID Contract No. LAG-I-00-99-00013-00, Task Order No. 805

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Table of Contents

Acronyms	ii
1. The Current USAID/Cambodia Program	1
2. USAID ENR Policies and Programs	2
3. Proposed ENR IR Under SO 1	3
4. Programming Approaches, Costs, and Design Issues	9
4.1 Approaches and Costs	9
4.2 Design Issues	10
5. Potential Partners	11
5.1 PVOs	11
5.2 The Private Sector	13
5.3 Donors	14
5.4 Government	14
6. Strategic Approach to the Royal Government	15
7. Relationship of the IESP to the Recommendations in the Tropical Forest and Biodiversity Annex	18
7.1 Overall Recommendations for Further Biodiversity and Tropical Forest Conservation Actions	18
7.2 Analysis of Relationship between the Proposed IR and the 118/119 Assessment	20
7.3 Conclusions	21
8. Natural Resource Conflict Prevention Analysis	22
9. Gender Analysis	24

Acronyms

ADB	Asian Development Bank
ANE	Asia Near East (USAID)
AusAID	Australian Agency for International Development
CAA	Community Aid Abroad
CBNRM	Community-Based Natural Resources Management
CCSP	Commune Council Support Project
CDC	Council for the Development of Cambodia
CEDAC	Centre D’etude et de Developpement Agricole Cambodgien
CEMP	Cambodia Environmental Management Program (USAID)
CEPA	Cultural and Environmental Preservation Association
CFI	Community Forestry International
CI	Conservation International
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
DANIDA	Danish International Development Assistance
DFID	Department for International Development (UK)
DFW	Department of Forestry and Wildlife/MAFF
DG	Democracy and Governance
DoLA	Department of Local Administration/MoI
EAPEI	East Asia and Pacific Environmental Initiative (USAID/ANE)
ENR	Environment and Natural Resources
ENRM	Environment and Natural Resources Management
FAA	Foreign Assistance Act
FAO	Food and Agriculture Organization of the UN
FFI	Flora and Fauna International
FY	Fiscal Year
GAP	Governance Action Plan
GEF	Global Environmental Facility
G/ENV	Global Environmental Bureau (USAID)
GIS	Geographic Information System
GTZ	Gesellschaft für Technische Zusammenarbeit (German Technical Assistance)
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
HR/DG	Human Rights/Democracy and Governance
IDRC	International Development Research Center (Canada)
IESP	Interim Environmental Strategic Plan
IPM	Integrated Pest Management
IQC	Indefinite Quantity Contract
IR	Intermediate Result
MAFF	Ministry of Agriculture, Forestry, and Fisheries
MLMUPC	Ministry of Land Management, Urban Planning, and Construction
MoE	Ministry of Environment
NCSC	National Council for Support to Communes/Sangkats

NEAP	National Environmental Action Plan
NGO	Nongovernmental Organization
NRE	Natural Resources and the Environment
NRM	Natural Resources Management
NTFP	Non-Timber Forest Product
PVO	Private and Voluntary Organization
RFP	Request for Proposals
RGC	Royal Government of Cambodia
SADP	Southeast Asia Development Program
SCSR	Supreme Council for State Reform
SIDA	Swedish International Development Agency
SO	Strategic Objective
STF	Seila Task Force
TA	Technical Assistance
TAF	The Asia Foundation
TFCA	Tropical Forestry Conservation Act
UK	United Kingdom
UNDP	United Nations Development Program
UNOPS	United Nations Office for Project Services
US	United States
US-AEP	United States-Asia Environmental Partnership
USAID	United States Agency for International Development
USFWS	United States Fish and Wildlife Service
USG	United States Government
WCS	Wildlife Conservation Society
WI	Wetlands International
WPO	Wildlife Protection Office/DFW/MAFF
WWF	Worldwide Fund for Nature/World Wildlife Fund

1. The Current USAID/Cambodia Program

USAID/Cambodia's program for FY 2001 is focused on democracy and human rights, reproductive and child health, HIV/AIDS prevention, assistance for war and mine victims, and microfinance. The present position of the US government towards assistance to Cambodia prohibits direct technical assistance to the Royal Government of Cambodia (RGC) but allows assistance to nongovernmental organizations (NGOs) and local government. If the US government changes its position and allows engagement with the central government, this will allow more scope for governance strengthening. The proposed Interim Environmental Strategic Plan (IESP) for USAID/Cambodia is designed to be integrated into the new Strategic Objective (SO) 1 that will result from the results of this assessment and a democracy and governance (DG) assessment to follow. The present SO 1, "strengthened democratic processes and respect for human rights," presents a clear vehicle to incorporate natural resources governance programming at the Intermediate Result (IR) level. The Mission's support for commune council elections to be held in February 2002 provides an excellent foundation for such assistance. At present, much of the conflict and human rights abuses in Cambodia reflect disputes over access to and control over land and natural resources. New laws and decentralization initiatives provide a legal and institutional basis for putting more control over land and resources into the hands of communities and local government.

USAID/Cambodia was formerly an important donor in environment and natural resources (ENR) through the Cambodia Environmental Management Program (CEMP) that was begun in 1996 and terminated in July 1997 as a result of the political conflict at that time. CEMP supported activities in environmental policy, applied environmental management, strategic planning, biodiversity conservation, environmental constituency building, and information management implemented through four US-based private and voluntary organizations (PVOs) and the International Development Research Institute (IDRC) of Canada.

2. USAID ENR Policies and Programs

For maximum synergy, the IESP for USAID/Cambodia should dovetail with the environmental policies and programs of the Asia Near East (ANE) Bureau, the Center for the Environment, the Center for Democracy and Governance and other Washington-based divisions of USAID. The IESP proposed here closely aligns with the ANE Bureau's environmental strategies of policy reform, capacity building, and increasing public involvement in governance and decision making. Moreover, the IESP clearly supports the USAID Center for the Environment's first SO: "increased and improved protection and sustainable use of natural resources, principally forests, biodiversity, and freshwater and coastal ecosystems." As the Center for Democracy and Governance continues to investigate correlations between democracy and the environment, further synergies are also likely at this strategic junction. The Administrator has recently instructed the Agency to articulate new environmental initiatives and the ANE Bureau will explore several programming areas including improved forest governance.

On a programmatic level, a number of activities that might be supported through this IESP will also enhance and benefit from various USAID regional initiatives. For instance, the East Asia and Pacific Environmental Initiative (EAPEI) of the ANE Bureau provides a mechanism for support of community protection of wildlife, community-based natural resources management (CBNRM), and related policy level work in select locations in the region including two activities in Cambodia. When the results from the EAPEI request for proposals (RFP) for 2002 are determined there may be other Cambodian programs as well. Another ANE Bureau program, the US-Asia Environmental Partnership (US-AEP), focuses primarily on "brown" issues, but some funding for collaborative "green" activities might be possible under the new US-AEP Environment and Civil Society Partnership program. G/ENV has Leader with Associates cooperative agreements with six partner conservation NGOs. This program is currently funding some Worldwide Fund for Nature (WWF) activities in the Lower Mekong including Cambodia. The USAID Secretariat for Implementation of Tropical Forestry Conservation Act (TFCA) facilitates payment of US government debt towards forest conservation activities that might be employed in Cambodia in the future. Cambodia has \$216 million in PL-480 debt to the United States but it is presently classified as "politically unlikely" of being eligible for debt-for-nature swaps. If this situation changes, TFCA may open up further conservation funding in Cambodia. Other programmatic linkages are also possible through the international work of other US government agencies such as the US Fish and Wildlife Service's (USFWS's) programs for tiger, rhino, and elephant conservation.

3. Proposed ENR IR Under SO 1

The following text is proposed for integration into the introductory statement of SO 1 as it is revised based on this assessment and the forthcoming DG assessment:

Governance of Natural Resources in Cambodia

Cambodia's rich endowment in forest, fish, and wildlife resources are on a downward trajectory of degradation and depletion that is adversely affecting the livelihoods of the rural poor and could gravely diminish the ability of natural habitats to support rare plants, animals, and aquatic organisms, many of which have already been lost in other countries of the region. Most rural Cambodians are below or at the poverty line and are exceptionally dependent on forests and inland waters for protein, nutritional supplements to household rice production, and cash income. Improved rural security in recent years has attracted international private sector interest to Cambodia's still relatively abundant timber and fish resources. A weak legal and institutional framework for managing natural resources combined with a chaotic and corrupt political environment resulted in illegal and unsustainable logging on a massive scale. Communities were displaced from traditionally owned lands and denied access to forest resources by powerful business and military interests. Businessmen were also given exclusive rights over rich inland fisheries upon which locally communities were dependent. Wildlife is unsustainably and illegally exploited to supply domestic markets, neighboring countries, and northeast Asia.

The Royal Government of Cambodia (RGC) has acknowledged that the ad hoc allocation of concessions and the unmanaged exploitation of forest, fish, and wildlife resources is a serious political, social, and economic problem for the country and has begun to see its solution in terms of improved natural resources management (NRM) governance, with more control over natural resources vested in communities and local government. The RGC has embarked on an ambitious program to improve governance and strengthen democracy at all levels. The Supreme Council for State Reform (SCSR), headed by the Prime Minister and supported by six reform councils, guides the DG reform process. The government is strongly encouraged and supported to implement DG reform by citizens, civil society, and donors. The RGC issued a Governance Action Plan (GAP) in January 2001 that describes specific governance improvement actions within a strategic framework in the following seven key areas: 1) legal and judicial reform, 2) civil service reform and decentralization, 3) public finance reform, 4) anti-corruption, 5) gender equity, 6) armed services reform, and 7) natural resources management.

The GAP states that fair resolution of NRM conflicts in the areas of lands, forests, and fisheries is essential to social peace and environmental stability, which are fundamental to poverty alleviation and economic development. The resolution of land use conflicts is seen by the government as critical to basic human rights and the development of a positive investment climate. The RGC recognizes that access to land as well as forest and fishery resources by the rural poor is necessary to ensure sustainable livelihoods and to alleviate poverty. In order to achieve more equitable and transparent NRM, the RGC has made a commitment to improved governance by strengthening the legal framework for land and NRM supported by

complementary measures to deconcentrate government functions and decentralize political authority.

The election of commune councils, scheduled for February 2002 and supported by the Mission under this SO, is a significant practical and symbolic step towards decentralizing authority to the level immediately above the community. The Commune Administration Law empowers elected commune councils to manage and use natural resources in a sustainable manner, although the councils do not have management authority over lands and resources within the national forest estate. The RGC has stated its commitment to building institutional capacity at the province, district, and commune levels of government while also creating a coherent and clear legal framework for local governance. The RGC recognizes that local government is best positioned to resolve the increasing number of land disputes and to counter the trend of growing landlessness among the rural poor.

Rural people need secure tenure to agricultural land and access to forest and fishery resources. The government recognizes that the livelihoods of rural communities are jeopardized by timber and fishery concessions and has taken initial steps to redress this problem through community use provisions in drafts of the Fishery Law and the Forestry Law. Large areas of inland waters formerly under concession have been turned over to community control and timber concessionaires must now allow community access to forest resources. The RGC recognizes that the degradation of forest and fisheries resources through unsustainable management will have a direct negative effect on rural livelihoods and that loss of associated royalties will further limit the government's ability to fund poverty alleviation programs.

The RGC created the Seila Program as a framework for deconcentration and decentralization reforms. Reforms under the current phase of Seila are focused at the province/district and commune/village levels to build capacity and strengthen administrative, finance and planning procedures. Development committees are being created at all levels from the province to the village to provide an institution for coordination, planning, and participation in development. Crosscutting themes of the program are gender, NRM, and poverty alleviation. Seila has done pioneering work in integrating NRM into all levels of development planning in Ratanakiri Province and plans to develop a strategy for replicating this approach throughout the country. Donor support for natural resources training and capacity building is needed at the province, commune, and community levels in order to apply this approach and tailor it to local natural resources and biodiversity values.

Proposed IR: Strengthened local governance of natural resources to secure community control over resources critical to rural livelihoods

Rationale and Approach

Support for community and local government control over land and critical natural resources strengthens governance at the grassroots level, improves the sustainability of NRM, promotes livelihood security and poverty alleviation, reduces natural resource-related conflict and human rights abuses, and has the potential to improve biodiversity conservation. USAID experience in other Asian countries indicates that community-based natural resources management (CBNRM) and strengthened local government NRM capacity often provide an important first

step toward democracy and gives local government the skills and confidence needed to promote civil society participation and transparency in other areas of public life. Experience indicates that good natural resources governance leads to general improvements in governance.

Cambodia is currently revising its entire legal framework for land and NRM to provide more use rights for rural people and more control by local government. At the same time, the RGC is increasing the scope of its Seila decentralization program to cover most provinces while focusing on local-level NRM procedures and capacity as a key element of the program. The next several years will be a critical period for USAID support of strengthened and decentralized natural resources governance.

On the human level, Cambodian farmers typically cannot grow enough rice to feed their families throughout the year and rely on access to natural resources in the forms of fish and non-timber forest products (NTFPs) during shortfall periods. Secure natural resource access is an important step toward household food security and poverty alleviation. In recent years, Cambodians have been displaced and deprived of the natural resource-derived portion of their livelihoods through allocation of timber, fishing, and land concessions. These appropriations, often illegal or quasi-legal, have led to violence and murder, which is probably a more significant source of conflict in Cambodia than political rivalry. Appropriation of traditionally owned land and resources deepens the poverty of rural families and may lead to starvation, especially when other factors are also contributing to increased landlessness. Violence resulting from natural resource conflicts and deprivation of access to natural resources critical for survival constitute important human rights abuses in Cambodia.

The Mission will build on the experience, goodwill, and relationships gained through its support of the commune council elections to nurture the development of NRM governance capacity at the commune as well as district and provincial levels of government. The mission's support of NGO efforts to expose politically motivated human rights abuses can form the basis of efforts to identify and curb human rights abuses resulting from NRM conflicts. Corruption is the root cause of many land and resource conflicts as well as the illegal harvest of wildlife and timber. Support of improved NRM governance provides the Mission with a point of entry to identify and counter corrupt practices in both of these areas.

Communities in many Asian countries have proven to be good stewards of forest and fishery resources when they have secure tenure over the resources along with appropriate institutions, legal support, and incentives for management. Under these conditions, resource management is often more sustainable than it would have been under government agencies or the private sector. Sustainable management not only ensures community incomes and livelihoods, but can also protect critical natural habitat and conserve the animals that depend on it. Communities often need awareness training, technical support, and additional incentives to pursue biodiversity conservation as part of their system of land and resource management.

The Mission will achieve this IR through entry points at the community level, at the commune and other local government levels, by influencing the development of national NRM policy and implementing regulations, and by influencing the behavior of the private sector towards communities. The bulk of resources will be invested at the community and local government

levels through several possible mechanisms. This multi-level approach will allow the Mission to promote information flow and discussion among the levels of government as well as take advantage of synergies with other IRs within SO 1. The four points of entry for this IR are described below along with a brief rationale and illustrative activities.

1. Community-Level Entry Point: Improved community control over management and conservation of forest and fishery resources.

There are a number of examples of successful CBNRM activities supported by NGOs and donors in various parts of Cambodia involving forest, fishery and coastal resources. These activities cover a limited number of communities and there is a critical need to introduce CBNRM to other resource-dependent communities incorporating lessons that USAID has learned through successful activities in Nepal, the Philippines, and Indonesia. The approach developed by USAID/Cambodia at the community level can then be introduced more broadly into the government decentralization program.

Illustrative Activities

- Assist communities to develop institutions to manage resources under their control.
- Assist communities to identify, value, map, and plan the management of their resources.
- Strengthen the capacity of communities to advocate for their resource use rights to government and the private sector.

2. Local Government Entry Point: Strengthened ability of commune councils and other levels of local government to implement new land and natural resource management laws and to reduce natural resource-related conflict and human rights abuses.

Upon election, commune councils will have a general mandate to implement NRM laws but no capacity or procedures to do so. In order for decentralized NRM governance to work at the commune level, significant capacity building will be required. Initially, commune councils will have meager financial resources and little experience relevant to NRM. During their first five years of existence, the commune councils are expected to play an important role in channeling local concerns over NRM issues to higher levels of government and in assisting communities with land and NRM planning. The ability of commune councils to access required technical and administrative knowledge will largely determine their ability to perform their intended roles and their effectiveness will significantly influence the pace and direction of decentralization and particularly local-level control over land and resources. Their ability to manage natural resources fairly and transparently will be one of the foremost governance issues at the commune level. Provincial and district levels are also limited in their ability to manage land and natural resources by weak or absent procedures and capacity for land use planning and limited means to identify and value land and resources used by local people.

Illustrative Activities

- Provide commune councils with legal and technical training that will allow them to play their intended role in NRM.

- Educate communities and resource users about their rights under new land and NRM laws and how to effectively advocate for recognition of their rights.
- Facilitate cooperation and joint activities between human rights/democracy and governance (HR/DG) and conservation/environmental NGOs and other civil society organizations.
- Assistance to establish land and natural resource conflict prevention and resolution mechanisms to be implemented at the commune and province levels.
- Support NGOs to investigate and publicize natural resource-related human rights abuses.
- Develop and foster mechanisms for inter-level and interagency cooperation with respect to NRM and land use planning at provincial and lower levels.
- Support conservation NGOs, in cooperation with the USFWS, to strengthen the ability of provincial-level government agencies to control the illegal harvest and trade of wildlife and timber.

3. Legal Framework Entry Point: Support civil society to participate in the process of national-level consultations to refine and monitor the implementation of the legal framework for land and natural resource management as they relate to CBNRM and NRM governance at provincial and lower levels.

The Mission is currently prevented from direct engagement with national-level agencies responsible for NRM and biodiversity conservation but lessons learned from implementation of CBNRM activities and local-level NRM governance can enter into national-level policy dialogue via NGO, international organization, and donor partners. USAID can also seek to influence policy through public awareness campaigns and support of civil society organizations to participate in NRM-related political dialogue. Drafting of regulations to implement the Forestry, Fishery, and Land Laws will present important opportunities to affect policy over the next year or two.

Illustrative Activities

- Disseminate to donors and NGOs lessons learned from natural resources DG activities at the community and local government levels and support NGOs to advocate the incorporation of these lessons into government policy.
- Support NGOs to participate in the process of consultation and review of implementing regulations for soon-to-be approved Land, Forestry, and Fishery Laws.
- Support NGOs to identify illegal activities and corruption related to NRM and bring their findings to the attention of the government and the public.
- Provide public awareness and environmental education to help citizens participate in the political dialogue about NRM and biodiversity conservation.
- Encourage NGOs to develop mechanisms for ENR conflict prevention and resolution.
- Support NGOs to monitor the enforcement of ENR laws.

4. Private Sector Entry Point: Facilitate improved natural resources management by the private sector through recognition of community rights and innovative partnerships with communities and communes.

Domestic and international firms involved in natural resources extraction in Cambodia have long been considered a major part of the problem of poor NRM as well as the driving force behind corruption and many human rights abuses. Current efforts by the RGC to cancel poorly performing forest concessions and the vast reduction in the number of fisheries concessions provide an opportunity to assist those private sector firms who are interested in playing by the new rules of natural resource governance as articulated in the new Land, Forestry, and Fisheries Laws. Decentralization of NRM authority to the community and commune levels may also provide an opportunity to nurture the development of small businesses to support land and natural resources planning and impact assessment.

Illustrative Activities

- Devise and demonstrate incentives and approaches for the private sector to partner with communities and communes to manage and market natural resources.
- Support NGOs to establish forest certification in Cambodia as a private sector-driven means to improve forest management, and in the context of this IR to use certification as a leverage point to gain recognition of community resource use rights by concessionaires.
- Create the opportunity for the growth of small, knowledge-based businesses by giving communities funds and guidance to hire local firms to assist them with natural resources and land use planning as well as environmental and social impact assessment, if warranted. This would create 1) an incentive for the private sector to offer services usually provided by government or NGOs, 2) a new business niche in rural areas, and 3) employment for university graduates in natural resources and agriculture.

4. Programming Approaches, Costs, and Design Issues

4.1 Approaches and Costs

The programming options and illustrative activities presented in Section 3 can be used to selectively build a natural resource governance IR for USAID/Cambodia at various funding levels. The program design will take advantage of synergies with other SO 1 programming that will emerge from the upcoming DG Assessment. The natural resources governance needs identified in the IESP are significant and worthy of USAID assistance. Most of these needs are amenable to effective and useful interventions at various levels of funding. The presence of a large and diverse group of international and domestic NGOs operating in both ENR and DG provide a wide variety of partnership and programming options in addition to direct technical assistance. The following general approaches to implementation of the IESP correspond with the indicated levels of annual funding commitment over the coming three fiscal years:

Basic Programming (\$1 to 1.5 million): This approach would generally rely on implementation of activities by NGO partners with a relatively narrow programming and spatial focus. Indefinite Quantity Contracts (IQCs) could be employed to assist with detailed program design as well as provide carefully targeted technical assistance. Buy-ins to existing global and ANE programs would be an option at this programming level.

Intermediate Programming (\$2 to 3 million): This approach would provide enough funds to allow the implementation of a relatively broad programming package directed at a suite of related issues in one or two target provinces with supporting national-level NGO advocacy. A mix of mutually supporting technical assistance (TA) and NGO programs could be designed, with IQCs or other contracting mechanisms providing longer term or more comprehensive TA.

Comprehensive Programming (\$4 to 5 million): This approach would broaden the intermediate programming approach to comprehensively address a suite of related issues, bring in more partners, and possibly work in additional provinces. This approach could be built around a long-term technical assistance contract or a number of shorter contracts. A year or more would be required to establish a program that could absorb this level of funding.

USAID funding of an ENR IR at either the intermediate or comprehensive programming level would allow the Mission to make a significant contribution towards solving one or more of the pressing natural resources governance challenges identified in the IESP and thereby also have a positive effect on poverty alleviation, the growth of civil society, and biodiversity conservation. Cambodia's success at overcoming major challenges in managing its land and natural resources will have an enormous effect on the lives of rural people and economic development at all levels.

4.2 Design Issues

Adaptive Planning: NRM is evolving rapidly in Cambodia as the legal framework is strengthened, government NRM authority is decentralized, and donors launch new projects and programs to assist the RGC and local government during this period of rapid change. Planning and programming must keep pace with new developments in this rapidly changing environment. Despite the growth in ENR donor assistance, many needs remain unfilled in terms of 1) local and community-level natural resource governance and planning, 2) innovative conflict resolution mechanisms, 3) assistance to provinces and districts not being reached by other donors, and 4) engagement of the private sector. Specific NRM governance assistance needs, especially with respect to commune councils, will become clearer as implementing regulations of the Commune Administration Law are promulgated and donor/NGO studies of commune council support needs are finished. A general guideline on commune land use planning is currently being formulated. Seila is currently developing a strategy, due to be finalized in November, that will provide a road map for mainstreaming NRM at provincial and lower levels of government. This strategy will identify specific assistance needs.

Donor Coordination: When funding levels for the proposed ENR IR are known and areas of interest have been chosen from among the illustrative activities in the IESP, the Mission should coordinate programming carefully with other donors to avoid duplication of effort and to ensure the most effective use of USAID funds. All of the bilateral and multilateral donors interviewed during the ENR assessment welcomed USAID's participation in natural resources governance and felt that additional donor assistance is clearly needed given the magnitude of the task. The DANIDA Natural Resources and Environment Programme Manager specifically recommended that donor coordination occur through the Council for the Development of Cambodia (CDC) as informal coordination is unlikely to be successful. A number of donors pointed out that all donors working with local governments should use the RGC's Seila decentralization program as a framework for assistance. Funds can be channeled directly to the provincial level under Seila or parallel to Seila funding channels and managed through separate bank accounts. Implementation under Seila is flexible, the most obvious options being partnership with the United Nations Office for Project Services (UNOPS), partnership with another donor, through NGOs, or by contracting the services of a consulting firm.

5. Potential Partners

Potential partners for USAID programming within the four entry points of the new IR include local and international NGOs, local government, central agencies, other donor programs, and the private sector.

5.1 PVOs

PVOs concerned with NRM issues in Cambodia fall into three categories: 1) local grassroots NGOs working on local issues, often with support from an international partner or “parent” organization; 2) Cambodian national NGOs with a broader thematic focus, again often with external mentoring and support; and 3) international NGOs, which have considerable technical and management capability and are building capacity among their local colleagues. Few local or national NGOs are fully capable of independent programming, with almost all relying on an expatriate organization for leadership and financial support. USAID programming should focus on the leading PVO players, strengthening their ability to build capacity among Cambodian NGOs.

The Asia Foundation (TAF): Programming in Cambodia is focused on human rights and governance issues. Recognizing that human rights violations are at present less frequently political and more frequently to do with control over natural resource access, the Foundation has begun to examine which NGOs are best positioned to work in the NRM area, what are their strengths, and how to develop supporting partnership relations with them. Their program will attempt to reduce community-level conflict and rights violations over natural resources through supporting community organizations, will seek to educate citizens on their rights relating to natural resources, and support their participation in the development of government legislative and policy. The Foundation intends to organize a Conference on Democracy and Natural Resources Management, which would begin with sessions at the provincial level, culminating in a national conference in Phnom Penh. TAF can be expected to play an effective leadership and coordination role in NRM governance.

NGO Forum on Cambodia: NGO Forum is a membership organization made up of over 60 Cambodian and international NGOs. The forestry subprogram has been effective in its interventions at the national level of debate on forest management, and is now broadening its focus to strengthen local communities in protecting their rights of access to forest resources. NGO Forum is currently circulating a project proposal to *Promote Good Governance and Democracy Building in the Forestry Sector*. The objectives of this project are to build a nationwide grassroots network to empower communities to protect their rights to natural resources access and to contribute to improved governance by strengthening civil society input into government decision making.

Wildlife Conservation Society (WCS): WCS is a US-based international NGO with a history of conservation activity in Cambodia going back to the 1950s (then as the New York Zoological Society). Activities include the dialogue between the Department of Forestry and Wildlife (DFW), the timber industry, and the NGO community; working directly with one of the forest concessionaires (SL International – Samling) to conserve wildlife in the concession;

and developing a proposal for establishing a conservation area through landscape management in the northern plains region, an area of considerable importance for biodiversity conservation (Prey Vihear and neighboring provinces).

CONCERN Worldwide: CONCERN focuses on community forestry, conflict resolution between local communities and forest and agricultural concessionaires, and at the policy level on providing inputs to the drafting of the Community Forestry Sub-Decree. Training of trainers for community forestry and participatory land use planning is through CONCERN's support to the Cambodia Community Forestry Training Center.

Worldwide Fund for Nature (WWF): WWF is an international NGO based in Switzerland. The Cambodia program is strongly supported by the US WWF affiliate. The program focuses on ecoregion-based conservation planning, protected areas management, biological and ecological assessments, CBNRM, the wildlife trade, and sustainable forest management. WWF is undertaking a geographic information system (GIS)-based study of poverty impacts of forest concessions on neighboring communities. WWF's ongoing project, Dry Forest Landscape Conservation Initiative - Resource Rights and Planning, which is strongly oriented toward improved NRM governance and CBNRM, has been supported by USAID funds via TAF.

Community Forestry International (CFI): CFI is a US-based organization collaborating regionally with the Asia Community Forest Network to support the development of policies and procedures to enable communities to participate effectively in forest management. A proposal to this end has been submitted to EAPEI this year.

Wetlands International (WI): WI, an international NGO, has been doing CBNRM in coastal and other areas in Cambodia, in particular in the communities dependant on the mangrove ecosystem at Ream Park on the Gulf of Thailand coast. Funding to WI for this work has been on a project basis, from several donors especially the Asian Development Bank (ADB) and DANIDA.

Conservation International (CI): This US-based NGO has recently begun a program to support DFW to conserve a large tract of forest between two protected areas in the Cardamom Mountains. Their current efforts are directed primarily towards protection and enforcement, but they plan to develop community-based activities. These two organizations are collaborating in and around the Cardamom Mountain area on a number of wildlife protection and protected areas initiatives. Although their focus is not now at the community level, it may become more so in the future.

Flora and Fauna International (FFI): FFI is a UK-based NGO that has been instrumental in calling international attention to the biodiversity value of the Cardamom Mountains and will soon begin to implement an Global Environmental Facility (GEF)-funded project there that will include involvement of local government in conservation planning.

Oxfam: Oxfam Great Britain (Oxfam GB) has conducted a series of studies on landlessness and has explored the relationships between natural resources and livelihoods. Oxfam GB and

Oxfam US are both building CBNRM into their projects and working to empower communities to manage their natural resources.

CARE: CARE was one of the principal partners in the former CEMP Program (see Section 6), but its portfolio does not currently contain any activities that are explicitly oriented toward NRM. CARE mission management expressed an interest in re-engaging in CBNRM.

Community Aid Abroad (CAA), and Cultural and Environmental Preservation Association (CEPA): This partnership of an international and a Cambodian NGO has been working successfully with fishing communities on CBNRM in Steung Treng province, as well as on policy development at the national level.

Mlup Baitong (Green Shade) and Southeast Asia Development Program (SADP): These two NGOs have been working primarily in the Kirirom National Park, with support for community education and organization in the buffer zone, ranger training, alternative livelihood development, and an environment program for national radio broadcast.

Save Cambodia's Wildlife (Sandkrohs Satprey): Save Cambodia's Wildlife works with the Wildlife Protection Office of the DFW, and with the Ministry of Education, Youth, and Sport in carrying out educational programs on wildlife conservation, mostly in Prey Vihear Province in the northwest. Some funding for staff training has been provided by TAF.

Centre D'étude et de Developpement Agricole Cambodgien (CEDAC): CEDAC works mainly in the provinces of Kandal, Kampong Chhnang and Prey Veng on CBNRM, sustainable agriculture, training farmers, field research, integrated pest management (IPM), organic agriculture, and training of rural youth.

Commune Council Support Project (CCSP): CCSP is a joint project of several NGOs working to build capacity of commune councils with support from GTZ and AusAID as described in Section 8. Could be a vehicle to support NRM at the commune level.

5.2 The Private Sector

Large private enterprises are perceived as among the leading villains in the NRM sector, especially in forestry. This is largely a fair assessment. However, the present attempt by the RGC to implement a new and sustainable management regime in the forest sector offers an opportunity to build bridges with those private sector players who are willing to behave more responsibly once the rogues' concessions have been cancelled. Improvement has already begun in some cases. Forest certification, currently supported by WWF, offers economic incentives for improved forest management on the part of concessionaires.

Land use planning and environmental impact assessment at the local level present an opportunity for encouraging the growth of Cambodian professional services firms in the area of NRM. Effective demand on the part of provincial and commune administrations for technical services in these aspects of NRM will trigger a supply response in the development of Cambodian consulting firms perhaps with international partners (e.g., Ta Prohm Environment

Ltd.) and private sector-oriented NGOs (e.g., Enterprise Development Cambodia). Some of these services are being delivered by NGOs, but the need is much greater. There is also potential for concessionaires to work directly with local communities as described in the illustrative private sector activities in Section 3.

5.3 Donors

Donor programming in NRM in Cambodia is growing and coordination is needed. Informal coordination is provided by the Donor Working Group on Natural Resources Management, co-chaired by ADB and the Food and Agriculture Organization (FAO). However, this body tends to be issue focused rather than concerned with broader programming. In the longer term, the appropriate body for donor coordination in NRM and other domains is the CDC, and new programming in NRM should be done in consultation with that body. It is worth noting that one of the problems of institutional development in Cambodia is the history of project-centered assistance from donors, at the expense of more institutionally integrated support. The USAID CEMP project was a welcome if only partial exception, and program coordination via the CDC would contribute to strategic integration.

At present the major donors in NRM and related governance work are the World Bank, ADB, DANIDA, United Nations Development Program (UNDP), UK Department for International Development (DFID), Swedish International Development Agency (SIDA), and FAO, in approximately descending order of size of contribution.

5.4 Government

Identification of potential partners in the central level of the Royal Government, and a strategy for engaging with them, is provided in Section 6. That strategy is partly premised on the emerging structural and functional relations between central agencies and local government institutions, which are themselves evolving rapidly. At local level, the soon-to-be-established commune councils offer an attractive opportunity to support a democratically elected grassroots-level institution that has an important, if currently ill-defined, mandate for NRM. Support of provincial governments is an important option as more power is being deconcentrated to this level and provincial governors have the full spectrum of sectoral technical agencies at their command. Provinces also have the power and capability to address large-scale land use issues like forest conversion to agriculture. The results of current decentralization initiatives should make local government partnership options clearer by early 2002.

6. Strategic Approach to the Royal Government

The Ministry of Agriculture, Forestry, and Fisheries (MAFF) and the Ministry of Environment (MoE) are the obvious government recipients of donor support in the NRM sector. The DFW within MAFF has considerable donor support with respect to forest management and limited support with respect to wildlife management. DFW is an important potential partner because it manages the national forest estate, but the department suffers from internal conflicts resulting from its dual roles in conservation and timber production. The Department of Fisheries is the key player in fisheries management and will be the leading force behind the shift toward more community involvement in fisheries management under the leadership of its proactive Director General.

The MoE has had little donor support since the closure in 1997 of the USAID-led, multidonor project, CEMP. The design of that project was very sound, including donor coordination in partnership with senior ministerial officials, and a broad scope of capacity building in the various departments. Protected areas management, IPM and pesticide use regulation, and the preparation of the National Environmental Action Plan (NEAP), all figured prominently in the scope of work. A resumption of support to MoE in a comprehensive institutional capacity-building mode like the CEMP project presents an attractive (but by no means simple) programming opportunity given the institutional weaknesses of MoE. A recently initiated World Bank project is providing some support for protected areas management and the DANIDA Natural Resources and Environment (NRE) Program will provide capacity-building assistance. The NEAP is now overdue for evaluation and a second iteration.

The Ministry of Land Management, Urban Planning, and Construction (MLMUPC) is relatively new but is quickly moving to play an active role in land use planning and titling with assistance from several donors. Given the relatively technical nature of its work, MLMUPC would have to be considered a secondary partner for USAID programming in the area of improved natural resources governance.

More generally, a strategy for engagement with the RGC in the domain of NRM would have two major aspects, which share the property of responding to the Royal Government's expressed commitments to democratic reforms, especially of decentralization and deconcentration, transparency, and public participation, by

- contributing to the development of capacity at local government levels and in those units of the national government which relate directly to and support them; and
- focusing particularly on those aspects of institutional development where democratic processes of public stakeholder consultation have been mandated and begun, but where resources are lacking to carry out such processes on a broad scale.

Some examples:

- i) National Council for Support to Communes/Sangkats (NCSC). The initial mission report of the GTZ/ADB Decentralization Roadmap Study (18 August 2001) suggests three components of support for the commune councils: 1) strengthen the operating capacity of the Department of Local Administration (DoLA) in the Ministry of Interior and of the NCSC which it serves, 2) train local councils to learn how to play their roles and discharge their responsibilities, and 3) implement the intended review of commune boundaries (to make boundaries more rational and reduce the number of communes).

Support to DoLA itself is likely to come from GTZ and other donors, with whom the proposed program could partner to provide support to the commune councils. The GTZ/ADB mission report states the council support needs:

“Commune/Sangkat councils’ role in service provision will be very limited in the first mandate [after the commune elections of 03 February 2002]. They will take over civil registration functions from commune chiefs, and most rural councils will be involved in rural development planning through Seila. However the Commune/Sangkat representative role – linkages between the council and villages, channelling local concerns over natural resources management issues, lobbying districts and provinces about quality and transparency of service delivery etc. is appropriate for all councils, and, whatever the outcome of the boundary review, will be a core role of the future. Strengthening commune/sangkat capacity to better perform this representative function might be a second objective of the first mandate. However with over 1800 commune/sangkat, district and provincial administrations, any NCSC actions in relation to systems development, promulgation of materials and training will be expensive, and current budgets are minimal.”

Preparation of a sub-decree under the Commune Administration Law is now underway, and the Royal Government has mandated the DoLA to engage a public and participatory process in its development, to be completed before the elections. Elaborating regulations under the sub-decree will be an on-going process, and NRM issues will be a key component.

- ii) Review of commune boundaries. Present commune/sangkat boundaries require redefinition, as there are too many and some are too small to be viable democratic governance units (larger communes would have greater capacity and revenue, enabling them to take on more decentralized functions). Optimal size and actual boundaries will be complex issues concerning local revenue, NRM and land use planning, and the structure of government *vis-à-vis* services/authority of line ministries. It will be important that technical assistance be made available as soon as possible after the elections, so that changes can be determined well in advance of the beginning of the second commune/sangkat mandate, in about 2007. Clearly this represents a strategic programming opportunity in a technical and political process involving central and local participants.

Engagement over a five-year period would be required with the NCSC and the DoLA in the Ministry of Interior, either directly, through civil society partners, or in a donor consortium.

- iii) Seila. While not all observers are equally satisfied that the Seila program represents the best or only approach to implementing rural development programs through local governance structures, it is clear that the Royal Government's commitment to it is very firm. The GTZ/ADB report points out that the functional relationship between the Seila Task Force (STF) and the NCSC is a complementary one, Seila being concerned with implementation and NCSC being concerned with the legal and procedural framework. Support to equitable management of natural resources through the Seila structure offers several advantages to a donor concerned with democratic change on the one hand, and with carefully circumscribed engagement with the central government on the other.

Funds supplied via Seila are managed in a very transparent and accountable manner, financial procedures at local level being a key component of the capacity-building work of the program. Accounting at the national level with the STF provides means for earmarking funds to particular places and functions, or for contribution to core Seila requirements. Seila funds are playing and will increasingly play a critical role in enabling local government units to undertake key rural infrastructure projects in response to local demand as articulated in the development committees in the villages and in the commune councils. Water supplies, and tertiary roads supplying access to services, markets, and patches of natural resources, will be fundamental assets for viable communities, and the community-based management of such infrastructure is a key function of local government. In themselves, they are tangible outputs to which a donor can point as evidence of impact. More importantly, contributions to building local capacity for their sustainable management will help build the rural economy, on which Cambodian democracy must depend. Seila is now in an expansion phase after some years of experimental development, and resources are urgently needed for its full deployment to all provinces.

- iv) CDC. Finally, given the multifaceted and multi-institutional aspect of NRM, it can be argued that the institutional high ground for donor support in the sector is in fact at the CDC, which has a mandate for the coordination of all donor support to the RGC. While the CDC may have been a weak and possibly dysfunctional institution prior to 1997, it has since then emerged as a serious component of the public and private investment planning process. The government recently appointed the rather dynamic Minister of Commerce as the Vice Chair of the CDC, recognizing the important linkages between investment and international trade. Taking into account that the government's "Pro-Poor Trade Development Strategy" includes the diversification and commercialization of agriculture as a key component, and that such a policy has obvious NRM implications, it would appear that CDC itself will have an important high-level role in NRM. The CDC's position as coordinator has prompted DANIDA to use the CDC as a counterpart for its very large intervention in the NRM sector.

7. Relationship of the IESP to the Recommendations in the Tropical Forest and Biodiversity Annex

7.1 Overall Recommendations for Further Biodiversity and Tropical Forest Conservation Actions

The Tropical Forest and Biodiversity assessment prepared to fulfill FAA Regulations 118 and 119 was researched and written in parallel to this parent ENR report. The full assessment is attached as Annex 2 to the main report, and its principal recommendations are summarized here. This chapter serves to show how well the overall recommendations presented in this IESP relate to the recommendations contained in the 118/119 assessment. The recommendations included in the biodiversity annex are:

- 1. Local government agencies at the provincial level need to be strengthened in their efforts to understand and enforce existing natural resources laws and regulations.**

The present situation in Cambodia is one of a near total lack of enforcement of laws relating to fisheries, wildlife and forests. Even in cases where the will exists, relevant agencies and authorities at the provincial level do not have the equipment or expertise to effectively enforce these laws. Providing appropriate tools and training to provincial fishery and forestry departments could have a strong and noticeable impact towards safeguarding key natural resources in these areas.

- 2. New policies and laws need to be developed that provide a better framework for conservation and sustainable use of forests and biodiversity.**

In many cases the existing natural resources policies and laws are not biologically sound, do not ensure community access to land and natural resources, and do not appropriately handle the necessary role of communities in managing resources at the local level. While important new laws are being finalized, support is still needed to strengthen civil society to advocate development and implementation of appropriate implementing regulations.

- 3. Communities need to be strengthened in their understanding and capacity to sustainably manage the natural resources within their domain.**

In some cases, communities already have access to land and natural resources but could benefit from an increased understanding and better tools to use these in a more sustainable manner. Under a new Community Fisheries Sub-Decree, communities are being given access to resources that have formerly been in private hands. In both cases capacity-building efforts are needed at the community level to ensure their understanding of relevant policies and to help them sustainably use and manage these resources.

- 4. Appropriate management plans need to be developed and implemented for important protected areas and key resources.**

Protected areas in Cambodia have largely been set up without a clear understanding of the biodiversity and natural resources contained therein. The entire protected area system in Cambodia needs a full review to ensure that it contains areas that contain a representative sample of the nation's biodiversity. Each protected area needs a well thought out management plan and the capacity to enforce it. Strong consideration must also be given to the sustainable use of key natural resources by communities that have traditionally depended on them.

5. CITES efforts need to be strengthened and the trafficking of wildlife species needs to be curtailed.

Although Cambodia is a party to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), it has so far not been strong in implementing actions to reduce the trade of wildlife and natural products across its borders. The role of NGOs in monitoring CITES compliance needs to be strengthened along with the relevant government entities charged with enforcement. The provisions of a new Wildlife Law, currently in draft, will give the DFW greater legal authority to control the wildlife trade.

6. The management rights of private sector timber concessionaires and commercial fishing block holders must be appropriately defined and enforced to reduce conflicts with local communities and to avoid unsustainable extraction of Cambodia's natural resources.

Within Cambodia, many large blocks of natural resources are allocated to timber and fishery concessionaires. Regulations regarding management of these resources and giving appropriate access to communities must be strengthened; sustainable management plans must be developed; and the concessionaires' compliance with these plans must be enforced. The RGC is revising the legal framework and has begun to take steps to meet these requirements.

7. Capacity-building efforts are needed to strengthen the knowledge base of natural resources managers in government agencies and NGOs and to strengthen Cambodian institutes of higher education to produce graduates with such knowledge.

Cambodia lacks educated and trained individuals in positions of responsibility and authority within its government agencies at all levels, and within the NGO and university communities. More students need to receive training in areas of NRM and conservation so that they can fill some of these gaps. In addition, the national university system requires institutional strengthening to enable it to fulfill its role in educating the future generation of natural resource managers in Cambodia.

8. More information, environmental education and awareness programs about forests and biodiversity are needed in Cambodia at all levels.

Among the Cambodian public, there is limited awareness of the nation's biodiversity riches and conservation needs. More education and awareness programs need to be developed and implemented for targeted audiences ranging from school children, to community groups, to the

general public. These efforts need to include all media, such as radio, videos, billboards and in-person discussions in order to have maximum effectiveness in this largely illiterate country.

9. A database of information on species and their occurrence in Cambodia needs to be established and the relevant data collected from the field to enable effective management of biodiversity resources.

At present there is a scarcity of information about the presence, distribution and life history information for most species within Cambodia. As part of institutional strengthening programs, a database of species information needs to be set up and data needs to be collected from the field before Cambodia's biodiversity can be effectively managed and conserved.

10. Geographical focus: Local and provincial level biodiversity and forest conservation activities are especially scarce but critically needed in the dry dipterocarp forests and associated wetlands and river stretches of the northern plains and adjacent highlands.

The northern plains of Cambodia and adjacent highland areas stand out for the convergence of rivers with diverse fish species with some of the largest remaining tracts of dry dipterocarp forests in mainland Southeast Asia. Within these forests are small wetlands that support sizeable populations of large and elsewhere rare waterbirds and large mammals such as wild cattle, elephants, and tigers. This area has not yet attracted much donor attention and needs to be recognized and supported soon before key resources are lost. Community-level work in these areas would have the greatest impact on conservation of globally important biodiversity and important forest habitats. If funding for community- and provincial-level work is limited, it is suggested that it be focused here first.

7.2 Analysis of Relationship between the Proposed IR and the 118/119 Assessment

The points of entry and illustrative activities suggested in this IESP are closely related to a number of the overall tropical forest and biodiversity conservation recommendations presented in this report. Some of the most salient overlaps are considered here.

The proposed community entry point 1 clearly corresponds to biodiversity recommendations 3 and 8 that involve empowering local people to manage their own resources and providing them with knowledge about them. Community control over their resources is also a factor that can be addressed through policy changes described in recommendations 2, 4, and 6.

Entry point 2, local governments, just as clearly responds to biodiversity recommendations 1 and 7 and to some degree with recommendations 2, 4, 6, and 8 as well. In all of these recommendations, it is important that the local government entities be strengthened, empowered, and educated to perform their natural resource-related responsibilities effectively.

Similarly, entry point 3, concerning legal frameworks, closely dovetails with biodiversity recommendations 2, 4, 5, 6, 7, and 8 which all involve civil society to one degree or another in efforts to learn more about and monitor the enforcement of existing laws and to work on the development of new and more effective ones.

The private sector entry point 4 also closely corresponds to biodiversity recommendation 6 with overlaps in other recommendations as well. Although presently in Cambodia the private sector presents some of the greatest impediments to biodiversity conservation, this could turn around, and more appropriate involvement of the private sector could be an asset.

If the local- and provincial-level work outlined in all the entry points focuses on the northern plains and associated wetlands and river stretches then biodiversity recommendation 10 will be addressed as well.

The only biodiversity recommendation not covered in some way in the proposed IESP is Number 9, which requires a scientific perspective most likely beyond the purview of USAID programming. Although implementing recommendation 9 will have long-term positive effects, right now the threats to forests and biodiversity in Cambodia are immediate and severe. Addressing items 1 through 8, with a focus on geographical recommendation 10, will go a long way towards facilitating the more immediate and necessary actions.

7.3 Conclusions

As can be seen in this section, the points of entry suggested in the IESP strongly overlap a number of the tropical forest and biodiversity recommendations suggested in this section. If any of the illustrative actions are funded in support of these points, then they will also help address the loss of natural resources and biodiversity. The present situation in Cambodia is putting undue stress on remaining natural forests, wetlands, and aquatic ecosystems and to the fish, wildlife, and plant species that live within them. Any and all actions that are funded by USAID to address this situation are sure to help the people of Cambodia who depend upon these resources and will in turn greatly aid international biodiversity conservation efforts.

8. Natural Resource Conflict Prevention Analysis

Cambodia's widespread conflicts over natural resource ownership and management are even more pronounced than in most developing countries, largely as a result of the political chaos and wars that have shaped Cambodian society over the last three decades. Villagers, displaced persons looking for a place to live, and private sector firms eager to gain access to land and resources are the key actors in the conflicts. Conflict is expressed in a range of ways from smoldering resentment to armed violence that often results in death, usually of villagers at the hands of guards hired by concession owners. Important underlying causes of natural resources conflict in Cambodia are the lack of a clear private and state property rights regime and the absence of legally guaranteed access to the natural resources on which people depend for survival. Most rural Cambodians are engaged in subsistence farming and rely on access to natural resources and land for their livelihood and for whom this access is a basic human right.

Land and resource grabbing by powerful individuals and firms is the most visible cause of conflict. Forest concessions covering 40 percent of the nation's land have been granted to well-connected foreigners and local elites under discretionary authority of self-interested civil and military officials. This was done without public process or consideration of the customary use rights of local populations to timber and NTFPs that they rely on for subsistence and cash income. Large areas are now being allocated to agricultural concessions that will clear the remaining forest and thereby completely eliminate community access to forest products. Cambodia's extensive freshwater fishery resources are mismanaged in much the same way. The result is extensive and sometimes violent confrontation between local communities and the armed guards of the concession holders. "Land grabbing" is not the only factor that limits people's rights to subsistence and other economic use of natural resources. A large proportion of the population is clustered around the poverty line, and misfortunes such as an illness in the family push many poor families into landlessness. These families then become more reliant on gathering of "common property" resources including illegal hunting, or perhaps worse yet are forced to put their children into exploitative wage labor including the commercial sex industry.

Conflict over natural resources will be reduced by 1) the implementation of a legal regime which defines the property and access rights of the citizenry and their communities, and the responsibilities of all levels of government in ensuring them; 2) the building of capacity in national and local government to plan and manage land use wisely, and to mediate conflict effectively, and 3) the empowering of civil society to organize, collect, and share information, and to assist individuals and communities in the political process of ensuring equitable access to the means of a decent life. The RGC has already begun putting in place a legal framework and other governance actions that provide a basis for achieving these objectives, but political will, resources, and support/pressure from civil society and the international community will be needed to ensure that progress continues toward meeting the objectives. Development of locally effective means of conflict mediation and resolution will take time, given the mistrust of authority and mistrust within communities engendered by the Khmer Rouge social experiment, the Vietnam-controlled regime which followed, and the rampant corruption which has ensued over the past decade.

Two top priorities for conflict resolution are a legal means to assign private property rights under the new Land Law and means to assign management rights to communities under the new laws on Land, Forestry, and Fisheries. With multidonor support, MLMUPC has begun the systematic registration of land titles at village and commune levels in two provinces. Systematic registration includes survey, public display of survey results, and a socially transparent process of adjudication administered by local officials. GTZ pilot work confirms that these processes effectively ensure minimum conflict over the “natural justice” of who has title to what in Cambodia’s previously confused land tenure regime. With over 13,000 villages in the 1,600 communes of Cambodia’s 230 districts and 24 provinces, this primary task is an enormous one. The planned program covers only 11 provinces over 10 years, and additional donor support will be needed to extend the program to the rest of the country in reasonable time. Community based management of natural resources is supported by provisions of the new Land Law and draft Forestry Law as well as more detailed implementing regulations in draft sub-decrees on community forestry and community fisheries. NGOs have begun to assist communities to assert these rights, but much more assistance is needed to overcome ignorance and willful obstruction by government officials and the private sector.

Conflict prevention will also depend on the capacity and willingness of stakeholders to effectively play their roles in the NRM process. Commune councils will be key NRM players, as the Law on Commune Administration (*Kum/Sangkat*) specifies. Considerable training and technical support will be needed to allow the councils to understand and play their NRM role. Communities must also be trained to understand their land and NRM rights and obligations under the new laws. Government resource managers and private sector resource extraction firms must understand the new rules of the game and be willing to abide by them. Considerable training is needed at all levels of government to alter the current paternalistic mindset of officials to one of serving the public and working collaboratively with communities. An example of the type of support needed is the Commune Council Support Project, an activity supported by several NGOs, and designed among other things to 1) disseminate information to commune councils via a newsletter in English and Khmer, 2) engage commune officials and local communities, and 3) identify local NGOs concerned with local governance and assess their needs.

9. Gender Analysis

Men and women often have different responses to outside interventions, and these interventions often have a different impact on men and women. Many well-meaning projects have unknowingly contributed to the disempowerment of women. There is no general gender approach to project design that can be applied in every case. A needs analysis or study with a gender perspective should be conducted before any program or projects are implemented.

With peace has come rapid internal migration and rapid and unsustainable exploitation of resources in upland areas. These developments mean the traditional subsistence livelihood system is becoming increasingly insecure. To help indigenous women maintain their status and power in a rapidly changing environment, it will be important for aid providers to recognize the special roles women play in society, and ensure that development assistance is appropriate. For example, projects that increase the marketing potential of local products (NTFP or handicrafts) gathered or produced by women will help to address the deepening power imbalance. Proper and appropriate management of conservation, NRM, and development projects will benefit both men and women. Women should receive training in Khmer, English, numeracy, and business to be able to take advantage of opportunities related to ecotourism.

Education – Developers of environmental and NRM education programs should recognize the following constraints:

- Knowledge of Khmer language is limited among women indigenous groups.
- Across all ethnic groups women have lower literacy than men.
- Women have less access to training and education than men.
- Women’s movements are more restricted than men’s, because of cultural constraints and their role in caring for children and other household duties

To be effective in reaching program objectives for the participation and empowerment of women, project designers will need to address these constraints. Training programs will need to be conducted at the village level, rather than a central location, in an appropriate language. Remedial adult education for women should focus on literacy, numeracy, and business. Education on the environment and NRM should be provided in an accessible format, usually verbally (in-person or by radio) rather than as printed materials.

Often projects are implemented through local officials and opinion leaders, or village headman. Almost all are male, and look at problems and solutions from male perspective. Environment and natural resources management (ENRM) projects need to involve women at every stage of development and implementation to ensure that the different gender impacts are understood and taken into account.

Small-scale marketing is a woman’s domain in Cambodian society. Women do most of the selling of agriculture produce, fish, aquatic plants, forest products, etc. Projects that aim to shift marketing to a larger scale, like shrimp farms or agricultural cooperative, may negatively impact women. On the other hand, projects aimed at improving women’s marketing skills

could increase their income and status. By working in the marketing sector you can reach women.

Recommendations

There have been few studies on gender perspectives for marine and freshwater fisheries. More research needs to be done in this area. There is a need to identify better ways to address issues of access and equity in resource use and management.

Women should be given the opportunity to acquire appropriate technologies that will enable them to contribute effectively to sustained fisheries development and growth. It is therefore essential to increase women's participation and decision making in fisheries development efforts.

Women (particularly women-headed households) and the landless poor rely heavily on the commons for income and as a safety net. Access to common resources (aquatic and forests) should be available to anyone free of charge regardless of ownership, land, and capital. They can therefore be regarded as an important resource for livelihood support.

To inform the development of environmental and NRM projects, USAID, its grantees and sub-grantees should:

- collect gender-disaggregated local data on NRM practices and livelihoods,
- formulate gender-sensitive policies and plans based on a gender-disaggregated needs assessment, and
- formulate policies and plans to improve women's access to resources.

USAID programs should:

- train field staff in gender-sensitive and participatory planning and program implementation;
- acknowledge women as directly involved in NRM, rather than as merely wives;
- support women's efforts in marketing and processing natural resources;
- conduct adult education to improve women's literacy, and access to appropriate information on resource management;
- provide legal education and support to women in order to improve their access to and control over natural resources;
- pay attention to health issues related to the environment, including waterborne diseases and safe pesticide use;
- ensure that resource programs benefit local communities, especially women who rely on these resources to meet their livelihood requirements;
- monitor the equitable access to benefits of projects addressing food insecurity and poverty for poor and food insecure women, particularly in women-headed households; and
- involve women more in planning and decision making.

Submitted to the United States Agency for International Development

Cambodia

**Tropical Forests (FAA 118)
and Biodiversity (FAA 119)
Assessment**

Annex 2
to the
**Environmental Review: Status and Trends in Environmental
Management and Options for Future Action**

USAID Contract No. LAG-I-00-99-00013-00, Task Order No. 805

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Table of Contents

Acronyms	ii
1. Background.....	1
2. Executive Summary	2
3. Major Natural Habitats of Cambodia.....	3
3.1 Terrestrial and Aquatic Habitats of Cambodia	3
3.2 Habitats of Global and Regional Significance	4
4. Tropical Forests of Cambodia.....	6
4.1 Importance of Cambodian Forests.....	6
4.2 Forest Types in Cambodia.....	6
4.3 Management of Cambodian Forests	7
4.4 Threats to Forests.....	9
5. Biodiversity of Cambodia	11
5.1 Mammals and Birds	11
5.2 Fish, Reptiles and Amphibians	12
5.3 Invertebrates	13
5.4 Plants	13
5.5 Significance of Cambodia’s Biodiversity.....	13
5.6 Threats to Biodiversity.....	15
6. Tropical Forests and Biodiversity Conservation Efforts in Cambodia	18
6.1 Organizations Playing a Role in Cambodian Conservation Efforts	18
6.2 Cambodia’s Involvement in International Conservation Agreements.....	19
6.3 Conservation Approaches in Cambodia	20
7. Overall Recommendations for Further Biodiversity and Tropical Forest Conservation Actions.....	22
8. Recommended Actions in USAID/Cambodia IESP: Relationship to Biodiversity and Tropical Forest Conservation.....	25
8.1 Proposed IR: Strengthened Local Governance of Natural Resources to Secure Community Control over Resources Critical to Rural Livelihoods	25
8.2 Analysis of Relationship between the Proposed IR and the 118/119 Assessment	27
8.3 Conclusions	27

Acronyms

CBD	Convention on Biological Diversity
CBNRM	Community-Based Natural Resources Management
CCD	Convention to Combat Desertification
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
DANIDA	Danish International Development Assistance
DG	Democracy and Governance
FAA	Foreign Assistance Act
FAO	Food and Agriculture Organization of the UN
GB	Great Britain
GEF	Global Environmental Facility
HR/DG	Human Rights/Democracy and Governance
IESP	Interim Environmental Strategic Plan
IR	Intermediate Result
ITTA	International Tropical Timber Agreement
IUCN	World Conservation Union
MAFF	Ministry of Agriculture, Forestry, and Fisheries
MARPOL	International Convention for the Prevention of Pollution by Dumping of Wastes and Other Matter
MoE	Ministry of Environment
MRC	Cooperation for the Sustainable Development of the Mekong River Basin
NGO	Nongovernmental Organization
NRM	Natural Resources Management
PDR	People's Democratic Republic (Lao PDR)
RGC	Royal Government of Cambodia
SO	Strategic Objective
UN	United Nations
UNCLOS	United Nations Convention on the Law of the Sea
UNDP	United Nations Development Program
UNEP	United Nations Environment Program
UNESCO	United Nations Educational, Scientific, and Cultural Organization
UNFCCC	United Nations Framework Convention on Climate Change
US	United States
USAID	United States Agency for International Development
USFWS	United States Fish and Wildlife Service

1. Background

This assessment of tropical forests and biodiversity in Cambodia was conducted for USAID/Cambodia in fulfillment of Sections 118 and 119 of the Foreign Assistance Act (FAA) guidelines for US government agencies working abroad. The tropical forest and biodiversity assessment was prepared for USAID/Cambodia under contract with ARD, Inc. as part of an overall natural resources assessment for Cambodia during August and September, 2001.

Dr. Jim Schweithelm, who also served as natural resource management specialist and CBNRM advisor, led the ARD natural resources assessment team. Other members of the ARD team included biodiversity specialist Dr. Pat Foster-Turley and in-country specialists Andrew McNaughton, Srey Chanthy and Sri Sugiarti. Information for this biodiversity annex and for the full report was compiled by the team from an analysis of existing documents, interviews with relevant government and nongovernmental organization (NGO) officials and specialists, and two field trips, to Siem Reap and the northern Tonle Sap region and to Sihanoukville and the coast.

Dr. Pat Foster-Turley was largely responsible for producing this biodiversity assessment as one part of the overall natural resources management (NRM) report. An attempt was made to present this biodiversity assessment as a self-contained document, but much of the relevant information is covered in more detail in the parent document, *Cambodia Environmental Review: Status and Trends in Environmental Management and Options for Future Action*, and to avoid redundancy, is only summarized here. Likewise, some sections of the parent report contain summarizations of the material presented in this biodiversity document. It is suggested that these two documents be read in synchrony to obtain the fullest picture of NRM and conservation efforts in Cambodia.

2. Executive Summary

Cambodia contains some significant large tracts of forests, among the greatest expanses of some of these habitats in mainland Southeast Asia. In addition to forests, which are the focus of the 118 part of this assessment, there are other significant habitats in Cambodia including the large Tonle Sap lake, stretches of the Mekong River and associated streams, major wetlands of critical importance and coastal mangroves, coral reefs, and seagrass beds. All of these habitats and associated flora and fauna add to the exceptional biodiversity found in Cambodia. Various types of forests and different schemes for managing them are described in this report. Major taxa of plants and animals are also described, along with the fact that in Cambodia, much information on biodiversity is lacking.

Threats to the forests and biodiversity of Cambodia are many and varied, and synergistically impact upon one another. Habitat destruction is a major threat and is manifested in many ways including unsustainable logging, excessive conversion of land to agricultural uses, destructive fishing techniques such as dynamiting reefs, and various other factors. Various species with high economic value are also directly targeted, leading to the purported declines in populations of such globally significant species as tigers, primates, bears and crocodiles, and many others. Fish are a primary source of food for most Cambodians, but overfishing, the use of harmful fishing devices and habitat destruction of major spawning and feeding areas is reducing both catch sizes, and the size of individual fish and in some cases even leading to the disappearance of once common species. In Cambodia these threats are exacerbated by ineffective and often corrupt NRM practices. The policy and management frameworks for natural resources conservation efforts are sorely deficient, although a few relevant natural resources policies have been rewritten and are passing through the adoption process. The government, however, lacks the capacity and/or political will to enforce natural resources laws and regulations. Widespread corruption has led to the misuse of natural resources by large private sector entities that are often from other countries with no long-term commitment to the natural environment of Cambodia. Not only is biodiversity being lost in this way, but so is the quality of life of many poor Cambodians who rely on sustainable natural resources for their own continued survival.

Many donors, NGOs and concerned government officials are working together in Cambodia to correct some of these wrongs. Various approaches being used include developing management plans for protected areas, providing better capacity and tools for law enforcement efforts, the establishment of community-based conservation efforts in various areas, the development and dissemination of environmental education programs and materials, and other initiatives. Based on an analysis of the status and trends in forests and biodiversity conservation, the organizations with a role to play and the actions they are taking to address these threats, a number of recommendations are made in this report. It is hoped that even if only a few of these strategies can be funded, the situation for forests and biodiversity conservation will be improved now and for future years.

3. Major Natural Habitats of Cambodia

3.1 Terrestrial and Aquatic Habitats of Cambodia

Cambodia is a relatively small Southeast Asian country (181,035 km²) abutting the Gulf of Thailand to the south and sharing borders with Thailand, Laos and Vietnam. Cambodia largely consists of lowland areas, including extensive alluvial plains around the Mekong River and the Tonle Sap (Great Lake), even more extensive sandstone plains in the north and northeast, fertile soils of the Battambang plain, and a few other lowland land types. Savannas and savanna woodlands, wetlands and agricultural areas make up much of Cambodia's central plains. Except for the southeast area, where the Mekong River splits into a delta, the lowland heart of Cambodia is surrounded by mountainous areas or plateaus. The Cardamom and Elephant Mountains forming the coastal ranges include the largest upland areas of the country. The eastern border of Cambodia includes the Kontoum Plateau extension of the Annamite mountain chain of Vietnam and Laos and the Chhlong Plateau further south. Finally, the steep escarpment of the Dangrek Mountains defines the border with Thailand to the north. The mountainous areas of Cambodia are sparsely populated with humans and contain some of the last remaining habitats for wild ungulate and predator species.

It is not the mountains and plains that most define Cambodia, however. Most of all, it is distinctive for its water resources, the Mekong River and the Tonle Sap (Great Lake), which together dominate much of central Cambodia. The Mekong River originates in the Tibetan Plateau and travels through a number of countries in the region before entering Cambodia at the Laotian border. In Cambodia, the river flows south through Stung Treng and Kratie, then westward at Chhlong and south again through Phnom Penh and on to Vietnam where it becomes a delta. A number of tributaries enter the Mekong throughout its course. A major feature is the Tonle Sap River, which flows from the Tonle Sap Lake south to join the Mekong River near Phnom Penh during the dry season, and reverses its flow during the wet season. This flow pattern of water and sediments defines the unique character of the Tonle Sap, and provides the basis for Cambodia's major fishery resource. When fully flooded during this season, the lake swells to nearly five times its dry season size, and at approximately 10,400 km², forms the largest lake in Southeast Asia and the largest floodplain lake in the world

Cambodia's largely rural human population is located primarily in the plains in the center of the country and around the Tonle Sap Lake and the Mekong River. Much of the natural vegetation of these parts of Cambodia has been modified for agriculture. Other heavily farmed areas include the Battambang plains and the basalts of the Kompong Cham area. The primary crop in Cambodia is rice, and paddy is estimated to comprise about 90 percent of the agricultural land. Most of the rice crop is rainfed, with little irrigation infrastructure. Other major crops include maize, soybeans, mung beans, vegetables, groundnuts and sesame. Industrial crops such as sugar palm, sugarcane, jute and tobacco are also grown in various regions.

Wetlands cover 30 percent of the country of Cambodia, a proportion second in Asia only to Bangladesh. Much of this wetland area meets internationally accepted standards for wetlands of international importance, and this comprises over five percent of the internationally

important wetlands in Asia. Largely due to this preponderance of aquatic habitats, fish and other aquatic resources provide an estimated 70 percent of the protein for the human population.

Cambodia is also blessed with a diverse coastal zone that includes mangrove forests, seagrass beds, coral reefs and a combination of sandy beaches and rocky shorelines over its 435-km length. A number of rivers flow to the Gulf of Thailand and form estuaries at the coast. There are also more than fifty offshore islands, which are largely wooded with rocky shores and sandy beaches and often ringed by coral reefs. Much of the coastal habitat has been degraded due to a combination of anthropogenic factors, but it still contains large blocks of natural habitats that are among the best preserved in the Gulf of Thailand.

Like everywhere in the world, all of the ecosystems of Cambodia are interrelated and interdependent. Blocks of terrestrial forest areas are bisected by rivers and riddled with freshwater swamps, lakes, and ponds. Coastal mangrove forests back up to paperbark swamps which themselves back up to the steep slopes of the Cardamom and Elephant Mountains. Similarly, the inundated forests of the Tonle Sap back up to agricultural land and then to forests. The fauna of Cambodia often requires access to a number of interrelated ecosystems to fulfill their life cycles. No discussion of biodiversity is possible without considering the diversity of these ecological habitats and the myriad of interrelationships between them.

3.2 Habitats of Global and Regional Significance

Cambodia contains a number of protected areas and other sites that have received global attention. As more attention is paid to the various natural habitats within Cambodia, it is likely that more sites of international importance will be added to this list.

At present there is one **World Heritage Site** in Cambodia, the temples of Angkor Wat and the surrounding area, which has been designated for its cultural significance. Other World Heritage sites, such as the area including the Cardamom and Elephant Mountains are in the works and expected to be officially declared within the year.

A **United Nations Educational, Scientific, and Cultural Organization (UNESCO) Biosphere Reserve** has been declared on Tonle Sap Lake with three core areas: Prek Toal, on the north side of the lake; Moat Klah/Boeung Chhmar on the east side; and Stoeng Sen, a bit further to the south. Management plans are underway for these areas. Prek Toal, near the Siem Reap gateway to the Angkor Wat temples, is already the focus of considerable tourism activity, particularly in the dry season when bird populations are at their peak.

Three **wetlands of international importance (Ramsar sites)** have been designated in Cambodia. Boeung Chhmar has double billing as both a Ramsar site, and a core area of the Tonle Sap Biosphere Reserve. Two other Ramsar sites are Koh Kapik/Koh Kong and surrounding areas along the coast and parts of the middle stretch of the Mekong River north of Stung Treng.

One **globally important species-specific site**, the Sarus Crane Reserve at Ang Tropeang Thmor, was declared by Royal Decree in February 2000. This area is one of the last reserves for large populations of these endangered Southeast Asian cranes. Other sites of major global importance to particular species might similarly be located and declared for protection in Cambodia in the future.

Recent **WWF ecoregional assessments** of habitats in Cambodia, Laos, and Vietnam have determined a handful of priority ecoregions that are found partially within the borders of Cambodia. These include the Cardamom Mountains (already being considered for World Heritage status) and parts of the Mekong River and Tonle Sap floodplains (parts are already included as Ramsar sites). Other priority ecoregion areas in Cambodia that are not covered by other global agreements include the dry forests (deciduous dipterocarp and semi-evergreen forests) found east and west of the Mekong River in Cambodia, and the Annamites, which only marginally enter Cambodia.

Finally, Cambodia also is part of a number of **transboundary natural areas** that may eventually attain global conservation priority status. One of these areas, Virachey National Park in northeastern Cambodia, is currently being investigated as part of a trans-frontier reserve in connection with the proposed Dong Amphan National Park in Lao People's Democratic Republic (PDR) and the Mom Ray National Park in Vietnam. Other initiatives in other parts of Cambodia may follow.

4. Tropical Forests of Cambodia

4.1 Importance of Cambodian Forests

The forests of Cambodia, as elsewhere, serve a variety of ecological and environmental functions including watershed protection, carbon sequestration, and climate modulation. Moreover, Cambodia's forests are a valuable resource and legacy to the people of this nation. An estimated 85 percent of Cambodia's population live in rural areas, most of which are in proximity to forests and forest patches. Most rural people are poor, and depend upon firewood, and various non-timber products they can extract from the forests to fulfill some of their nutritional, health, and domestic needs. Additionally, many Cambodian people have spiritual associations with forests and particular resources therein.

Cambodian forests also have great regional importance. The diverse and extensive forests of Cambodia are presently some of the largest natural tracts remaining in the region. Other neighboring countries have greatly decimated their own forests to the point where a number of forest dwelling animals and plants have virtually disappeared. Some of these species that are extinct elsewhere, such as the kouprey and wild buffalo may still be harbored in Cambodia. The biodiversity associated with tropical forests is covered in this section.

4.2 Forest Types in Cambodia

An estimated 60 percent of Cambodia is covered with forest and woodlands and these natural forests may include some of the largest remaining tracts in continental Southeast Asia. A good detailed review of the many different graduations of forest type throughout Cambodia can be found in Rundel's (1999) *Forest Habitats and Flora in Lao PDR, Cambodia and Vietnam*, prepared for World Wildlife Fund's Indochina Program Office. Some of the major forest types of Cambodia are summarized here.

Wet evergreen forests in Cambodia are primarily found on the south facing slopes of the Cardamom and Elephant Mountains where there is an abundance of rainfall. Historically this forest type extended from the coast up to 700 m in elevation. The canopy of this forest is typically irregular, enabling enough light to penetrate to support a rich understory of palms and lianas. A number of subtypes of wet evergreen forests, including a dwarf forest type, are found at different elevations and on different soil types throughout these mountains.

Semi-evergreen forests are similar to wet evergreen forests and found in areas with less rainfall that is more seasonal. This forest type is highly variable, with a complex and tall canopy structure and extremely rich in species composition. Principle areas of this forest type in Cambodia include the northern slopes of the Cardamom and Elephant Mountains, the central alluvial plains, and the hills of the northeast. It is thought that this forest type was once the predominant landscape type in Cambodia before anthropogenic changes such as fire and swidden agriculture degraded the landscape to primarily savanna and agricultural lands.

Mixed deciduous forests are found where there is seasonally high rainfall over 1,500 mm annually followed by a five to six month drought season. Although teak (*Tectona grandis*) is

often characteristic of this forest type in Southeast Asia, it is not naturally present in Cambodia. These forests are similar to semi-evergreen forests and are found in similar parts of Cambodia.

Deciduous dipterocarp forests, often called **dry dipterocarp forests**, are low in stature and found on arid soils up to about 600 m in elevation. Occasional fires are necessary for these forests to develop, and the widespread distribution of this habitat may be due to anthropogenic factors. In Cambodia, these forests are found primarily in lowland areas north of Tonle Sap and east of the Mekong River and also on the northern and eastern slopes of the Cardamom and Elephant Mountains.

Lowland pine forests include only one species of pine, *Pinus merkusii*, which may be interspersed with other tree species. In Cambodia, these forests are found primarily south of Tonle Sap on the plateau of Kirirom National Park and the southeastern area of the Elephant Mountains.

Montane forests are found above 800 m in Cambodia, where conditions are cool and humid. In Cambodia these forests are found in the Cardamom and Elephant Mountains and in the mountains and plateaus of the northeast.

Flooded forests, often called **seasonally inundated forests** in Cambodia, are found primarily around the Tonle Sap and Mekong River floodplains. Most of these trees are deciduous and lose their leaves when submerged, although a few species remain evergreen throughout the year. These forests are known to be important nursery grounds providing recruits for the extensive fishery of the Tonle Sap. Much of this forest type has been degraded to low shrubby growth by anthropogenic activities.

Mangrove forests cover 85,100 hectares of Cambodia and are found in all coastal provinces, although the primarily rocky coastline and lack of major estuaries limits its distribution. The most pristine mangrove forests remaining are found in Koh Kong Province and also in Ream National Park, and between Kampot town and Kep municipality.

4.3 Management of Cambodian Forests

Although the data keeps changing, there is presently thought to be approximately 11 hectares of forests of various types in Cambodia. Much of this forestland is already degraded to varying degrees. During the many years of war and instability, much of this forestland was preserved from large-scale destruction. In recent years, however, increased domestic stability has precipitated an escalation in both legal and illegal logging practices.

The management of most of the remaining forest land falls with the jurisdiction of the Ministry of the Environment (MoE) in some cases and the Ministry of Agriculture, Forestry, and Fisheries (MAFF) in others. Five basic types of forestland management categories can be discriminated based on a combination of socioeconomic and ecological parameters (Thomas, 2000), as follows.

4.3.1 Concession Forests

The Royal Government of Cambodia (RGC) has allocated nearly half of the forestland in Cambodia to commercial timber concessions, most often representing large firms from throughout Southeast Asia. High-value tree species are logged from these blocks of land, often in an unsustainable manner. Up until now, the use of sustainable logging practices by concessionaires has rarely been enforced by MAFF. Some of the concessions have already been depleted of key economic species and the degraded land is on its way towards agriculturalization. A new management plan system for concessions is now in place, and during September 2001 initial 25-year plans for sustainability will be submitted by all concessionaires and evaluated by a panel of experts overseen by MAFF before new concession leases will be granted.

Community access to concessions varies from concessionaire to concessionaire. Although in theory they have the right to enter the forests to extract non-timber forest products, conflicts often arise. To date, there are inadequate measures in place to ensure community access to these resources that they have traditionally depended on.

4.3.2 Protected Areas

As much as 3.3 million hectares are classified as protected under one of a number of different protected area categories managed either by the MoE (i.e., National Parks) or MAFF (i.e., Protected Forests). The location of these protected areas often stems from historical reasons, and does not correspond to exceptionally high biodiversity or conservation value. Most often there are no protective measures actually in place on the ground, and some of these areas are already heavily degraded with little forestland remaining. Work is being done to develop appropriate management and protection plans for some of these areas and to help ensure appropriate legal access of communities to extract various non-timber forest products from them.

4.3.3 Non-Concession Forests

Some forestland with few commercially valuable trees and little conservation potential falls within the public domain. Communities can and do extract resources from these forests, both for their own use and for sale. Although some communities practice sustainable management techniques, this is not usually the case. In many of these areas, overharvest of key species has led to further degradation. There is a great need to work with communities in some of these areas to ensure sustainability and to slow the degradation.

4.3.4 Flooded Forests and Mangroves

Seasonally inundated forest around Tonle Sap and the Mekong River and coastal mangroves are managed by the MAFF Department of Fisheries for their value as key habitats for the perpetuation of fishery resources. These forests represent a small proportion of the total forestland in Cambodia, only about 85,100 hectares. Although theoretically it is illegal to cut down these forests for firewood, timber or other uses, these rules are rarely enforced. In addition, much of the freshwater flooded forestland has been converted to rice planting and

other agricultural uses. Similarly, many hectares of mangroves have been removed for the establishment of shrimp farms and other commercial uses.

4.3.5 Non-Forest Areas

In addition to the major blocks of forest management types, there are other small pockets of trees and shrubs found within communities, around pagodas, schools, waterways, etc. This land defies large-scale mapping, but is very important to the surrounding communities who often extract firewood and other products on a limited basis for home use. Some of these areas are also socially and culturally important to the communities. Community forestry practices, including tree planting and protection of these resources are sometimes in place.

4.4 Threats to Forests

The basic threats to natural forests in Cambodia stem from three interrelated problems: unsustainable logging practices (both legal and illegal); escalating rates of land conversion; and inadequate policies, laws, and enforcement practices. These problems are exacerbated by the poor state of knowledge and awareness at all levels about the status and trends in forest resource management in Cambodia, and the outside economic factors driving increased timber production. Some specific threats include:

1. Weakness of existing forestry policies and laws

The current system of allocation of timber lands to private concessions come with few regulations concerning sustainable timber extraction. Existing forestry policies and regulations also do not adequately acknowledge the role of communities in maintaining, using, and conserving forest resources. Although a new forestry policy is in the works, it is still weak in these areas. Appropriate rules and regulations are still to come.

2. Illegal logging: lack of enforcement of existing laws

Where appropriate laws do exist, they are rarely enforced. Much logging still occurs outside of approved concession areas, both by concessionaires and by other entities. Logging and unsustainable use of other forest resources also occurs within designated protected areas. There is little or no presence on the ground to enforce existing laws.

3. Legal, but unsustainable logging practices

Short-term economic goals, and not long-term sustainability of natural resources most often drive concessionaires. With few controls on their activities, most are logging at a high rate for immediate profit, then most likely moving on when the forests are depleted of key economic species.

4. Overharvesting of wood for fuel and charcoal production and various non-timber forest products

Communities are usually dependent upon certain forest resources for their domestic use and also, in some cases, for their market value. Increasing human populations in some areas are leading to unsustainable extraction rates for fuel wood and various non-timber forest products. In addition, particular species such as “yellow vine” may be overextracted and processed with chemicals such as sulfuric acid on site, leading to further destruction of the forest habitat.

5. Conversion of logged land to plantations and other agricultural practices

Once a timber concession becomes depleted of key timber species and no longer protected there is much scope for opportunities to convert the logged land to monoculture plantations and other agricultural enterprises. Such activities lead to increased land conversion rates and overall loss of natural forest cover.

6. Swidden (slash and burn) agricultural practices

Swidden agricultural techniques have long been practiced in some areas of Cambodia. The use of fire to clear land is usually a part of this process, leading to degradation of some forest types to savanna land.

7. Development of roads that provide increased access to forested areas

In some cases, the development of logging roads have provided easy access to people who seek to extract other products from the forests, set up villages and agricultural areas.

8. Poor knowledge of status and trends of forest production

Education and awareness programs are lacking in most sectors of Cambodian society. There is an overall poor state of knowledge about forest trends and ecological issues at most levels within Cambodia. The universities are just now regrouping from the dissolution caused by recent historical disturbances. At the primary school levels, little environmental education is taught to students.

A history of war and unstable conditions in Cambodia has helped preserve the forests of Cambodia, not the enforcement of sound forest policies. Now that the domestic situation has calmed, the policy base and legal enforcement capabilities must be strengthened before Cambodia’s forests become as degraded as its neighbor’s. A number of donors are working with the government and NGOs to help speed the process towards sustainable use of forest and forest products in Cambodia. Various NGO and donor actions to address the loss of forests and biodiversity are described in Section 5.

5. Biodiversity of Cambodia

Biodiversity is most often described at the ecosystem, species, and genetic levels, and all told covers all of the diversity within the biological world. The focus of this section of the report is biodiversity at the species level.

Species diversity is in large part dependent upon the integrity and diversity of the natural ecosystems they occupy. In the previous section on tropical forests, the diversity of various forest ecosystems are covered in further depth for the purposes of the FAA 118 portion of this assessment. Cambodia also contains a number of other ecosystems, including such diverse habitats as wetlands, coral reefs, and montane areas. These habitats are discussed further in the parent document, *Cambodia Environmental Review: Status and Trends in Environmental Management and Options for Future Action* and not repeated here.

A third way of viewing biodiversity is to look at the genetic level by considering sub-populations of various species and, on an even finer scale, to consider the diversity of genes within these populations. Such an approach at this time is inappropriate for a discussion of biodiversity within Cambodia. Genetic biodiversity is not well known for most species in Cambodia, a country where even the existence of certain species is problematic, let alone questions of the subspecies and population level differences between them.

The plants and animals described herein occur in a variety of habitats throughout Cambodia, and the conservation threats to them cover both habitat-related issues and those that are more species-specific. As seen below, the main importance of Cambodia to biodiversity conservation efforts is the presence of relatively large tracts of natural forest, wetlands and coastal areas harboring populations of species that have dwindled or even disappeared elsewhere in Southeast Asia, where habitat destruction has progressed to a much larger extent. Added to this are problems of overextraction of particular species with economic importance, and other direct and targeted effects on particular species. Together these problems are tough ones that Cambodia will need to face soon in order to conserve the natural resources that remain.

5.1 Mammals and Birds

As with other parts of the world, in Cambodia the mammal and bird species are the best known of the country's many species. Birds and mammals have much importance for many Cambodians, as sources of food and revenue and in some cases hold great spiritual value as well. These species are often are of great interest to many people outside the borders of the country and also among the most attractive for ecotourism efforts. For these reasons, although mammals and birds make up only a very small part of the species diversity in the world, they have been the most thoroughly studied, and have attracted the most conservation attention.

More than one hundred species of wild mammals (excluding domesticated forms) have been recorded from Cambodia, but there are likely to be more species recorded, particularly of bats, when further surveys are conducted in key areas. Although the World Conservation Union (IUCN) Red List shows 49 mammal species of conservation note in Cambodia, only 35 of these

have actually been found in this country to date. Two species that are included, the Javan rhinoceros (*Rhinoceros sondaicus*) and the kouprey (*Bos sauveli*) are quite possibly extinct in Cambodia at this time. Another species, the Khting Vor (*Pseudonovibos spiralis*), is known only from horns and may not be a true species. A few other mammal species that are listed for Cambodia have not yet even been discovered here although they are found in surrounding countries. The four areas of Cambodia with most importance for the conservation of rare mammals include the northern plains west of the Mekong River, and north and east of Tonle Sap (24 Red List species); the eastern plains in and around Mondulhiri Province (21 Red List species); the southern Annamites (19 Red List species); and the Cardamom Mountains (18 Red List species). Additionally, a number of rare and little known mammals, such as dugongs (*Dugong dugon*) and Indo-Pacific humpback dolphins (*Sousa chinensis*) are found in Cambodia's coastal and offshore waters.

Cambodia's bird fauna is also fairly well known and of widespread importance. There are reported to be more than 500 bird species in Cambodia, but this number continues to increase as more birdwatchers and ornithologists begin to look harder in different areas of the country. Of these, Birdlife International considers 39 species to be globally threatened or globally near threatened. Most of these birds are dependent on the large wetland habitats, especially around the Tonle Sap and also the smaller wetland patches within the northern dipterocarp forest plains. The large aggregations of waterbirds that collect in these areas during the dry season are among the largest groups of such birds still found in mainland Southeast Asia. Although a few important bird species are also found in the coastal areas, the southern Annamite Mountains, and the Cardamom Mountains, these areas are not exceptionally important for bird diversity in Cambodia, or of similar global importance for bird conservation efforts.

Among the bird and mammals species in Cambodia are a number of "flagship" species that capture the world's attention to appropriate conservation action to preserve them and their habitats. Tigers (*Panthera tigris*) and elephants (*Elephas maximus*) are among the most loved animals in many Western zoos, and similarly their conservation as flagship species in Cambodia has much attention, despite the fact that remnant populations of each still remain in the country. Cranes also command worldwide attention and stand as a symbol of wetlands conservation efforts. Although the population of cranes in Cambodia is centered on a single reserve north of Tonle Sap, the numbers are viable and the remaining animals are being protected. The use of charismatic animals like tigers and cranes is universally recognized as one way to protect habitats and this approach should continue to be encouraged in Cambodia.

5.2 Fish, Reptiles and Amphibians

Despite the fact that fish have great economic importance in Cambodia, there is a relative scarcity of information on the diversity of fish species and the life histories of even the most important ones. It is presently estimated that there are upwards of 1000 fish species, although the Fishbase estimates list only 486 for freshwater and 357 for brackish and saltwater habitats. For the most part, the only areas where the freshwater fish have been studied are flooded areas around the Tonle Sap and the Mekong River, both habitats that support an abundance of fish, but not many species. Primarily only the larger economic species have been considered. Little attention has been diverted to other freshwater areas, or to surveys of smaller fish with little if

any economic importance. As more studies are done of the fish species found in areas with known biodiversity such as rapids and riffles on streams and the middle reaches of the Mekong River, and in various small streams and wetlands, many more species are expected. Similarly, although the coastal areas of Cambodia include a number of habitats that most likely support a great diversity of fish species, the appropriate studies remain to be done. A few fish in Cambodia have received international attention however. One of these, the giant Mekong catfish (*Pangasianodon gigas*) with its long known migration along the Mekong River has even been proposed as a flagship species to divert conservation attention to the entire system.

Reptiles and amphibian in Cambodia are even less well known than fish, and surveys on these species are few and include largely old historical records and a scattering of recent surveys in a few protected areas. At present there are 28 species of reptiles on the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) list, however, which shows that even if this taxa is not well known in Cambodia, certain species have economic value and are being traded into rarity. Most well-known reptiles include the Siamese crocodile like the Siamese crocodile (*Crocodylus siamensis*) which is raised in crocodile farms and the mangrove terrapin (*Batagur baska*), which are also called “royal turtles” in Cambodia because they were once considered to be the exclusive property of the royal family. A few endemic reptiles and amphibians are also known to be found in Cambodia but much more work still needs to be done to get a better picture of the biodiversity of these animals in the country.

5.3 Invertebrates

Very little is known about non-vertebrate fauna of Cambodia, although as elsewhere these species make up most of the species diversity of life. Many “shellfish” including crustaceans like shrimp and crabs, clams, oysters, and other mollusks and many other aquatic species are harvested commercially, but are not well studied. Those mollusks, crustaceans, insects, worms, corals, and a myriad of other invertebrate taxa with little economic value have been virtually unstudied. No estimates exist on the biodiversity of these species in Cambodia, but due to the diversity of habitats they are found in, it can be assumed to be very diverse.

5.4 Plants

The plants of Cambodia have been poorly studied and no accurate assessment of the diversity of Cambodian plants is presently available. Although one widely quoted author suggests that there are 2308 vascular plants in Cambodia, other experts claim that the numbers most likely will exceed 3,000 species or maybe even as many as 15,000. It is expected that a number of endemic species of plants exist in areas that are isolated patches of habitats with special environmental conditions, such as high mountains areas, isolated limestone outcrops, peat swamps, and other unique habitats. Obviously much more information is still needed to understand the diversity of plants in Cambodia.

5.5 Significance of Cambodia’s Biodiversity

Cambodia’s great biodiverse resources hold great economic, nutritional, domestic, and social value for the people of this country. Most of Cambodia’s population is rural and poor, and the

vast majority depends wholly or supplementarily on natural resources for their survival. Other species have great cultural or social value to many Cambodians. Still others are harvested for economic gain. All of these factors are considered at length in the parent document entitled *Cambodia Environmental Review: Status and Trends in Environmental Management and Options for Future Action*. The importance of biodiversity to the well being of Cambodians is the principle reason to conserve it.

A number of species in Cambodia have also received international attention. The online 2000 IUCN Red List of Threatened Species (www.redlist.org) lists 149 species that are thought to be endangered, threatened, or otherwise rare enough or suitably unknown to require international attention for conservation efforts. The species listed in the Red List are those that are best known and of most interest to most people, and include primarily mammals, birds, reptiles, some fish, and a few economically important plants. Most of the diversity of species on earth have not been adequately studied and considered in such listings. No doubt Cambodia also harbors a myriad of other species such as insects, mollusks, corals, worms, vascular plants, fungi, etc. that might also be threatened with global extinction and should be listed, if and when such survey efforts are completed and enough data exists to include them.

Since most of Cambodia's key habitats are shared with its neighboring countries there are relatively few species that are considered to be "endemic" and only found in this country. Such species include more than 200 plants, and a few animals such as the Cardamom gecko (*Cyrtodactylus intermedius*), the Tonle Sap watersnake (*Enhydris longicauda*) and a handful of others. More endemic species of plants, small vertebrates, and especially, invertebrates such as terrestrial mollusks and insects, will most likely be found if appropriate studies are ever organized in various limestone outcrops and higher elevation areas where some geographic isolation exists. There are, however, many other regionally endemic plant and animal species in Cambodia that are only found in the geographic area shared with parts of Thailand, Laos, and Vietnam, including some genera and a few families of plants, a number of vertebrate species and subspecies and most likely many more invertebrates as well.

Cambodia's primary importance to biodiversity conservation efforts is not on the national scale focusing on the few endemic species, but instead for the habitat it still contains that harbor a number of species that have disappeared or become exceptionally rare elsewhere in the region. The remaining populations of some bird species in Cambodia are of particular globally significance. The abundance and species diversity of waterbirds that breed and feed in the Tonle Sap area during the dry season forms the largest such aggregation in mainland Southeast Asia and some rare birds, like the Sarus crane (*Grus antigone*) have some of their remaining largest breeding grounds within Cambodia. Cambodia still contains populations of tiger, elephants, wild cattle, otters, dhole and other mammal species and a number of reptiles, like the Siamese crocodile and the mangrove terrapine that are of worldwide interest. A number of economically important freshwater fish require the intact flooded forests of the Tonle Sap or the freshwater riffles of the middle reaches of the Mekong River to feed and spawn. Some of these fish are important long distance migrators travelling to other countries north of Cambodia. Similarly the coastal waters of Cambodia also provide habitat for a number of economically important fish and invertebrate species that populate the fishing nets of fishermen throughout the Gulf of Thailand. The habitats of Cambodia and the wealth of species that live

within them are thus not only a legacy to all Cambodians but also an important contribution to the diversity of the region and the world.

5.6 Threats to Biodiversity

The threats to biodiversity in Cambodia can be considered from both the ecological and from the administrative perspective, and in both views the threats to biodiversity and natural resources in Cambodia are severe. Specific threats to forests that encompass both biological and management factors are provided in Section 4 as part of the “tropical forest assessment” section of this paper. Both of these types of threats are also detailed in the parent document *Cambodia Environmental Review: Status and Trends in Environmental Management and Options for Future Action*. To avoid duplication only the major threats of both types—biological and management—are summarized here.

5.6.1 Habitat Destruction and Unsustainable Use of Key Species

When looked at purely biologically, the two main types of threats include 1) habitat destruction and degradation, and 2) targeted unsustainable use of particular plant and animal species. Both categories of threat are widespread and increasingly leading to loss of animal and plant populations and habitats in Cambodia. Factors leading to habitat degradation and destruction are as varied as the habitats themselves and all stem primarily from various anthropogenic factors. For instance, most terrestrial forested land is subject to logging and large-scale removal of trees, timber, and other forest products. As this land is logged and degraded, some of it is further degraded into agricultural land and village settlement. Similar, mangrove forests are heavily used for firewood collection and charcoal making, and large sections of natural forest have also been converted to other uses such as shrimp farms and salt evaporation pans. Coral reefs and seagrass beds are also faced with a variety of factors that are degrading them and decreasing their biodiversity. Increased sedimentation from logging and agricultural and industrial run-off from coastal areas are contributing to declines in water quality, which in turn have negative impacts on the coral and seagrass habitats and the species who rely upon them. Further outright destruction is caused by harmful fishing practices such as the use of dynamite and the use of bottom-destroying trawlers and large-scale push nets in shallow, fragile waters. Freshwater habitats face their own set of similar problems, which also include the use of destructive fishing gear and the conversion of fish feeding grounds in the flooded forests to other uses. Another potential threat to freshwater biodiversity is beginning to occur with the introduction of exotic species such as water hyacinths (*Eichhornia crassipes*) and tilapia (*Oreochromis niloticus*) fish, which become established in natural areas by displacing other native, but less hardy, species. Although as of yet the increased use of pesticides in agricultural areas surrounding Tonle Sap have not taken a great toll on biodiversity, this undoubtedly will happen if the use increases without appropriate safeguards. These various threats are detailed for different habitats in Section 3 of the parent document.

The second category of biological threat is the direct and unsustainable use and removal of targeted species. Commercial logging targets particular tree species that are rapidly disappearing in Cambodia. Collection of firewood beyond sustainable levels in some areas destroys these target species as well. Even the extraction of some non-timber forest products like yellow vine and rattan has taken its toll in some areas. Hunting and fishing also has a large

impact on the biodiversity of Cambodia. There has been considerable attention paid to the illegal removal of charismatic species like tigers and bears from the forests of Cambodia leading to the disappearance of these species in many areas where they once were present. In some cases, overhunting of food species like various deer wild cattle not only results in the decline of these target species, but also lowers the prey base for the predators that depend upon them. The fishery sector in both freshwater and marine areas also has its overfishing issues, with the stock and fish size showing marked declines and a number of species becoming rarer and rarer. This decline in sought after species has further impact on other species that then become the new fishery targets. Right now, for instance, there is a boom in the collection of water snakes in the Tonle Sap, for export, for feeding to captive crocodiles, and for local consumption by people who can no longer find other fish they can afford to eat. The tonnage of snakes captured in the Tonle Sap is estimated to be the highest extraction of snakes anywhere in the world. Who knows what impact this, too, will eventually have on the biodiversity of the lake.

5.6.2 Administrative and Management Threats

The threats to biodiversity in Cambodia can be viewed from a NRM perspective and not just a biological one. In fact, it is the lack of good management practices within Cambodia that is driving the loss of the diverse and abundant flora and fauna of this once richly endowed nation. These threats encompass five main areas that are somewhat interrelated. These include 1) uncertain land tenure arrangements, 2) a lack of information and awareness about conservation and sustainable use at all levels, 3) a lack of well-founded laws and policies, 4) inadequate enforcement of those laws already in place, and 5) widespread corruption in the use and benefits derived from natural resources. To avoid duplication, details of these basic threats are given in the parent document and only summarized here.

Access to land, fishing grounds, and other natural resources is presently a muddy issue in Cambodia. Large blocks of habitat have been allocated to commercial timber concessions, usually with international interests, and access to communities and other local people is variously restricted. Similarly the best fishing grounds in many freshwater areas have been given to commercial fishing interests with little concern for local fishermen. In coastal areas, although communities have the purported rights to fish in nearshore waters, these waters are increasingly invaded by large commercial fishing boats using destructive fishing practices. For the most part, these large commercial interests in all sectors are not looking towards sustainable management of natural resources, but instead, towards extraction of as much as possible before moving on. The local communities who stand to gain from sustainable use of these resources are left with nearly nothing. Gradually the government policies towards concessionaires and other commercial interests seems to be changing, but it is not likely that this will happen completely until most of the most valuable resources have been extracted.

The lack of information of biological diversity, ecological integrity and conservation practices like sustainable use is also evident in Cambodia. Little information exists at the national level on even the presence of some species, and rarely are life history factors known enough to adequately manage existing stocks of timber, fish, and wildlife. There is also a widespread lack of knowledgeable experts working within the government at all levels, a lack of good public education programs, and a lack of strong institutes of higher learning that could produce such

specialists. Similarly, although much local knowledge traditionally exists in many parts of Cambodia, this information is not enough. The continued presence of military regiments in some areas and the influx of other non-natives to other areas have diluted this knowledge base in many areas where it should be important.

This lack of information and human resources have been factors contributing to the lack of well-founded laws and policies in most natural resources sectors in Cambodia. Other factors include the recent recovery of Cambodia from war and civil unrest that has diverted policy attention to other areas and the lack of political will to make policy changes that might have a negative impact to some in power. This situation is changing now with the drafting of new policies in Wildlife, Fisheries and Land Tenure, etc. Once these policies are approved there is still much work to be done to develop appropriate rules and regulations stemming from them. Without such laws and regulations, biodiversity remains at risk.

Even where there are appropriate laws in place, however, these are rarely enforced. This is largely due to the lack of capacity in both staff and equipment at all levels, and especially in the provincial districts and on-the-ground where most enforcement efforts need to be conducted. Without vehicles and radios, who can patrol the forests? Without boats and motors, who can patrol the waterways? And, when government salary levels are generally \$30/month or lower, who can afford the time?

Finally, one of the most overriding administrative concerns in the management of natural resources in Cambodia is the often silent but usually deadly issue of corruption at all levels of government. If someone is only paid \$30/month, not enough to feed a family, why not look the other way for money if this is offered? And, if someone is in power at higher government levels, why not take some money from a rich international concessionaire in exchange for good fishing grounds or timber lots? Until such rampant practices are revealed and dealt with appropriately, the situation for conservation of biodiversity and natural resources in Cambodia will not be a good one.

6. Tropical Forests and Biodiversity Conservation Efforts in Cambodia

Despite the grim review of threats to Cambodian forests and biodiversity the situation is not completely hopeless. A number of efforts are being taken by a variety of donors, NGOs, and government officials at many levels. Cambodia is a signatory to a number of global conservation conventions and is gradually beginning to fulfill some of the related requirements at an international level. Within the country, too, a solid core of concerned citizens and local initiatives are forming alliances with international organizations and finding resources and impetus for their conservation activities. A fuller account of all of these efforts and all of the players in various natural resources sectors is given in the parent document *Cambodia Environmental Review: Status and Trends in Environmental Management and Options for Future Action*, and only summarized here. But even in this summary, it is evident that in some sectors, at some levels of government, in some geographical areas, the positive impact of various approaches may one day become evident.

6.1 Organizations Playing a Role in Cambodian Conservation Efforts

A variety of organizations and entities are involved in conservation responsibilities and actions within Cambodia and only some of the key ones are listed here. On the government side, biodiversity and tropical forest management matters reside largely within the MoE, which among other things, oversees protected areas, and with MAFF with its related Department of Fisheries, and Department of Forestry and Wildlife, which oversee various natural resources country-wide. Both ministries operate at both the national and provincial levels, with offices and operations in Phnom Penh and out in the provinces. There is a known overlap of responsibilities between these two ministries that sometimes causes conflict between various departments at both national and regional levels. Other ministries and government departments also have some responsibilities relevant to natural resource protection and conservation efforts.

Various donors and multilateral organizations also play a large role in supporting Cambodian conservation efforts. Cambodia receives funding for natural resources conservation efforts from many developed countries including Denmark, Finland, Germany, Great Britain, Japan, the United States, and others. In addition to these bilateral donors, there are a number of multilaterals with interests in various aspects of the environment in Cambodia. These include the World Bank, the Asian Development Bank and various United Nations (UN) organizations such as the UN Environment Program (UNEP), UN Development Program (UNDP), and Food and Agriculture Organization (FAO). Because of the notable biodiversity and other natural resources within Cambodia, there are also a number of Global Environment Facility (GEF) conservation projects within the country and the region. The Mekong River Commission has its regional headquarters in Phnom Penh and supports some projects within Cambodia along with other initiatives within the four countries within its jurisdiction. For the most part, these donors and multilateral organizations have carved out various niches for themselves within the environmental sectors, although there are some overlaps and some donor coordination needs have yet to be addressed.

There are many international, national and local NGOs actively working in various biodiversity and natural resources sectors. Among the most visible international conservation NGOs in Cambodia are the Wildlife Conservation Society, World Wildlife Fund, Wetlands International, Flora and Fauna International, Conservation International, the International Crane Foundation, WildAid, IUCN, Traffic, and some others. A number of national NGOs including Save Cambodia's Wildlife, Mlup Baitong, Osmose, Culture and Environment Protection Organization, and the NGO Forum focus on conservation education, awareness, and networking projects in Cambodia. Finally, many other NGOs work at the provincial and community levels throughout the country. More details on the activities of many of these organizations within a number of natural resources sectors are presented in the parent report to this assessment.

6.2 Cambodia's Involvement in International Conservation Agreements

Cambodia is a party to a number of international conservation conventions but its compliance with these agreements varies greatly in effort and effectiveness. The NGO and donor community in Cambodia is playing an increasingly expanding role in helping Cambodia fulfill the international mandates it has agreed upon in various agreements. A few select examples follow.

Cambodia has ratified the Convention on Wetlands of International Importance (Ramsar Convention) in 1999 and with help from Wetlands International and support from the Asian Development Bank and other donors, has so far officially listed three Ramsar sites in Cambodia. Work is now being done to develop management plans for these areas. Cambodia also protects the Angkor Wat area under the UN World Heritage Convention and is considering the inclusion of other areas, such as the Cardamom Mountains, with help of Conservation International.

Cambodia became a signatory to the Convention on Biological Diversity (CBD) in 1997 and work required under this agreement is progressing in Cambodia, with the preparation of the Biodiversity Prospectus in 1997, and the nearly completed efforts to prepare a Biodiversity Action Plan and Strategy that are being undertaken for the government of Cambodia with support from FAO. Cambodia has been a party to CITES since 1997 but has done little to implement it. Help in this regard should soon be underway now that Traffic has opened an office in Phnom Penh.

Cambodia also became a party to the Agreement on the Cooperation for the Sustainable Development of the Mekong River Basin (MRC) and is now the current home of the MRC Secretariat, which is supported in part by the Danish International Development Agency (DANIDA) and UNDP. Cambodia is also a signatory to other conventions, including the International Convention for the Prevention of Pollution by Dumping of Wastes and Other Matter (MARPOL), the International Convention to Combat Desertification (CCD), the United Nations Convention on the Law of the Sea (UNCLOS), the Framework Convention of Climate Change (UNFCCC), the International Tropical Timber Agreement (ITTA), and others. Various donors and NGOs also are helping to play a role with some of these conventions but much more work is still needed.

One important conservation organization that the RGC, unfortunately, is not a member of is IUCN. Until this situation changes, Cambodia's visibility and role in the important triennial General Assemblies remains limited to the country offices of NGOs like World Wildlife Fund, Flora and Fauna International, Wetlands International, Conservation International and others who are international NGO members of the IUCN.

6.3 Conservation Approaches in Cambodia

Donors, NGOs, and governmental agencies within Cambodia are supporting a number of different approaches to stem the loss of biodiversity and tropical forests. Some of these approaches and representative examples are described here but much more information on this topic is presented in the parent document.

One area that is getting some much-needed attention in Cambodia is that of capacity building within various branches of the government. Different donors are supporting the work of some government-based initiatives such as the MoE Environmental Management of the Coastal Zone project that is supported by DANIDA, and the World Bank Forest Concession Management and Control Pilot Project situated within the MAFF Department of Forestry and Wildlife. Many more such examples exist within appropriate departments and sectors of the national and provincial government. Some NGOs, including the Wildlife Conservation Society, Wetlands International, the NGO Forum are similarly working with government counterparts in the formulation of new Fisheries, Forestry, and Land Laws and are closely watching the progress of these laws through the adoption process. Other conservation organizations in Cambodia have focused on the formulation of various decrees that impact particular species or geographic areas. One example of this approach is the International Crane Foundation's success in spearheading a royal decree that gave official status to the Ang Trapeang Thmor Sarus Crane Conservation Area. Government agencies responsible for enforcement of existing wildlife and forestry laws are also getting some NGO and donor assistance. The Forest Crime Monitoring Unit, in both MoE and MAFF, is variously funded by a handful of donors and works in synchrony with the Global Witness, WildAid, and other NGOs in carrying out its mission. Local law enforcement activities in and around the Cardamom Mountains is similarly supported through efforts of Conservation International and other such activities are no doubt occurring elsewhere in the country.

Another biodiversity and forest-related area that is receiving NGO attention is the design and management of protected areas. Wetlands International is active in developing management plans for the three Ramsar sites within Cambodia and has also worked with DANIDA to develop a better management arrangement for Ream National Park on the coast. Conservation International and Flora and Fauna International are supporting work towards establishment of a Biosphere Reserve in and around the Cardamom Mountains. The Wildlife Conservation Society and World Wildlife Fund are similarly working in northern and eastern areas of Cambodia in various protected areas and reserves. These organizations are also conducting wildlife survey and monitoring studies both within their areas of concern, and in some cases, more widely.

Many of these same organizations and more are working in community-based NRM (CBNRM) in and around the protected areas they are involved in. World Wildlife Fund, for instance, has a community-based conservation program in and around Virachey National Park and in other areas in eastern Cambodia. Wetlands International has been instrumental in setting up a community fisheries organization in Ream National Park. Other organizations also engage in community-based work around the country. Some examples include the work of FAO around Siem Reap, the work of Mlup Baitong around Kirirom National Park, and the work of the Culture and Environment Protection Organization around Stung Treng. Oxfam Great Britain (Oxfam GB), Oxfam US, a number of missionary groups, and many other organizations also work around the country on various community-level projects that have a NRM slant.

The development and facilitation of education and awareness programs also has received support from a number of NGOs throughout Cambodia. Although most international NGOs include some variety of education or awareness activities within their programs, this is an area where national NGOs seem to particularly excel. Mlup Baitong provides educational programs for communities around Kirirom National Park and also collaborates with Save Cambodia's Wildlife in delivering interpretive and educational activities at the Phnom Tamao Zoo outside Phnom Penh. FAO's Gecko Center is another environmental education facility that provides programs for children and teachers in the Siem Reap area. A unique approach to environmental education in Cambodia involves providing monks with a Khmer translation of the Thai *A Cry in the Forest* to enable them to use Buddha's teachings to teach their constituents about environmental concepts. Similarly a Khmer children's book depicting a monk's journey, *A Walk through the Forest*, has been developed by Save Cambodia's Wildlife and widely distributed. Finally, there are also some awareness programs just begun that use different media. WildAid has recently put up wildlife-related banners in English and Khmer throughout Phnom Penh. Mlup Baitong is beginning a radio show with an environmental theme, and initiative are also underway to present relevant material in videos and on television. In this country with poor literacy rates, such use of other media is especially important.

Some other approaches to biodiversity conservation efforts that are often used elsewhere as yet have little applicability to Cambodia. For instance, *ex situ* conservation programs involving zoos and botanical gardens are in their infancy in this country, and such efforts should not be encouraged until upgraded facilities and human capacity are present. Although the government-run zoo outside Phnom Penh provides adequate housing for confiscated species, it presently has no resources or emphasis on research efforts. Aside from this zoo, the situation for the rest of the captive animals in Cambodia is dismal. At present there are also no botanic gardens within Cambodia although one initiative is being considered for the future. Another often mentioned approach elsewhere, that of ecotourism, is not at present a likely candidate for much further support. Few tourists travel to Cambodia as of yet to enjoy the wildlife and parks, since better facilities and opportunities for wildlife viewing and coral reef diving exist elsewhere in the region. One possible area where increased ecotourism might have a role, however, is in Siem Reap, where most tourists to Cambodia pass through on their way to Angkor Wat. An estimated 10 percent of these tourists also visit Tonle Sap. One budding ecotourism program, Osmose, operates boat trips to Prek Toal Biosphere Reserve in this area, and quite possibly these efforts might increase in the years to come, thus providing some private sector revenue for related conservation efforts in this area.

7. Overall Recommendations for Further Biodiversity and Tropical Forest Conservation Actions

Based on the information and analysis in this report and in the parent document, which covers NRM issues more broadly, there are a number of recommended actions that would help to address the loss of forests and biodiversity in Cambodia. Some conditions, including the widespread corruption within relevant government agencies and the economic forces driving the destruction of wildlife and habitats are beyond the role of USAID to address at this time. Similarly, with current congressional restrictions on using USAID funds to provide direct assistance to governmental agencies at the national level, there are other approaches that can not be taken. Despite these limitations there is still much room for USAID to actively address the threats to biodiversity and forests and to have a role in some of the solutions. Some key recommendations are given here for USAID and for other donors. Although it is expected that not all of these can be addressed under the current mission strategy, any attempts to tackle any of these recommendations should have a positive impact on the future of natural resources and biodiversity of Cambodia.

1. Local government agencies at the provincial level need to be strengthened in their efforts to understand and enforce existing natural resources laws and regulations.

The present situation in Cambodia is one of a near total lack of enforcement of laws relating to fisheries, wildlife, and forests. Even in cases where the will exists, relevant agencies and authorities at the provincial level do not have the equipment or expertise to effectively enforce these laws. Providing appropriate tools and training to select provincial fishery and forestry departments could have a strong and noticeable impact towards safeguarding key natural resources in these areas.

2. New policies and laws need to be developed that provide a better framework for conservation and sustainable use of forests and biodiversity.

In many cases the existing natural resources policies and laws are not biologically sound, do not ensure community access to land and natural resources and do not appropriately handle the necessary role of communities in managing resources at the local level. Work needs to be done to strengthen civil society in advocating for changes in these laws and in developing appropriate alternatives.

3. Communities need to be strengthened in their understanding and capacity to sustainably manage the natural resources within their domain.

In some cases, communities already have access to land and natural resources but could benefit from an increased understanding and better tools to use these in a more sustainable manner. In other cases, for instance, in changes in the new fisheries policy, communities are being given access to resources that have formerly been in private hands. In both cases, capacity-building efforts are needed at the community level to ensure their understanding of relevant policies and to help them sustainably use and manage these resources.

4. Appropriate management plans need to be developed and implemented for important protected areas and key resources.

Protected areas in Cambodia have largely been set up for historical reasons and not with a clear understanding of the biodiversity and natural resources contained therein. The entire protected area system in Cambodia needs a full review to ensure that it contains areas that are necessarily rich in biodiversity and natural resources. Particular protected areas also need well thought out management plans and the capacity to enforce them. Strong consideration must also be given to the sustainable use of key natural resources by surrounding communities who have long been dependent on them.

5. CITES efforts need to be strengthened and the trafficking of wildlife species needs to be curtailed.

Although Cambodia is a party to CITES, it has so far not been strong in implementing actions to reduce the trade of wildlife and natural products across its borders. The role of NGOs in monitoring CITES compliance needs to be strengthened along with the relevant government entities charged with enforcement.

6. The management rights of private sector timber concessionaires and commercial fishing block holders must be appropriately defined and enforced to reduce conflicts with local communities and to avoid unsustainable extraction of Cambodia's natural resources.

Within Cambodia, many large blocks of natural resources are allocated to timber and fishery concessionaires. Regulations regarding their management of these resources and giving appropriate access to communities need to be strengthened; sustainable management plans need to be developed; and the concessionaires' compliance with these plans need to be enforced.

7. Capacity-building efforts are needed to strengthen the knowledge base of natural resources managers in government agencies and NGOs and to strengthen Cambodian institutes of higher education to produce graduates with such knowledge.

Cambodia lacks educated and trained individuals in positions of responsibility and authority within its government agencies at all levels, and within the NGO and university communities. More students need to receive training in areas of NRM and conservation so that they can fill some of these gaps. In addition, the national university system requires institutional strengthening to enable it to fulfill its role in educating the future generation of natural resource managers in Cambodia.

8. More information, environmental education and awareness programs about forests and biodiversity are needed in Cambodia at all levels.

Among the Cambodian public, there is limited awareness of the nation's biodiversity riches and conservation needs. More education and awareness programs need to be developed and implemented for targeted audiences ranging from school children, to community groups, to the general public. These efforts need to include all media, such as radio, videos, billboards and in-person discussions in order to have maximum effectiveness in this largely illiterate country.

9. A database of information on species and their occurrence in Cambodia needs to be established and the relevant data collected from the field to enable effective management of biodiversity resources.

At present there is a scarcity of information about the presence, distribution, and life history for many species within Cambodia. As part of institutional strengthening programs, a database of species information needs to be set up and data needs to be collected from the field before Cambodia's biodiversity can be effectively managed and conserved.

10. Geographical focus: Local and provincial level biodiversity and forest conservation activities are especially scarce but critically needed in the dry dipterocarp forests and associated wetlands and river stretches in the northern plains and adjacent highlands.

The northern plains of Cambodia and adjacent highland areas stand out for the convergence of rivers with diverse fish species with some of the largest remaining tracts of dry dipterocarp forests in mainland Southeast Asia. Within these forests are small wetlands that support sizeable populations of large and elsewhere rare waterbirds and large mammals such as wild cattle, elephants, and tigers. This area has not yet attracted much donor attention and needs to be recognized and supported soon before key resources are lost. Community-level work in these areas would have the greatest impact on conservation of globally important biodiversity and important forest habitats. If funding for community- and provincial-level work is limited, it is suggested that it be focused here first.

8. Recommended Actions in USAID/Cambodia IESP: Relationship to Biodiversity and Tropical Forest Conservation

A parallel project to the production of this Tropical Forests and Biodiversity Assessment has been the production of a proposed Interim Environmental Strategic Plan (IESP) for USAID/Cambodia. In this section, in accordance with the clauses of FAA Sections 118 (tropical forests) and 119 (biodiversity) the “extent to which the actions proposed for support by the Agency meet the needs thus identified” is addressed.

The full IESP appears in Annex 1 to the parent document and only the recommendations are repeated here for this analysis. The IESP recommends an Intermediate Result (IR) to be incorporated with the Democracy and Governance (DG) Strategic Objective (SO) 1 with an example of various illustrative activities.

8.1 Proposed IR: Strengthened Local Governance of Natural Resources to Secure Community Control over Resources Critical to Rural Livelihoods

Four “points of entry,” or sub-IRs are suggested, including:

1. **Community-Level Entry Point: Improved community control over management and conservation of forest and fishery resources.**

Illustrative Activities

- Assist communities to develop institutions to manage resources under their control.
- Assist communities to identify, value, map, and plan the management of their resources.
- Strengthen the capacity of communities to advocate for their resource use rights to government and the private sector.

2. **Local Government Entry Point: Strengthened ability of commune councils and other levels of local government to implement new land and natural resource management laws and to reduce natural resource-related conflict and human rights abuses.**

Illustrative Activities

- Provide commune councils with legal and technical training that will allow them to play their intended role in NRM.
- Educate communities and resource users about their rights under new land and NRM laws and how to effectively advocate for recognition of their rights.
- Facilitate cooperation and joint activities between HR/DG and conservation/environmental NGOs and other civil society organizations.
- Assistance to establish land and natural resource conflict prevention and resolution mechanisms to be implemented at the commune and province levels.
- Support NGOs to investigate and publicize natural resource-related human rights abuses.

- Develop and foster mechanisms for inter-level and interagency cooperation with respect to NRM and land use planning.
- Support conservation NGOs, in cooperation with the USFWS, to strengthen the ability of provincial-level government agencies to control the illegal harvest and trade of wildlife and timber.

3. Legal Framework Entry Point: Support civil society to participate in the process of national level consultations to refine and monitor the implementation of the legal framework for land and natural resource management as they relate to CBNRM and NRM governance at provincial and lower levels.

Illustrative Activities

- Disseminate to donors and NGOs lessons learned from natural resources DG activities at the community and local government levels and support NGOs to advocate the incorporation of these lessons into government policy.
- Support NGOs to participate in the process of consultation and review of implementing regulations for soon-to-be approved Land, Forestry, and Fishery Laws.
- Support NGOs to identify illegal activities and corruption related to NRM and bring their findings to the attention of the government and the public.
- Provide public awareness and environmental education to help citizens participate in the political dialogue about NRM and biodiversity conservation.
- Encourage NGOs to develop mechanisms for ENR conflict prevention and resolution.
- Support NGOs to monitor the enforcement of ENR laws.

4. Private Sector Entry Point: Facilitate improved natural resources management by the private sector through recognition of community rights and innovative partnerships with communities and communes.

Illustrative Activities

- Devise and demonstrate incentives and approaches for the private sector to partner with communities and communes to manage and market natural resources.
- Support NGOs to establish forest certification in Cambodia as a private sector-driven means to improve forest management, and in the context of this IR to use certification as a leverage point to gain recognition of community resource use rights by concessionaires.
- Create the opportunity for the growth of small, knowledge-based businesses by giving communities funds and guidance to hire local firms to assist them with natural resources and land use planning as well as environmental and social impact assessment, if warranted. This would create 1) an incentive for the private sector to offer services usually provided by government or NGOs, 2) a new business niche in rural areas, and 3) employment for university graduates in natural resources and agriculture.

8.2 Analysis of Relationship between the Proposed IR and the 118/119 Assessment

The points of entry and illustrative activities suggested in the IESP are closely related to a number of the overall tropical forest and biodiversity conservation recommendations presented in this report. Some of the most salient overlaps are considered here.

The proposed community entry point 1 clearly corresponds to biodiversity recommendations 3 and 8 that involve empowering local people to manage their own resources and providing them with knowledge about them. Community control over their resources is also a factor that can be addressed through policy changes described in recommendations 2, 4, and 6.

Entry point 2, local governments, just as clearly overlaps with biodiversity recommendations 1 and 7 and to some degree with recommendations 2, 4, 6, and 8 as well. In all of these recommendations, it is important that the local government entities be strengthened, empowered, and educated to perform their natural resource-related responsibilities effectively.

Similarly, entry point 3, concerning legal frameworks, closely dovetails with biodiversity recommendations 2, 4, 5, 6, 7, and 8 which all could involve civil society to one degree or another in efforts to learn more about and monitor the enforcement of existing laws and to work on the development of new and more effective ones.

The private sector entry point 4 also closely corresponds to biodiversity recommendation 6 with overlaps in other recommendations as well. Although presently in Cambodia, the private sector presents some of the greatest impediments to biodiversity conservation, this could turn around, and more appropriate involvement of the private sector could be an asset.

If the local- and provincial-level work outlined in all the entry points focus efforts in parts of the northern plains then biodiversity recommendation 10 will be addressed as well.

The only biodiversity recommendation not covered in some way in the proposed IESP is number 9, which requires a scientific perspective most likely beyond the purview of USAID programming. Although implementing recommendation 9 will have long-term positive effects, right now the threats to forests and biodiversity in Cambodia are immediate and severe. Addressing items 1 through 8, with a geographical focus suggested in 10 will go a long way towards facilitating the more immediate and necessary actions.

8.3 Conclusions

As can be seen in this section, the points of entry suggested in the IESP strongly overlap a number of the tropical forest and biodiversity recommendations suggested in Section 7 of this assessment. If any of the illustrative actions are funded in support of these points, then they will also help address the loss of natural resources and biodiversity. The present situation in Cambodia is putting undue stress on remaining natural forests, wetlands, and aquatic ecosystems and to the fish, wildlife and plant species that live within them. Any and all actions funded by USAID to address this situation is sure to help the people of Cambodia who depend upon these resources and will in turn aid international biodiversity conservation efforts.

Cambodia Conflict Vulnerability Analysis

February 25, 2002

TABLE OF CONTENTS

Executive Summary

- Section I. USAID Framework for Conflict Vulnerability Analysis**
- A. Conflict Definitions
 - B. Conflict Vulnerability Analysis
- Section II. Structural or Root Causes of Conflict**
- A. Recent violent conflict
 - B. Economic growth/decline
 - C. Primary commodity dependency
 - D. Unemployment
 - E. Education
 - F. Environment and natural resources
 - G. Land tenure
 - H. Infant mortality
 - I. Ethnic composition
 - J. Demographic shifts
 - K. HIV/AIDS
 - L. International trade
 - M. Neighboring states
- Section III. State Capacity and Response**
- A. The State
 - B. Decentralization
- Section IV. Mobilization and Access to Conflict Resources**
- A. Organizational factors that facilitate collective action
 - B. Financial resources
 - C. Military resources
- Section V. Triggers**
- A. National elections
 - B. Economic shocks
 - C. Natural disasters
- Section VI. Entry Points for Development Assistance**

Executive Summary:

The USG has a long-term interest in pursuing economic and political stability in Southeast Asia. Part of this strategic engagement is to support democratization efforts in Cambodia. This is reflected in a principle and enduring US foreign policy objective to promote peace and stability throughout the world through democratic processes. There are a compelling set of country relationships and factors that could detract from or stall Cambodia's democratization process. Therefore, it is important for the USG to expand its development efforts in Cambodia.

It is widely acknowledged that violent conflict can adversely affect hard-won economic and social gains in developing countries, undercut democratization and sustainable development goals. Therefore, the purpose of conducting the Conflict Vulnerability Analysis (CVA) was to assess the potential for future conflict in Cambodia and help identify areas of USAID programmatic engagement for conflict prevention. The CVA recognizes that not all conflict is bad. The very process of change and development often stimulates conflict in that it changes the balance between differing and sometimes opposing interests and perspectives. Conflict can lead to positive change that improves behavior, conditions or equity. However, violent conflict which results in substantial injury or loss of human life, with the potential to destabilize the country and either slow or stop the process of democratization is the target of the CVA and USAID's conflict prevention goals.

After decades of conflict, and almost a decade after the 1991 Paris Peace Agreements, Cambodia finally established peace in 1999. However, the continuing national stability and progress from a semi-autocracy to a democracy is still fraught with significant dangers and pitfalls. As one looks forward, it is important to keep in mind that Cambodia's history has been characterized in part as a chronic failure of contending groups of patrons and their clients to compromise, cooperate or share power. Even today, political parties are highly personalized and politics are played as a zero sum game. Parties seek power and leaders seek personal aggrandizement, with little fundamental regard for needs of the people.

Comparing the social and economic conditions of rural Cambodians today and the period of the 1960s should give us pause since Cambodia still faces many unresolved problems of the past, in addition to new challenges. In fact, in many respects the conditions in Cambodia at the start of the 21st Century are worse than ever before. Today, the country has the highest infant mortality rates in Southeast Asia, illiteracy is higher now than in the 1960s, violent crimes - rare in the 1960s - are now frequent, HIV/AIDS is one of the highest per capita in Southeast Asia, corruption is rampant, pervasive government/elite impunity, extreme disparity of wealth, and grinding poverty - all factors which threatened livelihoods and consequently, democratic reform.

For an agrarian society, the availability of secure land tenure and viable ecosystems to support natural resource productivity are important key factors to human security. However, in Cambodia, land is becoming increasingly scarce for the rural poor. In fact, before the war, the average landholding was 2.2 hectares, now it is less than 1 hectare. Landlessness is an increasingly critical development and human rights issue in Cambodia. In 1984, landless families represented about 3% of total families (slightly lower than in 1969 - 4%). In 1999, this percentage increased to 12% (= 1.2 million people), while landlessness in female-headed households was 21%. Within fishing communities, landlessness can be as high as 24%. Researchers estimate that this trend in landlessness will worsen, reaching 15% in 2001. The lack

of governance and widespread corruption has resulted in high rates of deforestation, increasing desertification, decreasing fish catches, exacerbation of natural disasters - all of which undermine economic and social development.

Cambodia possesses many of the risk factors associated with violent conflict that have been identified by empirical research. Cambodia is a post-conflict, semi-autocratic country, that is experiencing stagnant economic growth, grinding poverty, high rates of unemployment and infant mortality, low rates of education, increasing rural to urban migration, and an eroding natural resource base resulting in loss of ecosystem services and productivity.

These risk factors, in and of themselves, do not necessarily cause conflict. However, they are exacerbated by the existence of weak and corrupt state institutions and by manipulative political systems and parties that principally serve the purposes of elites. Additionally, the capacity of groups to translate their grievances into collective action depends upon their ability to harness financial, human and other resources. The demographic shifts taking place in Cambodia, the wealth of natural resources and pervasiveness of illegal trafficking in a variety of areas, can provide opportunities for mobilization under effective leadership. Contributing to potential future instability are low-intensity conflicts that are not being adequately addressed by the state, such as loss of livelihoods that are translated into a growing number of fishery conflicts, land tenure conflicts and labor demonstrations that could, overtime, generate civil unrest and/or communal conflict. Finally, there are discrete events that could serve as 'triggers' to the outbreak of conflict. These include the 2003 national elections, economic shocks and natural disasters.

Thus, the likelihood of large-scale violence or collapse of government control is relatively low. However, the potential for civil unrest and communal conflict is high with a likely outcome being increased central government control with the high risk of stalling or reversing progress in democratization and strengthening democratic institutions.

USAID's long-term investments in developing countries must be balanced to enable the processes for sustainable development to take place. The means to prevent widespread violent conflict lie in a country's ability to address current economic, environmental, social, cultural and political inequities or grievances internally while adequately dealing with international or cross border issues and conflicts. Thus, the conclusions derived from the CVA suggest that a democracy and governance approach alone is insufficient to mitigate the prospect of, and ameliorate the incidence of violent conflict.

For example, continued work only with NGOs raises serious risks as expectations are increased without the ability of the government to meet these expectations. The positive democratic changes of the past several years have not necessarily made government institutions better able to provide basic public services or protect public goods. Justice and protection of individual rights, a sound business environment, adequate infrastructure, basic services conducive to sustainable economic and social opportunities for all citizens (such as education, public health, sanitation), protection of environment and natural resources and a social safety net for vulnerable populations or individuals are all lacking in Cambodia. Nor have changes meant that state institutions can adequately manage conflicts. Thus, the interaction of rising frustrations from unattended underlying grievances with incompetent and corrupt government institutions increases the risk of future conflict.

Recommendations:

General:

- USAID should seek opportunities to engage and support the capacity of the government when opportunities arise. There is current anti-corruption notwithstanding language that would allow specific technical support to the government.
- USAID should seek the necessary financial (DA and ESF) and human resources to develop a balanced sustainable development program under the auspices of conflict prevention in Cambodia focusing on key risk factors and entry points identified in the CVA.

Programmatic:

- use the notwithstanding language on corruption to develop a series of activities with the government and local NGOs to improve accountability and transparency initially focusing on the governance of natural resources – specifically the fishing and land concessions.
- develop capacity with the appropriate entities to ensure that commune development activities are done in an environmentally sustainable manner and that there are no negative impacts on communes which depend directly or indirectly on ecosystem services and products
- develop small-credit or grant programs for the vulnerable poor so that medical expenses do not result in the loss of land
- explore the potential of developing programs to increase access to secondary school education
- explore the opportunities for developing micro-enterprises to generate employment in rural areas

Section 1: USAID Framework for Conflict Vulnerability Analysis

USAID has been developing a method for anticipating violent conflicts and analyzing the dynamics of conflict. The culmination of these efforts is synthesized in a draft Framework for Conflict Analysis.¹ The Framework synthesizes much of the empirical research on violent conflict into a coherent approach for country analysis. This section provides operational definitions and summarizes key elements of the Framework.

A. Conflict Definitions

The term 'conflict' is broad and multi-faceted. Therefore, to operationalize conflict prevention, it is necessary to differentiate between the different forms of conflict.

Conflict definitions²:

- A. Violent conflict – disputes that involve the use of force that lead to significant loss of life and property. Will vary in scale, duration, intensity and lethality. Distinguished by actors involved, degree of organization and mobilization.
- B. Internal war – armed opposition attempts to challenge state
- C. Civil unrest – violence directed against a government to effect a change in policy or government – violent demonstrations, labor strikes, riots. Although root causes are complex, civil unrest tends to be provoked or exacerbated by specific, proximal events. Usually lacks the organization of a war but involves at least several hundred participants and employs violence as a tactic.
- D. Violent change in government – attempts by insurgent elites to remove a regime from power by extra-constitutional means accompanied by resorts to violence
- E. Communal conflict – violence between/among ethnic, religious, racial or other communal groups.
- F. Low-intensity conflict - disputes occurring between different groups that do not reach the intensity of civil unrest or communal conflict. However, given the lack of state capacity to address the underlying grievances, these types of conflicts have the potential to galvanize into more intense conflicts. Therefore, these conflicts can serve as an indicator as to how well grievances in society are addressed and as a strategic entry point for development assistance.

For Cambodia, widespread violent conflict is not expected in the near future. Conflict is likely to take the form of either localized protests or demonstrations that turn violent when mishandled by security forces, or communal conflict between groups or individuals in specific regions of the country. The basic tendency toward isolated violence could be generalized into more widespread turmoil by government abuse of its predominance of power to turn back progress on democratic reforms.

B. Conflict Vulnerability Analysis

¹ Draft Framework for Conflict Analysis. USAID Bureau of Democracy, Conflict Prevention and Humanitarian Assistance, Office of Democracy and Governance.

² Definitions A-E from the Republic of Georgia CVA.

The USAID draft Framework for Conflict Analysis focuses on conflict dynamics at various levels of analysis and breaks out stages in the evolution of violent conflict. Root causes are understood to be the foundations of discontent - the societal grievances and incentives that induce people to resort to violence as opposed to peaceful forms of expression. These are phenomena of long duration that create tensions within society, either among groups or between groups and the state, that may, in turn, manifest themselves in violent expression.

Historically, conflict risk factors have been viewed through a political science lens that focuses on grievances, such as ethnic or religious hatred, as motives for violence. More recently, economic factors – such as financial gain, access to land and property rights – have begun to receive more attention as causes of conflict. Both grievance- and greed-induced incentives for conflict are derived from a variety of risk factors, the balance of which will differ spatially and temporally. It is important to recognize that the particular pathway through which specific risk factors influence the emergence or re-emergence of conflict is not always clear. Moreover, there may be multiple pathways of influence. It seems logical that the greater the number of factors reinforcing each other, the more likely conflict will emerge. However, all conflicts require minimum thresholds of grievance and opportunity in the form of resources, corrupt leaders and lack of state capacity or increased vulnerability.

The second tier of the Framework focuses on mobilization, or the capacity of organizations with specific, multiple or overlapping grievances to recruit money, manpower, weapons and other resources to advance their interests. Behind the logic of this stage is the recognition that grievances themselves are common while outbreaks of hostilities are rare. There is no straight path, for example, from poverty to violence. The capacity of groups to translate their grievances into collective action depends on their ability to harness resources to group objectives. Resources include human, financial and other assets as well as less tangible but also important elements that contribute to the forging of strong organizations. This stage of the analysis therefore includes a society-wide inventory of potential conflict resources, ranging from ethnic/political groups, diasporas, natural resource assets, to human and weapons recruitment.

The third tier centers on state capacity, or the ability of institutions to address root causes of conflict, manage pressures that might generate conflict, or mediate among potential parties to conflict. Civil conflict is substantially driven by opportunities for conflict, which are shaped most strongly by whether states have the capacity to deter or defeat violent opposition.³ Aggrieved groups with access to resources may, of course, choose to channel their grievances peacefully and constructively within the political system in order to achieve a political objective. Whether that occurs depends in large measure on the state's ability to control or demobilize conflict and the existence of legitimate channels for conflict resolution.

The state's capabilities depend on, among other factors, the state's fiscal strength (its ability to raise revenue), as well as its capacity to maintain infrastructure, provide services to its population and enforce compliance with its laws. Capable states are seen as neutral arbiters of competing interests. They tend to exercise a restraining influence on the behavior of elites and are powerful enough to repress or co-opt groups that would employ violence as a tactic. Weak states, by

³ Most recently and forcefully argued by Fearon and Latin (2001).

contrast, are unable to manage these actors and in fact may seriously exacerbate conflict conditions in which aggrieved groups are mobilized

Finally, the Framework turns to specific windows of vulnerability. These are discrete events that serve as “triggers” to the outbreak of conflict. They include acts of government repression, human rights violations, economic shocks (hyperinflationary episodes, adjustment), shifts in elite politics (e.g., ministerial reshuffles), flawed or fraudulent elections, and natural disasters. They might also include other forms of conflict or low-intensity conflicts, such as a riot, tit-for-tat attacks of one group against another, or rebel incursions.

Section II: Structural or Root Causes of Conflict

This section analyzes the conflict risk factors that have been identified by empirical research within the context of Cambodia. It is clear that Cambodia possesses a number of these risk factors. Therefore, the country faces many challenges that have the potential to destabilize its progress towards democratization if these conflict risk factors are not satisfactorily addressed. The following conflict risk factors were examined:

- A. Recent violent conflict
- B. Economic growth/decline
- C. Primary commodity dependency
- D. Unemployment
- E. Education
- F. Environment and natural resources
- G. Land tenure
- H. Infant mortality
- I. Demographic shifts
- J. Ethnic composition
- K. HIV/AIDS
- L. International trade
- M. Neighboring states

A. *Recent violent conflict:* Recent empirical studies have shown that post-conflict countries are at substantial additional risk of sliding back into conflict. Once major violent conflict has occurred, it appears to change the landscape permanently and thus raise significantly the risk of future conflict. The World Bank’s research project on the Economics of Civil Wars, Crime and Violence, has shown that the same risk factors of conflict pose roughly double the risk of conflict in the first decade of post-conflict peace, than in a pre-conflict setting. In this study, about 50% of the countries examined had fallen back into conflict. Immediately after the end of hostilities, there is a 32% chance of conflict re-igniting. After 10 years of peace, the risks of conflict decline to about half of those after five years of peace at the mean of the characteristics of post conflict countries. Thus, the longer the duration of peace, the smaller the potential influence of this risk factor. However, before this point is reached, it appears that many countries fall into a conflict vortex where the underlying risk factors of conflict feed back to generate additional components of risk.

Cambodia has experienced peace only for a short period of time, since the coup in 1997 and the establishment of a coalition government in 1998. One result of this coalition process was the elimination of the Khmer Rouge as an effective political and fighting force and many believe that the factors associated with future conflict were in turn eliminated. However, many of the underlying conditions that lead to the conflict are still present. These conditions include high levels of corruption, absence of the rule of law, grinding poverty and increasing disparities between the wealthy and poor. The key for Cambodia to maintain stability and continue progress towards democratization depends to a great extent on whether the government will be able to effectively continue the reform process and address these risk factors. If strong domestic institutions can address grievances associated with risk factors in an equitable manner, then the incentives for violent protests/rebellions will diminish as there will be legitimate channels for conflict resolution.

B. Economic growth/decline: The existence of poverty or lack of access to human and financial resources are not enough to initiate, sustain or re-ignite conflict. However, poverty and the lack of economic growth are highly correlated with the emergence of civil conflict. Studies have shown that a society in which the economy is growing by 5% is about 40% less likely to experience subsequent conflict than one that is declining by 5%. A doubling of per capita income reduces the risk of conflict by 5 percentage points. Conflict countries had less than half the mean income of non-conflict countries (\$1645 per capita versus \$4219 per capita).

Economic decline or slow growth is related to conflict through its effects on the state, which cannot raise sufficient revenue to function adequately and meet the demands of its citizens. This effect is further impacted depending on the amount of corruption and graft in the system.

Although Cambodia has only been at peace for the last four years, there appears to be a failure of the Cambodian economy to take off. GDP increased from 1.7% in 1998 to 6.5% in 1999. However, there was only 4% growth in 2000. For 2001, government estimates place GDP growth at 6% – however, CDRI researchers place the real value at 3-4%. There are a number of internal and external factors that are influencing the ability of the Cambodian economy to grow, ranging from corruption to lack of competitiveness to global factors.

For example, the textile industry began to grow during the 1990s. The garment industry is one of the fastest-growing sectors for private investment and leads the country's exports - worth approximately \$985 million. Compared to other countries in the region, the textile industry is still in its infancy with regard to dealing with competition and strategic marketing. However, due to favorable trading agreements, Cambodia now has comparative advantage over its competitors in the region. The question is whether this advantage will continue since both China and Vietnam will become members of WTO before Cambodia and in doing so will have the same trading advantages that Cambodia currently possesses. Two other factors that have the potential to contribute to eroding Cambodia's comparative advantage are corruption and an increase in labor strikes due to inadequate enforcement of the labor law. First, the high level of corruption remains a crucial issue in continued foreign investment. To compensate for high 'bureaucratic costs' the government provides many tax exemptions to the industry as incentives for foreign investors, thus depriving the government of needed revenue. Second, the government is not actively enforcing the new labor law, which creates tensions between workers and management. Additionally, since there is not an effective dispute resolution system, disputes drag on and

strikes can become common occurrences. Finally, the provisions of the labor law are quite liberal which could be a disincentive to investment if fully enforced and if neighboring countries, such as Vietnam, continue to have lax labor laws.

As a member of ASEAN, Cambodia will eventually become a member of ASEAN Free Trade Area (AFTA), which liberalizes trade in the region through the elimination of both intra-regional tariffs and non-tariff barriers. The future of Cambodia's comparative advantage within the AFTA remains unclear. There is concern that an unprepared and hurried entry in the AFTA could permanently and irreversibly damage the country's chances of realizing its potential as an agricultural producer - specifically in rice. Similar to the textile industry, corruption is undermining Cambodia's competitiveness in this sector. Licensing of exports is required to ensure food security, although no fees are collected by the government. However, because there is competition among traders to get export licenses, the high costs associated with exporting procedures (i.e. corrupt officials charging bribes) results in Cambodia being not as competitive as its surrounding neighbors. Over the five years prior to 2001, the direct economic losses incurred in rice exports are estimated to range between \$1.5 and \$7 million annually. Additionally, Cambodia is not as competitive in the amount of rice yield per hectare as its surrounding neighbors.

The combination of inadequate natural resource accounting and corruption also negatively impacts GDP. For example, in the inland fisheries sector the retail value is estimated at \$500 million. The sector contributes 5-10% of GDP. However, the Department of Fisheries, charged with the management of this sector, collected less than \$3 million in fees from fishing concessions. The prevalence of 'under the table' deals implies that the official price paid is artificially low, enabling the concession holder to pay both the formal and informal price. One instance showed that the fees generated to concession owners (through subleasing of fishing lots) was five times higher than the formal payment for the concession. Thus, a substantial amount of revenue goes to private individuals rather than to the national economy. A similar set of examples can be provided for the forestry sector.

Corruption permeates Cambodian society. Although everyone discusses corruption as a common source of grievance, many believe that it is so ingrained into the culture that it isn't even questioned anymore. The magnitude of corruption in Cambodia suggests that it is not only a significant conflict risk factor but also a significant impediment to institutional development and sustainable economic development (as discussed above).

C. Primary commodities: Econometric studies have found that countries dependent upon primary commodity exports for a substantial share of their income are at significantly greater risk of conflict. Dependence upon primary commodity exports is seen as an even more important risk factor in post-conflict than pre-conflict societies. The World Bank research found that the highest risk of conflict is correlated with a primary commodity dependence comprising 32% of GDP. At this level, the 'ordinary country' has a risk of conflict approximately 22%, while a country with no natural resource exports has a 1% probability of conflict.

Although the figures for primary commodity dependency could not be found for Cambodia, it is logical that it is a high percentage in relation to GDP. This conclusion is based on the fact that there is limited economic diversification outside of the agriculture and natural resource sector.

D. Unemployment: Studies have shown that unemployment coupled with eroding incomes and low economic growth is correlated with conflict. Quantitative and qualitative studies have revealed that the proportion of unemployed or underemployed, poorly educated young men appear to be a critical risk factor in terms of a country's vulnerability to conflict. One explanation is that young men, with few other economic options available, view the resource gains that accompany violence (such as theft) as a way for personal enrichment.

In 1998, the Cambodian labor force totaled 5.1 million, representing 45% of the total population. The official unemployment rate was estimated to be slightly above 5% of the labor force. The workforce is primarily concentrated in the agricultural sector (77% of total employment). Nascent industry, such as garments and tourism comprise about 15% of the total labor force. About 90% of textile workers migrate from rural areas into Phnom Penh. CDRI researchers estimate that Cambodia will have at least 200,000 new entrants into the work force per year for the period of 1999-2003. For the period of 2004 to 2008, an estimated 250,000 people per year will enter the labor force. The jobs created from 1999 to 2003 are likely to decline due to the recent drop in productive investment. Consequently, Cambodia faces a tremendous challenge in the medium and long term in generating adequate employment in rural areas for the new labor entrants. If this is not possible, there will be increasing migration to urban areas, greater than what urban areas are now experiencing.⁴

E. Education: Econometric models show secondary education as a surrogate for both economic growth and state of the labor market. Conflict appears to be concentrated in countries with lower secondary enrollment rates. The average country has only 45% of its young males in secondary education. A country which has ten percentage points or more of its youth in schools – i.e. 55% instead of 45% cuts its risk of conflict from around 14% to around 10%.

Cambodia's education system is poorly functioning due to lack of human and financial resources. Illiteracy is higher now than it had been in the 1960s. Although there is high primary school enrollment (male – 95%; female – 84%), secondary school enrollment is far below average (male – 30%; female – 18%).

F. Environment and natural resources: Studies have shown that the likelihood of domestic conflict is higher in countries with environmental degradation (deforestation, high land degradation, low freshwater availability per capita) than in countries with limited or no environmental degradation. The State Failure Task Force⁵ study concluded that countries with underlying vulnerabilities and limited government capacity to respond to environmental deterioration are associated with increased risk of state failure.

⁴ Urbanization can be viewed as a magnet for conflict due to high rates of immigration from rural areas, lack of absorptive capacities of urban economies, abundance of idle youth and lack of urban services (i.e. water, electricity). Migration from rural areas is due to a combination of factors including low economic growth, shift in land productivity (due to access and/or degradation) and inequalities in rural land tenure which give rise to rural poverty, severe social inequalities and landlessness.

⁵ The State Failure Task Force is a multi-year effort funded by the CIA's Directorate of Intelligence. The aim of the Task Force is to identify factors associated with state failure. It has examined a broad range of demographic, societal, economic, environmental and political indicators influencing state stability.

There are two broad schools of thought on how environment and natural resource issues contribute to both the greed and grievance pathways of conflict. The first argues that natural resource depletion and environmental degradation, increased demand for resources (explicitly linked to population growth) and inequitable distribution leads to environmental scarcity. The resulting environmental scarcity can deepen poverty, contribute to declining agricultural production, generate large and destabilizing population movements, and/or aggravate tensions along ethnic, racial or religious lines. The second school examines the power relations and structures that are inherent in defining, controlling and managing both renewable and nonrenewable natural resources. Thus the focus is on the different forms of access to and control over resources (i.e. property rights, concessions, national/local forms of governance) as mechanisms for the interaction within the conflict dynamic. This approach not only looks at competition between elite groups over the control of valuable natural resources but also the roles of other actors (including NGOs, social movements, communities, multinational enterprises) in the dynamic that leads to conflict. In both schools, these dynamics can reduce a state's ability to respond to the needs of its citizens, by draining away scarce state resources and by creating situations where responses to environmental crises are overwhelmed by the need simply to survive.

The lack of governance over Cambodia's natural resources has resulted in high rates of deforestation, increasing desertification, decreasing fish catches and exacerbation of natural disasters, resulting in both grievance- and greed-induced potential causes of conflict. The role of environment and natural resources is discussed within the context of loss of livelihoods and conflict prevention in detail in **Section VI - Entry Points for Development Assistance**.

G. Land tenure: The issues surrounding land tenure can be defined through both grievance- and greed-induced mechanisms. Land tenure is viewed as one of the most critical issues facing Cambodians. Within the past decade, with refugee repatriation, increased population growth and the advent of markets, new pressures and demands have been placed on land. Following market forces, maximum demand has been placed on commercial, roadside, productive and urban lands. As a result of the changing socio-economic conditions, the composition of stakeholders in land has emerged unevenly.

Consequently, a dual system of control and ownership is emerging in areas where land is being acquired by people and institutions outside of the community for purposes other than mere subsistence farming. Land use rights are recognized locally by people within the community and formal legal rights are recognized by people outside of the community. The supply of formal institutional mechanisms in the form of land certificates has not kept pace with the demand. In many cases, the poor have become increasingly marginalized in the process.

The average family holding of rice land before the war was 2.2 hectare. The current land holding is less than one hectare. Reasons for land inequity include:

- Demographic pressure – The population in the 1980s increased at a very rapid pace. This increase continued through the 1990s where it is estimated that between 1990 and 1998, the population increased by about 30 percent (Williams 1999; NIS 1999). This rapid increase has resulted in a large number of landless families. The lack of economic diversification has resulted in a greater dependency of the population on agriculture, thus intensifying landlessness issues.

- Large unsettled populations have emerged in the 1990s. Many of the refugees returning from the Thai border in 1992-93 did not receive land. This was due primarily to either the land was already claimed, was mined or was contested by different groups. Since many were not able to benefit from the 1989 land distribution scheme, families subdivided their holdings to accommodate family members who were not given land.
- Formal credit markets are weak, particularly in rural areas. Farmers must depend on credit at very high interest rates for farm inputs, in the event of a bad harvest, farmers are forced to sell part or all of their lands for repaying their debts. Many farmers are forced to sell land to pay for medical care expenses. The primary motivation for selling land is the need for short-term cash. However, it has been reported that in Rattanakiri Province, people were selling land after being threatened by outside buyers.
- Speculative purchases by a few wealthy individuals have led to inequities. Since there are few opportunities for investment, land is the primary mode of investment after hotels and restaurants.

Landlessness is an increasingly critical development and human rights issue in Cambodia. In 1984, landlessness families represented about 3% of total families (slightly lower than in 1969 – 4%). In 1999, this percentage increased to 12% (= 1.2 million people), while landlessness in female-headed households was 21%. Within fishing communities, landlessness can be as high as 24%. Oxfam estimates that this trend will worsen, reaching 15% in 2001. The issue of landlessness is discussed in **Section VI - Entry Points for Development Assistance**.

The new land law is now in the process of being implemented. It is designed to help address land tenure issues, however, with the absence of a fair judicial system and access to justice, it could also be used as an opportunity to exercise unfair practices to secure questionable land tenure claims.

H. Infant mortality: The State Failure Task Force found a significant relationship between high rates of infant mortality and the onset of conflict. Infant mortality is used as an indirect measure of quality of life and is highly correlated with economic performance, education, social welfare, environmental quality and democratic institutions. With other factors being equal, the study shows that countries with above global median levels of infant mortality have 3 times the risk of state failure compared with countries below the mean. Conflict and post-conflict countries have a much higher infant mortality (average of 195 per 1,000 births, 1996 data) than the HIPC average of 152. Infant mortality constitutes a greater risk of state failure in democracies and has a relatively weak effect in less democratic countries.

Cambodia's infant mortality is 95 per 1,000 births - (2000 data). Although this is lower than the HIPC average, it is higher than the average global median level for all developing countries, which is 64.76 per 1,000 births.

I. Ethnic composition: Ethnic hatred is one of the most frequently offered explanations for violent conflict. The salience of ethnic identities corresponds to gradients in inequality. Discrimination among groups in a given society coupled with inequality increases the potential for conflict. The risk of conflict is higher where one ethnic group dominates the ruling elite, regardless of whether that group is a minority or majority in the population. Geographic concentrations of discrete groups is more conducive to conflict than widely dispersed groups.

Cambodia is comprised of ethnic Khmer, Sino-Khmer, Cham, Vietnamese, and a suite of indigeneous groups ('highlanders') residing mainly in Ratanakiri Province. There is widespread discrimination of Vietnamese by Khmer based on long standing resentments that can be traced to the 1800s with the Vietnamese takeover of Cambodia. These resentments were later exacerbated under Lon Nol and Pol Pot. Both leaders drew on Cambodian xenophobia to maintain themselves in power and to preserve the 'Cambodian race'.

Discrimination towards Vietnamese is still present in Cambodian society. Resentment continues as the government is seen as protecting the Vietnamese. Many Vietnamese often live illegally on public land, and are perceived (correctly or not) as paying off authorities to obtain land and employment. Because of their higher skill level, their employment opportunities are greater than Khmers which contributes to continuing resentment. Under Cambodian law, their legal status is undefined. They cannot legally own land or run for public office. In many instances, it is unclear to what extent they will be able to participate in subnational activities such as participation in management of community fisheries. Although discrimination is not seen as a major issue at this point in time, it could become a flashpoint in the future if economic and social conditions do not improve. An example of this dynamic becoming a potential issue is presented in **Section VI - Entry Points for Development Assistance**.

J. Demographic shifts: Demographic shifts become destabilizing when population growth or demographic change is not matched by an increase in the absorptive capacity of state and society. The following are demographic shifts that have the potential to contribute to conflict.

- Expanding agrarian population where arable land is scarce or controlled by large landholders
Throughout history, this type of dynamic has nearly inevitably lead to conflict. Confrontations over land between growing populations of peasants and large landholders have prompted rural conflict. Such rural conflict can be avoided if the urban and industrial economy provides sufficient jobs to absorb an expanding population.
- Expanding urban population in context of economic stagnation or decline
Studies have shown that where urban growth is not matched by an increase in economic growth, the risks of political turbulence increases. The quality of life in many cities is becoming worse with increasingly polluted air, water, lack of sanitation. Poorer urban residents bear a disproportionate share of the costs. High rates of crime and violence among young people accompany rapid urbanization. Recent years have seen large-scale urban public protests and riots, frequently triggered by economic factors, which take on an explicit political or ethnic dimension.
- Rapid increase in young, educated professionals who have no opportunities for political or economic advancement
Problems arise when there is a persistent mismatch between employment prospects and the size and nature of the labor force. Thus over-education relative to the caliber of available jobs can create political discontent. This is evidenced by revolutionary situations where political upheaval has been preceded by a surge in the production of youth with advanced education in the context of a semi-closed structure of elite positions.

- Presence of youth bulge
Youth have played a prominent role in political violence throughout history. The existence of a 'youth bulge', an unusually high proportion of youths ages 15 to 25 relative to the total population, has been associated with times of political crisis. The State Failure Task Force study found that the presence of a youth bulge was a major predisposing factor in ethnic conflicts throughout the post-World War II world.

Cambodia's history shows that on April 17, 1975, many who took control of Phnom Penh were under the age of 15 years, had migrated to the city due to the lack of rural employment and/or were educated but lacked employment opportunities.

At present, Cambodia is experiencing these demographic shifts - some to a greater degree than others. The most recent General Census shows that Cambodia had a population of 11.4 million in 1998. Based on an annual growth of 2.5%, Cambodia's population will reach 20 million by 2020. Demographically, people below the age of 20 account for 55% of the total population, with women representing 52% of the total population. As discussed earlier, a large number of young people will be entering the labor force due to the baby boom in the early 1980s. The number of young professionals is still small, however, there is a growing number of graduates for government and private universities. Under the current economic conditions, it is often difficult for new graduates to find satisfactory employment.

The 1996 demographic survey and the 1998 census figures confirmed an acceleration of rural out-migration during 1990's. This was occurring in provinces that have high population density and are close to cities, particularly Phnom Penh. The proportion of newcomers in urban areas almost doubled between 1996 and 1998 – 1996 arrivals increased 17% while 1998 arrivals increased to 30%. Thus, in 1998 about 30% of the urban population had moved from rural areas over the previous 5 years (approximately 300,000 people in 1997). This movement reflects growing under-employment and landlessness in rural areas. Promoting development in rural areas and better land and natural resource management are crucial to address this issue.

K. HIV/AIDS: Although initially viewed as a serious health threat, HIV/AIDS is now seen as a major security threat.⁶ HIV/AIDS does not cause conflicts, however, its impacts on a society are extremely destabilizing and contribute to known conflict risk factors. Worldwide, more than 36 million individuals are infected, 22 million have died and 13 million children have been orphaned. With these staggering figures, HIV/AIDS has the ability to destroy the fabric of societies and nations through a number of avenues. HIV/AIDS is a personal security issue threatening the livelihood, health, family integrity and thus the well-being of individuals and communities. HIV/AIDS threatens social and economic progress by impacting human capital investment, reducing the labor force – thus decreasing productivity and increasing business costs. A World Bank study suggests that an adult prevalence rate of 10% may reduce the growth of national income by up to a third.

The prevalence of HIV/AIDS in Cambodia is high for the region at 4.04% (1999 data). In comparison, the prevalence rate for Thailand is 2.15% and for the region is 0.56%. There has

⁶ HIV/AIDS as a Security Issue. ICG Report Washington/Brussels 19 June 2001
<http://www.crisisweb.org/projects/showreport.cfm?reportid=321>

been a very progressive donor program and as a result HIV/AIDS prevalence rate among pregnant women has dropped to 2.3%. In a country, where citizens have to pay for at least 80% of their medical care, health costs associated with treating HIV/AIDS will only add to the increasing percentage of landlessness and interrelated problems.

L. *International trade:* As discussed previously, Cambodia is moving towards greater trade openness both regionally and internationally. Openness to international trade is a mixed indicator of vulnerability to conflict. States with above-average trade openness, other things being equal, have one-half the failure risk of countries with below-average trade openness. The State Failure Task Force report showed that trade openness had a stronger impact on the risk of state failure in partial democracies and a weaker impact in democratic countries. It appears that the impact of trade is not related solely to accruing economic benefits but to the fact that participating in international trade regimes requires countries to support the rule of law and stable property relationships as a prerequisite for both trade and investment activities.

However, openness to international trade and increased market access also has the potential to increase the risk and duration of conflict as we have seen with the ease of selling diamonds, oil, minerals and timber on the international market to finance and maintain conflict.

M. *Neighboring states:* For over 200 years, the history of Cambodia has been entangled with Thailand and Vietnam. Both countries have consistently tried to patronize or absorb their weaker neighbor. Having Vietnam next door in the 1820s and 1830s led to a Vietnamese protectorate; in the 1860s, the French effectively loosened the grips of Thailand on Cambodia and made it part of Indochina - effectively a surrogate of Vietnam. During the Vietnam war, Cambodia lost its capacity to stay neutral or control its frontier border with Vietnam. The loss of sovereignty embittered many Khmer, although Sihanouk knew that Cambodia could never emerge as a victor against Vietnamese military strength. When Vietnam invaded Cambodia in 1979 to put an end to the Lon Nol and Pol Pot campaigns against Vietnam, for all intents and purposes, 'Indochina' was reborn. On the other hand, Thailand was indifferent to Cambodian sovereignty. Although faced with the imposition of Vietnamese protectorate over Cambodia, Thailand gave support to dissident Cambodian factions, including the Khmer Rouge. In the mid-1990s, licenses for Thai companies to exploit Cambodian natural resources - timber and gemstones - were being granted by the Thai ministry of the interior.

Today, international land and sea border tensions among Thailand, Vietnam and Cambodia are prominent, with border closures, Thai and Vietnamese encroachment into Cambodian territory and military skirmishes occurring relatively frequently despite the formation of a regional border commission to resolve the differences. For both sets of border issues, there is the potential for an escalation of retaliatory measures that could generate displaced people and impact economic development. Additionally, border issues play into the political agenda with CPP raising Thai border intrusions, while SRP raises issues along the Vietnamese border.

Only the land border with Thailand is officially demarcated under international law. During the French period, there were no international borders between Cambodia, Vietnam, and Laos, only administrative lines which have no legal standing. The four current agreements addressing the Vietnam /Cambodia border were written during Vietnamese occupation. Therefore, these agreements are not seen as fair and many believe there is government complacency on this issue,

because of the past alliance with Vietnam. Until the situation is resolved, both countries have agreed that the current management practices should be maintained. However, there are reports that Vietnam is taking liberties by confiscating farm animals and prohibiting grazing until payments are received.

Tensions are higher with respect to undefined sea borders because of greater commercial interests - ranging from fisheries to significant oil and gas fields. An agreement exists between Cambodia and Thailand to jointly develop the oil and gas fields where there are overlapping claims. Both Thai and Vietnamese commercial fishers enter into Cambodian water accompanied by military forces for protection. In many cases there is no local resistance since local officials are being paid off. However, based on recent interviews with subsistence fishers, commercial fishing is having a negative impact on their catch quality and quantity. Thus Cambodia is losing both subsistence fisheries and their export market to both Thai and Vietnamese commercial fishers.

Section III: State Capacity and Response

A. *The State:* Conflict is substantially driven by opportunities for conflict, which are shaped most strongly by whether states have the capacity to deter or defeat violent opposition. State capacity depends of fiscal strength, ability to maintain infrastructure, provide services and enforce compliance with laws.

There is a large body of case study evidence showing the relationship between political change and conflict. The path between autocracy and democracy is not linear and can be particularly difficult and dangerous. This is due to the fact that there are inherent political contradictions in transitional democracies – tensions between demands for greater and more effective participation of civil society and the desire of entrenched political elites to maintain and enhance their control. The State Failure Task Force report found that partial democracies were far more vulnerable to state failure than either full democracies or autocracies. Partial democracies, other things being equal, are on average 3 times more likely to fail. This finding is also supported by other researchers who found that intermediate regimes were most susceptible to civil war.

Along the spectrum from autocracy to democracy - Cambodia's government is still very much aligned as a semi-autocracy, although there appears to be tolerance for civil society and freedom of media under the veneer of democratization. However, there is always tension present between the government and civil society. Although civil society is independent from the state, at the same time there is a reciprocal relationship between the state and civil society. However, civil society depends on the state to protect its space - which is a dimension that few appreciate.

The print media is relatively free although still subject to harassment by the government. However, the majority of people, particularly in rural areas, are dependent on broadcast media which is still subject to strict control by the government.

It is important to recognize that the current government drains wealth from the country and lacks the political will for reform in many sectors. Unfortunately, the absence of political will contributes negatively to the peoples' perception of how government and democracies should function. The government does not protect the rights of the people, either due to lack of law or

lack of enforcement. At times when the government does appear to be responding to the needs of its citizens, the response is never at the loss of government power and ultimately does not address the main issues. In some cases, the government is complacent (high level military), in others the law is so ill-defined people are left very vulnerable. Finally until there is an effective and fair judiciary system, people will never be able to assert and fight for their rights. Consequently, public confidence in the state is extremely low to nonexistent.

B. Decentralization: Decentralization is another process where the government seems to be responding to the needs of its citizens. Decentralization can bring a number of significant benefits by devolving fiscal and political authority to regions, it has the potential to block domination of one political party(ies) by another. If the devolution of authority is real, it will be difficult to blame continued problems at the local level on remote central authority. However, also carries a number of significant risks, and Cambodia is no exception.

First, although not occurring simultaneously, decentralization and deconcentration will involve significant restructuring of the civil service while local authorities are beginning to exercise newly established powers. In some sectors, such as health – deconcentration has already occurred, whereas in other sectors it has not. Second, there is not a clearly established legal framework that outlines the relationships, duties and responsibilities between the various levels of government. Fiscal dangers are also present, with the loss of economic efficiency and potential negative redistribution effects creating disparities within and between regions.

More insidious is the political dimension that decentralization has taken on, as a means for the current government to maintain control and strategy for the national elections in 2003. First, CPP realizes that some of their appointed commune chiefs are political liabilities and they would like to 'refresh' their local base of support. Therefore, at this time, they are willing to lose some communes to establish credibility for the national elections. Second, the implementation of decentralization has the potential to inflate popular expectations beyond the capacity of the system.⁷ This is especially problematic where Commune Councils are lead by a party other than CPP. Since a great deal of assistance is off budget, CPP has the established networks and access to the central government that could prove to work against the other political parties in their ability to perform. Currently, there is no legal way for Commune Councils to raise revenue and there will be reluctance to mobilize local resources through new taxes. The lack of equitable access to the central government may result in communes not in CPP control becoming dependent upon shadow sources of income (i.e. illegal logging, fishing). Additionally, the transition committee to support the communes is controlled by CPP and will probably work in CPP favor because of the strong patronage system. Thus, there would be a strong tendency to view CPP as the only political party that can govern and deliver services at the local level.

Section IV: Mobilization and access to conflict resources

⁷Evidence shows that experience in other countries indicates that people tend to anticipate a lot even without official encouragement.

The logic behind this stage is the recognition that grievances, while common, outbreaks of hostilities are rare. Capacity to translate grievances into collective action depends on ability to harness resources (i.e. human and financial) for group objectives.

A. *Organizational factors that facilitate collective action:* Due to time constraints, it was not possible to systematically investigate this complex set of factors. However, the mission may want to look further into the issue of collective action. The ability to overcome the collective action problem lies in the fact that that most people would prefer to see others engaged in violence and then share in the rewards. While certain groups may have an incentive to use violence to further their economic or political objectives, the question arises as to whether there are certain organizational structures with the ability to develop group solidarity, articulate goals of the group and monitor behavior of group members? Two organizations immediately come to mind – political parties and labor unions. Additionally, there are factors that could facilitate collective action. For example, as already discussed, young people have played a role in triggering and escalating violence. This is especially true for youth that have very few economic options available to them apart from personal connections and violence. Charismatic leaders could easily mobilize this demographic group.

B. *Financial resources:* The ability to finance conflict is a critical element in transforming grievances into sustaining conflict. Cambodia's natural resources have played a role in financing the previous civil war and could be accessed in the future. Briefly, timber and gemstone wealth had no influence on the origins of Cambodia's civil war, however, there is evidence that it did influence the war's duration and intensity. Natural resource wealth had two contradictory effects on the civil war. Although Cambodia had valuable forests and gemstones, they had not been commercially exploited by the Khmer Rouge, due to their ideological opposition to a market-based economy. Between 1989-1998, the Khmer Rouge - which was generally the weaker party in the conflict, engaged in substantial resource looting to fund its operations. Almost immediately after securing the country's northern and western borders, the Khmer Rouge gave mining and logging licenses to Thai companies. In 1993, this arrangement generated an estimated \$10-20 million a month. Beginning in 1995, this income dropped sharply due to the depletion of the gem fields and the Thai government efforts to restrict the timber trade. However, resource looting also created agency problems for the Khmer Rouge that eventually undermined their ability to continue fighting and helped bring the war to a close. When Ieng Sary surrendered to the government along with 4,000 soldiers under his command, he was allowed to retain his troops and keep control of a gem and timber rich area near the Thai border. The Khmer Rouge never recovered from his defection and others followed him in 1997. Finally, there are a number of accounts of cooperation between the Khmer Rouge and top officials in the Cambodian government and military to facilitate resource looting.

Second, the increase in illegal trafficking and organized crime also has the potential to raise resources for financing conflict. Illegal trafficking is a serious issue for Cambodia since it covers a range of areas from organized pedophiles to wildlife trade.

Another source of funding could possibly come from the Cambodian Freedom Fighters (CFF), a US-based diaspora whose mission is to overthrow the current government. Studies show that the risk of further conflict is greatly influenced by the presence and size of the diaspora. After five years of peace, the largest diaspora is about six times more likely to contribute to renewed

conflict than the smallest diaspora (36% vs. 6%). It is postulated that the effect of diasporas on conflict is due to their financial contribution to the war effort. The CFF does not appear to be a major threat, however, it is probably worthwhile being aware of their activities.

C. *Military resources:* Access to military weapons is extremely easy for Cambodians due to supplies left over from three decades of war. Additionally, a large amount of weapons flow into Cambodia from China through Laos. Ex-Khmer Rouge officers do a thriving business selling firearms on the black market destined to Thailand and ultimately to Indonesia and the Philippines through Malaysia. The price of firearms in Cambodia is the lowest in the region with AK-47s selling for \$40 and handguns for \$130 compared to \$600 and \$180-400, respectively in Thailand.

Section V: Triggers

There are events that have the potential to exacerbate existing vulnerabilities and trigger actual conflict. Many of these events have the potential to threaten the balance of economic or political power between key players. For Cambodia, the potential events that could trigger violent conflict over the next few years are:

- A. National elections
- B. Economic shock
- C. Natural disasters

A. *National elections:* Although it is never possible to predict the level and nature of violence, national elections can be a lightning rod for the mobilization of groups to incite violence. Cambodia's history of elections has been to a greater or lesser extent violent. Although the Communal Elections that occurred in February 2002, exhibited a relatively low level of violence, a high level of intimidation was present throughout the period. Depending on the outcome of the Communal elections, and the comfort level of the CPP in its ability to win in 2003, the run-up to the elections, as well as the elections, could become violent.

B. *Economic shocks:* Economic shocks can equally destabilize a country and result in violent conflicts. This has been seen in a number of countries, most recently in Indonesia. An economic shock or crisis, for example, may fuel a heightened sense of grievance in urban areas – where conditions are already raw, lead to a scramble for economic wealth in rural areas, create pools of young, unemployed men who are easily mobilized, and erode the capacity and effectiveness of state institutions. The destabilizing effects of economic issues was elaborated in **Section II: Structural or Root Causes of Conflict.**

C. *Natural disasters:* The political mobilization and unrest that often follow a natural disaster can be another trigger in the conflict dynamic. In many cases, responsibility is placed on the regime for either pre-disaster causation or post-disaster mitigation. For example, the 1954 Hurricane Hazel in Haiti and the 1970 typhoon in then-East Pakistan were followed by violent changes of regime. We have seen within the past decade the tremendous impact of natural disasters, exacerbated by environmental degradation, on countries' economies and development processes. Therefore, the political, economic and social costs of these disasters weigh heavily on a government's credibility to provide for the needs of its citizens and its ability to achieve the goals of sustainable development.

Cambodia has been experiencing an increased frequency of extreme climatic events that have resulted in more frequent flooding and in some provinces increased periods of droughts. Total damages due to the floods in 2000 were placed at US\$161 million with the death toll of 347. The total costs of the flood and drought for 2001 is not available, however it is clear that without donor support, these events would place a greater strain on the government's ability to respond effectively.

Other potential triggers examined included the KR Tribunals,⁸ demobilization and removal of Prime Minister Hun Sen. Based on conversations, none of these seemed to have the immediacy as national elections, economic shocks or natural disasters.

Section VI: Entry Points for Development Assistance

All societies experience conflict as a legitimate part of social and political dynamics. Democratic institutions are designed to manage and channel conflict in productive directions. Cambodia is no different in that it is experiencing a variety of low-intensity conflicts. However, given the fact that the country is at high risk of conflict in the future based on conflict risk factors and the absence of legitimate channels for conflict resolution, the concern is that low-intensity conflicts could precipitate greater violence. Low-intensity conflicts can serve not only as indicators to measure the state's ability to effectively address underlying grievances, they can also be used as entry points for development assistance to help reduce the underlying grievances and opportunities for violence and help institutions become more capable and better able to serve stakeholders.

These types of low-intensity conflicts can be attributed to actual loss of livelihood. Loss of livelihood marks a rapid transition from a previous stable state of relative welfare into a condition of destitution. It is the rapid process of change resulting in a sudden fall into extreme poverty, more than the endemic condition of poverty, which can create the potential for conflict. Loss of livelihoods, driven by environmental, economic and social factors, provide the opening for grievances and/or opportunistic political forces to mobilize newly vulnerable people. The conflict drivers include relative deprivation, inequities, and the strengthening of bonds along preexisting lines - i.e. socio-economic, ethnic, linguistic, political. The conflict-inducing conditions that may emanate from agricultural and rural issues, such as landlessness or fishing conflicts, are manifestations of the inability of social and political systems to handle such crises. These processes rapidly make people poorer and/or result in increased inequality in a society or community.

Two prominent conditions that are fueling low-intensity conflicts related to loss of livelihood are: 1) competition over natural resources and 2) increasing percentage of landlessness. Both conditions are coalescing in and around the Tonle Sap ecosystem. The Tonle Sap is said to be the

⁸ A 2000 International Crisis Group report on Cambodia highlighted the potential for the Tribunals to exacerbate conflicts within CPP as older members were associated with the KR, while the younger members wish to immortalize CPP anti-KR stance. Also if the trials were seen as too weak, large scale demonstrations could occur which would be suppressed by force. The same report also highlighted the potential issue over demobilization. However, many believed this was not an issue as the soldiers who were demobilized were already out of service - i.e. old or incapable of working.

heart of Cambodia and as such is one of Cambodia's most important ecosystems for rural livelihoods. The rich fisheries, together with the productive agricultural lands in the inundated area and the wider Tonle Sap watershed have long provided the foundation for the Cambodian economy. Fishing provides primary or secondary employment to over 40% of the 2.4 million people living in the 8 central provinces. In certain areas, fishing is the predominant activity with an estimated 88% of people in 170 villages in and around the flooded forest relying on fishing or related activities. This is especially important since the percentage of landlessness can be quite high (24%) in fishing communities. The Tonle Sap resources have been a source of fuel, protein and supplemental market income for the rural population. It has also provided additional food security in times of crisis – climatic events, political or civil conflict. Because of the complex dynamics, the Tonle Sap ecosystem is an area where a number of grievance-induced and greed-induced incentives intersect as potential sources of conflict. Extreme inequity of access rights, growing population pressures, grinding poverty, insufficient/non-existent rights of tenure, increased landlessness, ethnic divisions and overexploitation of the resources place the lake and the significant population who depend on the natural resources at risk. Thus the continued integrity of the Tonle Sap ecosystem is fundamental to the success of sustainable development in Cambodia.

However, the environmental, economic and social sustainability of the Tonle Sap ecosystem is threatened by both internal and external⁹ forces. The lack of environmental governance, increased population growth, and pervasive corruption have resulted in degraded flooded forest due to agricultural and settlement expansion around the lake. Declining water quality is due to both agrochemicals and waste discharge, fishery overexploitation at both commercial and subsistence levels. Population increases around the Tonle Sap are among the highest in the country. For example, Battambang Province experienced a 33% increase between 1994-1998. In light of decentralization, these threats can be further compounded if Commune Councils do not take environmental impacts into consideration when designing their development programs.

Increasing competition over valuable resources, land and fisheries, is coupled with increasing concern over the sustainability of fisheries management. The quality of fish (smaller) and catch per unit effort has decreased, which is a classic sign of overexploitation and lack of sustainability in the system. Catch composition has also changed; certain species are apparently commercially fished out. Additionally, there appears to be decreased catch for subsistence fishers. This is particularly problematic since fishing not only provides an immediate protein source but sales can provide vital supplementary income which is especially important for the purchase of rice during periods of food shortage.

All of these factors have resulted in the increase in low-intensity conflicts, not only between villagers and commercial lot-holders, but also between family and middle scale fishers, as well as between fishers and government fishery officers. Agricultural expansion is threatening the

⁹External forces threatening the Tonle Sap ecosystem are primarily from the upstream development of the Mekong River. There are a series of dams that are either in operation, or planned that will cause significant environmental and social impact because they will impede the flow of the Mekong to downstream areas. To the extent the Tonle Sap ecosystem is impacted will depend on political commitment as Cambodia is a weak partner in terms of its geographic location and resource commitment.

flooded forest habitats, thereby aggravating conflicts over fishing by additional reduction of fisheries productivity. Additional conflicts occur between farmers and fishing lot owners regarding rights to fishing within converted rice fields. The presence of private militias exacerbates existing tensions between lot-holders and local fishers. When conflict occurs, villagers are afraid and intimidated due to the military involvement. Several fatalities have been reported.

Several interviewees stated that ethnic Vietnamese are frequently made scapegoats for the lake's declining productivity. The Vietnamese have a reputation as savvy, cunning fishers and are a visible presence on the lake. Vietnamese are frequently accused of over-fishing and using illegal fishing methods. Whereas Khmers see themselves as more conservative fishers and interested in protecting the resource base. Because of the widespread antipathy for Vietnamese, many tend to settle near military posts or police stations for protection. It is unclear if Vietnamese communities will be involved in community fishery schemes. If they are not included, these types of conflicts could increase since there will be stronger control within the community.

In an effort to reduce many of the low-intensity conflicts, in 2001, Prime Minister Hun Sen, directed that 56% of the fishing areas be allocated to fishing communities to improve food security for the rural population. Although on the surface this appears to be a sound decision, many have stated that of the 56% of fishing areas allocated, a high percentage are either difficult to access (crossing fishing lots, remote from villages) or possess little to no fish.

Coupled with the low-intensity conflicts, the lack of transparency, high levels of corruption in the system and inadequate dispute resolution mechanisms mean that accusations of wrongdoing can be leveled at all stakeholders. Rarely do conflicts come into the judicial system and evidence is never brought forward. Enhanced mechanisms to improve governance and transparency to ensure an independent and trusted procedure for complaint resolution are essential elements if these conflicts are to be satisfactorily resolved.

The second source of livelihood loss and future conflict potential in the Tonle Sap ecosystem is the increasing percentage of landlessness. Although land grabbing has attracted the attention of the donor community, the real problem is that most land is sold in distress sales to pay for family health care. In fact, in a recent survey, 43.7% of the poor who had lost land attributed it to the need to pay expenses due to illness. The other reasons were lack of food (20.1%), expropriation (13%), indebtedness (4.6%), business failed/changed (3.5%), natural disaster (3.4%) and other reasons (11.7%). In many cases, land loss was caused by a number of factors operating simultaneously. Therefore, landlessness due to medical reasons, represents an increasingly serious social problem and has a number of consequences. It undermines the faith of the people in the system and their ability to achieve sustainable livelihoods. It also increases the competition over scarce resources, as fishing is an attractive activity for those seeking a livelihood due to the low entry barriers and it also increases migration to urban areas in search of livelihood.

Programmatic recommendations :

The Tonle Sap ecosystem should be the area of focus for conflict prevention activities since it is critical to rural livelihoods and already experiences a number of low-intensity conflicts which

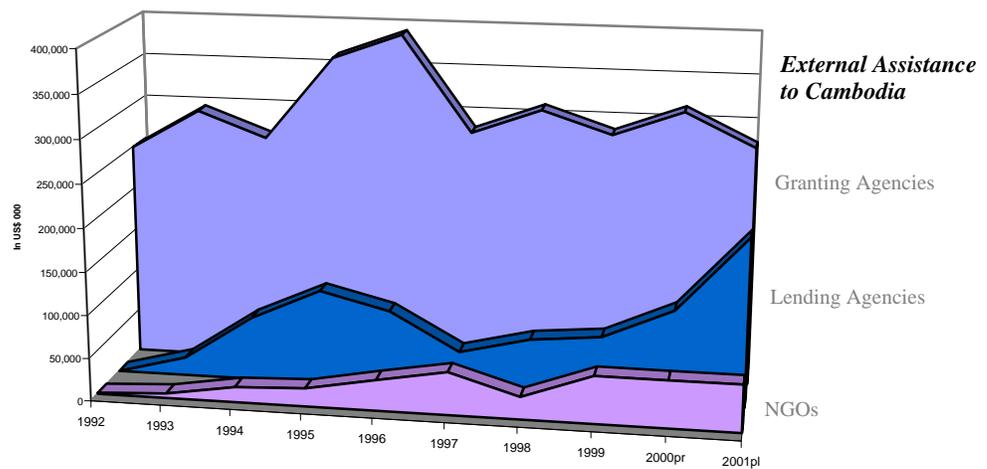
could escalate over time. By addressing the issues of natural resource governance and corruption, and growing landlessness, a number of by-products or externalities that could contribute to increased risk of conflict could be eliminated – such as increased rural-urban migration. A three-prong approach is suggested:

- Corruption impacts the sustainable management of natural resources at the expense of local people. Therefore, use the notwithstanding language on corruption to develop a series of activities with the government and local NGOs to improve accountability and transparency initially focusing on the governance of natural resources – specifically the fishing and land concessions.
- Develop the capacity of the appropriate entities to ensure that the commune councils' development activities are done in an environmentally sustainable manner. Environmental management issues transcend commune borders, therefore, there needs to be a built in mechanism to ensure that activities are done in an environmentally sustainable manner and there are no negative impacts on communes which depend directly or indirectly on the services and products of the ecosystem.
- Develop a small-credit, insurance or grant program for the vulnerable poor so that their medical costs do not force them to sell their land.
- Based on the education evaluation, explore the potential of developing programs to increase access to secondary school education.
- Based on the micro-enterprise evaluation, explore the opportunities for developing micro-enterprises to generate employment in rural areas.

CAMBODIA DONOR COORDINATION ASSESSMENT

Evolving assistance environment, evolving coordination challenges

Cheryl Urashima



Prepared for USAID/Cambodia
February 2002

DONOR COORDINATION ASSESSMENT

Executive Summary

Cambodia continues to be heavily dependent on foreign assistance and thus, external assistance continues to play a vital role in national development. Although Cambodia's GDP grew at an average of 4 percent per year over the period 1996 to 2000, and progress is being made in mobilizing government revenue, external assistance was still equivalent to an average of 15 percent of GDP from 1998 to 2000, and 138 percent of the national budget. External assistance in the year 2000 was equivalent to approximately \$40 per capita. The overall deficit in this period was nearly completely financed from foreign sources (96 percent), and 73 percent of capital expenditures were foreign financed.

Although overall assistance levels remain high at approximately \$500 million per year, the nature of development assistance is changing in a number of ways:

- *Sectorally*, there has been a shift from a heavy emphasis on humanitarian assistance and relief to an increasing emphasis on social sectors. Assistance to the agriculture, forestry and fisheries sector has declined. Donor assistance for industry and trade development has been negligible. Economic management and development administration absorbed a very high proportion of external assistance in the first government however this has fallen significantly in the first three years of the second government, with most of the decline in the economic management sector (i.e., balance of payments and budget support). The transport sector has absorbed a fairly consistently high proportion of total external assistance since 1992 at 10 to 13 percent.
- The *types and terms of assistance* are also changing. Free-standing technical cooperation grants continue to be the most important form of assistance – but this has been declining since 1998. Investment project loans have increased significantly in recent years and are expected to continue to increase into the future (i.e., World Bank, ADB). With the resumption of assistance from the IMF, loans for budgetary aid and balance of payments support are also expected to increase.
- The changing nature of the assistance environment can also be seen in the distribution of contributions from different *types of assistance agencies*. Assistance from donors that primarily provide grant assistance is leveling off or even declining. Although official development assistance is fairly stable globally, the overall state of the global economy and emerging new priorities in other parts of the world may make it difficult for Cambodia to continue to attract high levels of assistance. NGO support is also fairly level and is affected by similar global issues. The growth in overall external assistance levels in Cambodia is primarily coming from lending agencies.

Japan is by far the largest bi-lateral donor, providing nearly \$90 million per year, however this is likely to decline in the near future. Although not reflected in official statistics, assistance from China is reported to be some \$30 million a year; China is also the source of substantial foreign direct investment. The U.S., Australia and France have each contributed around \$20 million per year over the past two years, with the U.S. largest donor in the health sector. Other important bi-lateral donors include Sweden, Germany, the UK and the Netherlands at \$8-16 million per year. Japan, Australia, France and Germany all implement projects directly with the government. Australia, Sweden, the UK and the Netherlands channel significant portions of their assistance through UN agencies. Nearly all the major donors channel a portion of their assistance to donor-country NGOs and/or local NGOs.

The international development banks and most other multi-lateral and major bi-lateral donors primarily work with the central government. Official development assistance in the form of loans is growing while grant assistance has leveled off and is likely to decline in the near future. With the Royal Government of

Cambodia (RGC) as the primary client, emphasis has been placed on strengthening the government (policy, infrastructure, systems, capacity). Strengthening of civil society or the private sector is carried out only as accepted and/or controlled by RGC institutions.

There are numerous mechanisms for government-donor-NGO coordination in place. Where there is a clear convergence of interests these mechanisms seem to be functioning relatively well. Coordination mechanisms have been put into place in the health and education sectors. The Health Sector Reform Program came out of collaborative process and the Ministry of Health is working with its partners to develop a sector-wide approach for managing future assistance, and articulate a MoH strategy for 2002-2007. The Education Sector Strategy and Support Plan have been developed with broad-based support. Mechanisms are in place for ongoing monitoring of these plans.

Coordination and collaboration is more difficult in other areas. Related to democracy and governance, the various donors, the RGC, and the NGOs have different points of view on the desired outcome. Although donors have exercised tremendous pressure on issues related to human rights, legal and judicial reform, administrative reform and anti-corruption, relatively little progress is being made in these areas.

CAMBODIA DONOR COORDINATION ASSESSMENT

A. General context

Continuing importance of external assistance to Cambodia

Cambodia continues to be heavily dependent on foreign assistance, and external assistance continues to play a vital role in national development. Although Cambodia's GDP increased at an average of four percent per year between 1996 and 2000 and progress is being made in mobilizing government revenue, external assistance was still equivalent to an average of 15 percent of GDP from 1998 to 2000, and 138 percent of the national budget. The overall deficit in this period was nearly completely financed from foreign sources (96 percent), and 73 percent of capital expenditures were foreign financed. External assistance in the year 2000 was equivalent to approximately \$40 per capita, a substantial sum compared to the per capita income of \$267 estimated for that year.

External assistance continues to play a vital role in national development

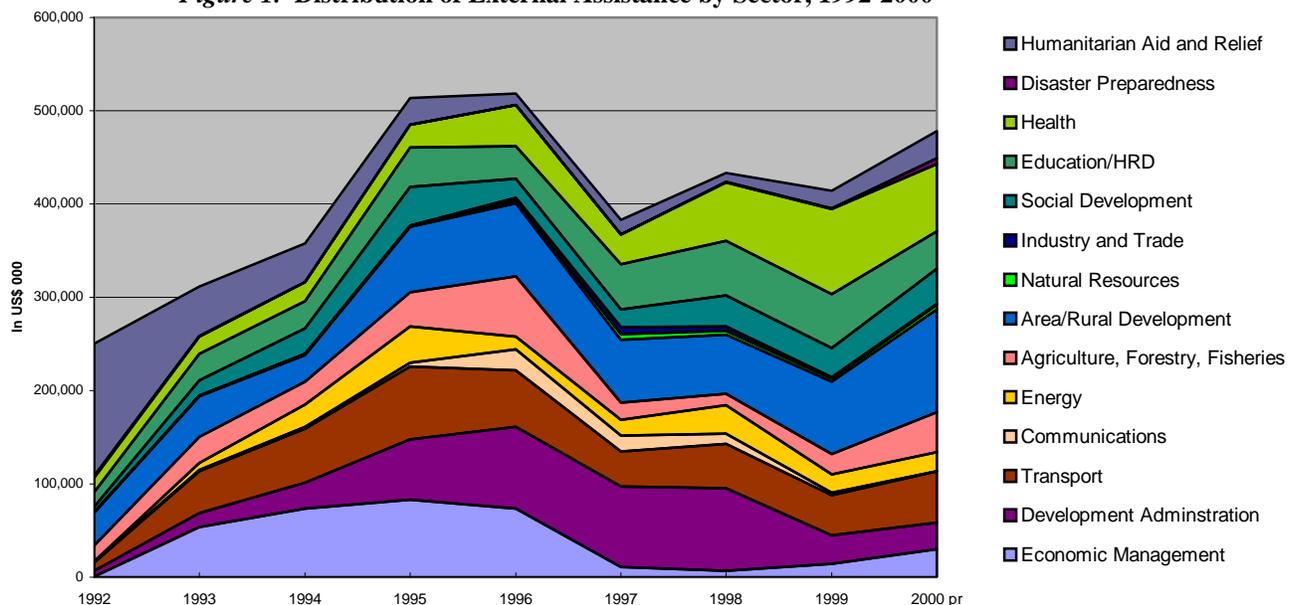
Changing nature of assistance

Although external assistance has played an extremely important role in the country since the signing of the Paris Peace Accords in October 1991, there are important trends in the nature of assistance that need to be taken into consideration in the formulation of development assistance and donor coordination strategies. The internal political crisis in mid-1997, together with the Asian financial crisis later that year, certainly affected aid flows. Other conditions within Cambodia and within the global political-economic environment are also shaping the evolving nature of external assistance to Cambodia.

The nature of external assistance is changing in many ways

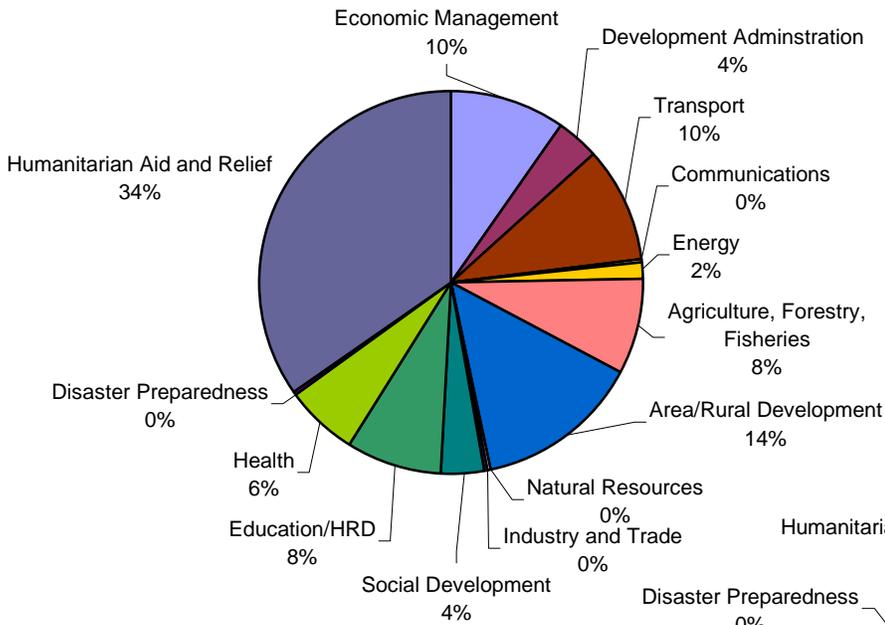
Changes in the *sectoral distribution* of external assistance over time illustrate how government and donor priorities are evolving. Figure 1 below shows the distribution of assistance by sector from 1992 to 2000, as well as total assistance levels over this time period. The charts on the next page (Figure 2) show the sectoral distribution of assistance during the 'Untac' period (1992-1993); the first government mandate (1994-1997); and, the second government mandate (1998-2000). Although there are recognized shortcomings in the information reflected in these charts, some general trends can be discerned.

Figure 1. Distribution of External Assistance by Sector, 1992-2000

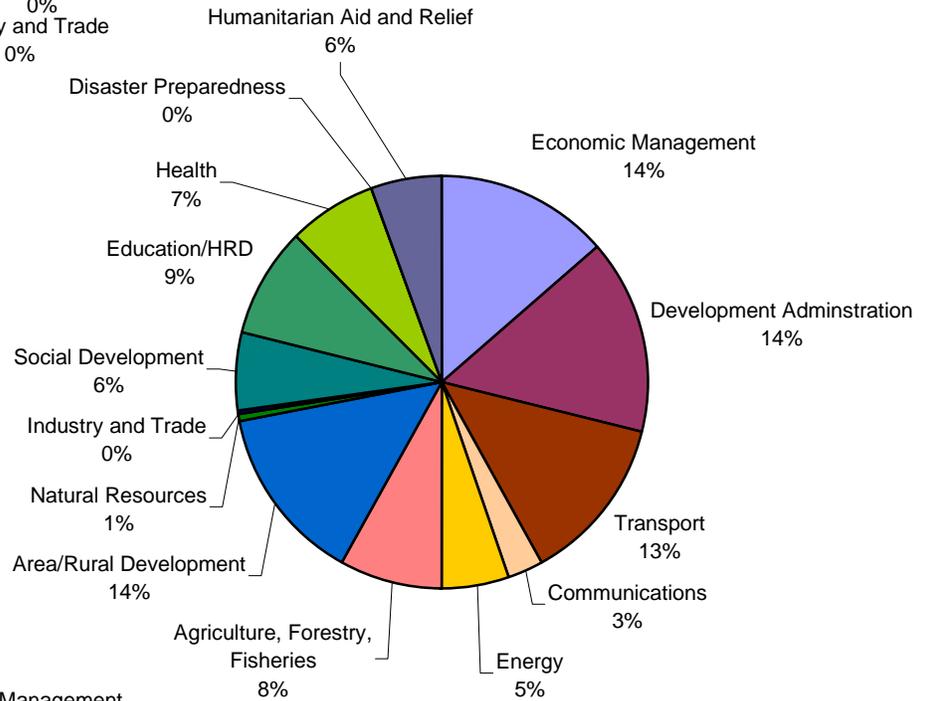


Source: CDC/CRDB (2001), Development Cooperation Report 2000

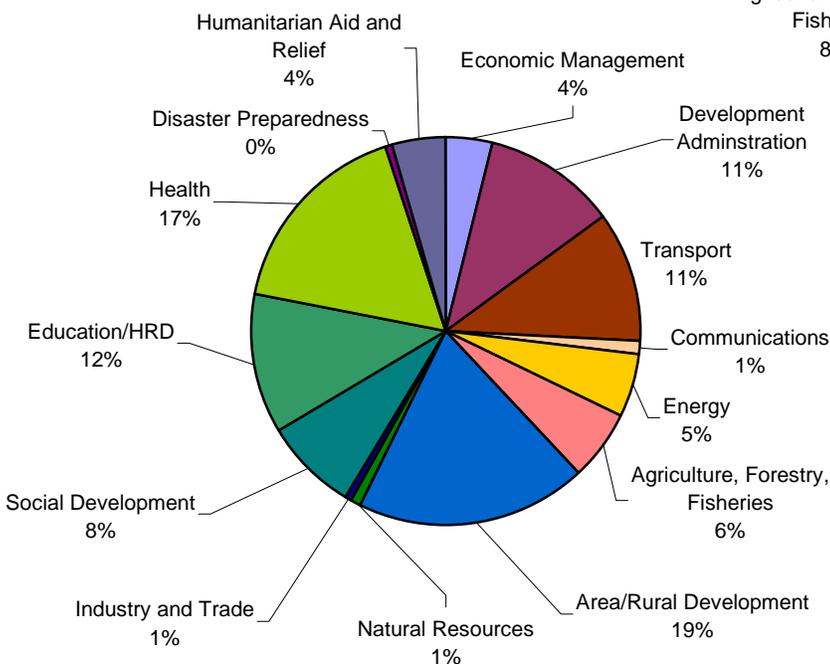
**Figure 2:
Distribution of External
Assistance by Sector**



First Government: 1994-1997
Total: US\$ 1733 million
Avg. per year: US\$ 443 million



Second Government: 1998-2000
Total: US\$ 1326 million
Avg. per year: US\$ 442 million



Source:
CDC/CRDB (2001), Development Cooperation Report 2000

Cambodia has moved away from the heavy dependence on *humanitarian assistance and relief* that characterized the period prior to the first general elections in 1993 when 34 percent of all external assistance was reported in this sector. In recent years, humanitarian assistance and relief has been mostly associated with flood relief and comprised only 4 percent of total external assistance disbursements.

Area and rural development has been consistently high, increasing to 19 percent in the second government from an average of 14 percent in the previous two time periods.

Support for the *social sectors* has also increased. *Health* sector disbursements expanded significantly comprising 17 percent of total external assistance expenditures in 1998-2000 up from 6 percent in the Untac era. The *education* sector's share increased at a somewhat lower rate to 12 percent in 1998-2000 from 8 percent in 1992-1993. The *social development* sector increased to 8 percent from 4 percent in the Untac era.

The *transport* sector has absorbed a fairly consistent high proportion of total external assistance over all three time periods at 10 to 13 percent. Assistance to the *energy* sector increased from 2 percent in the Untac era to 5 percent in the first government and has remained fairly constant at this level in the second government.

Assistance to the *agriculture, forestry and fisheries* sector has declined from an average of 8 percent in the Untac era and the first government, to 6 percent in the current government. Agriculture is the primary sector of employment for 75 percent of the labor force, however productivity is very low by regional standards. Donor assistance for *industry and trade* development has been negligible. This would seem to reflect the government's emphasis on private sector-led development however would seem to overlook the need for technical assistance and capacity building for institutions responsible for developing and promoting equitable economic growth in the country.

Economic management and development administration absorbed a very high proportion of external assistance in the first government at 28 percent of total assistance. In the first three years of the second government, this proportion dropped to 15 percent, with most of the decline in the economic management sector.

Figure 3 on the next page shows the sectoral distribution of the Public Resource Mobilization Program for 2001-2003 as presented by the RGC at the Consultative Group (CG) Meeting held in Tokyo in June 2001. The data reflected in this chart is based on information from the Public Investment Program (PIP) database. This chart only includes resources committed or sought from external sources; commitments of RGC resources have been taken out. Although the categories used in the PIP system and the Development Cooperation Reports (DCR) are slightly different, some comparisons are still possible.

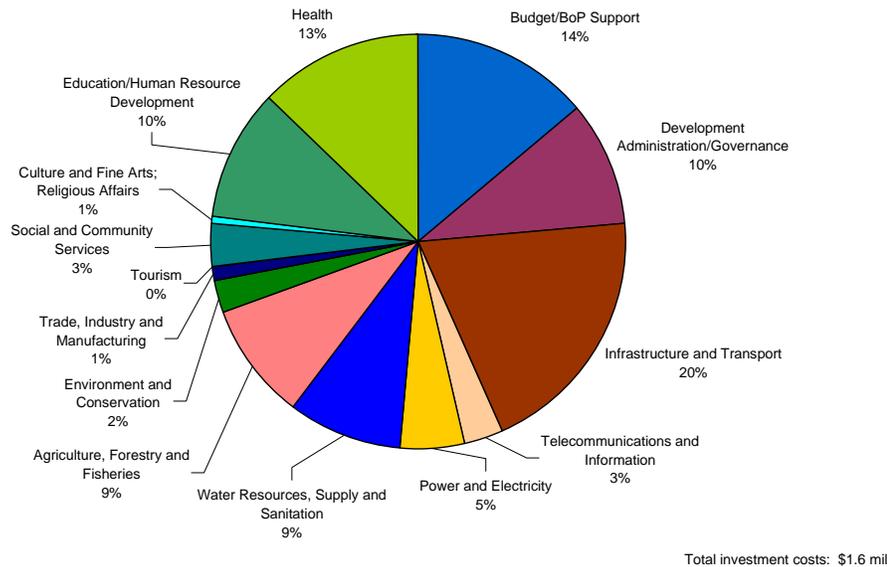
The general distribution is fairly consistent with the distribution of assistance in 1998-2000. However, the RGC's resource mobilization program for 2001-2003 includes a higher proportion for budget and balance of payments support (14 percent), and infrastructure and transport (20 percent). The request for the agriculture is also slightly higher at 9 percent, compared with 6 percent of the 1998-2000 external assistance disbursements. Although the proportion of assistance for the health sector is somewhat lower at 13 percent (17 percent in 1998-2000), 44 percent of the RGC's expected contribution to the PIP was earmarked for health activities.

External assistance has shifted from a heavy emphasis on humanitarian assistance and relief to an increasing emphasis on social sectors

Support for physical infrastructure has remained consistently high

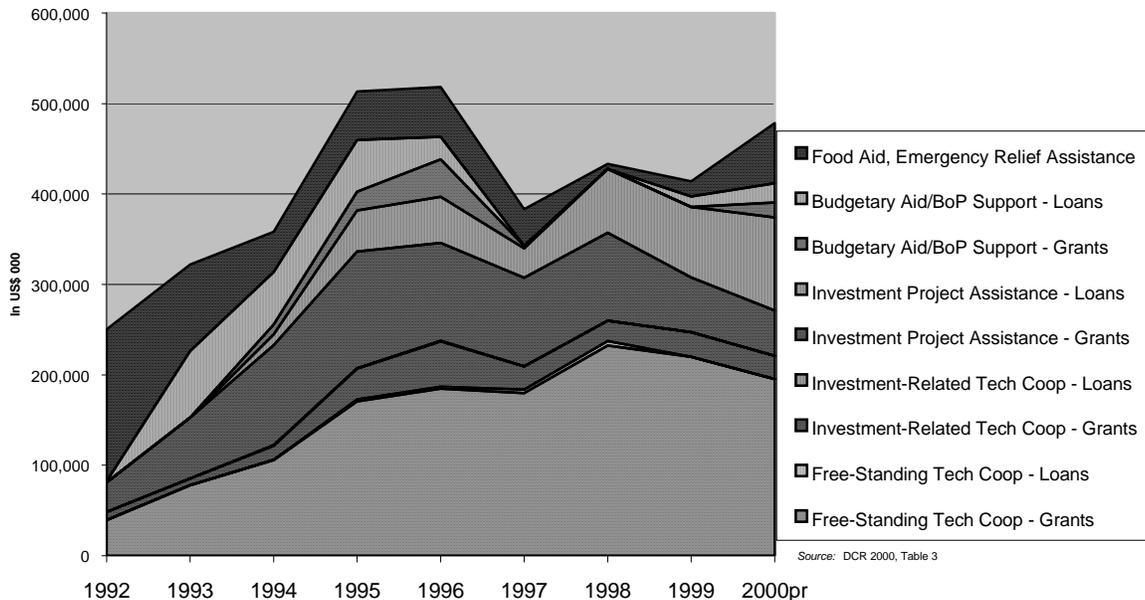
Support in other economic growth related sectors has been relatively small

Figure 3. ODA/Public Resource Mobilization Programme 2001-2003
Resources from External Sources



The *types and terms of assistance* have also changed over the past ten years as shown in Figure 4 below.

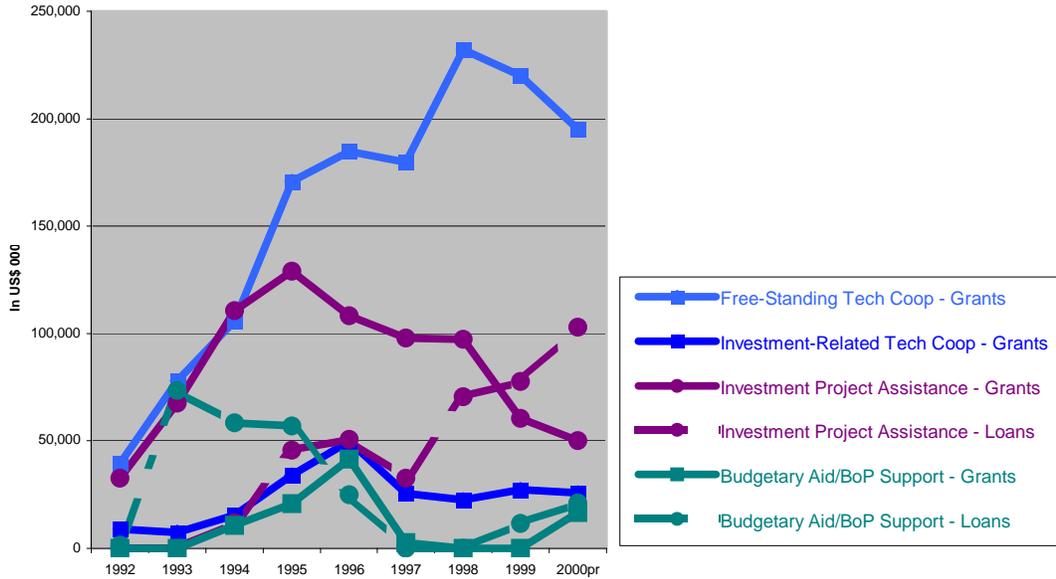
Figure 4. External assistance disbursements by types and terms, 1992-2000



All forms of assistance declined in 1997 and then rose back up in 1998, however not to the 1995-1996 levels. Free-standing technical cooperation grants continue to be the most important form of assistance – but this has been declining since 1998. Investment project loans are up significantly and are expected to continue to increase into the future (i.e., World Bank, ADB). With the resumption of assistance from the IMF, loans for budgetary aid and balance of payments support is also expected to grow. These trends can be seen even more clearly in Figure 5 below.

Increasing importance of loans and lending agencies

Figure 5. Trends in Assistance Disbursements by Type and Terms, 1992-2000

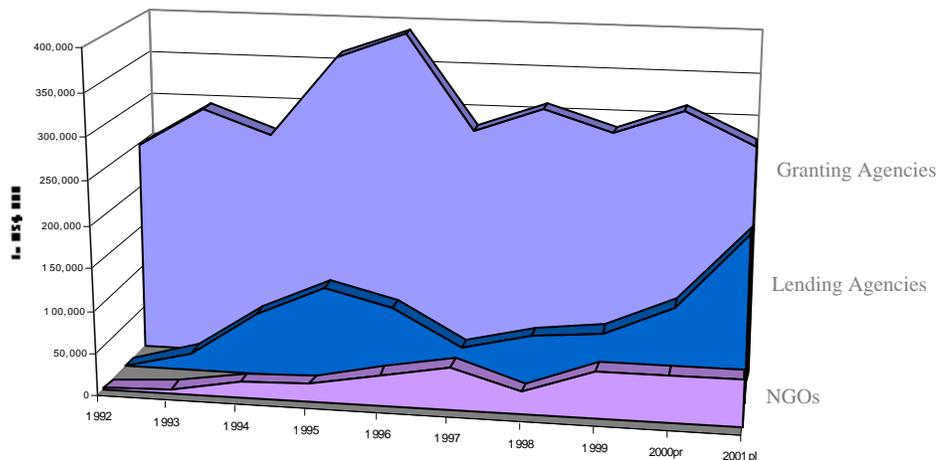


The changing nature of the assistance environment can also be seen in the distribution of contributions from different *types of assistance agencies* as shown in Figure 6 below. Agencies that primarily make grants include the UN agencies, the EC and bi-lateral donors. Lending agencies include the World Bank, IMF and ADB. IFAD and KfW also have lending activities in Cambodia. The NGO contributions in the CDC data reflect own resources only so as not to double count the contributions of multi-lateral and bi-lateral assistance agencies to NGOs activities.

Assistance from donors that primarily provide grant assistance is leveling off or even declining. Although official development assistance is fairly stable globally, the overall state of the global economy and emerging new priorities in other parts of the world may make it difficult for Cambodia to continue to attract high levels of assistance. NGO support is also fairly level and is affected by similar global issues. The growth in overall external assistance levels in Cambodia is primarily coming from lending agencies.

Grant assistance leveling off

Figure 6. External Assistance Disbursements by Type of Donor, 1992-2001



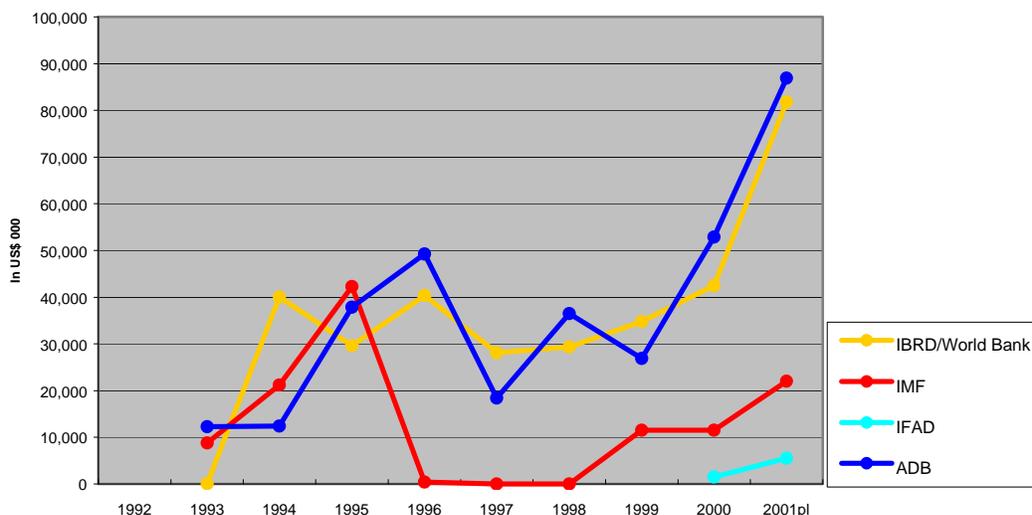
It should also be noted that the amounts reported for the UN agencies in the DCR may also include contributions from bi-lateral partners and thus the totals for grant-making donors may be less than shown in the chart above. Attempts are being made to eliminate this double counting in the Development Cooperation Report for 2001 that is currently being prepared by CDC/CRDB. As external resource mobilization is expected to fund 63 percent of the five-year budget in the UN Development Assistance Framework for 2001-2005, the adjustments could be substantial.

B. Key players

Lending agencies

Lending agencies provided 23 percent of the total external assistance in 2000, and accounted for 37 percent of the planned assistance for 2001. Both the World Bank and the Asian Development Bank have plans for substantial assistance to Cambodia over the next several years. The IMF resumed its assistance to Cambodia in 1999. IFAD is co-financing the GtZ food security project in Kampot and is expected to also provide inputs into the Seila program. The German lending agency KfW has been providing financing for health commodities and is engaged in discussions with the government on projects in other sectors.¹ Figure 7 shows funding trends over time for lending agencies.

Figure 7. Disbursements by Lending Agencies, 1992-2001



The **World Bank's** current Country Assistance Strategy (CAS) was prepared in February 2000 and covers programming through 2003 to coincide with the present administration's term in office. The main objective of the CAS is to assist Cambodia to "build the foundations for sustainable development and poverty reduction" for the medium to long term. Emphasis is placed on:

World Bank lending expected to average \$75 million per year

- 1) supporting *good governance*, such as legal and judicial reform, public sector reform including civil service restructuring, and military demobilization;

¹ KfW disbursements are not available separately in the DCR and are included in the totals for Germany in the next section.

- 2) building *physical infrastructure*, particularly roads, water supply, and electricity in rural and provincial areas to increase access to services and productive activities;
- 3) rebuilding *human capital* by increasing access to and quality of health care services and investing in education and skills development that will contribute to building institutional capacity and good governance, as well as to better health outcomes, income-generation, and competitiveness; and,
- 4) facilitating *private sector development* in traditional and non-traditional sectors, including supporting rural income-generation, through a combination of policy work, encouraging regular constructive dialogue between the government and the private sector, and providing direct support to business ventures.

Activities are to focus as much as possible on rural areas, and on increasing access and opportunities for women—particularly in education. Particular attention is to be paid to including disadvantaged groups, and preserving and restoring the country's natural resources and cultural heritage as potential bases for growth. Capacity building is an integral part of all interventions. The World Bank leads the CG Working Group on Demobilization.

The International Development Association (IDA), the concessional lending arm of the World Bank Group, will support the development of a sector wide approach (SWAP) in governance (with priority given to legal/judicial reform and anti-corruption measures), infrastructure, and support the implementation of SWAPs in the health and education sectors. Project financing will also be provided in the priority areas noted above. A list of currently active and pipeline projects is included in Annex 2.

The International Finance Corporation (IFC), the private sector lending affiliate of the bank, is working primarily through the Mekong Project Development Facility (MPDF) focusing on three sectors: small and medium enterprises, hotels/tourism development and power.

The Foreign Investment Advisory Service (FIAS) is working with the government on revising the Law on Investment and Taxation, particularly in the area of investment incentives.

The Multilateral Investment Guarantee Agency (MIGA) is working with the CDC to enhance its capacity for promoting and facilitating investment.

The CAS base-case scenario calls for an IDA lending program of \$270 million over the four-year period. This scenario requires achievement of a full reform agenda as reflected in macroeconomic indicators. Reported disbursements in 2000 totaled \$42 million, roughly consistent with estimates in the CAS. From 2001 to 2003 lending is expected to average \$75 million per year.

The *International Monetary Fund* had initially resumed lending to Cambodia in 1993. Loan disbursements were suspended in 1995 however, primarily due to lack of progress in addressing issues related to forestry management. A new agreement was approved in October 1999 which provides SDR 58.5 million (approximately US\$ 73.5 million) over a three-year period to October 2002. SDR 33.4 million (US\$41.8 million) had been disbursed as of mid-2001.

IMF resumed assistance to Cambodia in 1999 at approximately \$25 million per year

Loans to Cambodia are provided from the Poverty Reduction and Growth Facility (PRGF), IMF's concessional facility for low-income countries. It is intended that PRGF-supported programs will be based on country-owned poverty reduction strategies adopted in a participatory process involving civil society and development partners, and articulated in a Poverty Reduction Strategy Paper (PRSP). This is intended to ensure that each PRGF-supported program is consistent with a comprehensive framework for macroeconomic, structural, and social policies to foster growth and reduce poverty. PRGF loans carry an annual interest rate of 0.5 percent, and are repayable over 10 years with a 5 ½ -year grace period on principal payments.

Cambodia's interim-PRSP was completed in October 2000. Completion of this document and formulation of a plan for preparing the full PRSP was required for the release of a scheduled loan disbursement in early 2001. Preparation of the full PRSP is currently underway and is scheduled to be completed by October 2002.

The *Asian Development Bank's* current Country Strategy and Program (CSP) provides the framework for the ADB's activities for 2002 to 2004. The CSP was prepared within the context of the draft SEDP II and a participatory poverty assessment commissioned by the ADB. The overall objective of the CSP is poverty reduction. Its thematic priorities are:

ADB lending expected to average \$75 million per year

1. *economic growth* including agricultural development and physical infrastructure;
2. *human development* including education, health, and water and sanitation, including specific HIV programs;
3. *gender and development* including support to the Ministry of Women's and Veterans' Affairs and closer attention to integration of gender issues in relevant ADB-supported projects;
4. *good governance* including integration of key elements of the GAP into ADB-support initiatives, and direct assistance in implementing elements of the GAP, particularly public administration reform and local governance;
5. *private sector development* particularly policy, investment, and technical assistance support for physical infrastructure, financial sector reform and development (including rural finance), and improvements in the legal framework;
6. *environmental protection* particularly sustainable forestry and fisheries management; and,
7. *regional cooperation* including supporting Cambodia's participation in the Greater Mekong Subregion (GMS) Economic Cooperation Program including development of regional transportation networks, telecommunications, tourism, natural resource management and addressing cross-border issues.

The base case allocation of lending for Cambodia is \$75 million per year based on a performance-based allocation system. Under the base case scenario macroeconomic stability is maintained; the execution of budget implementation in each of the four priority sectors is in line with overall budget performance; portfolio performance is in line with the agreed upon targets; and, progress is made in the area of forest management and prevention of illegal logging. An additional \$28 million a year in loans is planned under the GMS program.

In addition its lending program, ADB also has a technical assistance (TA) program envisaged to be about \$5 million annually. Forty-five percent of the planned TA projects are related to preparation of loan projects. The remainder is for capacity building for various government institutions, research and strategy development.

ADB supports studies as the basis for policy dialogue. Recently conducted or initiated studies covered governance, transport, poverty assessment, education, TA effectiveness and the financial sector. Under the current CSP, studies will be undertaken on decentralization, rural development and public financial management.

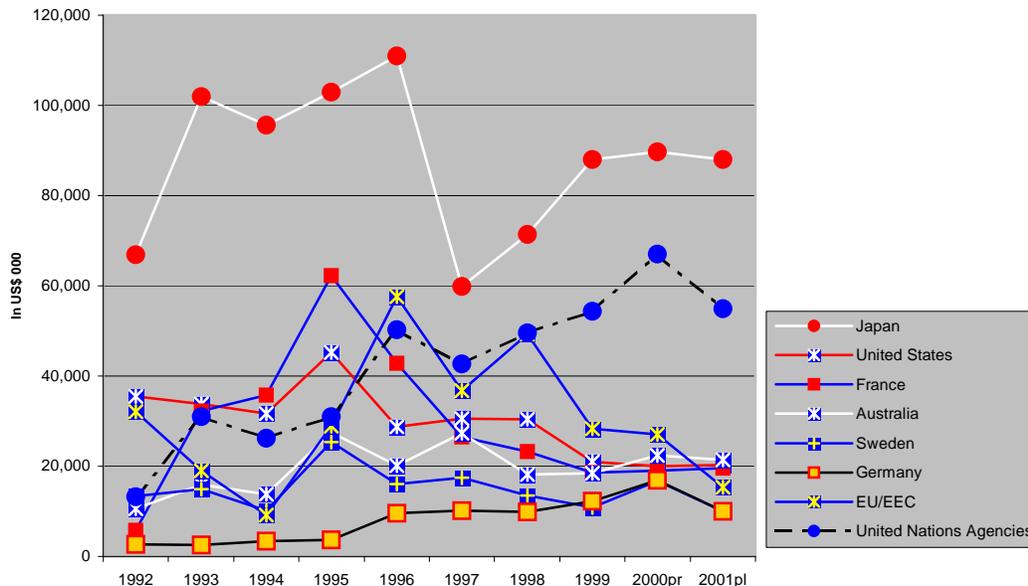
At the request of the government, ADB agreed to be the facilitator in the education, water resources and transport sectors, and also plans to support a sector development program for the management of natural resources related to the Tonle Sap. ADB leads the CG Working Group on Fiscal Reform.

Granting Agencies

Support to Cambodia on a grant basis is provided in a number of different ways. The multi-lateral agencies (e.g., UN, EC) and some bi-lateral donors are directly implementing projects in partnership with government entities in their priority sectors (e.g., AusAID in agriculture and health, Japan and Germany in a number of different sectors). Other bi-lateral donors primarily channel their assistance through multi-lateral agencies (e.g., Sweden, Netherlands). Bi-lateral assistance is also channeled through the donor country’s own NGOs. Bi-lateral assistance channeled to Cambodian NGOs is provided through donor country intermediaries and direct grant programs. Other types of grant assistance include scholarships and placement of experts and volunteers in both government and non-governmental organizations.

Figure 8 below shows the disbursements of the major sources of grant assistance from 1992 to 2001. Japan is by far the biggest donor in this group, although its assistance has leveled off over the past three years and is expected to decline in the near future. The UN agencies as a group are the second biggest however, as noted earlier, the amounts in the DCR reflect the total funding managed through the UN system, including resources mobilized from bi-lateral donors.

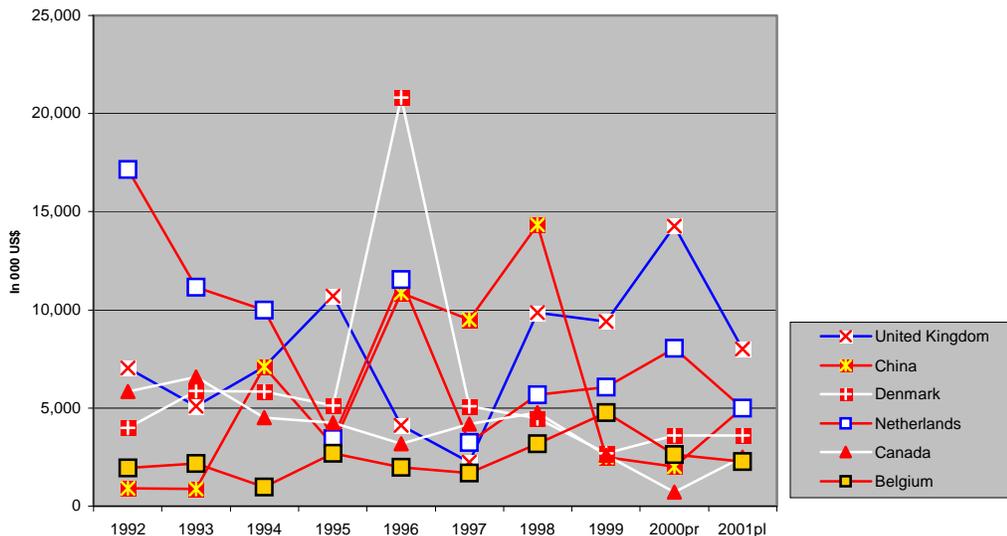
Figure 8. Disbursements of UN Agencies, EC and Top Six Bi-lateral Donors, 1992-2001



Patterns of support for a number of the major donors have been quite erratic over the last ten years however there seems to be a growing convergence among the largest donors at around \$20 million per year.

Figure 9 shows the disbursements of other significant bi-lateral donors over the same period.

Figure 9. Disbursements of Other Significant Bi-lateral Donors, 1992-2001



UN Agencies

Nine UN agencies² with operations in Cambodia developed the UN Development Assistance Framework for Cambodia (UNDAF) for 2001-2005. The UNDAF is based on a common country assessment, and represents a common response of the UN agencies to the development challenges of the country. Individual agency programs and projects are, however, developed and funded within the framework of each agency's mandate and priorities.

The UNDAF has four areas of concentration, each with several components:

1. *governance, peace and justice* with components on rule of law, public administrative reform, and culture of peace;
2. *poverty reduction* including enabling environment, community development, promotion of sustainable livelihoods, and reducing malnutrition;
3. *human development* including HIV/AIDS, health, water and sanitation, reproductive health, education, and cultural development;
4. *sustainable management of natural resources* particularly land use, forestry, fisheries, and environmental awareness and protection.

The UNDAF has seven cross-cutting issues: human rights, gender equality and women's empowerment, minority groups, children and youths' rights, participation and democracy, regional cooperation, reintegration of demobilized soldiers.

² COHCHR, FAO, UNDP, UNESCO, UNFPA, UNHCR, UNICEF, WFP, WHO

The four UN system ‘funding’ organizations (UNDP, UNFPA, UNICEF and WFP) have harmonized their country cooperation programs to correspond with the UNDAF cycle (2001-2005). The UN technical organizations (COHCHR, UNESCO, UNHCR, FAO, UNAIDS and WHO) have different planning cycles however have committed to align their programs and projects with the duration of the UNDAF. The UNDP Representative is the UN Resident Coordinator, and lead agencies have been identified for each of the components.

Individually, the UN agencies’ budgets are not very large. They are, however, able to offer a mechanism for pooling resources from multiple donors for executing priority projects. In other cases, bi-lateral donors will draw upon the expertise of a UN agency and fund and execute a project through that agency.

The relative importance of mobilized resources for UN agencies is reflected in the Table 1 below:

Table1. UNDAF 2001-2005, Average annual budget by agency (in US\$ 000)

<u>Agency</u>	<u>Core Resources</u>	<u>Mobilization (% of Total)</u>	<u>Total</u>	<u>Funding Partners</u>
COHCHR	1,200	2,250 (65%)	3,450	Sida
FAO	470	1,300 (73%)	1,770	<i>IPM</i> : AusAID
UNAIDS	250	-	250	Primarily other UN agencies
UNDP	4,000	4,000 (50%)	8,000	<i>HDR/CSES</i> : Sida, Norad <i>Urban Dev</i> : DfID <i>Seila</i> : AusAID, Sida, Netherlands, DfID <i>GEF</i> : ADB <i>Gender</i> : Netherlands <i>Regional Trafficking</i> : Turner Fund Trust Funds: <i>Forest Crimes</i> : DfID, AusAID (executed by FAO) <i>CMAC</i> : AusAID, Belgium, Finland, Japan, NZ, Norway, Sida, DfID, US, RGC
UNESCO	1,110	1,960 (64%)	3,070	
UNFPA	3,700	1,600 (30%)	5,300	RH: EC
UNHCR	120	-	120	
UNICEF	3,100	10,440 (77%)	13,540	<i>EPI</i> : AusAID, USAID <i>Basic Education</i> : Sida
WFP	2,000	12,000 (86%)	14,000	AusAID, USAID and others
WHO	2,400	1,200 (33%)	3,600	
TOTAL	18,360	34,750 (65%)	53,110	

At an operational level, individual agencies are responsible for their own resource mobilization and agency priorities will determine how an agency participates in the UNDAF.

UNDP's country cooperation framework for 2001-2005 focuses on four areas:

1. *Strengthening governing institutions*
 - Promoting efficiency, effectiveness and accountability in the public administration (central and provincial levels) to address effectively the challenges of national transformation, respond better to the population's needs and deliver services more efficiently (CAR, Seila, fiscal de-concentration, information dissemination, policy consultation, local decision making processes, etc.)
 - Strengthening institutional capacity of parliamentary structures, systems and process (National Assembly, Senate)
 - Enhancing administration of, and access to, justice (judiciary and courts)
2. *Poverty reduction and monitoring*
 - Promoting pro-poor and gender-sensitive national and sectoral policies and strategies (surveys, poverty monitoring, HIV/AIDS monitoring, integrated trade strategy, mine action plan)
 - Enhancing access to, and effective utilization of, information and knowledge for enhanced impact of poverty-reduction efforts (ICT)
 - Promoting improvements in the livelihoods of the poor (income/ employment promotion, disaster preparedness)
3. *Management of natural resources*
 - Promoting national policy, legal and regulatory framework for environmentally sustainable development (access to natural resources, NRM in local development planning)
 - Strengthening monitoring and assessment of environmental sustainability (forestry, wildlife)
 - Enhancing national capacity for participation in global conventions, regulatory regimes and funding mechanisms for environmentally sustainable development
4. *Gender*
 - Strengthening advocacy, networking and partnerships for gender equality (MWVA)

UNFPA's country program for 2001-2005 has three components:

1. *Reproductive health*: increased utilization by women, men and adolescents of a) quality RH service, and b) RH information and counseling services resulting in safer reproductive and sexual behavior (with MoH/NCHP, MWVA)
2. *Population and development strategies*: improved policies and program for sustainable development through the creation of an enabling policy environment and the requisite technical capacity for taking population, RH and gender concerns into account in planing and policy making (with Council of Ministers, NIS)

3. *Advocacy*: To contribute to increased political and community support at national and local level for sustainable, comprehensive RH program including STD/HIV/AIDS, reduction of MMR, adolescent RH, gender equality and the elimination of violence against women (with MWVA, MRD)

The *UNICEF* country program for 2001-2005 consists of six synergistic components:

1. *Community Action for Child Rights Program (Seth Koma)*: Child-focused village development in 1000 villages in five provinces.
2. *Health and Nutrition Program*: Focus on maternal and child health and nutrition. National-level activities related to policy/ strategy development and coordination, dissemination of critical health and nutrition information, and support to central-level government institutions and functions critical for health and nutrition activities at the community level (e.g., essential drugs, vaccines, health equipment). Activities in five provinces focused on strengthening the linkages between health service providers and communities, and information campaigns. And, support for community level health activities in *Seth Koma* villages.
3. *Expanded Basic Education Program*: National-level activities related to policy development, sector coordination, information systems, cluster schools development, school health, excluded children, non-formal education and early childhood care and development; and, expanding community-based educational services in *Seth Koma* villages.
4. *Children in Need of Special Protection Program*: advocacy, policy development, awareness-raising, capacity building and selected direct services and community mobilization efforts related to child victims of abuse, neglect or exploitation, and children affected by the legacies of armed conflict.
5. *HIV/AIDS Prevention and Care Program*: social communication, life skills training and peer education, VCCT, PMTCT and development of policies and programs for children affected by HIV/ AIDS.
6. *Advocacy and Social Mobilization Program*: A monitoring and evaluation mechanism will set the priorities for advocacy, social mobilization and behavior-change communication for all components.

Bi-lateral Donors

Selected information on major bi-lateral donors is summarized in Table 2 below.

Table 2. Major bi-lateral donors

Country	Disbursements (US\$ 000) 2000 provisional* 2001 planned	% of Total Bi-lateral Assistance	Funding Mechanisms
Japan	2000: 89,781 2001: 88,000	41 37	Main development assistance agency: JICA <ul style="list-style-type: none"> • Wide range of projects and programs • Significant support for physical infrastructure projects • Dispatch of experts and volunteers • Non-project grant aid
Australia	2000: 22,423 2001: 21,455	10 9	Main development assistance agency: AusAID <ul style="list-style-type: none"> • Direct projects in agriculture, health and education • Support to/through UN agency programs (IPM, EPI, elections, CMAC, WFP) • Support for education through Australian-based institutions (e.g., ACE) • Support to wide range of Australian and Cambodian NGOs
US	2000: 19,995 2001: 20,339	9 12	Main development assistance agency: USAID <ul style="list-style-type: none"> • Focus on democracy/human rights, health and HIV/AIDS. • Implementation through and support to NGOs
France	2000: 18,987* 2001: 19,595	9 12	Main development assistance agencies: AFD, MFA <ul style="list-style-type: none"> • AFD projects in agriculture, silk production, tourism infrastructure, micro credit, energy sector (EdC, provincial towns) • MFA/Embassy projects primarily related to French and Khmer culture
Sweden	2000: 16,817 2001: 10,053	8 7	Main development assistance agency: Sida <ul style="list-style-type: none"> • Support primarily to/through UN agency programs (Seila, CMAC, Basic Ed, ILO rural roads, soc-ec surveys) and WB projects (rural water & sanitation, demobilization) • Support to Cambodian institutions (CDRI, Documentation Centre) • Support to democracy/human rights NGOs (grants and volunteers) through Swedish NGOs (e.g., Forum Syd, Diakonia)
Germany	2000: 16,875* 2001: 10,000	8 5	Main development assistance agencies: GtZ, KfW <ul style="list-style-type: none"> • GtZ direct projects in health, vocational training, land management, gender equity/women's rights, NRM and area development • Support for demobilization, decentralization • KfW support for contraceptives supplies
UK	2000: 14,260 2001: 8,000	6 4	Main development assistance agency: DfID <ul style="list-style-type: none"> • Support to UN agency projects (Seila, UNAIDS, elections, forest crimes monitoring) and WB projects (EQIP) • Support through INGOs (community forestry, social marketing) • Monitoring activities (rural livelihood) • Small projects fund (Embassy)
Netherlands	2000: 8,043 2001: 5,000	4 3	Main development assistance agency: MFA/MDevCoop <ul style="list-style-type: none"> • Support to UN projects (gender equity, CMAC?) • Support to Cambodian NGOs through Dutch NGOs (e.g., Novib, ICCO) • Support to democracy/women's rights NGOs
Denmark	2000: 3,590 2001: 3,587	2 2	Main development assistance agency: Danida <ul style="list-style-type: none"> • Support through regional bodies/projects (MRC fisheries) • Support to NGO activities projects (forest crimes monitoring, community forestry) • Policy advice on E/NRM to government (CDC)

Table 2. Major bi-lateral donors (cont'd)

Country	Disbursements (US\$ 000) 2000 <i>provisional</i> * 2001 <i>planned</i>	% of Total Bi-lateral Assistance	Funding Mechanisms
China	2000: 2,000* 2001: 5,000	1 2	<i>Note:</i> Total assistance reported at \$30 million per year in addition to high levels of direct investment. Details not available at the time this report was prepared however much of the assistance is know to be for infrastructure.
Belgium	2000: 2,641* 2001: 2,275	1 1	<i>n/a</i>
Canada	2000: 710* 2001: 2,500	0 1	Main development assistance agency: Cida/Canadian Cooperation Office <ul style="list-style-type: none"> • Support to multi-lateral agency projects (UN, ADB, WB) • Support through Canadian NGOs (CCDP/Pursat) • Support to Cambodian NGOs (local initiatives fund) • Support through regional projects linked to technical/educational institutions in Canada

C. Coordination mechanisms

Mechanisms for coordination abound in Cambodia. There are coordination mechanisms among government institutions (e.g., inter-ministerial councils), among donors (e.g., UNDAF, CG donor working groups), among NGOs (e.g., CCC, sectoral groups), government-donors (e.g., CG), government-NGOs. All possible permutations of key actors seem to be represented.

Mechanisms for coordination abound

The **Consultative Group (CG)** is the official mechanism for facilitating government-donor dialogue on external assistance. At the annual CG meeting, the government presents a report on progress on key issues, and its request for new funding. The donors present their assessment of progress and their recommendations, review the request and pledge funding. The NGOs also prepare a statement. A representative from the NGO community and from the private sector are invited to participate in the CG as an observer.

Following the 1999 CG held in Tokyo, the government agreed to conduct quarterly review meetings to monitor the CG recommendations. At the CG held in June 2001, this was changed to a mid-year review. Review meetings are chaired by the Prime Minister and attended by the Cabinet and representatives of the donor community.

The need for better donor coordination was also discussed at the Tokyo CG and it was jointly agreed that a local donor coordination mechanism was needed to facilitate coordination and better integrate external assistance into national programs. Five working groups were established focused on key areas of concern. A sixth 'informal' working group on governance was established later. A number of sub-working groups have also been established to bring together key donor on more specific sectors/areas of concern. The government has parallel bodies for coordinating government action in these areas. These councils have been established under the Supreme Council for State Reform.

Table 3. CG Working Groups

Government Body	Donor Working Group
PUBLIC ADMINISTRATION REFORM	
Council for Administrative Reform (CAR) Chair: Senior Minister of the Council of Ministers	Chair: UNDP
FISCAL REFORM	
Council on Finance and Economy Chair: MEF	Chair: ADB
MILITARY REFORM/DEMOBILIZATION	
Council for the Development of Cambodia (CDC) Chair: Prime Minister	Chair: World Bank
FORESTRY MANAGEMENT	
Chair: MAFF	Chair: FAO
SOCIAL DEVELOPMENT	
Social Development Council Chair: Ministry. of Planning Sub-working Groups: - Education (MoEYS) - Health (MoH)	Chair: UNICEF Sub-working Groups: - Education (UNESCO) - Health (WHO)
GOVERNANCE	
Council of Ministers Chair: Prime Minister	Chair: World Bank

Each of the government bodies has an officially designated membership. The donor group is less formally constituted but would include all donors with interests in the issues covered by the working group. NGOs are invited to participate in all but the Fiscal Reform and Governance working groups.

In the CG meeting held in Paris in May 2000, partnership was also discussed extensively and the government and the donors agreed in principle to a new development cooperation partnership paradigm.

The **Council for the Development of Cambodia (CDC)** was established in 1994 to ensure that national resources and external resources, including both external assistance and foreign investment, are used efficiently and channeled to national priority areas – sectoral and geographic. The CDC is chaired by the Prime Minister and is comprised of two units: the Cambodian Investment Board (CIB) for private sector investments, and the Cambodian Rehabilitation and Development Board (CRDB) for official development assistance mobilization for public investment and technical assistance. The CRDB prepares the annual *Development Cooperation Report (DCR)* with technical assistance from an advisor provided by UNDP. Information for this report is gathered from donors and NGOs at the beginning of the year. The resource mobilization proposal is also presented in this document compiled from information from the Public Investment Plan (PIP) database managed by the Ministry of Planning and the Ministry of Economy and Finance.

Numerous **inter-ministerial bodies** have been established by the government, in addition to those that are directly related to the CG working groups. (It is reported that the Senior Minister of the Council of Minister is the chairperson of over forty different councils/committees!) The following are examples of the types of inter-ministerial bodies that have been created:

- National AIDS Authority (chaired by MoH), with executive and technical steering committees drawn from 12 other ministries
- National Training Board (chaired by MoEYS)
- Labour Council (chaired by MoSALVY)
- Council for Agriculture and Rural Development
- Food Security Steering Committee
- Disabilities Action Council (chaired by MoSALVY)
- Cambodian National Council for Women (chaired by MWVA)
- Cambodian National Council for Children (chaired by MoSALVY)
- Seila Task Force
- Demobilization Task Force

These groups are mostly made up of senior government officials although there is NGO representation in some bodies (e.g., DAC) and representatives from the NGO community as ex-officio members in others.

In theory, **national strategies and plans** should identify the priorities and provide the framework for donor coordination. In practice, the government has limited capacity to develop national strategies or sector-wide plans on its own, and the progress that has been made in this area has been guided, if not carried out, by external advisors. Planning is mostly done on a project level, within the framework of the donor's mandate and individual perspectives on development priorities in Cambodia. Different approaches to national and sector-wide planning also make it difficult to establish a common framework for government and donor action. The emphasis on government as the nexus of development planning and action greatly overshadows the contributions of the private sector and civil society to national development.

Preparation of *Socio-economic Development Plans (SEDP)* every five years is mandated by law. SEDP II covers the period 2001-2005 and was to have been completed by October 2000 in order to set the framework for the PIP for 2001-2003. A first draft of the SEDP II was presented in March 2001 and a final draft was approved by the Council of Ministers in October 2001. This plan is pending final approval by the National Assembly. ADB provided technical assistance to the Ministry of Planning in preparing the plan. As this plan is to a large extent a compilation of the plans of individual ministries, the quality of different sections of the plan is very much determined by the capacity of the individual ministries to develop such a document.

Nearly simultaneously, the World Bank and IMF initiated a process to prepare the Interim *Poverty Reduction Strategy Paper (I-PRSP)*, as required under the terms of the loan agreement between the government and the IMF. This paper was completed in October 2000. The full PRSP was to have been completed by October 2001 within the framework of SEDP II. It is now hoped that the PRSP will be completed by October 2002.

The *Governance Action Plan (GAP)* was also developed during this time period with the assistance of the World Bank. This was approved by the Council of Ministers in March

2001. In addition, the government also prepared a *Financial Policy Framework (FPF)* with the assistance of IMF. The FPF set the framework for the government's poverty reduction strategy reflected in the I-PRSP and SEDP II.

Sectoral strategies and plans are playing an increasingly important role as frameworks for donor coordination. The health sector has had the most extensive experience in working with various donors and was the first to develop a broad program within which donors could participate. While not a full sector-wide strategy, the health sector reform program was prepared and launched in 1995 with assistance from WHO and other donors. The National Health Coverage Plan for 1996-2000 developed under this program put into place the Operational District concept, designated the health centers as the first level of health care, and defined a Minimum Package of Activities and Complementary Package of Activities. Mechanism for facilitating dialogue and coordination of activities were established under the umbrella of a Coordinating Committee (CoCom) and Sub Coordinating Committees (SubCoCom) on specific health-related issues. The MoH will be working with its key donors in developing a sector-wide approach (SWAp) and strengthening sector-wide management (SwiM).

The Education Strategic Plan (ESP) for 2001-2005 was finalized in May 2001 with technical assistance from external donors. Based on the ESP, an Education Sector Support Program (ESSP) was prepared and reviewed through a highly consultative process. Mechanisms have been put into place on-going coordination and review of progress in implementing this program.

An Integration and Competitiveness Study was undertaken by the Ministry of Commerce in mid-2001 under the Integrated Framework for Trade-related Technical Assistance project led by the World Bank. This study identifies actions needed in priority sectors of the economy as well as the responsible government agencies and potential sources of technical support.

Assistance is also anticipated from the ADB in formulating sector-wide plans for infrastructure and rural development.

Mechanisms for *inter-agency coordination* have also been put into place to coordinate the efforts of the UN system agencies the UNDAF. The lead agencies for each of the components of the UNDAF are shown in Table 4 below.

Table 4. UNDAF lead agencies

<i>Governance, peace and justice</i>	
1.1 Rule of law	COHCHR
1.2 Public administrative reform	UNDP
1.3 Culture of peace	UNESCO
<i>Poverty reduction</i>	
2.1 Enabling environment	UNDP/UNFPA
2.2 Community development	UNDP/UNICEF
2.3 Promotion of sustainable livelihoods	WFP
2.4 Reducing malnutrition	UNICEF

Table 4. UNDAF lead agencies (cont'd)

<i>Human development</i>	
3.1 HIV/AIDS	UNAIDS
3.2 Health, water and sanitation	WHO
3.3 Reproductive health	UNFPA
3.4 Education	UNESCO/UNICEF
3.5 Cultural development	UNESCO
<i>Sustainable management of natural resources</i>	
4.1 Land use	FAO
4.2 Forestry	FAO
4.3 Fisheries	FAO
4.4 Environmental awareness and protection.	UNESCO/UNDP

NGO coordination mechanisms are also quite extensive. There are approximately 200 international NGOs in Cambodia. The number of local NGOs and associations registered with the government is reported to be more than 800. There are more than 50 NGO sectoral and issue-specific working groups, both formal and informal, and informal NGO networks in almost every province.

The *Cooperation Committee for Cambodia (CCC)* is an umbrella organization for non-governmental organizations. This membership organization was established in 1990 and has a current membership of 93 agencies, both local and international. The objectives of the CCC are "to facilitate information exchange between NGOs and provide a forum for NGO coordination on issues of common concern, facilitating where possible representation to RGC authorities, other government and international agencies."

The *NGO Forum on Cambodia* is an organized forum of international and Cambodian NGOs that seeks "to discuss, debate, and advocate the concerns of NGOs regarding Cambodia's development". The NGO Forum has a core membership of 60 NGOs and works in close collaboration with other NGO networks both within and outside Cambodia. The forum has working groups focused on:

- women
- environment
- civil society
- ban on landmines
- development assistance

Other prominent *sectoral groups* include:

MEDiCAM is a membership organization that has been recognized by the MoH as the official representative of the NGOs active in the health sector in Cambodia since 1991. Current membership comprises 109 agencies, both international and local. MEDiCAM's main objectives are to facilitate communication, and diffusion of health-related information between the NGOs, the government and all other health actors in Cambodia.

The *HIV/AIDS Coordination Committee (HACC)* provides a mechanism for coordination, information exchange, organization of joint activities and capacity building of member organizations. A number of sub-committees have also been established (e.g., counseling

and care, mass media, research, training). Membership includes a wide range of international and Cambodian NGOs, as well as donors active in HIV/AIDS programming.

EduCam is an informal working group that is primarily focused on facilitating the exchange of information between NGOs active in the education sector.

NGO Education Partnership (NEP) has been established more recently to strengthen the dialogue between NGOs, government and donors. The purpose of NEP is "to provide a mechanism to enable NGOs involved in education to lobby, advocate and communicate with government and donors on a wide range of education issues and policies." NEP evolved out of a study initiated by the Minister of Education, and seeks to gain official recognition from MoEYS as the official representative of NGOs involved in the education sector in Cambodia.

Cambodian Human Rights Action Committee (HRAC) brings together the NGOs engaged in human rights activities for information sharing and joint action on common areas of concern.

Other NGO sectoral working groups are focused on agriculture (CEDAC), the credit sector, mental health, weapons reduction and urban issues.

Groups of NGOs have also come together to coordinate or support activities on specific issues (e.g., elections, Commune Council Support Project, Learning from Integrated Savings and Credit Projects, Conference on the Meaning of Community in Cambodia). The Cambodian NGO Support Network (CNSN) is a forum for sharing information and coordinating the efforts of organizations providing financial or technical assistance to local NGOs.

Provincial NGO networks also exist in nearly every province and are playing an increasingly important role in contributing to an informed dialogue on development processes and policies at the local level.

CCC compiles a number of *directories* that are a very useful source of information on who's doing what where. These include the NGO Directories (International and Cambodian), Directory of Networking, Membership and Sectoral Groups, Directory of Provincial NGO Networks, and Agency Listing (personnel, contact information, map).

An NGO Resource Directory was compiled by the support NGO, Ponlok, in 1999. This directory provides information on organizations providing financial, technical or other assistance to Cambodian NGOs.

In preparing this assessment, it was noted that no donor directory currently exists. Although a great deal of information is available in both published form and on the Internet, it is often not easy to find the relevant information.

D. Obstacles to better coordination

1. ***Information.*** Effective coordination requires access to information on who is doing what within a specific sector or issue. A number of factors impede accessing to this information in Cambodia:

Access to information on donor portfolios. There is not one place that one can go to obtain information on donor activities in Cambodia. Information is available from the offices of individual donors, and increasingly on agency websites however quality of publicly available information varies widely. It is particularly difficult to access information on the support provided by donors that are not physically present in the country or multiple mechanisms for channeling assistance.

Availability of information on projects within government institutions. It is also difficult to access information on projects within individual government institutions. This is partially due to a reluctance to share information on the full range of support a particular institution may be receiving. It also reflects however, the fact that project management most often operates outside of the structures and systems of the institution and there are no mechanisms in place for systematically gathering information on all projects.

Availability of information on donor support to individual NGOs or NGOs in a particular sector. There are also gaps in information on who is supporting what NGO.

2. ***Coordination vs. control.*** Although the Council for the Development of Cambodia is responsible for gathering information on donors and NGOs, reporting to the CDC is often incomplete. There is probably legitimate concern on the part of NGOs that the information will be used more for control than to facilitate coordination.
3. ***Competition between government institutions for projects.*** Even government institutions do not always report the projects they are implementing with donor support. There could be for a number of reasons for this including reluctance to show how much support they are receiving and being subject to jealousy, concern that others might intervene and try to control a project, concern that other institutions will try to ‘steal’ their project.
4. ***Competition between donors in priority sectors.*** As many donors are trying to address the same range of issues within the country, competition develops over issues such as who takes the lead or is seen to take the lead a particular sector. Between the major lending institutions this is an issue of increased concern as the two leading international development banks scale up their programs in Cambodia.
5. ***Competition between NGOs for funding.*** NGOs are often reluctant to fully disclose the details of their funding – again out of fear that others compete with them.
6. ***Divergent approaches/competing interests.*** Although there are remarkable similarities in the objectives and priorities of the major donors, the approaches to any given issue may vary widely. Many agencies have ‘global’ programs they are trying to expand to all the countries in which they work. Multiple approaches to an issue within a single institution ends up being confusing and frustrating for all concerned.
7. ***Capacity to absorb assistance.*** There are a limited number of individuals within any one institution that are able to play an active role in the management of donor-funded initiatives.

Democracy and Governance
Assessment for Cambodia

and

Proposed USAID Strategy
for Cambodia

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Table of Contents

<u>I. Executive Summary</u>	1
<u>II. Status of Democracy in Cambodia</u>	4
<u>A. Character of the Regime</u>	4
<u>B. Priority Ranking of Problems</u>	4
<u>C. Elements of Democracy</u>	5
<u>D. Institutional Setting for Democracy and Governance</u>	10
<u>1. The Executive Branch</u>	10
<u>2. The Constitutional Council</u>	11
<u>3. The Judiciary</u>	12
<u>4. The Legislature</u>	13
<u>5. Political Parties</u>	13
<u>6. Civil Society and the Media</u>	14
<u>7. The Electoral Process</u>	16
<u>8. A Look at the 2002 Commune Council Elections</u>	16
<u>III. Forces Affecting Democratic Reform</u>	21
<u>A. Lack of Political Will</u>	21
<u>B. Lack of Urgency for Change</u>	21
<u>C. Desire for International Recognition and Increased Investment</u>	22
<u>D. Chinese and Vietnamese Interests</u>	23
<u>E. Influence of the Donors</u>	23
<u>F. Elected Local Government</u>	23
<u>G. The Military</u>	25
<u>H. The Khmer Rouge Legacy</u>	25
<u>IV. Arenas Conducive to Democratic Reform</u>	25
<u>A. Human Rights</u>	25
<u>B. Political Parties</u>	26
<u>C. Decentralization and Local Elected Government</u>	26
<u>E. Economic Governance</u>	26
<u>V. The Ideal USAID Democracy & Governance Strategy</u>	27
<u>VI. The Practical Strategy</u>	35
<u>VII. Relation of Strategy to the Mission Program Plan</u>	36
<u>Annexes</u>	
<u>Annex A. Khmer Rouge Trials/Documentation Center</u>	37
<u>Annex B. Political Parties and the Electoral Process</u>	38
<u>Annex C. Suggested Performance Measures</u>	47
<u>Annex D. People Interviewed</u>	51
<u>Annex E. References</u>	54
<u>Annex F. Donor Support for Democracy and Governance</u>	

I. Executive Summary

Progress since 1998 in Cambodia's democratic development has been limited. The overwhelming strength of the ruling Cambodian People's Party (CPP) and its leader Hun Sen, the CPP's unwillingness to give away any significant control, and the impunity afforded to party-loyal officials combine to constrain democratic openness and to create an environment where ordinary people's basic human rights are not secure.

A. Status of democracy in Cambodia

Among the five key elements of democracy¹, consensus and inclusion are the least problematic. There is widespread consensus on the legitimacy of Cambodia's statehood, borders and constitution. Cambodians accept their form of government and their political leaders. Consensus is eroding regarding the relationship between the state and individuals where civil society activists and political parties vie for greater voice in national life. Discrimination remains against Vietnamese and other minority groups, and genuine reconciliation of former Khmer Rouge has not occurred; however, these groups, by and large, are considered citizens and can vote. They and their fellow Cambodians exercise this right in large numbers.

The rule of law is absent. Wealth and political power rather than justice serve as the basis on which disputes are resolved. Human rights abuses are common. Notorious offenses such as trafficking of women and children undermine fundamental rights. There is neither implementation of law nor political will for change.

Avenues for competition of ideas are narrowly controlled. While on paper FUNCINPEC, the royalist party, shares power, in reality it must bow to the CPP's directives. The three major political parties are distinguished more by personalities than by differing platforms. Members of the legislature are accountable to their parties, not their constituents, and the CPP does not permit meaningful dialogue. Intimidation and interference in recent elections frightened opposition candidates and diluted their campaign efforts. Civil society organizations have proliferated and are growing more mature and more strategic, but even the most daring self-regulate their activities for fear of reprisal. Similarly, while the written press is quite free, its reach is limited to the cities. Most Cambodians rely on the heavily controlled broadcast media.

Cambodia falls very short on the pillars of good governance: accountability, transparency, predictability, participation, responsiveness and protection of citizen rights and security. Neither legislature nor judiciary is independent of the executive. The Cambodian Government has embarked on an ambitious, ten-point Governance Action Plan; however, progress is slow and Cambodia's leaders seem more motivated by the need to appease donors than by sincere desire to change. From lack of accountability and transparency arises corruption, a systemic problem throughout government.

¹ USAID's Center for Democracy and Governance has identified five key elements of democracy: consensus, rule of law, competition, inclusion and good governance. See "Conducting a DG Assessment: A Framework for Strategy Development", Center for Democracy and Governance, USAID, November 2000.

Finally, progress in every front is hampered by the scarcity of trained, experienced people and the low capacity of institutions to carry out analysis needed to shape good policy and to implement programs effectively.

Based on this assessment, the most important problems Cambodia must address to achieve a more democratic regime are absence of justice, corruption, lack of fora for competition of ideas, and inadequate human and institutional capacity.

B. Forces Affecting Democratic Development

Cambodians and many donors seem to accept the view that change must occur over the course of a generation. Few people think in terms of five or even ten years. After so many devastating years of war, Cambodians cherish peace over the conflict that could result from intense competition with power-holders. Reformers are justifiably concerned that pushing too hard will jeopardize their personal security. Yet the slow pace of reform may itself lead to the conflict Cambodians wish so much to avoid. Many factors associated with destabilization in other countries already apply here.

Still, there are bright spots. First, now that the country is at peace, Hun Sen's regime is concerned about Cambodia's international image. It understands that its future legitimacy depends on improving living standards and that this is best done through direct foreign investment. Cambodia has joined the Association of Southeast Asian Nations (ASEAN) and desires entry into the ASEAN Free Trade Agreement (AFTA) and the World Trade Organization (WTO). This will require Cambodia to take serious steps to improve governance, to control corruption, and to protect investors' and workers' rights. Second, the donor community is pressing hard for reforms on all fronts. Cambodia is highly dependent on foreign aid, and this gives aid agencies genuine influence. Third, civil society organizations that monitor human rights, advocate for reforms and expose corruption have grown in numbers and maturity. They know the limits within which they can safely act and continue to challenge those limits. Finally, the recent commune elections, despite irregularities surrounding them, had the beneficial impact of involving 75,000 candidates in local politics, most for the first time, including a surprising number of women.

C. The Strategy

Absent political will to implement the rule of law, USAID cannot address the central problem of lack of justice. Instead, USAID's strategy addresses justice indirectly by seeking to increase the power of groups in Cambodian society who compete with central government for equity and voice.

The proposed strategic objective (SO) for the three-year period 2002 to 2005 is

"Increased competition in Cambodian political life".

In an ideal world, five Intermediate Results (IRs) would contribute to this SO:

IR 1: Focused Monitoring and Defense of Human Rights: Funding of NGOs engaged in human rights monitoring and investigation in key areas would encompass women's rights (and trafficking), worker rights, minority rights, Khmer Rouge reconciliation, and resource rights (e.g. land and fisheries). USAID could assist the Ministry of Women's Affairs to help it strengthen its women's rights programs in coordination with NGOs.

IR 2: Increased transparency and accountability on key economic and political issues: Activities would address corruption through investigations and audits directed to issues that affect development including foreign investment, such as customs reform, intellectual property rights and assets disclosure. Targeted assistance to civil society organizations would help them do research and analysis needed to engage with government and other actors. USAID could also assist the National Audit Authority or similar governmental entities, if they are judged to be independent.

IR 3: Political processes and parties that meet international standards: If a sufficient commitment to reform is demonstrated, US assistance for elections could help constitute more legitimate electoral authorities. It could also include support for Cambodian NGOs to monitor elections and to advocate for fairer election processes. Assistance to parties would help them to develop more effective and internally democratic procedures and to improve their organizational capabilities, leadership development and message development. This assistance would include a focus on women in politics and on party development outside of national politics.

IR 4: Engagement of newly elected local officials with central, provincial and district officials on key development issues: Political competition on issues important to citizens at the local level can be achieved by assistance for associations of local officials, community leaders and/or local governments that engage central government counterparts on these issues.

IR 5: Increased capacity of future leaders in and out of government to develop policies and effect change: U.S. based participant training would provide exposure of young future leaders inside and outside of government not only to skills and knowledge in selected subject areas, but also to democratic governance, western values and culture.

The above is an "ideal" strategy absent constraints of Congressional restrictions on assistance to the Cambodian Government or USAID dollar and staff limitations. Taking these constraints into consideration results in eliminating IRs 4 and 5 from the strategy. Assistance under IR 1 with the Ministry of Women's Affairs and under IR 2 with the National Audit Agency are eligible under the law because of notwithstanding language on anti-corruption and human trafficking, but Congressional consultation will be required.

II. The Status of Democracy in Cambodia

A. Character of the Regime

The Royal Government of Cambodia (RGC) is a semi-authoritarian regime. The leadership monopolizes political power but allows some economic liberalization, a growing and vibrant civil society that monitors human rights and advocates change, and limited degrees of freedom of expression and association. The description of Cambodian government presented in USAID's 1999 Democracy and Governance Assessment for Cambodia remains valid:

"The key to the political game in Cambodia today, if we reduce it to a personality, as Cambodians generally do, is the country's..prime minister, Hun Sen. He is a crafty, energetic, supple and despotic politician, almost immune from the checks and balances that exist, in theory and on paper, in the judicial system, the national assembly, and competing branches of government. . . . Hun Sen's control over the government, for the foreseeable future at least, is not at risk."²

There are liberalizing factors that influence government operation. After three years of relative peace, the RGC has begun to focus on changing Cambodia's international image to that of a productive player in regional and international fora. Tourism and textiles are creating a new urban middle class. Donors have become more demanding on governance reform; and well-educated reformers can be found throughout government and within the Cambodian People's Party (CPP). But these factors have not yet created significant openings for democratic reform. Key actors in the CPP have no desire to relinquish power. Hun Sen has proven adept at manipulating people and policies to do just enough to satisfy international demand while minimizing loss of control. As a result, progress in democratic openness is occurring, but at a snail's pace.

B. Priority Ranking of Problems

Four problems must be addressed for development of democracy in Cambodia.

Lack of justice. Public officials who tow the ruling party's line are above the law, while the government tolerates violations of basic human rights guaranteed in Cambodia's constitution. The judiciary lacks independence from the executive branch. Judges are poorly trained and extremely underpaid. Laws are outdated or inconsistent, a situation used to justify adverse government action and judicial abuse. Individuals and groups advocating change dare not step too far.

Corruption. The absence of justice enables those with power to act illegally. Bribes are expected for virtually all services. Corruption in customs significantly

² Democracy and Governance Assessment for Cambodia, DAI, July 1999, page 14

increases the cost of imported goods on which Cambodians depend and undermines revenues necessary for development. Corruption enables the continuation of destructive logging practices, "land grabbing," fisheries exploitation, money laundering, drug trafficking and human trafficking.

Lack of fora for competition of ideas. Limitations on freedom of expression, association and press inhibit the growth of institutions that can effectively compete for political power. One consequence is a scarcity of empirical analysis of the key issues facing Cambodia and their consequences.

Poor human and institutional capacity. Progress on every front is hampered by the scarcity of trained, experienced people and the poor quality and low capacity of institutions to carry out analysis needed to shape good policy and to implement programs effectively. The very size of the governance agenda agreed upon between the RGC and donors indicates the scope of the institutional problem. Senior officials express concern about their reliance on foreign advisors to draft laws and policies. NGOs compete with each other for qualified staff to carry out their operations. And with adult literacy at only 67 percent³, many rural voters have to rely on radio, a tightly controlled medium, for information.

C. The Elements of Democracy

1. Consensus

Cambodians accept Cambodia's borders (though there are issues of border encroachment with Vietnam and Thailand), its form of government, its constitution, its head of state, and its criteria for citizenship. They agree that Cambodia is committed to becoming a market economy and has left communist economics behind.

Consensus has not been entirely reached on national reconciliation. Political reconciliation has occurred in areas that until 1998 were Khmer Rouge strongholds. Former KR cadres have integrated into rural Cambodian life. Yet the atrocities of the Khmer Rouge era, 1975-1979, leave an open issue in Cambodian society. Individuals still ask why and how this happened and most Cambodians have not had a chance to come to terms with the traumas of that era. Consequently, social reconciliation between the former KR and their neighbors is far from complete. Accepting that former warring factions are now fellow Cambodians with the same hopes for their country will take a concerted effort. (Annex A offers thoughts on the reconciliation process.)

Thanks to the reach of NGOs throughout the country, more and more Cambodians are aware that their constitution guarantees them certain internationally accepted human rights. They also know, from long experience, the limits to which they can safely exercise those rights. The major democratic problems - lack of justice, corruption and lack of competition - are well understood. So are the rules by which

³ Education Indicators, 1999-2000, UNICEF

power is distributed. But consensus is eroding about these rules as civil society and opposition parties strive to gain a greater share of political decision making.

Cambodians broadly agree on the priorities for their country's future. First and foremost is peace and stability, critically important after so many years of war. Second is development of the basic infrastructure needed for economic security – roads, irrigation, schools and health care. Related to that is land security because clear title to property enforced by law remains elusive for most Cambodians. For most, these basic issues of peace and economic security take precedence over democratic development.

Finally, there is a troubling consensus that a 10- to 20-year timeframe for significant economic and democratic progress is acceptable. Inside and outside of government, people say change can only be incremental. "It takes time to grow a tree from a seed". "We must think in terms of the next generation, not this one." These are typical comments. Reluctance to take controversial action is understandable among people so concerned about maintaining peace and so intimidated by their leaders. Unfortunately, acceptance of a long, slow road to democratic and economic development by the country's reformers gives those who oppose change a perfect excuse for inaction. What change does occur is driven more by donor pressure than by Cambodians. Meanwhile, Cambodia runs the risk of falling farther behind other nations with which it must compete in the global economy.

2. Rule of Law

The rule of law is absent in Cambodia. Impunity by government officials remains unchecked. Wealth and political power, rather than an underlying concept of justice and fairness, serve as the basis on which disputes among individuals and between individuals and the state are resolved. The concepts of impunity and corruption arise unprompted in almost all discussions about the political or economic environment. Political actors play the game of politics following a set of rules on which there is at least in principle general agreement. Yet in practice candidates are killed and political actors serve at the whim of their party leaders. Personal and property security is of great concern, as rights of all kinds are generally not respected by governmental institutions or powerful economic actors. Human rights abuses are common. Notorious offenses like trafficking of women and children undermine fundamental rights.

Structural bases for the rule of law are incomplete. The 1993 Constitution, drafted with significant external assistance, is a model document assuring basic human rights and liberties and defining the role of government as well as checks and balances on governmental institutions. In addition, some exemplary basic laws have been drafted, again with donor assistance. There exist three basic sets of laws for reference in the existing civil law system – those from the former State of Cambodia (post Khmer Rouge laws – dating back to 1978), those left by the United Nations Transition Authority for Cambodia (UNTAC), and those being enacted by the existing RGC. While about

160 new laws have been enacted since 1993, some 4000 pieces of legislation are pending⁴ and there is no clear legislative agenda to address national priorities.

More importantly, there is neither implementation of law nor political will for change. When discussions of reform of the environment for rule of law do take place, including in the government's strategy for judicial reform, focus is almost exclusively on drafting of improved laws rather than on radical changes in the system to assure equal access and accountability. In this team's interviews of officials on needs for reforms in the courts, two items were highlighted: building of courtrooms and travel for justice officials. Though donors are placing high priority on legal reform, there is little evidence that efforts in this area are likely to produce meaningful change. (Donor assistance for legal reform and other issues of democracy and governance can be found in Annex F.)

The courts are universally regarded as corrupt and unpredictable. All current justices are members of the CPP and there are widespread allegations that important decisions are dictated to these judges by the party or the government.

3. Competition

Political competition in Cambodia is severely constrained by the overwhelming power of the executive branch, the legacy of communist party control and a widespread fear of renewed conflict, particularly violent conflict. Neither the judiciary nor the legislature is independent from the executive. While on paper FUNCINPEC, the royalist party, shares power, in reality it must bow to the CPP's directives. The three major political parties, for the most part, lack clear and distinguishable platforms. Members of the legislature are accountable to their parties, not their constituents, and the CPP does not permit meaningful dialogue. Intimidation and interference in recent elections served to frighten opposition candidates and dilute their campaign efforts. Civil society organizations have proliferated and are growing more mature and more strategic, but even the most daring self-regulate their activities for fear of reprisal.

The print media in Cambodia offer some opportunities for competition of ideas, but their reach is limited to the cities. Most Cambodians rely on the heavily controlled broadcast media. While no legal restrictions now exist on reporting that criticizes the government, the prime minister or the king,⁵ there is considerable self-censorship, particularly in the broadcast media. Official censorship exists as well. Before the commune elections, for example, the National Election Commission banned broadcasts of election messages, tried to censor NGO voter education materials and refused to allow broadcast of candidate debates and voter information roundtables.

Emergence of labor unions and business and professional associations is bringing new civil society actors into the debate on worker rights and economic governance reform. The newly elected commune councils offer a potential opportunity

⁴ According to the Council of Jurists, these include laws, decrees, subdecrees, and government regulations.

⁵ As noted above, however, election rules bar politicians from criticizing other parties or political leaders.

for creation of new competition between central and local government on policies related to central resource allocation. (A full discussion of the institutions of governance and how they relate to each other is found in section D below, "The Institutional Setting".)

4. Inclusion

The only officially disenfranchised people are the ethnic Vietnamese, many of whom are unable to establish that they resided in Cambodia prior to the war. Population pressures in Vietnam have caused in-migration of Vietnamese to rise in recent years. Unofficially, racism and distrust of other groups does result in discrimination and human rights abuses against other minority groups such as the Khmer Kampuchea Khrom, Chinese and former Khmer Rouge. By and large, however, mistreatment of minorities is not a major problem.

MINORITY RIGHTS: Minority groups such as the ethnic Vietnamese, Khmer Cham, Khmer Kampuchea Krom, and the northeastern hill tribes are still subject to abuse at the hands of local officials and their own neighbors. Animosity toward the Vietnamese is widespread. For example, last year, the Cambodian League for the Promotion and Defense of Human Rights (LICAHDO) provided support to a group of Vietnamese workers who were the alleged victims of forced labor in a Phnom Penh factory. Instead of lauding LICAHDO's work, elements of the Khmer press were highly critical.

The Cambodian constitution guarantees equal rights and suffrage for men and women. In fact, women here are not valued highly. By social indicators of health and education, women fare poorly compared to men. Sex trafficking of women and children reached an estimated 80,000 to 100,000 in 2001. The enforcement of anti-trafficking laws and prosecution of perpetrators has been inconsistent at best, though prosecutions of traffickers have increased and the government seems to be devoting greater attention to this problem. Last September the Ministry of Women's and Veteran's Affairs launched a public education campaign against trafficking that is focusing on the border provinces. This is a positive development as by the end of 2001 there were no other actions taken on the July 1999 5-year plan against child sexual exploitation.⁶

Domestic violence and rape are also reportedly widespread. One survey found that 15 percent of married women aged 15 and over said they had experienced violence during the past year.⁷ Nonetheless, in the political realm there is potential for increasing status and rights of women. The three largest political parties set targets for 30 percent of their commune council candidates to be women, and achieved 16 percent. Several

⁶ Cambodia Human Development Report 2000 of the Ministry of Planning and the National Five Year Plan Against Commercial Sexual Exploitation of Children.

⁷ Cambodia Demographic and Health Survey 2000, Ministry of Planning and Ministry of Health, June 2001, page 232.

hundred women candidates were high enough on the party lists to become council members.

Cambodians exercise their right to vote. Any citizen aged 18 or over is eligible to vote. For the commune elections 83 percent of eligible voters registered.

5. Good Governance

Good governance refers to the manner in which public power and authority are formed and used to control and manage society's resources. Governance involves the interaction between the constitution, legislatures, the executive, the judiciary and civil society. The legal system figures prominently as the primary means through which access to justice should be ensured. The pillars of good governance are accountability, transparency, predictability and participation, combined with responsiveness to citizen priorities and the protection of rights.

Most Cambodians lack familiarity with the concepts of democratic governance.⁸ Democratic form prevails over substance. Today a thin veneer of democratic governance stretches from Phnom Penh to the provinces. Governance in Cambodia is characterized by absence of independence of the judiciary and legislative branches from the executive, absence of a strong legal system to ensure access to justice, strong central government control of resources without a mechanism to ensure public input, and high levels of corruption.

In response to widespread concerns, the RGC has put forward an ambitious Governance Action Plan (GAP) that is meant to unify governance interventions under an umbrella framework that may help in making and monitoring progress on reforms. The GAP identifies a number of areas under which reforms are considered most crucial.⁹ Governance reform efforts, however, are clouded by suspicions that Cambodia's leadership may have embarked on this path more from the need to appease donors than from a sincere desire to share power with the people.

The **Governance Action Plan** (GAP) establishes short- and medium-term actions in 14 areas: legal reform, judiciary reform, administrative reform, decentralization and local governance, public finance-custom administration, public finance-tax administration, public finance-budget management, anti-corruption, gender equity, armed forces, natural resource management-land management, natural resources management-forestry management, natural resource management-fisheries management, and short-term low-cost initiatives.

⁸ Democracy in Cambodia: A Survey of the Cambodian Electorate, Center for Advanced Study and The Asia Foundation, 2001

⁹ These include judicial and legal reform, civil administration and deconcentration, decentralization and local governance, customs administration, tax administration, budget management, anti-corruption, demobilization, land and forestry management.

Corruption is a systemic problem running throughout the three branches of government. Politically, it undermines the credibility and authority of government and impedes the growth of democracy. Economically, it distorts the allocation of public resources and discourages private sector investment. The social costs of corruption are evident in the high correlation rates between corruption and poverty.

In a groundbreaking survey of public attitudes towards corruption, the Center for Social Development concluded that most Cambodians believe that corruption is the normal way of doing things but that it should be ended.¹⁰ A World Bank survey of 1999 found that 66 percent of households considered corruption much worse than it was three years earlier.¹¹ Eliminating corruption will require political will and a sustained effort to change attitudes.

Logging, fisheries, land management and customs have emerged in recent years as the focus of the international community's efforts to reduce corruption. The pernicious effects of corrupt practices in each of these areas are now fairly well documented, as are ties to vested interests within the government. The government's recent agreement to end illegal logging can be attributed to pressure from Global Witness and several local NGOs. It is not clear, however, that it will be enforced.

Equally damaging but less understood is transnational organized crime. Cambodia is often identified with money laundering and human trafficking. The illegal drug trade is a domestic problem with links to organized crime. President Bush in November 2001 removed Cambodia from the annual Majors List, which identifies countries that are major producers of illicit drugs entering the United States or whose territory serves as a transit route for drugs.¹² The UN International Drug Control Program, however, has estimated that the illegal export of marijuana from Cambodia to Europe generates around \$1 billion in revenue annually. The UNDCP has described Cambodia as a "weak link" in regional anti-drug efforts and said that the military police are more "part of the drug trafficking problem than its solution."¹³

D. The Institutional Setting for Democracy and Governance

1. The Executive Branch of Government

King Norodom Sihanouk is the Chief of State of Cambodia. The head of government is Prime Minister Hun Sen, and the cabinet consists of a Council of Ministers that is appointed by the monarch on the recommendation of the prime minister. A Royal Throne Council chooses the monarch; and the monarch appoints the prime minister after a two-thirds vote of confidence by the National Assembly.

¹⁰ National Survey on Public Attitudes Towards Corruption, Center for Social Development, Phnom Penh, August 1998.

¹¹ Cambodia Governance and Corruption Diagnostic, World Bank, May 10, 2000

¹² President Bush's November 2001 statement to Congress stated: "In recent years, there has been no evidence of any heroin transiting Cambodia coming to the United States."

¹³ Economist Intelligence Unit, Cambodia Country Report, August 2001.

Virtually unfettered power resides within the executive branch. The National Assembly does not provide a significant check on executive power. The judiciary is not independent. On December 3, 1999, for example, the Prime Minister issued an order to rearrest “all suspect armed robbers, kidnappers and drug-trafficking criminals,” thereby overruling decisions of the Phnom Penh Municipal Court.¹⁴

The executive branch directs the civil administration and the military. Low salaries in the public sector are a fundamental structural problem with direct implications for accountability and transparency. The Asian Development Bank and other donors believe that the salary issue is a major obstacle to all governance reforms, although there is no willingness to address the issue by reducing the bloated size of the bureaucracy.¹⁵ Comparative empirical evidence does not demonstrate that raising salaries alone is a significant determinant in improving governance.

The government has four accountability institutions: the Ministry of Parliamentary Relations and Inspections, inspection departments within each ministry, the Anti-Corruption Unit of the Secretariat for Administrative Reform and the newly established National Audit Authority.¹⁶ The first three have no real independence from the executive. The National Audit Authority, in theory and according to the Law on Audit, is an independent, public entity that will report directly to the National Assembly, the Senate and the government. Audit reports will be considered public documents. In practice, the National Audit Authority is untested, having yet to conduct its first audit. The Authority has a small, newly trained staff and currently lacks the resources to fulfill its mandate. Reports indicate that is already politically polarized.

Expectations for the National Audit Authority are unrealistically high. Among other things, its mandate calls for the audit of government programs receiving donor funds and of the government’s consolidated financial statement. Without proper training and reasonable systems providing for the prioritization and conduct of audits, the Authority is likely to fail. At the very least, without adequate systems in place and skilled staff, it will be subject to executive interference.

2. The Constitutional Council

The 1993 Constitution provides the legal basis for the establishment of Cambodia’s Constitutional Council. The Constitutional Council became a functioning body in 1998, formed while leaders of FUNCINPEC and what is now the Sam Rainsy Party (SRP) were out of the country after the violent takeover by the CPP in 1997. The

¹⁴ Amnesty International Report ASA 23/01/00, Kingdom of Cambodia: Law and Order – Without the Law.

¹⁵ For a full discussion of civil administration, see the ADB Governance Assessment Report and Country Strategy and Program Update, July 2001.

¹⁶ According to officials interviewed by the team, the Ministry of Inspections handles investigations in areas where opportunities for corruption are great (e.g. where there are user fees, such as ferries), the inspections units (or “special operations units”) of key ministries focus on corruption within those ministries (e.g. customs), the Anti-Corruption Unit identifies “ghost” civil servants, and the National Audit Agency carries out financial and performance audits of government operations.

Council was established to mediate disputes, when requested, between the three branches of government. It examines draft laws to determine whether they are consistent with the Constitution. Once an opinion is issued, it is final, precluding any opportunity for appeal. The Council is made up of nine members: three each appointed by the King, the National Assembly and the Supreme Court. The six members from the National Assembly and the Supreme Court favor the CPP, while the three appointed by the King can legitimately claim to have some neutrality. In practice, the Council is unable to perform its functions without CPP approval, as a minimum of five consenting members is required for any action.

3. The Judiciary

Chapter 11 of Cambodia's Constitution states that the judiciary shall be independent and impartial and shall protect the rights and freedoms of the people. Article 130 states that "judicial power shall not be granted to the legislative or executive branches of government." Constitutional provisions aside, the implementation of new laws generally depends on directives from the Prime Minister, and government policies, often issued as sub-decrees, carry more weight than laws enacted by the legislature.

Most of Cambodia's 169 judges and prosecutors and 200 lawyers have only a superficial understanding of the country's body of jurisprudence. This is a function of the government's inability to disseminate information about new laws and the fact that many ostensibly legal decisions are actually political ones. The problem is particularly acute in rural areas. The lack of a common donor approach contributes to the problem. Still unresolved, at least among donors, is the debate over civil versus common law, with separate donors providing legal drafting assistance in both traditions. Moreover, foreign advisors sometimes work on different versions of the same laws in different ministries.

To facilitate judicial reform, the Government Jurists Council (GJC) was established in 1993. The GJC is subsumed under the Council of Ministers. Its primary function is to assist the government in developing a legal framework, acting as the gatekeeper on all new laws. The Jurists Council provides a technical review of all laws and sub-decrees before sending them to the National Assembly for final approval. A further layer is the Supreme Council for Magistrates (SCM), established in 1998 to ensure the King of the independence of the court and to discipline, promote and transfer judges. In the last year 26 judges have been disciplined, the harshest penalty being transfer. No judges have been removed, although many reportedly may retire once a law called the statute on judges is enacted. The statute on judges will supposedly allow for the recruitment of more and better-educated judges, perhaps less susceptible to corrupt practices. The statute will also contribute to greater judicial independence by providing the judiciary with control over its operating budget.

In addition to the problems of executive interference, poor donor coordination and the confusing panoply of councils charged with reforming the judiciary, corruption among Cambodia's judges and court personnel is widely considered the most pervasive

in Southeast Asia. This fact alone is often cited as the major reason why the country's political and economic systems have failed to provide citizens and potential investors with the safeguards that are required for democratic development (and foreign direct investment).

4. The Legislature

The Cambodian legislature is bicameral, consisting of the National Assembly, with 122 seats chosen through proportional representation by province, and the Senate, with 61 seats. The King appoints two senators, the National Assembly elects two, and "functional constituencies" elect 57. Members of both bodies serve five-year terms. Ideally, Cambodia's legislature would play a crucial role in promoting transparency and accountability. As the intermediary between the electorate and the government, the legislature should exercise oversight powers to ensure that mechanisms for accountability work effectively, to guarantee the effectiveness of government programs, to control corruption, and to promote the interests, rights and welfare of citizens. However, because of executive interference and the influence of patronage politics, the Cambodian legislature's power and ability to review, evaluate and monitor the implementation of enacted laws and policies, including use of government funds by the executive branch, is severely limited.

5. Political Parties

Three political parties are currently represented in the National Assembly: the Cambodian People's Party, (64 seats); FUNCINPEC¹⁷ (43 seats) and the Sam Rainsy Party (15 seats). Hun Sen's CPP has had unchallenged control over the country since it was installed in office by Vietnam in 1979, except when it was in a coalition with FUNCINPEC from 1993 to 1997. Formerly the communist party, the CPP retains tight control and seems obsessed with party discipline, as demonstrated, for example, by the Party's recent dismissal of three senators for criticizing a government-sponsored bill on the Senate floor.

After the controversial 1998 elections, FUNCINPEC agreed to join a coalition with the CPP, which gave the government the two-thirds support required under the constitution. Party leader Prince Norodom Ranariddh became president of the National Assembly, and CPP president Chea Sim became president of the newly created Senate. FUNCINPEC tries to walk a fine line between cooperation and competition with the CPP. While the 2002 commune elections have exposed tensions between FUNCINPEC and the CPP, FUNCINPEC's leaders emphasize the paramount importance of avoiding conflict. Such conflict may be hard to avoid in the run-up to national elections expected in July 2003.

¹⁷ The National United Front for a Neutral, Peaceful, Cooperative and Independent Cambodia (known by the acronym of its name in French)

Cambodia's only significant opposition party is named after and led by former FUNCINPEC Finance Minister Sam Rainsy. Formerly the Khmer Nation Party, the party was forced to change its name before the 1988 elections when the CPP-dominated National Election Commission (NEC) allowed an unrelated party to claim that name. (For a more detailed discussion of political parties, see Annex B.)

6. Civil Society and the Media

i. NGOs

Cambodia's growing vocal civil society is repeatedly cited as one of the strong points in its political and democratic development. In the last decade a multitude of civil society organizations has been formed, many with USAID support. Several of these work on issues of critical concern. In the area of human rights, USAID-supported organizations lead the effort to document abuses and educate Cambodians about issues related to impunity and corruption. The leaders of organizations such as these have taken controversial positions and may even jeopardize their lives with their forward-leaning approaches.

Most civil society organizations are funded primarily with donor resources and do not have a popular membership base. Among donors, USAID is one of the few that provide "core" funding. If donor funding is reduced or eliminated, many of these organizations are likely to disappear. The number of indigenous NGOs is still small, and the number that receives funding mainly from local sources is an extremely small subset. Competition among NGOs for donor funds is widespread and for almost any issue on which NGOs are working there is a factionalization of the NGO community and a duplication of overhead and operating costs. In addition, most NGOs are based in the capital, which limits access of the majority of the population to program benefits and may increase program costs.

ii. Labor and Business Associations

Newly-emerging voices in civil society are labor and business associations. Thanks to the Cambodia-US Trade Agreement on Textile and Apparel, the textile industry in Phnom Penh has already grown to a billion-dollar business with a work force of 180,000, almost entirely young women, organized into eight union federations. There are prospects for forming associations to protect workers' rights in other industries as well, including tourism, reconstruction, and teachers. Even with the pro-labor provisions of the textile agreement, however, there are labor issues at textile factories that would likely be bigger challenges in other sectors: politicization of many of the unions, firing of union chiefs who push too hard for reform, and inadequate freedom of association for union workers.

While Cambodia's private sector is small, there has been increased economic activity, particularly in Phnom Penh, and the developing business and labor interests offer hope for dialogue on some of these politically important issues. Numerous

business and professional associations have developed representing such groups as bankers, journalists, midwives, and many others. A few associations of small and micro enterprises are also emerging, such as the rice millers' association.

iii. Media

Newspapers have considerable freedom to report stories, although newspaper circulation reaches only about 4 percent of the population, primarily in Phnom Penh, with some extension to major provincial cities. Magazines and other periodicals are not prevalent. English- and French-language newspapers, distributed in Phnom Penh and abroad, report rather freely on local and international events, although even they decline on occasion to report certain stories. Khmer-language newspapers are linked almost entirely with political parties or the government, and reporting is generally biased towards the opinions of party leaders.

Radio broadcasting is almost completely controlled by government. One indigenous source, the USAID-supported Women's Media Center, does provide FM radio programming in many areas of the country. It has relative freedom to report if it confines itself to women's issues. Another indigenous station, "Beehive Radio," reports freely and openly, but its broadcasts are limited to the Phnom Penh area. Radio Free Asia broadcasts three times a day on short-wave frequencies, and its reporting is widely listened to and is objective and free, although it too is careful about reporting stories critical of the ruling party. The Voice of America (VOA) has applied for FM licenses from the government for English- and Khmer-language broadcasts, but these applications have been rejected, most recently in January 2002. Radio France International (RFI) and the British Broadcasting Corporation (BBC) broadcast locally in Phnom Penh on FM frequencies. Local, regional radio does not exist outside of the capital, but most Cambodians have access to radio broadcasts from Phnom Penh.

Television broadcasting is also nearly totally controlled by government. There are two private stations in Phnom Penh, but their range is limited and they reportedly practice self-censorship and do not criticize the government or the ruling party. Many television sets exist outside of the capital, powered by battery and watched primarily in group settings but, because of state control over the stations that reach most of the country, television does not serve as a medium for receiving objective information.

Other forms of media are in preliminary stages. Internet is available, but is restricted by cost and limited access. Costs at "internet cafes" in Phnom Penh and provincial cities are prohibitive for most citizens. In any case, few Cambodians own or know how to use a computer. Internet is not censored in any reported manner, so despite its limited availability, it is a reliable source of information. Recently, a US company received licensing rights from the RGC as an Internet Service Provider. It has an agreement with the Ministry of Tourism to establish Information Centers in various provinces that would provide banking, tourist information, and a means for lodging complaints to the police. This company is proposing to establish Community Access Points in rural areas, where a host of activities could be accomplished. As suggested in

USAID's 2001 Information and Communications Technology report, this could open up opportunities for local NGOs to exchange information and obtain accurate news.

7. The Electoral Process

The UN-supervised elections in 1993, although widely viewed as successful, were plagued by violence, in part because the Khmer Rouge rejected the process. Despite FUNCINPEC's clear victory, the CPP was able to force its way into a governing partnership, with Prince Ranariddh and Hun Sen as co-prime ministers. The elections failed to bring democracy or stability, as Second Prime Minister Hun Sen overthrew his putative coalition partner Ranariddh in a violent confrontation in July 1997.

Similarly, elections became the focus of the international community's efforts to move forward after the 1997 violence. The EU, Japan, Australia and the UN offered money, equipment and technical assistance for election administration. Having suspended aid after the 1997 violence, the US declined to join the consensus and channeled its assistance to nongovernmental monitoring and voter education efforts.

After the return from exile of leaders from FUNCINPEC and the Khmer Nation Party (subsequently renamed the Sam Rainsy Party), Hun Sen's CPP won a plurality of votes and a majority of seats in national elections held on July 26, 1998. The election campaign was marred by violence, and the CPP government manipulated the election framework, dominated the National Election Commission (NEC) and denied "opposition" parties access to radio and television. The last days of the campaign period were relatively peaceful, however, and 93 percent of eligible Cambodians cast ballots on Election Day.

Then the process completely fell apart. After a perfunctory attempt to conduct recounts in a few token locations, the NEC and the Constitutional Council summarily rejected formal complaints from the SRP and FUNCINPEC. After Election Day it was revealed that the NEC had secretly altered the formula for allocating seats, which gave the CPP a majority in the National Assembly. Post-election protests turned violent, and the formation of a new government stalled amid finger pointing and threats. Finally, under donor pressure to avoid a return to armed conflict, FUNCINPEC joined the CPP in forming a CPP-led government. (For a fuller discussion of the electoral process, see Annex B.)

8. A Look at the 2002 Commune Council Elections

The international community has also long pushed for commune elections, to be held on February 3, 2002. For whatever reason, neither elections nor decentralization (as opposed to deconcentration) appear to have ever been considered for provincial or district governments.

The team conducted its assessment in January, during the immediate run-up to the 2002 commune elections. Not surprisingly, many Cambodian politicians, government officials, NGO leaders and journalists, as well as foreign diplomats and development professionals, were focused on those elections and related issues. While the team's role was not to assess the 2002 electoral process, that experience will provide the foundation for decentralized development and future political competition in Cambodia. It also will necessarily provide the point of comparison for even more consequential donor decisions about support for new national elections expected in 2003. Accordingly, some consideration of the 2002 commune pre-electoral process is warranted.

On February 3, Cambodians will elect 1,621 brand new commune councils from party lists by proportional representation: about 14,000 commune council members across the country. The system in essence merges executive and legislative functions. The candidate at the top of the party list gaining the most votes becomes the new commune council chief, while the candidate at the top of the slate gaining second place becomes deputy. These councils range in size from five to 11 members. Approximately 75,000 candidates from eight parties are competing. The CPP has fielded candidates in all communes; FUNCINPEC has candidates in 1,603 communes, or nearly 99 percent; and the SRP has candidates in 1,501 communes, or nearly 93 percent. None of the other parties has fielded candidates in more than 63 communes. About 12,000 candidates, or 16 percent, are women, several hundred of whom are among the top three-ranked positions on their party's slate. Election results are not available as of the preparation of this report.

Most Cambodians, diplomats, and bilateral and multilateral donors believe that the commune elections are intrinsically valuable, as they necessarily represent a breach in the CPP's longstanding total control of local government and offer a beachhead for opposition participation in local politics. In addition to giving a role in commune councils to the SRP, the principal national opposition party, the commune elections similarly give to FUNCINPEC, the CPP's junior coalition partner at the national level, a stake in commune governance for the first time. Even more than in 1998, consensus opinion in Cambodia appears to be that flawed elections are preferable to no elections.

Nevertheless, because the elections are proportional, party-based ones, the February process does not give control of any commune council to a single party. While the process by definition breaks the CPP stranglehold on commune government, the ruling party will presumably still have members in every commune council across the country. Unless voting patterns are dramatically different than in 1998 (which were themselves similar to voting patterns in 1993), CPP members will be either chief or deputy chief in the vast majority of communes. (The SRP's own pre-election projections put the number of councils it is likely to control at about 300 of the 1,621, or less than 20 percent, and even that result would represent a substantially improved performance for SRP compared to 1998.) The experience of coalition government at the national level, even when FUNCINPEC ostensibly held the top positions from 1993 to 1997, offers little to support the proposition that the CPP will be giving up significant control. Moreover,

the Ministry of Interior will place full-time officials, or “clerks,” in each commune to “assist” in the work of the commune councils.

Many Cambodian activists and observers also argue that the proportional representation system, as opposed to system of direct elections of individual candidates, will ensure that elected councilors are more responsive to the interests of their parties rather than to the interests of commune residents. The looming national elections might further exacerbate such incentives, as national parties jockey for local resources and advantage.

Six flaws marred both the 1998 and 2002 election campaigns:

1. Violence and political killings
2. Interference with opposition party campaigning
3. Interference with media access by parties
4. CPP-controlled election authorities
5. Obstacles to domestic election monitoring
6. Inconsistent, uninformed involvement by the international community

The 2002 election campaign process has suffered many of the same flaws as the election process in 1998.

First, violence again plagued the campaign. Since January 2001, according to the Special Representative of the UN Secretary-General for Human Rights in Cambodia as of January 10, 2002, “fifteen political activists have been murdered or have died in circumstances that are suspect.” Six of these deaths occurred in November and December 2001, and three were in the first week of 2002. Five of the murdered activists were from FUNCINPEC and four were from SRP.¹⁸ CPP leaders, including Deputy Prime Minister Sar Kheng, promptly pronounced that these murders were not politically motivated – arguing that they resulted from local disputes or common crimes – and dismissed their importance.¹⁹ Accordingly, debate about the murders seems to have gone off on the tangential question of the killers’ motivations rather than the more central question of impunity. There have been virtually no prosecutions for murders that occurred during the political violence of July 1997 or the some 40 allegedly politically motivated killings that took place in the first half of 1998. In early 2002, after strong protests from the international community, investigations and prosecutions were launched in at least some of the cases of candidate murders. Unprosecuted murders of opposition and FUNCINPEC candidates certainly contribute to a climate of intimidation, but only a small number of SRP and FUNCINPEC candidates have withdrawn.

¹⁸ Special Representative of the Secretary-General of the United Nations for Human Rights in Cambodia, “Commune Council Elections, 2002: The Pre-Campaign Period,” January 10, 2002.

¹⁹ CPP leaders also claim that the media has failed to report violence against CPP members. They cite eight incidents since late 2001, at least four of which resulted in deaths. None of the incidents cited appears to involve a CPP candidate for commune council.

Second, parties have not had freedom to campaign. The elections took place under rules that prevent any candidate or party from criticizing other parties, candidates, or the government or from claiming credit for party accomplishments. Thus, the NEC, provincial election committees and commune election committees placed considerable obstacles on the SRP campaign. One informant advised, for example, that authorities in many locations prevented the party from playing a tape of a speech from party leader Sam Rainsy, though he had reportedly provided the speech to the NEC in advance and had received no objections to any of its contents. Authorities also confiscated SRP printed materials that included a photo of Rainsy with the King, even though the rules appear to ban only the use of the King's likeness as a logo. FUNCINPEC said that it has restrained its campaign activities significantly to avoid conflict with the CPP.

Third, early promises of fair and equal media access for parties during the campaign proved empty. After promising to air a series of 15 voter education roundtables sponsored by NGOs, in which each party had equal time to answer questions about agreed-upon issues, the NEC reversed itself and decided not to allow the state-run television stations to air the programs. During the taping of one such roundtable, the Minister of Women's and Veterans' Affairs, who represents FUNCINPEC, indirectly credited her party for a ministry program to improve the situation for women. Accusing the minister of improper behavior, the NEC cancelled the entire series. The minister was forced to write a letter of apology to the prime minister which was broadcast nationwide, and – bizarrely, given that the program was never broadcast – the government literally dropped from an airplane thousands of copies of a news release criticizing the minister on the matter.²⁰ Later confirming its cancellation of all of the party roundtables, the NEC explained only that some parts of the discussions “may incite problems with the people.”²¹ Similarly, both state-run and private television stations refused to air taped debates among commune candidates in the absence of NEC endorsement. An NEC member reportedly warned all television stations privately not to carry the programs. Deputy Prime Minister Sar Kheng supported the NEC's decision because the election law does not specifically require roundtables or public forums; “These roundtables might create political confusion, focusing too much attention on what should be small elections,” he said.²²

The European Union Election Observation Mission found that state TV and radio gave 75% of coverage to government and a further 12% to CPP. FUNCINPEC received 2% of coverage and Sam Rainsy Party less than 1%. The President of the National Assembly received 8%. Coverage by private Cambodian TV showed a similar bias. National Radio gave 80% coverage to the government, 13% to CPP and 7% to the President of the National Assembly.

²⁰ Lor Chandara and Jody McPhillips, “NEC Widely Criticized for Debate Blackout,” *The Cambodia Daily*, January 14, 2002, p. 9.

²¹ Lor Chandra and David Kihara, “NEC Reverses Decision on Roundtables,” *The Cambodia Daily*, January 24, 2002, p. 1.

²² Lor Chandara and Jody McPhillips, “NEC Widely Criticized for Debate Blackout,” *The Cambodia Daily*, January 14, 2002, p. 9.

Fourth, the legal framework for elections failed to establish impartial electoral authorities. The NEC retained essentially the same CPP-dominated membership it had in 1998. The only changes were the replacement of ostensible FUNCINPEC representative with a genuine FUNCINPEC representative, and the addition of a representative from the Sam Rainsy Party. The Prime Minister, echoing the private views of some donors to the election process, has implicitly acknowledged the NEC's lack of credibility by calling for reform of the election commission before the 2003 elections, after the mandate of the current NEC expires.

Fifth, besides censoring voter education materials, the election authorities placed obstacles in the way of domestic election monitoring. Most notably, the commune election law created a new Coordination Committee for Associations and NGO Electoral Observers (the NGOCC) to "coordinate with the NEC in organizing Associations and NGO observers" for the election process. While the principal domestic election monitoring organizations (EMOs) first attempted, in effect, to boycott the NGOCC, the new entity eventually received donor funding from Australia and the Netherlands. The NGOCC organized training sessions for observers and rejected the accreditation of the slate of observers proposed by the Committee for Free Elections (COMFREL) on the ground that their training was inadequate. The NEC imposed a cumbersome process of accreditation on domestic election monitoring groups. After the NGOCC and the NEC approved an organization's proposed list of observers – based on what criteria is unclear – it referred the lists to the relevant Provincial Election Commissions (PECs). There, observers were supposed to present photos and photocopies of the identification cards in order to be issued accreditation cards. In response to objections from EMOs, however, the NEC directed PECs to loosen these procedures.

Sixth, international engagement with the election process was inconsistent and largely uninformed by the experience of 1998. International donors committed to US\$15 million of a budget for election administration of US\$18 million. This included \$3 million for registration alone, notwithstanding a complete voter registration exercise in 1998. The team was told that the budget was excessive and that there was considerable corruption in procurement of election materials. Yet a UN team in Phnom Penh in 2001 recommended a considerable increase in the initial proposed budget. A technical expert recommended the creation of the NGOCC, also donor funded, although the problem the NGOCC was created to solve was never made clear.

Virtually everyone in Cambodia seems to regard this year's commune elections as a dry run for next year's national ones. As of this writing, it is not known whether Cambodians will be able to vote freely, vote counts will be accurate or further manipulation of the rules will occur. Thus far, however, the February 3, 2002 commune election experience points to the need for major reforms if national elections in 2003 are to be better.

III. Forces Affecting Democratic Reform

A. Lack of Political Will

Perhaps the greatest single constraint to Cambodia's democratic progress is the desire by its current leadership to retain power. Given the rent-seeking opportunities available in government positions, incumbents have strong financial and personal interests in maintaining power. The balance of power within the ruling party remains unclear, although it appears that decision-making is the result of a negotiation of vested interests and that dramatic change toward the basic elements of democracy would likely have negative impact on many of these interests; in fact, dramatic democratic change might even lead to armed conflict among interests within the ruling party.

B. Lack of Urgency for Change

The leadership of the CPP understands that continued legitimacy for the government requires real economic growth, with new jobs created and an improvement in the standards of living both in Phnom Penh and in the countryside. This comes at a time when global changes place Cambodia in a precarious situation with respect to its competition, particularly places like China. Nonetheless, the permeating sense of complacency prevails in the government, in civil society and even in the donor community that democratic and economic change in Cambodia must be slow. Indeed, in almost all discussions on progress and Cambodia's needs for change, people refer to where Cambodia was ten years ago or how well Cambodia is doing compared to neighboring communist and totalitarian states, rather than Cambodia's global competitive status and how it is doing in the rapidly changing world.

Reluctance of Cambodians to press hard for democratic and economic reform is understandable. After many years of war, peace is their highest priority. In fact, avoidance of conflict or confrontation of any kind seems prevalent. Even those who are prepared to challenge the current system or fight for human rights have to proceed with great caution, fearful for their personal security.

Unfortunately, time is not on Cambodia's side. The Cambodia conflict vulnerability assessment prepared for USAID's strategy points out that the country possesses many of the characteristics associated with destabilizing regimes:

- It is a post-conflict country.
- It is an intermediate regime (neither completely authoritarian nor democratic).
- It has high levels of poverty and low economic growth.
- It has experienced severe environmental degradation and intense competition exists over natural resources.
- Land tenure and land titling are key issues.
- Job creation falls short of growth in the labor force.
- Trade openness is below average.

- Infant mortality is high; and
- Rapid rural to urban migration is occurring.

Under these conditions, there are several “triggers” that could set off civil unrest. Among those identified in the analysis were political events like the Khmer Rouge tribunals or the 2003 elections, economic shocks and natural disasters. The longer Cambodia takes to make needed reforms that protect rights and stimulate growth, the longer it remains vulnerable to future destabilization.

From the **Cambodia Conflict Vulnerability Assessment** of Jan. 2002:

“The likelihood of large-scale violence or collapse of government control is relatively low; however the potential for civil unrest and communal conflict is high with a potential outcome being increased central government control, with the high risk of stalling or reversing progress in consolidating democracy and strengthening democratic institutions. These risk factors are exacerbated by the existence of weak and corrupt state institutions and by manipulative political systems and parties that principally serve the purposes of elites. Risk factors, in and of themselves, do not necessarily cause conflict. The capacity of groups to translate their grievances into collective action depends on their ability to harness financial, human and other resources. The demographic shifts taking place in Cambodia, the wealth of natural resources and pervasiveness of illegal trafficking in a variety of areas, can provide the opportunities for mobilization under effective leadership.”

C. Desire for International Recognition and Increased Investment

Cambodia wants to be seen as a regional and global partner both economically and politically. It has joined the Association of Southeast Asian Nations (ASEAN) and has indicated that it will comply with ASEAN’s conditions for entry into the ASEAN Free Trade Agreement (AFTA) as well as the World Trade Organization. But Cambodia has yet to satisfactorily address critical questions such as means of protecting rights, ownership and contract sanctity; land security and the role of foreign ownership within the context of land and investment; taxation (including customs, income, property and transaction taxes); and the fundamental role of government in the economy.

Cambodia may well experience drops in foreign assistance in the next three to five years as a result of factors that have nothing to do with Cambodia. These could include global economic recessionary trends, falling donor assistance levels and diversion of limited assistance resources to new priorities such as the “front line states” where the war on terrorism is to be fought. At the same time the multi-fiber agreement (MFA), which has stimulated significant growth in the textile industry, will come to an end in 2005 and Cambodia will have to rely solely on competitive advantage. This comes while major producers such as China are engaged in far-reaching reforms to comply with rules of the World Trade Organization (WTO). The rhetoric of ASEAN and

WTO desirability may well serve as a positive force for democratic change if the immediacy of the issues at hand can become part of the political debate.

In the garment industry over \$1 billion of annual exports has led to large-scale job creation and a concomitant voice for exporters as well as for labor unions. While both of these forces are somewhat unintended consequences of this growth, each offers an important new voice on the political spectrum. Labor in particular is of interest since it is comprised of mass-based, membership organizations (maybe the only such large organizations in Cambodia) and unions are consistently 'testing' the levels of freedom of association, freedom of speech and basic human rights as related to working conditions. While government may not cherish these new voices, political will for economic growth has led to tolerance of them.

D. Chinese and Vietnamese Interests

China's investments in Cambodia have grown dramatically in recent years and its foreign assistance to Cambodia has likewise increased; this increased involvement has coincided with the government's reconciliation with the Chinese-backed Khmer Rouge. China has become involved in Cambodia's internal political environment with recent material contributions to both the CPP and FUNCINPEC. Chinese long-term interests in Cambodia remain unclear, yet pose potential problems for democratic political openings. Vietnam has had long-standing relationships with the ruling party since it supported the invasion of Cambodia in 1978-79 to topple the Khmer Rouge, establishing the communist party precursor of the CPP. While the CPP has undergone some transformation from a communist mechanism of control to a national political party, there remain troubling signs of vestiges of its communist past in party functioning.

E. Influence of the Donors

Donors are united in insisting on improvements in government efficiency and effectiveness. In some ministries, particularly health and education, notable progress has already occurred. Because of the importance of aid flows to Cambodia's economy, the donors have substantial influence with the government. But another side of donor-generated change is the involvement of many donors in each sector of governance and the lack of coordination among them. Indeed, there are often competing and contradictory expert opinions for action, as the examples of donor assistance to elections, described above, show. The assessment team found that donors were not unified regarding the urgency of reform, or with what Government actions should take priority. As several donor representatives noted, "Everything is a priority." Overall, there seems to be no clear vision in the donor community (or in the RGC itself) as to what Cambodia should look like five years from now.

F. Elected Local Government

Elected commune-level governments offer the possibility of providing new opportunities for citizens to engage government to address their priority needs and for

groupings of local governments to engage the central and regional governments on key issues of importance at the local level. It is important to note, however, that expectations for these new local governments in Cambodia are already unrealistic. The CPP sees the councils bringing new blood into the party and new commune chiefs who are more acceptable to the local people. Other parties, donors, NGOs and Cambodian voters see them bringing political choice into local leadership (however flawed the election process) or at least getting citizens into the voting “habit”. The government has used election of councils as a signal to the international community of willingness to expand political participation, and expects, as a result, increased donor resources for council training and local development.

There is no empirical evidence that decentralization alone helps to alleviate poverty or increase participation. The literature raises questions as to the likely success of decentralization programs where there has not been a clear definition of power, access to resources and legal structures at the local and national levels in advance of implementation.²³

There are many reasons to be skeptical that the RGC’s decentralization plans will work. Given the clear lack of will of the ruling party to give up any political control at the central level, one can hardly expect that meaningful responsibilities will be authorized for local bodies that include opposition parties. As of this writing, key implementing regulations guiding commune council administration have yet to be completed (related to specific functions, transfer of funds, accounting procedures, intergovernmental relationships, and council training). Though the RGC budget contains funds for councils’ administrative costs, only 220 communes (those already in the UNDP-supported SEILA program) will receive development funds this year. Expansion of development budgets to all communes will require the government to increase its contributions to 5 percent of the budget or rely on more donor resources. Further, deconcentration of central government functions from the provincial to the district level and below, a process that should theoretically take place concurrently with decentralization, is moving on a much slower track.

On the other hand, there are programs in place to help decentralization along. Despite absence of a clear set of operating regulations, the model established for rural development under the SEILA program (proven procedures for planning, procurement, accounting, monitoring and ensuring local contribution for small infrastructure projects) offers a good basis to build on. The National Committee to Support Commune Councils, responsible for developing regulations, providing training and assisting councils over the next five years, has significant NGO and donor input. These factors, as well as the consultative group’s scrutiny of the RGC’s governance reforms and donor willingness to support elements of decentralization will all keep pressure on the RGC to effect some transfer of power to the communes.

²³ Decentralization: A Review of Literature, prepared in August 2001 by David Ayres for the Commune Council Support Project, provides an excellent analysis of world-wide experience with decentralization.

G. The Military

Cambodia's excessively large military is not an independent threat to democracy, although parts of the military still hold allegiances to political parties rather than to a civilian-controlled central government. Most members of the armed forces are not trained, functioning military operatives; rather they live at home, carry out daily private economic activities and function as civilians, although many wear military uniforms. The number of trained soldiers is relatively small. That said, a portion of the armed forces has trained and skilled soldiers with ample arms to create problems. Cambodia's military needs to be professionalized and needs to come under a unified civilian control; at this time, however, there is no apparent political will for such a change.

H. The Khmer Rouge Legacy

The impacts of the Khmer Rouge on human capacity and national infrastructure are well known. The Cambodian people have not had many opportunities to come to grips with this horrendous past, move on in their lives and assure that such atrocities could not happen again. From a political perspective, Cambodians value peace at almost any price and this translates to a tolerance of impunity and intimidation in the political spectrum that goes unchallenged. Yet this short-term formula for conflict avoidance undermines the channeling of disagreements through democratic means and creates a real possibility of future conflict.

IV. Arenas Conducive to Democratic Reform

The analyses above point to several areas that hold strong potential for interventions to expand the ability of Cambodian citizens and institutions to increase their participation in political life and protect their rights.

A. Human Rights

Monitoring, investigation and defense of human rights violations play a crucial role in the promotion and protection of human rights in Cambodia. USAID has provided significant amounts of funding to a wide number of human rights groups since 1993. In many cases, these organizations are now receiving assistance from a variety of other donors. They have become more professional and courageous, and USAID can be proud of its pioneering support of these groups.

The work of these groups is far from complete. Though the human rights picture in Cambodia has improved markedly since the overthrow of the Khmer Rouge in 1979, violations still abound. The seriously flawed judicial system and the culture of impunity exacerbate the situation. Violence casts doubt over elections, makes citizens fearful and suspicious of authority, and feeds an environment in which trust among diverse groups is difficult to achieve. In the absence of the rule of law, vigilantism remains a serious, unchecked problem.

Cambodia's donors remain a very strong human rights pressure group. In recent years donor governments have urged the government to fully comply with international standards. In some cases international human rights organizations have called for bilateral and multilateral donors to condition any direct assistance to the Cambodian government on demonstrable progress in prosecuting human rights abuses, strengthening the rule of law, implementing judicial reforms, initiating anti-corruption measures, and bringing Khmer Rouge leaders to justice. This agenda remains unfulfilled.

Needed now is a more focused approach, in which high profile cases with the ability to influence national policy will be taken over the more mundane disputes that legal aid and human rights organizations often entertain.

B. Political Parties

Though the CPP dominates the political landscape, FUNCINPEC and the Sam Rainsy Party both offer alternatives that could help develop a broader basis for competition on political issues. Although neither currently stands a real chance of gaining national power in the 2002 local elections, they offer an important opportunity for democratic development, particularly as the 2003 national elections approach. If Cambodia is to deal with pressing economic issues in the next five years, the 2003 election will need to include debates over fundamental economic issues and articulate a choice on these issues for the voters so that the new government has a popular mandate for difficult changes. But, even more importantly, Cambodia's political parties need to be nurtured as institutions to help develop a forum for broader and more inclusive discussion and debate on critical political issues over time, and to develop party platforms.

C. Decentralization and Local Elected Government

The fact that 14,000 fresh new grass-roots politicians will appear on the scene must be viewed as a potential opportunity for democratic development. Several hundred will be women – a small number in absolute terms, but a strong beginning for inclusion of women in political participation. Some donors have already expressed interest in financing training for commune officials and resource transfers to commune governments for local infrastructure. With organization, either within their parties or across party lines, these officials could have influence on central government policies and resource allocations to the local level.

D. Economic Governance

The RGC says that it is determined to achieve economic development, increase foreign direct investment and enter into the WTO. If it is serious, this process will force the RGC to adopt laws and procedures to increase transparency, expand market access, protect intellectual property rights and reduce costs of doing business. It will

also nurture a new set of actors who interact with government for their own interests. Strengthening associations of indigenous businesses who would benefit from a more level playing field could help expedite change.

Further, to improve the environment for private investment, the government must take steps to reduce corruption. A two-track approach to the problem of corruption would include changing the environment in which the public sector and citizens interact and mobilizing public support for change. Programs designed to change the environment in which the public and citizens interact have the twin goals of minimizing opportunities for corruption and changing the incentive structures that often encourage corrupt behavior. Government reform and institution building in Cambodia are problematic, absent the will to embark on a path toward meaningful reforms, though the National Audit Authority may offer one exception.

Mobilizing public support for change, on the other hand, is a more promising area. It can help in creating an environment in which high levels of corruption are no longer tolerable. This involves working with targeted civil society organizations to better identify and expose corrupt practices, as well as to promote active engagement by all sectors of the public to monitor government activities and to advocate changes in attitudes and practices.

V. The Ideal USAID Democracy and Governance Strategy

Though the most serious democratic problem in Cambodia today is lack of justice, the absence of political will to reform the judiciary and implement rule of law precludes a strategic objective centered directly on justice.

The underlying democracy/governance problem in Cambodia is that the government is overly powerful and unaccountable to the people. Improved governance in the executive and judiciary branches and civil service reform are important targets of World Bank and other economic assistance and are crucial to the institutionalization of market-oriented reforms. Absent clear political will by the government to undertake serious reform of the government, however, USAID assistance to the government reform effort is not likely to be effective. Further, in the absence of any indication that the executive is willing to relinquish control, traditional legislative strengthening programs directed to such things as legal drafting, strengthening committee systems, computerization and research support services would be ill advised.

Instead, the optimal strategy seeks to increase the power of those groups within Cambodian society who seek equitable treatment for Cambodian citizens to compete for their demands from a government intent on control.

The proposed strategic objective for the three-year period 2002 to 2005 is

“Increased Competition in Cambodian Political Life.”

It is important to take note of a theme that pervaded the team's interviews and this report: the strong desire among Cambodians to opt for slow, incremental progress on democratic reforms, to avoid personal harm and potential civil conflict. An objective of increased competition to put democratic development on a faster track may well entail greater risks. Those who challenge government actions need protection. The assessment team has attempted to suggest strategy options and program implementation ideas that will limit risk to democratic actors.

Under an ideal strategy, the team recommends five intermediate results within the SO. Based on the assessment, no assistance is proposed that might serve to strengthen government control. Some IRs, however, do propose including certain individuals and institutions within government as a means of improving competition of ideas within government.

Relation to other sectors: Increased "competition" for influence on national policies, resource allocations, and rights benefits development in all sectors of importance to USAID. It ensures that central government policies are informed by a wide range of stakeholders, including local communities, differing branches of government, political parties and business and labor interests. Opportunities for abuse of power and corruption are reduced when such competition occurs.

IR 1. Focused Monitoring and Defense of Human Rights

USAID should support the enforcement of human rights norms through monitoring and investigation. As Human Rights NGOs evolve and become more effective they traditionally gain more important roles, adding to their initial work of fact-finding and standard setting to serving as ombudsmen intervening on behalf of the oppressed. USAID should give preference to organizations and programs that monitor and protect human rights over those that are focused primarily on general awareness-raising. USAID should, in particular, support NGOs who take on "cutting edge" cases that have high public visibility or that have the potential to influence government policy. USAID should encourage these front-line grantees to form links with international human rights NGOs, both to give them a greater level of protection on controversial cases and to add a focus on international standards.

The front-line human rights NGOs have reached a level of sophistication at which they no longer need funds funneled to them through an intermediary US organization. In fact, direct grants to the front-line organizations, including core funding, would both empower these organizations and provide greater protection for their staff who take on controversial cases. Assuming these NGOs are able to meet USAID financial standards for direct grants, these grants could be structured to enable them to contract or subgrant with other local or international NGOs (for example, for legal services to pursue certain cases, or for technical assistance on strategic planning).

USAID should not fund programs of broad-based legal services or legal education. Though they are good things to do, they are unlikely to have systemic impact on Cambodia's legal system or on human rights status. USAID's limited funds are better applied to the front-line human rights groups which can, in turn, contract for the legal services they need to pursue important cases. Legal education, except as an element of targeted civic or voter education programs, is unlikely to yield significant return on investment as long as there is no political will to enforce the law.

USAID should not fund general programs of civic education. USAID's extensive experience shows that successful information campaigns should be linked to specific behavioral change, focused on a limited number of messages (usually five or less), targeted to specific audiences, and tested for desired behavioral change.

Finally, USAID should not support establishment of new media outlets. Media are clearly very important to disseminate information. Because it is relatively free, the written foreign-language press in Phnom Penh is particularly useful for human rights and government watchdog groups to gain visibility among officials and donors for cases of abuse. For that reason, grantees may choose to use some of their funds for information dissemination through media. But since broadcast media are so constrained in reporting and since operating costs are so high, projects to promote expansion of media outlets and range are not likely to be cost-effective or sustainable. One exception worth considering is the proposed Community Access Points (CAPs) for Internet service alluded to in the narrative above.

Relation to other sectors:

Among the important human rights issues addressed within IR 1 are women's rights, labor rights, land use and land ownership. A comprehensive approach to women's rights address similar issues as those targeted in the health strategy. Women at risk of domestic violence and trafficking as commercial sex workers are also those most vulnerable to STDs, HIV and other reproductive health problems. The health strategy supports a multi-sectoral approach to address reproductive health issues. The D/G women's rights activity (possibly carried out through the Ministry of Women's Affairs) should be coordinated closely with the organizations implementing the multi-sectoral health strategy to enhance the effectiveness of both.

Labor rights are important both for improving the environment for economic growth and for protecting rights of women. Cambodia's biggest foreign exchange earner, the garment industry, has a labor force almost entirely of young women who have recently moved from the countryside to Phnom Penh. An economic downturn could easily send them into the commercial sex business. For that reason, the health strategy includes a focus on garment workers. USAID's D/G and health interventions aimed at labor should work in tandem.

Land rights are a major human rights issue. Legal Aid of Cambodia advises that some 40 percent of the cases it defends are land rights issues. Decisions on land ownership and land and water use relate directly to the sustainability of natural resource management.

Monitoring and defense of human rights could include

- Assistance to the Ministry of Women's and Veterans affairs for a focused women's rights/anti-trafficking program. Cambodian activists in this field argue that education and awareness programs geared to high-risk populations are the best and most effective opportunities to contribute to change. Women's rights programming encompass gender-based violations such as domestic violence, rape and other types of gender-based human rights violations, working on high-profile cases and high-impact cases.
- Human rights of minority groups, including indigenous, ethnic, cultural and linguistic minorities. This includes activities that help members of disadvantaged groups obtain land title under the new land law.
- Programs to protect the rights of workers to organize and obtain fair treatment. In addition to textile workers, this could include labor areas such as construction, hotel workers, teachers and others.
- Limited assistance to help Cambodians deal with past human rights violations such as those committed by the Khmer Rouge. The finding, recording and preserving of history associated with the Khmer Rouge for cathartic and potential evidential purposes also promotes justice and accountability.
- Development of an ASEAN human rights mechanism. (Funding may be available from Washington for this regional activity.) An inter-governmental body within ASEAN that would promote human rights in cooperation with civil society might provide an excellent opportunity to affect change in Cambodia. In the same way the Inter-American Human Rights Commission was an important step in adjudicating human rights abuses in the western hemisphere, an ASEAN human rights mechanism could do the same for Southeast Asia.

IR 2. Increased Transparency and Accountability on Important Economic and Political Issues

Essential to good governance is the need to reduce corruption. Politically, it undermines the credibility and authority of government and impedes the growth of democracy. Economically, it distorts the allocation of public resources and discourages private sector investment. The social costs of corruption are evident in the high correlation rates between corruption and poverty.

USAID should focus its efforts in the anti-corruption area on investigations and audits that are directed to important economic and political issues. These may include customs reform, trade and investment, intellectual property rights and assets disclosure. The objective is not simply to raise public awareness about corruption but to establish the basis for enforcement. To do so will require engagement with a limited number of local organizations that are prepared to conduct the research and provide the analysis

that is necessary for engaging with government and other actors in a reasoned discussion. Too often these sensitive issues are debated solely on an emotional level.

USAID should also explore the possibility of providing assistance to the National Audit Authority or other similar governmental entities that are responsible for exposing corrupt practices. If there are prospects that the NAA is likely to have sufficient independence from the government, technical assistance through, for example, USAID's Inspector General's Office could be beneficial in two ways. First, it would help to strengthen the capacity of one of the key institutions of transparency and accountability in the RGC. Second, it would demonstrate clearly to the RGC the importance the US attaches to this issue. Engagement with the NAA would entail some risk. USAID would have to be ready to disengage immediately, should it become apparent that the Authority is not able to act independently or publicize adverse findings.

USAID should not fund activities to educate the public on the evils of corruption. Surveys indicate that people already consider corruption a problem.

USAID might select one or two local grantees for direct assistance to analyze and foster public debate on key corruption issues. As with the human rights grantees, these organizations could then subgrant or contract with other organizations for assistance (for example accounting services or polling). Organizations willing to take on key corruption issues are at risk, just as are the front-line human rights organizations. Direct grants with the US, as well as links with international anti-corruption NGOs, provide a measure of protection. Illustrative activities:

- Surveys and diagnostics on targeted areas of high corruption such as customs, public procurement and the judicial system. The objective is to expose corrupt practices and to highlight their costs to society.

Relation to other sectors:

Corruption is a deterrent to investment and contributor to natural resource degradation. Corruption raises costs of almost all government services, including education and health care. Research and analysis related to corruption under this IR might include

- Identifying the irregularities that raise the costs of doing business in Cambodia and analyzing the opportunity costs to the country.
- Identifying and publicizing the costs to the economy of government practices in land concessions and fishing concessions.
- Analyzing and publicizing the informal payments that raise the costs of health care. In 1999, people's expenditures on health averaged \$29 – over 10% of per capita income. There are indications that sale of land to pay for medical expenses is an important cause of the rise in landlessness. Since the Ministry of Health appears serious about reducing the costs of health care, analysis of the informal costs could help bring about change.

This IR addresses economic growth by helping business associations and think tanks to advocate for reforms that reduce corruption, increase transparency, lower the costs of doing business, protect intellectual property rights and pave the way for WTO accession.

- A needs assessment of the National Audit Authority, including an opinion as to the advisability of USAID assistance for capacity building within the Authority.
- Public opinion surveys. In partnership with the grantee, USAID might choose an area of public service delivery such as water or power, then conduct surveys, on an annual or biannual basis, of the public's perceptions about how well these services are delivered. (The World Bank's Cambodia Governance and Corruption Diagnostic of May, 2000 provides a good baseline.) The result will be the issuance of "Service Delivery Report Cards" that can be shared with the responsible government departments and the public. The service delivery report card concept was created by an NGO in Bangalore, India, and it has yielded significant results in a short period of time.
- Support to indigenous business associations or similar groups to advance the case with government for reforms that simplify business operations and reduce informal costs. (This might be done through a single grant to an intermediary US organization or possible to a Cambodian anti-corruption NGO. Either way, the emphasis of the grant should be not on internal strengthening of associations, but on helping them engage the government on reform issues.)

IR 3. Political Processes and Parties That Meet International Standards

Political competition in Cambodia is severely constrained by the legacy of communist control and a widespread fear of renewed conflict, particularly violent conflict. Elections have been significantly flawed and may not offer a genuine possibility for an alternative government to come to power. The ruling party has dominated the electoral authorities. Political parties have yet to develop as modern, ideologically oriented, internally democratic organizations. Very few women participate in the political process. Accordingly, USAID can work to improve political processes, including elections, and political parties in Cambodia.

USAID should help political parties to develop more effective and internally democratic procedures and to improve their organizational capabilities, leadership development and message development. Comparable US technical assistance should be offered to all significant political parties, including parties in government, as long as they forswear violence and accept competition in democratic elections.

Political party assistance should be inclusive for several reasons: because all parties – including the CPP - need to adapt to a genuinely democratic, multiparty political environment and to accept democratic rules of the game; and because such assistance can strengthen reformers within even more-or-less authoritarian parties. Political party representatives with whom the team spoke, including those from FUNCINPEC and SRP, agreed that assistance is needed and would be valuable for all parties. It is entirely appropriate for the US government and the international community to insist that political processes in Cambodia are democratic, but it is Cambodians, not Americans, who should decide who is elected to public office in their country. Working with all parties will avoid the highly dangerous – and

counterproductive – perceptions that the US favors one side in the political competition. While party assistance should be offered to all major parties, programs need not work with all parties simultaneously; rather US technical assistance should be offered separately and targeted to the individual needs of each party.

- In its political party and other programs, USAID should consider efforts to encourage and aid the participation of women in political life. This might include working with women candidates for public office from all parties, in multiparty or separate single-party programs, or supporting the development of caucuses of elected women officials.
- USAID could support efforts of one of the Cambodian EMOs to monitor national and local elections, including efforts to advocate to fairer election rules and institutions. It is not practical for USAID to grant funds to more than one EMO, though USAID's grantee could conceivably subgrant to other EMOs for specific activities.

Relation to other sectors:

Empowering political parties, particularly below the national level, can create new interest groups for reform in key areas of the economy. USAID's assistance can help stimulate debate within and between parties on how to address key development issues in economic growth, health, education and natural resources preservation. Assistance targeted to female party members can help to foster their interest in issues of special importance to women.

- USAID should avoid funding multiple international election monitoring projects. Any international election monitoring project should focus on the entire process, including the political environment, the legal framework, voter registration processes and vote tabulation, adjudication of complaints and formation of the government after elections.

If a sufficient commitment to reform is demonstrated, US technical and material assistance could help constitute more legitimate electoral authorities and bring about a genuinely democratic electoral process, one that meets international norms. USAID should reconsider its past reluctance to engage directly in the organization and administration of national elections in 2003 only if there is genuine reason to believe that the rules will meet democratic norms and authorities will be impartial.

IR 4. Newly Elected Local Officials Engage with Central, Provincial and District Officials on Key Development Issues

Significant donor attention is already being focused on training of newly elected local commune officials with regard to helping these officials more efficiently and effectively carry out their duties. Given the intense attention of other donors as well as the unclear legal and policy environment in which these new officials will work, additional USAID attention on capacity building of these local officials is probably not an

area where returns on US investment are likely to be marginally significant beyond what will be accomplished by others.

But there is promise in working with newly elected local officials, particularly in creating new opportunities for competition of ideas beyond the existing, limited fora that already exist. Evaluations of local government programming in other countries indicate that important new political engagement on issues important to both the concept of decentralization and the needs of citizens at the local level can be achieved by associations of local officials, local community leaders and/or local governments that engage their central government counterparts on these issues. Limited donor investments have proven to have high returns in national level change, for example in terms of legislative action, policy change and resource flows.

Relation to other sectors:

Associations will enable local officials to have influence on resource allocations and policies affecting development sectors important to their constituencies. Health and education services are both being deconcentrated to the district level, at least in some parts of the country. Since decision-making for these services will be at a level close to the elected commune councils, associations can serve as both monitors, to ensure that resources are allocated effectively and efficiently, and advocates for their communities on service delivery.

USAID could focus on helping organize associations of elected officials within districts and provinces, as well as nationally, to represent issues of local governance at each level of government. Even across party lines similar issues will be common to local governments and these newly formed associations can give a voice to lobby the central government and its subsidiaries for laws, policies and resources needed to successfully implement the national decentralization program.

IR 5. Increased Capacity of Future Leaders in and out of Government to Develop Policies and Effect Change

Human capacity has been identified as a major constraint to development in almost every sector as well in terms of general management, governance and policy analysis. Evaluation of development assistance has shown that development impact from long-term participant training has had a singularly important impact in overall development. While admittedly it takes as much as 15 to 20 years for returns on participant training to be realized, such training is wanting in the Cambodian context. US based participant training would provide exposure not only to excellence with regard to skills and knowledge in selected subject areas, but also to functioning democratic governance and western values and culture.

To achieve this IR, USAID could 'buy-in' to the existing Fulbright program administered by the US Embassy in Cambodia. This would be a cost-effective way to maximize the number of participants that could be supported. Focus would be on selecting candidates who are not already well-connected and who belong to under-

represented groups (women or people from outside Phnom Penh) and training them in policy analysis as well as in management of sectors of focus for the entire USAID program, including health and education.

VI. The Practical Strategy

Three main factors prevent USAID from implementing the ideal strategy.

Legislative restrictions prevent USAID from providing assistance to the central government. Notwithstanding language would allow for activities in IR1 to the Ministry of Women's Affairs for programs in human trafficking and women's rights and in IR2 to the National Audit Agency. In both cases, Congressional consultation would be required. The team suggests that in both cases, the potential gains from assistance make a persuasive case to consult with Congressional committees. The legislative restrictions would require elimination of IR 5 in entirety and possibly IR 4 as well.

The team notes that current legislative restrictions are not helpful or necessary. As should be very clear from the assessment, assistance to the RGC for governance activities would not be justifiable with or without the legislative language. But the language does prevent USAID from engaging in highly targeted activities with those in the government who, with assistance, could offer new ideas that challenge government operations from within.

Dollar resources are limited and, at best, will remain at current levels unless the political situation here changes dramatically. Even if legislative restrictions were limited, the cost of implementing IR5 would likely be prohibitive. A fairly large "critical mass" of officials would have to be included in the program to have a meaningful impact on change, and this is not possible with current funding levels.

USAID management resources are very stretched. The proposed strategy suggests several new areas for support, and each of these entails additional management burden. The team's assessment is that IR4 would be particularly staff-intensive.

For these reasons, the team's practical strategy eliminates IRs 4 and 5. Other IRs should remain as described above, without the proposed activities for which Congress is unwilling to agree.

Here, then, are the SO and IRs recommended by the team based on the practical constraints discussed above:

SO: "Increased competition in Cambodian political life."

IR1: "Focused monitoring and defense of human rights."

IR2: “Increased accountability and transparency on important economic and political issues.”

IR3: “Political processes and parties that adhere to internationally accepted standards.”

Suggested performance measures for the SO and each IR are found in Annex C.

VI. Relation of Strategy to the Mission Program Plan (MPP)

The U.S. Government’s strategic goal in Cambodia is the advancement of democracy and human rights. Primary US national interests are democracy and human rights, promotion of good governance and accountability for the atrocities committed by the Khmer Rouge. As a signatory to the Paris Peace Accords, the U.S. has strong interest in promoting democracy, rule of law, political pluralism and improved respect for human rights in Cambodia.

The USAID Democracy and Governance Strategy described in this report contributes forcefully to U.S. national interests.

- It puts high priority on protecting human rights.
- It addresses accountability and transparency of governance directly. In doing so, it supports development of an environment that encourages an open market economy and promotion of labor practices that meet international standards, to promote sustainable economic growth.
- It opens the door for engaging directly with the RGC on anti-corruption issues and on human trafficking and related women’s rights issues.
- It promotes pluralism and political openness by supporting democratic development of all major political parties.
- It includes support for documentation of Khmer Rouge atrocities as well as for achieving national reconciliation.

The strategy is aimed at stepping up the pace of democratic reform in Cambodia by encouraging increased competition in political life. USAID’s analysis of Cambodia’s conflict vulnerability concludes that it possesses most of the characteristics associated with destabilizing countries, and that it faces significant risk of future civil unrest. Steady movement towards democratic and economic openness is needed to reduce that risk.

ANNEX A. KHMER ROUGE TRIALS/DOCUMENTATION CENTER

The atrocities of the Khmer Rouge era, 1975-1978, leave an open issue in Cambodian society. Individuals still ask why and how this happened. Most Cambodians have not come to terms with what happened during that era. Cambodia's citizens need some way to agree on how to bring closure to this past and move beyond it. One option being explored is trials for the most notorious of the leaders of the Khmer Rouge era. The USG has already offered some support to this process, although progress has been subject to difficult political negotiations between the UN and the government of Cambodia. A particular area of support has been the documentation center that has gathered evidence for any tribunal. While it is important for political reasons to continue to pursue the tribunals, any trials are likely to address only the most extreme cases and would be limited in scope in terms of the cathartic effect on society.

Other countries have used different methods to address past abuses. Methods such as truth commissions and amnesties have helped to stimulate public acknowledgement of what happened and who was involved and provided a forum for coming to terms with and grieving the past. Many believe that some such approach to coming to terms with the past is essential for national reconciliation and progress.

Already the work of the documentation center offers valuable input to any method of dealing with past abuses in Cambodia. It is worthwhile to continue to help the documentation center as it develops evidence of past abuses, but also it would be helpful to support the documentation center, or some other such Cambodian organization, to help achieve national consensus on how Cambodia might learn from lessons of other countries and permit its citizens, both at home and abroad, to grieve and move onward. While it would be presumptuous to propose for Cambodia what this solution should look like, support for developing a national consensus is certainly worthy of further USAID support. This could include input from political parties, civil society and private citizens in Cambodia, as well as the large population of Cambodians abroad who fled the Khmer Rouge. Resources for actual implementation of plans could be raised from the global Cambodian community and USAID could provide seed funding for such a venture. One proposal that has been put forward includes a holocaust museum in Cambodia. This is probably not a good candidate for international support, since funding from international organizations would make it an international rather than a Cambodian effort, thereby missing the opportunity for Cambodians be a part of the solution. But it might well be worth supporting the local entity charged with developing conciliatory actions to engage the global Cambodian community.

Whatever solution is chosen should represent a wide agreement among all factions of Cambodian society. The atrocities of the Khmer Rouge era were national, and each part of Cambodia has its own 'killing fields' and memories. Former Khmer Rouge still live among former victims. Whatever approach is found should help put accumulated anxieties and hatreds in the past. Community based hearings, general amnesties and even local memorials are worth exploring.

ANNEX B: POLITICAL PARTIES AND THE ELECTORAL PROCESS

There are three political parties currently represented in the National Assembly. Except when it was in a coalition with FUNCINPEC from 1993 to 1997, Hun Sen's Cambodian People's Party (CPP) has had virtually unchallenged control over the country since it was installed in office by Vietnam in 1979. The CPP seems to have moved surprisingly little from the authoritarian structure it built as a communist party, as demonstrated, for example, by the Party's recent dismissal of three senators for criticizing a government-sponsored bill on the Senate floor. A CPP leader spent considerable time in his meeting with the team talking about the importance of party discipline, stating that the Party will not tolerate any deviation from its party line. Observers offer differing assessments of the extent of competition and dissent within the Party. It is impossible to verify long-standing rumors of splits within the CPP. Some view Deputy Prime Minister Sar Kheng as a potential challenger to Hun Sen.

The National United Front for a Neutral, Peaceful, Cooperative and Independent Cambodia (known by the acronym of its name in French, FUNCINPEC) benefits from its association with the monarchy. FUNCINPEC's leader, Prince Norodom Ranariddh, is the son of Cambodia's popular king, Norodom Sihanouk. Prince Ranariddh served as First Prime Minister after his party's victory at the polls in 1993 until he was removed, stripped of his parliamentary immunity and forced into exile in 1997. Prince Ranariddh returned to Cambodia under international protection in early 1998 and, after the controversial 1998 elections, agreed that FUNCINPEC would join a coalition with the CPP. In accordance with that agreement, Prince Ranariddh became president of the National Assembly and CPP president Chea Sim became president of the newly created Senate. Prince Norodom Sirivudh, a stepbrother of the King and former Cambodian Foreign Minister, has reclaimed his earlier position as FUNCINPEC secretary general. Prince Sirivudh was arrested, expelled from the National Assembly and forced into exile in late 1995 but returned to Cambodia in 1999 in the face of strenuous objections from the CPP, including threats to shoot down his plane.

Cambodia's only significant opposition party is named after and led by former FUNCINPEC Finance Minister Sam Rainsy. Sam Rainsy was expelled from the National Assembly and from FUNCINPEC in 1995 and founded the Khmer Nation Party. On March 30, 1997, unidentified assailants threw grenades into a rally led by Sam Rainsy, killing a reported 17 individuals. (An American citizen was seriously injured in the attack.) After the violent ouster of FUNCINPEC ministers from government in July 1997, Sam Rainsy, like other CPP opponents, went into exile in Bangkok and did not return to Cambodia until early 1998. In 1998, with elections approaching, the CPP-dominated National Election Commission (NEC) formally allowed an unrelated party to register as the Khmer Nation Party. Presumably to avoid further NEC interference or public confusion, the party was renamed the Sam Rainsy Party (SRP). The SRP is the only opposition party represented in the National Assembly.

The 1998 elections were held by proportional representation by province. After a change in the formula for proportional representation which was not reported until after

election day, the CPP was awarded 64 of the 122 available seats in the National Assembly based on approximately 42 percent of the national vote. FUNCINPEC won 31 percent of the vote and 43 seats. The SRP won 15 seats in the National Assembly. Because the constitution requires two thirds of the members of the National Assembly to support the government, the CPP was unable to form a government until FUNCINPEC joined a coalition in the fall of 1998.

THE ELECTION PROCESS

Elections have played a prominent role in Cambodia's democratization process since the signing of the Paris Peace Accords in 1991, which called for liberal democracy and multiparty elections. In 1993 under the supervision of UNTAC, Cambodia held multiparty elections, which most Cambodians and the international community viewed as a great success. (The elections were for a constituent assembly, but after adopting a new constitution the assembly transformed itself into a parliament and ratified the formation of a new national government.) But the election was plagued by violence – in part because the Khmer Rouge rejected the process – and despite FUNCINPEC's clear victory the CPP was able to force its way into a governing partnership, with Prince Ranariddh and Hun Sen as co-prime ministers. UNTAC itself organized the election process, and little institutional or physical infrastructure or indigenous experience with elections remained after UNTAC departed. The elections themselves, of course, failed to bring either democracy or stability, as Second Prime Minister Hun Sen overthrew his putative coalition partner Ranariddh in a violent confrontation in July 1997.

Similarly, elections became the focus of the international community's efforts to move forward after the violent government takeover in 1997. In late 1997 and early 1998, the "Friends of Cambodia" (comprising the principal donor countries) pushed the CPP to allow exiled political leaders to return and to hold, in the words of a Japanese-brokered agreement, "free, fair and credible" elections. Nevertheless, while they deplored Hun Sen's violent putsch, many donors and diplomats appeared to believe that Cambodia could not be stable without him in charge. Thus, an election – even an imperfect one – that offered Hun Sen legitimacy and preserved a niche for political opposition seemed to be the best available option. Accordingly, the EU, Japan, Australia and the UN offered money, equipment and technical assistance for election administration. Having suspended aid after the 1997 violence, the US declined to join the consensus and channeled its assistance to non-governmental monitoring and voter education efforts. That split in approach among donor countries with regard to assistance to the government continues to this day.

After the return of leaders from FUNCINPEC and the Khmer Nation Party (subsequently renamed the Sam Rainsy Party) from exile, Hun Sen's CPP won a plurality of votes and a majority of seats in national elections held on July 26, 1998. The election campaign was marred by violence, and the CPP government manipulated the election framework, dominated the National Election Commission (NEC) and denied "opposition" parties access to radio and television. Two weeks before Election Day, a joint NDI-IRI team concluded that the process up to that point was "fundamentally

flawed.” The last days of the campaign period were relatively peaceful, however, and an astonishing 93 percent of eligible Cambodians showed up on Election Day to cast their ballots. Domestic and international observers praised the administration of the balloting and initial vote counting. Yet after Election Day, the process completely fell apart. After a perfunctory attempt to conduct recounts in a few token locations, the NEC and the Constitutional Council summarily rejected formal complaints from the Sam Rainsy Party [and FUNCINPEC]. After Election Day it was revealed that the NEC had secretly altered the formula for allocating seats, which gave the CPP a majority in the National Assembly. (There is some evidence international advisors to the NEC were trying to quietly correct a technical mistake, but the unannounced change gave CPP several additional seats in the Assembly.) Post-election protests turned violent, and the formation of a new government stalled amid finger pointing and threats. The relatively upbeat assessments of election observers (Stephen Solarz had notoriously called the election a potential “miracle on the Mekong”) looked increasingly inappropriate.

ANNEX C: SUGGESTED PERFORMANCE MEASURES

Strategic Objective: “Increased Competition in Cambodian Political Life”

What follows is a selection of performance measures from among which USAID/Cambodia can choose, depending upon the management burden and cost it is able to assume.

1. Reported abuses of human rights decline.

If there is increased competition in political life, opportunities for powerful elites to abuse citizens’ rights will be reduced as other actors in society compete to protect these rights. Reported abuses can be measured by using the statistics gathered annually by the UNHCHR or other international and local human rights organizations.

2. Efficiency and equity in use of government resources improves.

This would be a direct result of increased accountability and transparency in government operations. It could be measured in a number of ways.

- USAID could rely on annual qualitative assessments done by the IBRD and ADB in the context of the Consultative Group meeting and the GAP. This would have the advantage of being easy to measure, but the disadvantage of being highly subjective, since many GAP indicators relate to passage of new legislation.
- USAID could study central resource allocations reaching local areas in a sample number of districts (including some with communes that elected FUNCINPEC or SRP commune chiefs). A baseline study of resources that actually reached the district for key services like health care, education, infrastructure and agricultural development would be compared with a similar study taken after 2 years. The study would assess whether transfers increased, reached the districts earlier in the fiscal year, and in amounts based on a legitimate formula (e.g. population, income levels).
- USAID could study changes in the informal (unofficial, under-the-table) costs of a few key services (like education, health care, or business licenses) over time, to see if they decrease. This could be done by a grantee under IR 2.

3. Citizens perceive they have more options for protecting their interests.

If competition in political life increases, citizens should be able to identify more people and places they can go to for help in protecting their interests, and should be able to distinguish between the philosophies of the major political parties. USAID could commission a poll of citizens to determine where they go when they need help to resolve an issue; whether they know who their local representatives are; whether they consider them helpful in problem-solving; and whether they can distinguish policy differences between the three parties. This could be done in 2002 or 2003 to establish a baseline and again in 2005.

4. Cambodia achieves entry into WTO and AFTA.

If Cambodia becomes a member of WTO and AFTA, it indicates the country has made reforms in economic governance that open the door to more direct foreign investment. This measure has the beauty of being costless for USAID. It can only be used, however, if USAID's activities under IR 2 have helped to create demand for adoption of these reforms.

IR 1: Focused Monitoring and Defense of Human Rights

This IR is intended to support those human rights activities that involve the most important abuses (usually related to impunity of government officials), are visible both in Cambodia and in the international human rights community, and/or have strong potential to bring about change in government practices.

The human rights organizations that implement USAID-funded activities are taking political risk. Their leaders should have a say in developing the performance measures, because they know best what cases they can safely take on and how much progress they can expect to make. That said, the following measures might be used:

1. Government practices are influenced by activities of human rights groups.

Emphasis here is on government practices rather than government policy, because in absence of rule of law, policy alone has little value. To show results, grantees would have to engage with government to resolve issues. USAID would ask grantees to track and record cases they work on where their advocacy leads the government to decide differently than it otherwise would have. Though this would include cases that go to court, it would also include cases where the government reconsiders or revises its decision because of discussions with the NGO. It would also include cases where, thanks to NGO pressure, serious investigation is made of human rights abuses and corrective action is taken.

The types of actions that would qualify and quantitative targets should be determined through consultation between USAID and the core grantees.

Grantees would report to USAID annually on these impacts, and USAID would do independent verification in year 2 or 3.

2. Adherence to basic workers' rights increases.

Grantee/s would track obstacles by employers and/or government to basic worker rights including organization, speech, assembly, and reasonable working conditions. Initially, as more workers attempt to organize, USAID can expect an increase in the number of worker rights violations. Over time, however, the number of independent labor organizations should increase and the number of cases of labor rights abuses should decline.

USAID may also want to track growth in democratic organization of labor unions, to ensure that they truly represent the workers. This might be done through a review, by the grantee or by an independent organization, of the organizational structures and participatory mechanisms used by the labor groups receiving USAID funding.

3. Government policies and practices to improve protection of the rights of women adopted and implemented.

Should USAID grant funds directly to the Ministry of Women's and Veteran's Affairs to protect women's rights, USAID and the grantee would track changes in government policies and practices in areas that the ministry and cooperating NGOs work on. USAID could also track changes in the number of trafficked women and children reported to human rights organizations and the government.

4. Media report key human rights cases regularly.

Media coverage of human rights abuses is constrained, except for the Phnom Penh-based written press. Nonetheless, if the human rights agencies focus on important cases that have potential to affect government policies or practices, more cases should get news coverage. Grantees should seek to get news coverage when the government takes appropriate actions as well as when it takes inappropriate action. The grantees should keep press clippings and track radio and television coverage on cases they cover. If progress is being made on this IR, there should initially be an increased number of human rights cases that draw attention from the press, but as the government reacts to avoid criticism by curbing human rights violations, there should be fewer cases for the press to report in later years.

IR 2; Increased Transparency and Accountability on Important Economic and Political Issues

Illustrative measures:

1. Government practices are influenced by analysis and discussion of key corruption issues.

As with human rights, the grantee or grantees working on corruption should have a say in developing specific measures and targets, because they take risk in studying and publicizing corruption issues. The grantee would track changes in government practices that result from its studies. To achieve this end, grantees must engage with government on results of their analysis. The grantee could also take credit for donor use of grantee analysis to press government on corruption issues.

2. Public opinion surveys show improved satisfaction with service delivery.

The public opinion surveys and resulting "Service Delivery Report Cards" described in the strategy narrative have the dual advantage of affecting service delivery and evaluating it over time.

3. Government practices are influenced by analysis and advocacy of business and professional associations.

USAID's grantee should track any changes in government practices that result from specific advocacy programs carried out by USAID-supported associations. Rapid reconnaissance polling could also be used for specific businesses or professions to see if members perceive government practices as improving.

4. Impartial findings of audits and investigations of government bodies and projects are available to the public.

If USAID provides assistance to the National Audit Agency or other government inspections body, the grantee (e.g. USAID's IG) should annually evaluate the impartiality of the audits/investigations undertaken and the extent to which these results were available to the public. To confirm grantee findings, USAID should track (perhaps through its grant to an anti-corruption NGO) the number of newspaper articles that appear revealing audit results critical of the government, and the ability of NGOs to obtain in a timely manner the full audit reports, particularly for audits with adverse findings.

IR 3: Political Processes and Parties That Meet International Standards

There are separate measures for political party development and for electoral processes.

1. Political parties develop more democratic structure and mechanisms for member participation.

USAID could develop an index, based on key characteristics of a democratic political organization. The index would assign values and weights to each of the characteristics suggested below (or others as determined by USAID). Each political party receiving USAID support would be graded each year according to the index. Parties showing progress in developing democratic structures would earn a higher ranking each year. Characteristics:

- The party has a geographically-distributed base of support with low-level organization throughout the country.
- The party has an identifiable platform based on specific ideologies and/or policies.
- The party has internally democratic structures, including regular party meetings at all levels, and a caucus or other internal process to solicit views of members, to determine leadership, and to establish policies.
- There are significant numbers of women in leadership positions in the party, at all levels.
- The party runs candidates in most locations during elections.
- The party has good systems for internal communications.

Annual ranking of parties on this index could be done in a number of ways: by the grantee, by an independent expert on party development, or by a committee consisting of USAID D/G staff, the Embassy political officer, and other experts. However the ranking is done, it should involve inputs from party members themselves. One option is to ask party leadership to do their own ranking for comparison with that done by outside evaluators.

A simpler alternative to an “index” is a narrative analysis, prepared annually, that states whether progress has been made on each characteristic and supports each statement with specific examples.

2. The election process allows for fair and equal treatment of all parties.

USAID will provide assistance for administration of the 2003 election only if there is a fair legal framework for elections and all major parties accept the legitimacy and impartiality of a newly constituted National Election Council. If USAID does support the election administration, the process should be evaluated on each of the following characteristics:

- Reasonable opportunities for all parties to compete; e.g. absence of obstacles to campaigning and equal access to media.
- Impartial election authorities.
- Absence of intimidation, serious investigation of excesses of previous elections and immediate, serious and fair investigation of any violence or intimidation that occurs in the run-up to the 2003 election.

USAID can carry out such an evaluation on its own, with assistance from Embassy political staff, or it may ask an impartial outside observer to do so.

3. If USAID determines it cannot support the election administration in 2003 and supports only election monitoring and voter education, it should evaluate whether (1) election monitors understood their roles and carried out their responsibilities conscientiously, (2) voters were free to cast their ballots as they chose and (3) ballot count was accurate.

USAID could carry out such an evaluation on its own or by hiring an outside observer. Evaluation information would include reports of the Embassy and USAID staff who observe the election, news reports, and reports of domestic and international election monitors.

ANNEX D: PEOPLE INTERVIEWED

Royal Cambodian Government

H.E. Sok Siphana, Secretary of State, Ministry of Commerce (1/11/02)
H.E. Say Bory, Constitutional Council (1/14/02)
H.E. Son Soubert, Constitutional Council (1/14/02)
H.E. Mu Sochua, Minister of Women's Affairs (1/14/02)
H.E. Sum Manit, Secretary of State, Council of Ministers, (1/14/02)
Mr. Tep Darong, Deputy Secretary General, Council for Administrative Reform, Council of Ministers (1/14/02)
Mr. Paul Pidou, Assistant to the Prime Minister, Deputy Secretary General of the Council for Administrative Reform, Council of Ministers (1/14/02)
H.E. Kong Korm, Senator, Vice President of Sam Rainsy Party (SRP) (1/15/02)
H.E. Neav Sithong, Minister of Justice (1/15/02)
H.E. Kassie Neou, Director, Cambodian Institute of Human Rights and Vice Chairman of National Election Committee (1/15/02)
Mr. John Lowrie, Senior Program Advisor, Cambodian Institute of Human Rights (1/15/02)
H.E. Sak Setha, Director General of Administration, Ministry of Interior (1/16/02)
H.E. Kem Sokha, Senator (FUNCINPEC)
H.E. Monh Saphan, Member of Parliament (FUNCINPEC)
Mr. Nin Non, Chief of Judges, Battambang Court (1/18/02)
H.E. Khun Haing, Minister of National Assembly-Senate Relations and Inspection (1/21/02)
H.E. Dith Munty, President, Supreme Court (1/21/02)
Mr. Leng Penh Long, Member of the Government Jurists Council (1/22/02)
Mr. Lim Samkol, Director of International Relations, Council of Ministers (1/22/02)
H.E. Hang Chuon Naron, Deputy Secretary General, Ministry of Economy and Finance (1/22/02)
H.E. Chan Tani, Secretary –General, National Audit Authority (1/23/02)
H.E. Sam Ramsek, National Audit Authority (1/23/02)
Mr. Seng Ronn, Deputy Auditor General, National Audit Authority (1/23/02)
H.E. Sin Po, Deputy Auditor General, National Audit Authority (1/23/02)
H.E. Tip Jahnvibol, National Election Committee (1/23/02)

Civil Society

Mr. Yi Kosal Vatanak, ADHOC (1/11/02)
Mr. Sam Kol, ADHOC Battambang Office (1/18/02)
Ms. Nanda Pok, Executive Director, Women For Prosperity (1/11/02 and 1/18/02)
Ms. Chea Vannath, President, Center for Social Development (1/11/02 and 1/21/02)
Ms. Naly Pilorg, LICADHO (1/11/02 and 1/17/02)
Mr. Sun Tek, LICADHO, Battambang office (1/18/02)
Ms. Tive Sarayeth, Co-Director, Women's Media Center (1/11/02)
Mr. Kao Kim Hourn, Executive Director, Cambodian Institute for Cooperation and Peace (1/11/02 and 1/16/02)
Mr. Sok Sam Oeun, Executive Director, Cambodian Defenders Project (1/14/02)

Mr. Bun Rithy, Cambodia Defenders Project Battambang Office (1/18/02)
Mr. George Cooper, Legal Consultant (land law), Legal Aid of Cambodia (1/14/02)
Mr. Michael Hayes, Publisher and Editor-in-chief, Phnom Penh Post (1/15/02)
Mr. David Bloss, Editor-in-Chief, The Cambodia Daily (1/15/02)
Mr. Sam Borin, Deputy Director, Cambodian Service, Radio Free Asia (1/15/02)
Mr. Pen Samitthy, Editor-in-Chief, Rasmei Kampuchea Daily and Director, Club of Cambodian Journalists (1/15/02)
Mr. Hang Puthea, Executive Director of NICFEC (1/15/02)
Mr. Um Sarin, President, Cambodian Association for Protection of Journalists (CAPJ) (1/15/02)
Mr. Sam Rithy Duong Hak, First Vice President, Cambodian Association for Protection of Journalists (1/15/02)
Dr. Ngoun Sopheap, Executive Director, COFFEL (1/16/02)
Mr. Ang Eng Thong, Bar Association of the Kingdom of Cambodia (1/16/02)
Dr. Lao Mong Hay, Executive Director, Khmer Institute of Democracy (1/16/02)
Mr. Heng Mony Chenda, Director, Buddhists for Development (1/17/02)
Mr. Kim Sedara, Cambodia Development Resource Institute (CDRI) (1/18/02)
Mr. Ok Serei Sopheak, Coordinator, Centre for Peace and Development, CDRI (1/22/02)
Ms. Sao Vantha, Cambodian Migration and Development Center (1/18/02)
Mr. Koul Panha, Executive Director, COMFREL (1/21/02)
Ms. Carol Strickler, Executive Director, Coordinating Committee for Cambodia (1/21/02)
Mr. Thun Saray, President, COMFREL (1/23/02)

Business

Mr. Dusty Kidd, Vice President, Nike (1/18/02)
Mr. Breton G. Scianroni, American-Cambodian Business Council (1/21/02)
Mr. David Doran, DFDL/Mekong Law Group (1/21/02)
Mr. Khov Boun Chhay, President, Association of Banks in Cambodia (1/21/02)
Mr. Van Sou Ieng, Chairman, Garment Manufacturers Association in Cambodia (1/21/02)
Mr. Robert Hirshon, President, American Bar Association (1/14/02 and 1/15/02)
Mr. Tim Dickinson, Chair, American Bar Association, International Law Sector (1/14/02 and 1/15/02)
Ms. Lisa Dickisson, American Bar Association, Asia Law Council (1/14/02 and 1/15/02)
Mr. Nick Rice, University of Michigan Law School (1/14/02 and 1/15/02)

Political Parties

H.E. Son Chhay, Member of Parliament for Siemreap Province, Sam Rainsy Party (SRP) (1/12/02 and 1/22/02)
Col. Heng Chan Tha, Deputy of FUNCINPEC for Battambang province and Battambang Police Commissioner (1/18/02)
Mr. Sareth Pen, President, Sam Rainsy Party, Battambang (1/18/02)
H.R.H. Prince Norodom Sirivudh, Secretary General, FUNCINPEC Party (1/21/02)
Mr. Hem Keth Sunda, Special Advisor to Prince Sirivudh, FUNCINPEC (1/21/02)
H.E. Chanthol Sun, Deputy Secretary General, FUNCINPEC (1/21/02)

Mr. Keat Sukun, Adviser to the President, FUNCINPEC (1/21/02)
H.E. Say Chhum, Secretary General of Cambodian People's Party (1/22/02)
H.E. Sam Rainsy, SRP (1/22/02)
H.E. Ou Bun Long, Senator, SRP (1/22/02)

International NGOs

Ms. Nancy Yuan, The Asia Foundation (TAF), Washington DC office (9/10/01)
Mr. Bill Cole, Democracy/Governance Sector Chief, TAF San Francisco (1/4/02)
Mr. Gordon Hein, Vice President for Program, TAF San Francisco (1/4/02)
Dr. William Fuller, President, TAF San Francisco (1/4/02)
Mr. Jon Summers, Director, TAF Cambodia (1/10/02)
Ms. Nancy Hopkins, TAF Cambodia (1/10/02)
Mr. Tim Meisburger, TAF Cambodia (1/10/02)
Ms. Sarah Newhall, PACT (9/10/01)
Ms. Peggy Hicks, Program Director, International Human Rights Law Group (IHR LG)
Ms. Margaret Carpenter, Board Member, IHR LG
Ms. Elizabeth Dugan, International Republican Institute (12/28/01)
Mr. Tim Johnson, International Republican Institute (12/28/01)
Mr. Judd Iverson, Faculty of Law, University of San Francisco (1/3/02)
Ms. Linda Clarity, Associate Dean, Faculty of Law, University of San Francisco (1/3/02)
Mr. Jason Judd, Country Representative, American Center for International Labor
Solidarity, Cambodia Office (1/11/02)
Mr. Eric Kessler, National Democratic Institute (1/12/02)
Mr. Daniel Adler, Program Development Advisor, Community Legal Education Center,
University of San Francisco (1/14/02)
Mr. Tuon Siphann, Academic Manager, Community Legal Education Center, University
of San Francisco (1/14/02)
Mr. Kurt MacLeod, Country Director, PACT Cambodia (1/21/02)

Donor and Embassy Officials

H.E. Louise Hand, Ambassador, Embassy of Australia (1/10/02)
H.E. Stephen Bridges, Ambassador, British Embassy (1/10/02)
Mr. Katsuhiko Shinahara, Counselor Minister, Embassy of Japan (1/10/02)
H.E. Normand Mailhot, Ambassador, Embassy of Canada (1/10/02)
Mr. Urooj Malik, Country Resident Representative, Asian Development Bank (ADB)
(1/11/02)
Mr. Piseth V. Long, Program Analyst, Cambodia Resident Mission, ADB (1/11/02)
Mr. Chamroen Ouch, Social Sector/Poverty Specialist, Cambodia Resident Mission,
ADB (1/11/02)
Mr. Bonaventure Mbida-Essama, Chief of Resident Office, World Bank (1/11/02)
Mr. Blair Exell, AUSAID, (1/11/02)
Mr. Daniel Asplund, Head of Development Co-operation Section, Embassy of Sweden
(1/11/02)
Ms. Agneta Danielsson, Deputy Head of Development Cooperation Section, Embassy
of Sweden (1/11/02)

Mr. Katsuki Okajima, Project Formulation Advisor, Japan International Cooperation Agency Cambodia Office (1/12/02)
Mr. Lejo Sibbel, Chief Technical Advisor, International Labor Organization, Garment Sector Working Conditions Improvement Project (1/11/02)
Ms. Pat Baars, Land Reform, Asian Development Bank (1/14/02)
Mr. Scott Leiper, Programme Manager, Partnership for Local Governance (UN-Donor Support to the RGC's Seila Programme), United Nations Office for Project Services (1/16/02)
Mr. Kong Sokuntho, Senior Provincial Program Advisor, Battambang Province, Partnership for Local Governance, UNOPS (1/17/02)
Mr. Peter Koeppinger, Konrad Adenauer Foundation (1/18/02)
Ms. Dominique McAdam, Country Representative, United Nations Development Program (1/22/02)
Mr. Jonathon Burrough, Election Team Leader, UNDP (1/22/02)
Mr. Mark Stevens, Deputy Chief Observer, European Union Election Observation Mission (1/15, 1/16 and 1/17/02)
Ms. Andrea Malnati, Media Advisor, European Union Election Observer Mission (1/17/02)

US Officials

Mr. Paul Grove, Senate Appropriations Committee, Foreign Operations Subcommittee (9/10/01)
Mr. Gregory Lawless, Cambodia Desk Officer, State Department
Ms. Judith Strotz, Director, Office of Burma, Cambodia, Laos, Thailand and Vietnam, State Department
Mr. Robert Griffiths, Deputy Director, Office of Burma, Cambodia, Laos, Thailand and Vietnam, State Department
Ms. Cathy Stump, Bureau of Democracy, Human Rights and Labor (DRL), State Department
Ms. Deborah Cahalen, DRL, State Department
Ms. Lisa Chiles, Mission Director, USAID/Cambodia (1/10/02)
Mr. Kevin A. Rushing, Director, Office of General Development, USAID/Cambodia (1/10/02)
H.E. Kent M. Wiedemann, Ambassador, US Embassy to Cambodia (1/10/02)

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ANNEX F: DONOR SUPPORT FOR GOVERNANCE AND DEMOCRACY

Legal Reform:	Japan, France, World Bank, Konrad Adenauer Foundation, Asian Development Bank
Judicial Reform:	World Bank (Australia provides assistance for judicial police)
Public Administration (Civil Service Reform):	UNDP, World Bank, Asian Development Bank, Japan, Australia, Canada, France
Decentralization (inc. Seila) and Deconcentration	UNDP, Germany, United Kingdom, France, World Bank, Asian Development Bank. Australia is considering assistance for decentralization; Sweden is considering assistance for commune councils.
Public Finance	IMF, Asian Development Bank, World Bank, Australia, United Kingdom
Anti-Corruption	World Bank, Asian Development Bank (corruption survey)
Demobilization	World Bank, Japan, Sweden, Holland, World Food Program
National assembly:	World Bank
Human Rights:	UNHCHR
Trafficking and Women's rights:	Finland, UNDP, USA, Japan considering assistance to Women's Affairs ministry
NGOs:	USA, Sweden, Denmark, Australia, Norway, United Kingdom, EZE (a German church-affiliated NGO), Oxfam GB, Oxfam US, Oxfam Hong Kong, Dutch Inter-Church Organization for Development Cooperation, and others
Labor:	USA, International Labor Organization
Political processes:	
Parties:	China, German Stiftungs, USA
EMOs:	USA, Sweden, Canada
Nat'l Election Commission:	14 donors led by UNDP
NGO Coord. Council:	Australia, Holland

Other civil society:

Civic/voter

Education: Australia, USA

Media USA, Konrad Adenauer Foundation

(This information is derived from team interviews and various documentation sources.)



USAID/CAMBODIA



PHN Assessment

June 12, 2001

Population, Health and Nutrition Assessment

Office of Public Health, Cambodia

June, 2001



TABLE OF CONTENTS

	<i>Page</i>
<ul style="list-style-type: none"> • List of Acronyms • Map of Cambodia • Executive Summary 	
I. Introduction	1
II. Country Context	4
A. Historical Background	4
B. Key Cultural and Gender Considerations	7
1. Overall Development Context	7
2. General Social and Cultural Factors	8
3. Religion	8
4. Health Beliefs and Practices	9
5. Gender Issues.	10
C. Health Sector Development	11
1. Pre-1979	11
2. 1979 – 1993	11
3. 1993 onward: The Health Coverage Plan	12
4. Response to HIV/AIDS Epidemic	14
III. Overview of USAID/Cambodia Mission Strategy	16
IV. Reproductive and Child Health	19
A. Overview of Country Situation	19
1. Maternal Health	19
2. Family Planning and Fertility	22
3. Child Survival	25
B. Donor Support	29
C. Current USAID Reproductive and Child Health Portfolio	30
1. Overview	30
2. Activities with Nation-Wide Impact	30
3. Community Level Interventions	35
4. Capacity-Building	43
V. HIV/AIDS/STDs	45
A. Overview of Country Situation	45
1. HIV/AIDS/STD Prevalence	45
2. Key Intermediate Indicators	48
3. Current service availability and output	51
B. Donor Support	58

	<i>Page</i>
C. Current USAID HIV/AIDS/STDs Portfolio	59
1. Activities with Nation-Wide Impact	59
2. Targeted, Sub-national Interventions	67
3. Capacity-Building	78
VI. Infectious Diseases	80
A. Tuberculosis	80
1. Overview of Country Situation	80
2. Donor Assistance	81
3. Current USAID Portfolio	82
B. Malaria	82
1. Overview of Country Situation	82
2. Donor Assistance	84
3. Current USAID Portfolio	84
C. Dengue	85
1. Overview of Country Situation	85
2. Donor Assistance	86
3. Current USAID Portfolio	86
VII. Key Findings and Lessons Learned	87
VIII. Potential New Directions and Activities	94
<u>Annexes:</u>	
• A. Scope of Work	106
• B. Donor Assistance Matrix	114
• C. Children Affected By AIDS	121
• D. Health Care Financing for HIV/AIDS Interventions	141
• E. Persons Contacted	144
• F. Documents Reviewed	150

LIST OF ACRONYMS

ADB	Asian Development Bank
ADD	Accelerated District Development
ACNM	American College of Nurse-Midwives
AIDS	Acquired Immune Deficiency Syndrome
ANC	Antenatal Care
ANE	Asia Near East Bureau
ARI	Acute Respiratory Infection
ARV	Antiretroviral
ARO	Asia Regional Officer
AVSC	Association for Voluntary Surgical Contraception
BASICS	Basic Support for Institutionalizing Child Survival Project
BAHAP	Border Area HIV/AIDS Project
BCC	Behavior Change Communication
BCI	Behavioral Change Intervention
BHSP	Basic Health Services Project
BHR/PVC	Bureau for Humanitarian Response, office of Private and Voluntary Cooperation
BSS	Behavioral Sentinel Surveillance
CA	Cooperating Agency
CARE	CARE International
CBD	Community-based distribution
CBR	Crude Birth Rate
CBO	Community Based Organization
CDCP	Cambodia Disease Control and Health Development Project
CDD	Childhood Diarrhea Disease
CDHS	Cambodia Demographic Health Survey
CEB	Children Ever Born
CEDPA	Center for Development and Population Activities
CEP	Continuing Education Program
CMA	Cambodian Midwives Association
CMS	Central Medical Stores
CMR	Child Mortality Rate
COC	Compiled Oral Contraception
COPE	Client Oriented and Provider- efficient
CPR	Contraceptive Prevalence Rate
CRC	Cambodian Real Cross
CSW	Commercial Sex Worker
CUP	Condom Use Policy
CQI	Continuous Quality Improvement
CWPD	Cambodian Women for Peace
CYP	Couple-years of Protection

DFID	Department For International Development
DHF	Dengue Hemorrhagic Fever
DHMT	District Health Management Team
DHS	Demographic and Health Surveys
DOT	Directly Observed Treatment
DPT	Diphtheria, Pertussis, Tetanus
DSC	Demographic Surveys of Cambodia
EC	European Community
EDB	Essential Drugs Bureau
EPI	Expanded Program of Immunization
EU	European Union
FBC	Feedback Committee
FC	French Cooperation
FEFO	First Expired, First Out
FHI	Family International
FIFO	First In, First Out
FP	Family Planning
FPIA	Family Planning International Assistance
FPLM	Family Planning and Logistics Management Project
GFR	General Fertility Rate
G/PHN	Global Bureau, Center for Population, Health and Nutrition
GTZ	German Technical Cooperation
HACC	HIV/AIDS Coordinating Committee
HC	Health center
HDT	Health Development Team
HIV/AIDS	Human Immunodeficiency Virus/ Acquired Immunodeficiency
HKI	Helen Keller International
HSS	HIV Sentinel Surveillance
IDSW	In Direct Sex Worker
IE&C	Information, Education & Communication
IMR	Infant Mortality Rate
IPC	Inter-personal Communication
IPPF	International Planned Parenthood Federation
IR	Intermediate Result
ISSA	Integrated System for Survey Analysis
IUD	Intrauterine Device
IWDA	International Women's Development Agency
JSI	John Snow, Inc.
JICA	Japanese International Cooperation Agency

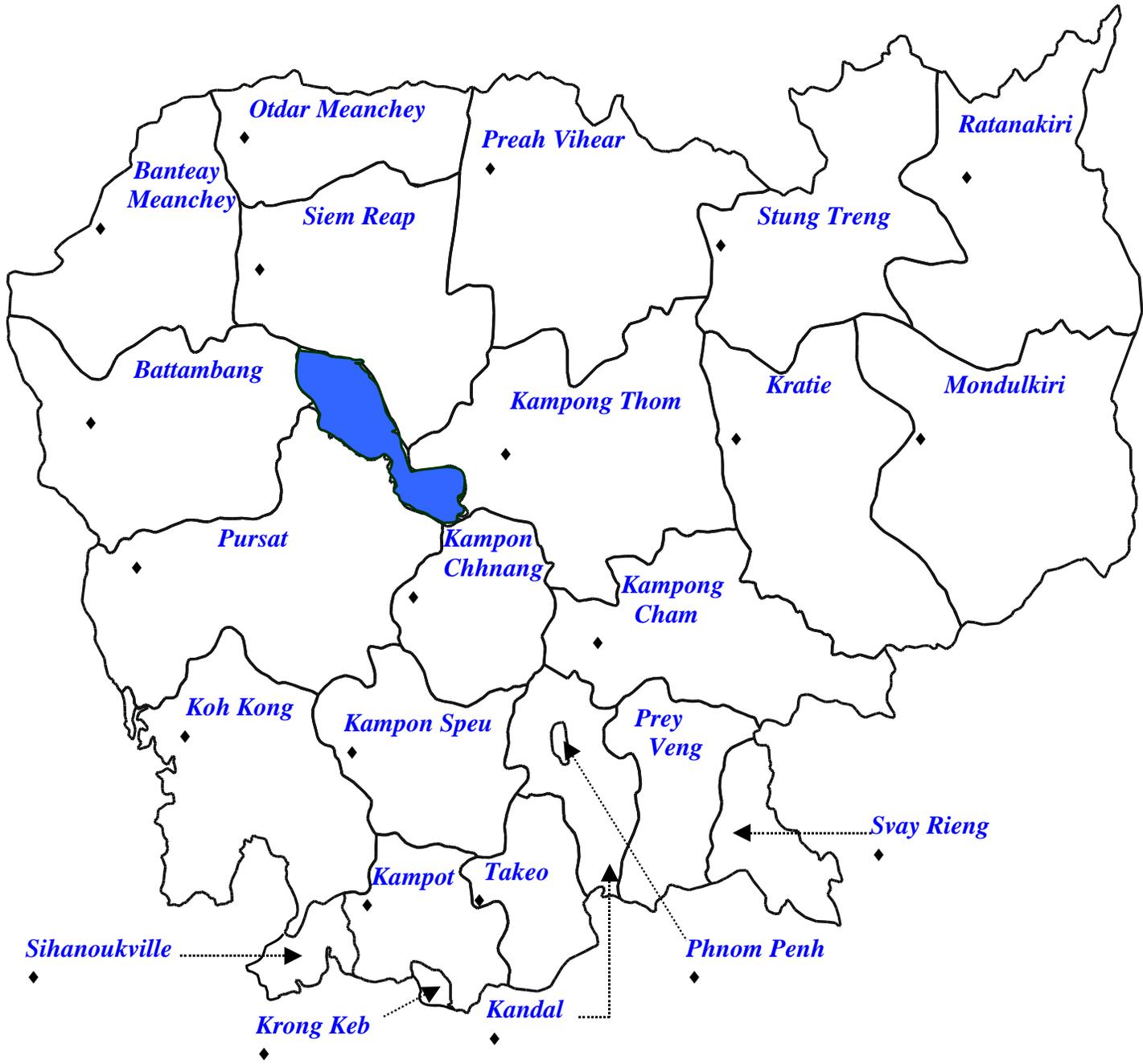
KAP	Knowledge, Attitudes and Practices
KfW	Kreditanstalt Fur Wiederaufbau (German bank for Reconstruction)
KHANA	Khmer HIV/AIDS NGO Alliance
LBW	Low Birth Weight
LMIS	Logistics Management Information System
LNGO	Local Non-governmental Organization
LSS	Life-Saving Skills
LSO	Logistics Support Officer
LOP	Life Of Project
MAQ	Maximizing Access and Quantity
MCH	Maternal and Child Health
MIS	Management Information System
MMR	Maternal Mortality Ratio
MOND	Ministry Of National Defense
MOH	Ministry Of Health
MOI	Ministry Of Interior
MOSALVY	Ministry Of Social Affairs
MPA	Minimum Package of Activities
MRD	Ministry of Rural Development
MSF	Medicines Sans Frontiers
MSM	Men Who Have Sex With Men
MTCT	Mother To Child Transmission
NAA	National Aids Office
NAP	National AIDS Program
NG	Non-governmental Organization
NMC	National Malaria Center
NHS	National Health Survey
NIPH	National Institute of Public Health
NID	National Immunization Day
NMCHC	National Maternal and Child Health Center
NN	Neonatal Mortality
NTP	National Tuberculosis Plan
NRPH	National Reproductive Health Program
OD	Operational District
OPV	Oral Polio Vaccine
ORT	Oral Rehydration Therapy
ORS	Oral Rehydration Salts
OVC	Orphans and Vulnerable Children

PAC	Provincial Aids Committee
PATH	Program for Appropriate Technology in Health
PCU	Project Coordination Unit
PDF	Partners For development
PET	Peer Education Trainers
PGE	Peer Group Educator
PLWHA	Persons Living With HIV/AIDS
PMTCT	Prevention of Mother to Child Transmission
PNN	Post-neonatal
PSI	Population Services International
PSF	Pharmacies Sans Frontiers
PVO	Private Voluntary Organization
PWHA	Persons With HIV/AIDS
RACHA	Reproductive and Child Health Alliance
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RH	Referral Hospital
RCH	Reproductive and Child Health
RCG	Royal Cambodian Government
RHAC	Reproductive Health Association of Cambodia
RSM/EA	Regional Support Mission, East Asia
RTI	Reproductive Tract Infection
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SCF	Save the Children Federation
SEATS	Family Planning Service Expansion and Technical Support Project
SES	Socioeconomic Status
SIS	Self Improvement System
SM	Social Marketing
SO	Strategic Objective
SpO	Specific Objective
SSDS	Social Sectors for Development Strategies, Inc.
STD	Sexually Transmitted Disease
STI	Sexually Transmitted Infection
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TA	Technical Assistance
TB	Tuberculosis
TBA	Traditional Birth Attendant
TFR	Total Fertility Rat
TOT	Training Of Trainers
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UN	United Nations
UNICEF	United Nations Children's Fund
UNDP	United Nations Development Program
UNFPA	United Nations Family Planning Association
UNTAC	United Nations Transitional Authority for Cambodia
USAID	United States Agency for International Development



VAC	Vitamin A Capsule
VCR	Videocassette Recorder
VCT	Voluntary Counseling and Testy
VCCT	Voluntary Confidential Counseling and Testing
VSC	Voluntary Surgical Contraception
VSO	Volunteer Services Overseas
VSS	Voluntary Sterilization Services
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WB	World Bank
WHO	World Health Organization
WS&S	Water Supply & Sanitation
WVI	World Vision International
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YRHPH	Youth Reproductive Health Program

Cambodia -- 2001



EXECUTIVE SUMMARY

Background

From February 25 to April 11, 2001, a nine person Assessment Team conducted an in-depth review and assessment of the USAID/Cambodia Population, Health and Nutrition (PHN) portfolio in preparation for development of a new five year strategy. Current Mission objectives in PHN are: *Strategic Objective2: Improved Reproductive and Child Health*, and *Special Objective2: Reduced Transmission of STD/HIV among High-risk Populations*.

Country Context

A. Historical, Cultural and Gender Factors

Cambodia's tumultuous history, culminating in the genocide of more than a million people and the destruction of Cambodian social and political institutions, economy, culture and religion by the Khmer Rouge (KR) from 1975 - 1979, left in its wake a country without a functioning government or basic services for its 11 million people.

Cambodia has been at peace only for two years. Even prior to the advent of the KR, it was an extremely underdeveloped country; most of the population was illiterate subsistence farmers; and the rural majority lacked access to modern medical care. Efforts at building/rebuilding social structures and capacities only began post-1993.

Cambodian culture is extremely hierarchical and based on power and the fear it inspires. Psychologically, most Cambodians have an overriding concern for personal security. Deep class divisions continue to characterize Cambodian society, with particular implications for interactions between health care providers and clients since the former are seen as members of the upper class and resented accordingly. Many educated Cambodians in turn fear the rural masses, accounting in part for the reluctance of health workers to work in remote rural areas.

Cambodians of all classes place great faith in traditional medical practices which are often the first source of treatment of disease. This does not, however, in any way inhibit acceptance of modern treatments which are over-enthusiastically and excessively used, particularly injections and intravenous fluids. A wide range of pharmaceuticals imported from around the world, along with clever counterfeits, are readily available without prescription throughout the country. Particularly disturbing is the tendency to treat small infants and children with self-purchased drugs. Self-medication has also contributed to multi- drug resistance in malaria and tuberculosis.

The social code of conduct for women includes a strong value on virginity/chastity and submission to the authority of men, who have considerable sexual license both within and outside of matrimony. Reproduction is a private female matter. Women can independently opt to use family planning for which there is virtually no cultural resistance; but, it is difficult to get male participation and co-operation when needed, e.g., condom use or vasectomy. It is unacceptable for males to provide gynecological or obstetric care, which has important implications for maternal health services.

B. Health Sector Development

The Vietnamese-backed government, which took control of Cambodia in 1979, made efforts to reconstruct the completely shattered country. A large number of health workers were recruited rapidly, and they were poorly trained, often in a foreign language. They form the bulk of the present-day health workforce.

The 1993 elections brought international recognition and foreign assistance. Thus began the formidable task of creating a Ministry of Health (MOH) and a health service delivery infrastructure. This effort succeeded, in an astonishingly short period of time, in creating a Ministry with the capacity to plan and administer health services. It also produced a comprehensive "Health Coverage Plan" and "Operational Guidelines" which have been under implementation for the past 4 years, and which represent the first real modern health care system Cambodia has ever known. The task is formidable: the existing workforce, excessive in numbers, is grossly inadequate in skills; salaries are so low that there is little or no incentive to work; and parts of the country remained insecure until just 2 years ago.

The MOH is aware of all of these constraints. Active efforts are underway, with strong technical assistance from a variety of organizations, to address these constraints, including some extremely innovative experiments in health care financing. Rapid progress is being made in the creation of a network of Health Centers (HC) and Referral Hospitals (RH) at the Operational District (OD) level. In five years, 60 percent of planned HCs have been opened. The development of RHs has lagged behind that of HCs, and currently only about 30 percent of planned RHs are functional, mostly in provincial capital towns. Management of health services has been decentralized to the level of the OD, and District Health Management Teams (DHMT) have been created and trained. There are on going efforts to provide "refresher" training to the under-trained workforce. The MOH welcomes NGO assistance, particularly in upgrading skills and the quality of services.

The National Center for HIV/AIDS, Dermatology and STDs (NCHADS), created in 1998, is responsible for the health sector response to HIV/AIDS. At the provincial level, NCHADS has a Provincial AIDS Office (PAO), and in each OD there is a District AIDS Officer as part of the DHMT. The National AIDS Authority (NAA) is responsible for coordination of an expanded multisectoral response to the epidemic. The Provincial AIDS Committees (PACs) report to the NAA at the provincial level.

Cambodia is in the process of implementing a nascent health service system. Tangible results are evident 3-4 years after completion of the initial plans, but development of the planned system is still far from complete. There is every reason to expect that the MOH will continue to make significant progress towards the goal of accessible health services nation-wide. However, that progress will be made in stages, and it will take time. The need to deliver both RCH and HIV/AIDS interventions is urgent and cannot wait for full development of the health care system. At the same time, interventions cannot be delivered without such a system and will always be constrained by the level and pace of system development. RCH and HIV/AIDS efforts in Cambodia must therefore proceed on two tracks, simultaneously: strengthening the nascent service delivery system, and promoting the delivery of specific interventions.



Overview of Present Health Situation

The need for RCH and HIV/AIDS/STD interventions in Cambodia is compelling. Maternal, infant and child mortality rates are among the highest in the world and coverage with basic preventive services is extremely low. HIV prevalence is alarmingly high, and the epidemic has been one of the fastest growing in the world.

1. Maternal Health

The maternal mortality ratio (MMR) is approximately 600 - 620 deaths per 100,000 live births. Most maternal deaths are due to complications of unsafe induced abortion or direct obstetric causes. The majority of Cambodian women deliver at home with untrained attendants, and receive no antenatal care prior to delivery. Delivery practices of Traditional Birth Attendants (TBAs) are known to include harmful practices such as routine manual removal of blood from the uterus. Even when the delivery is conducted by a trained attendant, the skill level of the practitioner is usually low and there is widespread misuse of oxytocic drugs to speed delivery, a very dangerous practice which carries a risk of uterine rupture. Access to emergency obstetric care is limited to nil at present in the vast majority of rural areas. Vitamin A and iron deficiencies are widespread among pregnant women, and iodine deficiency is prevalent in selected areas. Postpartum services are virtually absent, despite the fact that postpartum hemorrhage is a common killer and breast-feeding practices are poor.

2. Family Planning

There has been a remarkably rapid increase in contraceptive knowledge and use in the last five years, demand-driven in spite of limited service delivery mechanisms. The CPR was 23.8 percent in 2000 (compared to 12.8 percent in 1995). For modern methods only, the CPR was 18.5 percent in 2000, compared to only 6.9 percent in 1995. There has been a very recent and significant fertility decrease in Cambodia, attributable to the equally recent rise in contraceptive use.

The current Total Fertility Rate is 4.0, while the Mean Children Ever Born to women aged 15-49 years is 5.6. Among currently married women not using contraception, only 29 percent state it is because they desire another child, and the mean number of children for women giving that reply is only 1.36. 48.9 percent of all married women want to either space their next birth or have no more children; only 9 percent wish to have another child within the two years. Clearly, with a modern method CPR of only 18.5 percent, there is enormous unmet need for family planning.

3. Child Survival

Cambodia has one of the highest levels of infant and child mortality in the world. The IMR is 95.1/1,000. Neonatal mortality is 37.3/1,000 while post-neonatal mortality is an astonishingly high 57.8/1,000. The CMR is 32.5/1,000 and the under 5 mortality rate is 124.5/1,000. Since 1990 there has been a significant and steady increase in post-neonatal mortality. While HIV/AIDS may account for some of the rise in the most recent period (and will certainly do so in the future), this trend occurred too early to be attributable to HIV/AIDS.



The chief causes of infant and child death are neonatal tetanus, ARIs (including post-measles pneumonia), diarrhea, dysentery, meningitis, septicemia, typhoid, malaria, dengue hemorrhagic fever, and unspecified febrile illnesses

Coverage for basic child survival interventions in Cambodia is extremely low. The majority of Cambodian children are not fully immunized and do not receive Vitamin A prophylaxis. Indigenous breast-feeding practices further expose infants to unnecessary risks of food and water borne diseases and malnutrition. When ill, the majority of Cambodian children do not receive treatment from a trained health provider. There is, therefore, enormous scope for significantly and rapidly reducing infant and child mortality through the delivery of a few key interventions.

4. HIV/AIDS/STDs

HIV was first detected in Cambodia in 1991. The pace of escalation of the epidemic has been one of the fastest in the world. By 1999 the estimated cumulative number of HIV infections had reached almost 250,000 and the cumulative number of AIDS cases nearly 22,000. The annual number of new AIDS cases is projected to reach 30,000 by 2005. NCHADS estimates that there are 40,000 children orphaned due to AIDS and that approximately 7,500 children have died of AIDS.

Given both cultural norms and the nascent state of development of the Cambodian health system, the care of AIDS patients and orphans will largely fall on immediate and extended families. This is not a new situation to Cambodia where families have coped in the past with equally large numbers of ill and dying, and absorbed large numbers of orphans. Family loyalties are very strong and families – in the most extended sense – recognize an almost inviolable obligation to care for their members.

HIV in Cambodia is transmitted primarily via heterosexual contact. Infection is highest in commercial sex workers and men who frequent them. Male clients form a bridge between the infected commercial sex worker population and the general population.

HIV prevalence in the general population was approximately 2.9 percent in 1996, increasing in only a year to 4.6 percent after which it stabilized and showed a slight decline in 1999 to 3.2 percent. In 2000, the prevalence declined to 2.8%. Estimated HIV prevalence among direct commercial sex workers (DCSWs) of all ages was 37.9 percent in 1995, peaked in 1998 at 42.6 percent, and in 1999 had decreased to 33.2 percent. Among indirect commercial sex workers (IDCSWs), rates are lower but the decline has also been less: from 19.2 percent in 1998 to 18.6 percent in 1999. Among antenatal (ANC) women tested, rates have remained relatively constant at approximately 2.6 percent, suggesting that the disease is moving into the mainstream population and in particular to women not involved in either direct or indirect sex work. HIV prevalence among military personnel was estimated to be 5.9 percent in 1996 and 7.1 percent in 1997. Among the police the level declined from approximately 8 percent in 1995 to 4.7 percent in 1999, and 4.2% in 2000.

About 44 percent of all female sex workers have at least one STD, and half of these women are asymptomatic. STD rates among Cambodian men are very high in comparison to rates for men in



other South and Southeast Asian countries. In men, primarily members of the military and police, 17 percent have at least one STD.

A vigorous campaign by the public and private sector was launched to increase the use of condoms to prevent HIV transmission, through Social Marketing and a variety of IEC efforts. A 100% Condom Use Policy (CUP) for brothels was recently approved for nation-wide implementation following a successful pilot test. The CUP aims to ensure that condoms are used in every sexual transaction in every brothel in the country. Regular STD checks for sex workers are used to monitor compliance.

These interventions are showing some positive results. According to the Behavior Sentinel Surveillance, between 1997 and 1999, there was a significant decline in the proportion of men who paid for sex the previous month. However, nearly one third of the target groups covered still regularly purchase commercial sex. Consistent condom use by CSWs and their male clients also increased sharply between 1997 and 1999, from 42 percent in 1997 to 78 percent two years later. Similarly consistent condom use has increased to between 69 and 81 percent for military, police and moto-taxi drivers. However, consistent condom use by IDCSWs, is less than 40 percent, and there is low use of condoms by CSWs and their clients with spouses and "sweethearts", creating a bridge to the general population.

Voluntary counselling and testing (VCT) services are not yet widely available; only 6 public sites have been established. VCT remains completely unavailable in 18 out of the country's 23 provinces. Demand for VCT appears to be quite high, as evidenced by an unregulated private sector response, spontaneous popularity of premarital testing as criterion for familial consent, and by overwhelming turnout at the few testing facilities available. NCHADS plans to expand VCT services nation-wide.

There are also plans to gradually introduce nivarapine treatment to prevent MTCT. This will be quite difficult in Cambodia since the majority of pregnancies never enter the public health system. There is a notable gap in policies, strategies and interventions with regard to breast-feeding by HIV infected mothers, in part because such a policy would have to be developed collaboratively by both NCHADS and the National Maternal Child and Health Center (NMCHC); culturally, collaboration across organizational lines is extremely difficult to achieve.

5. Infectious Diseases

Tuberculosis

Even prior to the advent of HIV/AIDS, tuberculosis was a major cause of morbidity and mortality in Cambodia. The country's estimated incidence of 539 cases per 100,000 population is the highest in the world with the sole exception of sub-Saharan Africa. Every year, 60,000 new TB cases occur and about 10,000 cases die (90 TB-related deaths per 100,000 population). It is estimated that two thirds of the population are infected with *M. tuberculosis*. Given the magnitude of the HIV/AIDS problem in Cambodia, an explosive increase in the already high incidence of TB over the next five years is inevitable and may well reach levels equal or exceeding those of the worst affected African nations. HIV sero-prevalence among TB patients



has increased sharply since the beginning of the HIV epidemic. In 1995, 3 percent of TB patients were HIV positive. This figure doubled to 8 percent by 1999 and is as high as 18 percent in some regions of the country.

Although national policy calls for TB treatment in HCs, the logistical and training implications are considerable and to date TB treatment has been available only in hospital level, effectively out of reach for many patients. It is estimated that the current national program detects no more than 40 percent of actual TB infections in the population, a level inadequate to curtail transmission.

The MOH has recently decided to expedite introduction of DOTS at HC level given the expected rapid increase in TB incidence. Donor support for drugs, supplies, and clinical training is adequate, as is support and TA to the National TB Program. However, HCs will require intensive assistance from NGOs to ensure proper adherence to protocol, non-diversion of drugs, and community IEC.

Malaria

Malaria is a leading cause of morbidity and mortality in Cambodia. Overall, approximately 2 million Cambodians are considered to be at risk of infection. WHO estimates there are 1 million cases annually. Ninety-two percent of these are due to *Plasmodium Falciparum*. Malaria in Cambodia has a higher case fatality rate than in neighboring countries. Multi-drug resistance is widespread, especially in the western parts of the country and the selling of counterfeit anti-malarial drugs is a significant problem. Extrapolations from hospital data yield a generally accepted estimate of 10,000 deaths from malaria per year in Cambodia. The overall case fatality rate for hospitalized severe malaria in 2000 was 9.8 percent, but runs as high as 30-88 percent in remote referral locations. Many patients die without ever receiving medical care. Although working age males have the highest incidence, pregnant women and infants are at greatest risk of death when infected. Malaria in pregnancy, particularly in the third trimester, is associated with extremely high rates of fetal loss and maternal death.

The MOH approach to malaria consists of prevention through IEC and distribution of impregnated bed nets, and treatment through both public and private sector channels. Donor funding for commodities and support to the National Malaria Center (NMC) is adequate, but experience suggests that NGO assistance at the community level is essential for successful IEC and bed net distribution/use. There are also unmet needs within the NMC for TA in social marketing.

Dengue

The leading cause of death among children aged 1-5 years, dengue hemorrhagic fever reaches epidemic proportions in Cambodia every 2-3 years, affecting both rural and urban areas. Household water jars are the prime breeding site, with an average of 85% of water storage containers testing positive for larval infestation. The most recent outbreak occurred in 1997-8, and another is feared in 2001 or 2002. The case fatality rate for DHF is much higher in Cambodia than in neighboring countries, ranging from 3.6 – 15 percent nation-wide, but

substantially lower in the capital city due to the availability of higher trained personnel and better equipped facilities. The MOH strategy with respect to DHF is one of prevention through larvicide treatment of water jars and promotion of water jar lids, and improved case management through training. Donor funding for a mass larvicide campaign this year is inadequate. There is also an as yet unmet need for TA and funding for social marketing of jar lids.

Program Strengths and Achievements

Activities in the present USAID portfolio have had significant impact on achieving the Specific Objective of Improved Reproductive and Child Health, and the Special Objective of Reduced Transmission of STD/HIV among high risk populations. Activities which have been particularly successful include:

A. Strengthening of Integrated Community-Level MCH/FP Services

Community level services in Cambodia are delivered in an integrated fashion, with HCs and HC outreach sessions as the primary source for MCH, FP, and curative care. HCs will also soon become the primary point of contact for TB treatment and HIV/AIDS detection. HCs are supported by Referral Hospitals (RHs), one per operational district, and supervised by District Health Management Teams (DHMTs).

Three USAID-funded projects (RACHA, CARE and PFD) work to strengthen these services in accordance with the MOH Health Coverage Plan and Guidelines for Operational Districts (ODs) through TA, training, mentoring, facilitative supervision and logistical support to HCs, RHs, HC Outreach, and HC feedback committees. All of them have achieved a much higher rate of service delivery and service utilization than is noted in ODs without such support. Key elements found critical to success are:

- Recognizing and addressing all essential elements of district health services and the linkages and referral network between them: HCs, HC outreach, RH and DHMT. The more completely this is done, the better the results.
- Provision of competency-based training to RH, HC and DHMT staff to improve clinical, counseling/interpersonal, and managerial skills
- Provision of intensive on-the-job follow-up, coaching and mentoring. This is essential for staff to internalize new skills, attitudes and approaches.
- Support to HC Feedback Committees (FBCs). These committees, consisting of elected representatives from each village, provide an essential mechanism for improving HC-villager relations and promoting health practices and utilization of preventive services. They empower communities and create a sense of accountability towards clients which health workers, raised and trained in an authoritarian culture, have never before had.



B. Maternal Health

TA through the USAID-funded RACHA project has contributed to the development of national policies and guidelines for safe motherhood. A competency-based training course for midwives, Life-Saving Skills (LSS), has been developed and serves as a model for the country. In USAID-funded project areas, LSS-trained midwives have significantly improved the quality and quantity of their services. Keys to this success have been careful training selection criteria, practical training provided in a setting with a high volume of deliveries, and intensive post-training follow-up.

C. Logistics Management

TA and training in logistics management of drugs and contraceptives have been conducted nation-wide through the RACHA project, augmented by district-level follow up in ODs where they work. Dramatic improvements in stock levels have occurred in areas where both the training and subsequent follow-up (including computerization down to OD level) were provided.

D. HIV/AIDS/STD Prevention

1. Condom promotion through mass media, social marketing, and BCC targeted to CSWs, police and military has directly contributed to a substantial decrease in both high risk behavior and HIV prevalence in these groups.
2. The social marketing of condoms in combination with parallel behavior change communication and IEC programs has been a key contributor to the achievement of the Special Objective. Almost all condoms presently available through commercial outlets are distributed by USAID-funded PSI. Annual sales have grown from 5 million condoms in 1995 to 16 million in 2000. PSI's Number One condom has been effectively targeted at commercial sex workers and their places of work, as well as their male clients, especially military personnel, policemen and other men who frequent brothels. Number One condoms are available in 93% of brothels recently surveyed.
3. BCI interventions with CSWs have both reduced their vulnerability to infection and provided critically needed social support. The involvement of local women's NGOs in CSW empowerment activities is a particularly positive contribution and important step towards breaking down the barriers of social isolation that surround CSWs. Peer education and peer support, networking, and mobilization activities provide not only HIV/STD prevention information, but a much-needed sense of community.
4. Technical assistance and funding support channeled through the FHI/IMPACT project to the Ministries of National Defense (MOND) and Interior (MOI) have helped these two Ministries develop and implement a constructive and pro-active approach to the problem of HIV/AIDS. Their peer education programs have to date reached 27,000 military personnel (approximately 20 percent of the entire military forces of Cambodia) and approximately 6,000 policemen.



5. USAID-funded TA and funding through KHANA has helped develop a network of local NGOs with capacity to implement HIV/AIDS interventions at the grassroots level. This is an invaluable resource, which will greatly facilitate the ability of government and donors to deliver interventions at village level in the future. In addition, KHANA serves as a vehicle to co-ordinate and voice Local Non-Government Organization (LNGO) concerns.

E. Research and Policy

USAID-funded research has informed policy and programs in both RCH and HIV/AIDS. The HSS and BSS have raised the awareness of policy-makers in all sectors of the magnitude of the problem, and provided hard data on which to base programs and interventions. The DHS has provided government, donors and implementing agencies with reliable health indicators. RACHA studies on causes of maternal and child mortality provide the first, and only, population based information on causes of maternal and infant/child deaths. Studies by HKI have drawn attention to micronutrient deficiencies and directly contributed to policy and program interventions. Studies by CARE have shed light on attitudes and behaviors of CSWs and their clients. STD studies by FHI have added considerably to the previously weak knowledge base with regard to STDs in Cambodia, and helped inform interventions.

F. Family Planning

1. Social marketing of oral contraceptives has had a significant positive result on access and use of Combined Oral Contraceptives (COCs), especially in urban and peri-urban areas, and has the potential to do the same for injectable contraceptives.
2. Support to the Reproductive Health Association of Cambodia (RHAC) has contributed to the development of model urban private sector RH clinics, providing a full range of FP methods, diagnosis and treatment of RTIs and STDs, ante and postnatal care and counseling on HIV prevention. In addition to direct provision of a significant amount of FP and STD services, RHAC has the capacity to provide high quality training in clinical techniques, IEC and counseling to NGOs and government.
3. CAs have supported the delivery of FP services in HCs and during HC outreach through training, coaching and mentoring of HC staff, and logistical assistance with outreach sessions. Between 1998-2000, the contribution of HCs to modern method CPR rose more than five-fold. This is particularly impressive since only 60 percent of planned HCs were operational in 2000, and half of these had been open just one year. HC strengthening has tremendous potential to further increase CPR.

G. Infectious Diseases

Community-based impregnated bed net distribution and IEC by the USAID-funded Partners for Development (PFD) in a province with high malaria transmission has achieved 100% coverage of the population and a documented threefold decrease in the incidence of malaria. This effort is a model with potential for wider replication.



H. Child Survival

Formative research on vitamin A deficiency and strategies for VAC distribution have directly contributed to the establishment of a National Vitamin A Policy and incorporation of VAC in all EPI programs nation-wide.

I. Capacity Building

1. CARE and other USAID-funded CAs have made substantial contributions to the capacities of their own local staff, district level health care providers, and communities. Impressive initiative and skills have been developed in young Cambodian professionals, particularly by CAs with clear plans, policies and resource allocation for local staff development.
2. Capacity-building among district level government health workers is naturally a slower process, hampered by the low salaries and non-merit based organizational culture that typify government work. Nonetheless, significant progress has been made. Pharmacists trained in drug and commodity logistics are able to apply these skills as evidenced by a documented decrease in stock outs. Midwives with competency-based training in have an increased client caseload as testimony to their improved quality of care. Village-based “feedback committees” are now able to bring village concerns to the health care system. Villagers are empowered with basic health information with which to avoid unnecessary disease and unwanted pregnancies.
3. KHANA has helped foster the technical and organizational capacities of numerous local NGOs. A number of these have “graduated” to the point of requiring no additional TA and, in some cases, only limited funding.

Program Constraints and Missed Opportunities

There are, however, some constraints in the current portfolio and missed opportunities which, if addressed, may lead to greater impact. These include:

A. Cross-Cutting Issues

1. RCH and HIV/AIDS/STD activities are currently being implemented in a total of 18 different provinces, sometimes in a single small locality within a province. HIV/AIDS/STD activities are generally not in the same areas as RCH activities. RCH activities often fail to completely cover a whole OD, and almost never include all the ODs of a province. Lack of a critical mass of interventions/coverage both reduces potential impact and makes it more difficult to measure.
2. In the HIV/AIDS portfolio there are a number of small, potentially successful interventions for OVC and PLWA that do not have a unifying theme or strategy. In the RCH portfolio, there are instances where an overwhelming number of new innovations have been tried at once without the kind of depth, follow-up and documentation that would maximize their potential.



3. Some initiatives have been undertaken with some neglect of the larger national picture. In HIV/AIDS, there are some pilot projects in which the model used would be difficult to replicate on a large scale given the realities of the present health care system and overall level of development of the country. In RCH, there are some approaches to systemic constraints that are aimed at achieving immediate results, but may cause greater difficulties in the long run.
4. Without an overarching research agenda, some research has been done on an ad hoc basis. It would be more efficient to base research on program needs and the potential utility of the findings.
5. There has not been enough interface between HIV/AIDS/STDs and RCH programs or the overall health service delivery system. Health care providers are not well informed about some proposed interventions, including those they will have to implement.
6. The verticalization of HIV/AIDS/STD and RCH programs – both within the USAID portfolio and within the MOH – does not take full advantage of many important opportunities for synergy. Examples of some missed linkages, which can be formed in the future, include:
 - Mass media IEC, currently focused on HIV/AIDS/STD and to a lesser extent, FP, have not included key RCH messages.
 - IEC through community outreach has often focused on vertical areas rather than an integrated package of key MCH/FP/STD/HIV/AIDS messages.
 - HIV prevention efforts and messages currently do not provide health professionals, especially midwives, with specific information on universal precautions to protect the providers and to avoid HIV transmission through medical procedures. This group has been largely left out of HIV education efforts and their gaps in knowledge, and concerns, are substantial.
 - Ante-natal, obstetric and post-natal care do not currently include STD detection and treatment, or counseling on prevention of STDs and HIV to minimize risks of infection before pregnancy and MTCT.
 - Family planning services currently do not contribute enough to HIV prevention, and vice-versa. The dual protection benefits of condoms must be stressed.
7. The reach of social marketing, both for pills and condoms, is still primarily urban and peri-urban. Although about 10 percent of USAID-funded COCS are sold to NGOs for resale in rural areas, overall rural availability of both pills and condoms is low, a priority concern in a country where 85 percent of the population is rural.
8. There is as yet much potential for social marketing to increase access to and utilization of a much wider range of reproductive and child health commodities, e.g.: ORS, iron/folate supplements for pregnant and post-partum women, anti-malarial drug kits, permeable water

jar lids and larvicide, anti-helminthic drugs, STD treatment, etc. In addition, there is untapped potential for the Social Marketing Project to expand beyond project implementation and provide TA and capacity building in marketing to other agencies.

9. After the 1997 coup, USAID's PHN activities were suspended and then resumed with restrictions on interaction with the government. At this point, it may be effective to consider interaction with the RCG so as to facilitate the delivery of essential services to the Cambodian people.
10. While there have been substantial contributions to capacity-building of individuals, local NGOs, and community level health facilities, USAID may benefit from focussing on national level health policy issues. The sustainability and long-term impact of USAID's investments will be substantially affected by the extent to which the government is able to address fundamental sectoral constraints.

B. Intervention-Specific Issues:

1. Maternal Health

- (a) While progress is being made in USAID-funded project areas in increasing the quality and coverage of antenatal services and safe delivery, post-partum interventions have been neglected. The majority of direct obstetric deaths are due to post-partum hemorrhage, and improper breast-feeding is a significant contributor to infant mortality
- (b) Delivery at home, even when conducted by a trained midwife, is apt to entail significant unnecessary risk due to widespread use of dangerous modern medical interventions. This makes the development of client-friendly delivery services in HCs and RHs all the more important. One of several factors constraining the use of health facilities for delivery is the failure of these to incorporate non-harmful traditional beliefs and practices. This was successfully done in the past with Cambodian populations in Thai refugee camps and effectively increased deliveries in hospitals.
- (c) While significant resources are being directed to TBA training, it is not clear that this actually improves TBA delivery practices. Less attention has been given to partnering arrangements between HC and RH midwives and TBAs, which preserves the important psychosocial and spiritual functions of the TBA while decreasing the risks of unsafe delivery. This has been successfully done in non-USAID funded NGO areas.
- (d) Unsafe abortion is a common problem in Cambodia. Currently, there is no specific linkage between hospital care for complications of abortion and the FP program.

2. Family Planning

- (a) Although 10 percent of USAID-funded birth-control pill sales are through NGOs in rural areas, there is not enough penetration into the rural private sector and both condoms and



COCs were noted to be unavailable in rural villages, despite a proliferation of small shops and vendors in even the most remote areas.

- (b) Emergency Contraception is not available in the FP program, a strong unmet need given the reportedly high incidence of rape and large adolescent population.
- (c) There is little understanding or promotion of the dual protection (pregnancy and STD/HIV) advantages of condoms. FP providers currently give too little emphasis to condoms, which are associated with disease prevention rather than contraception.
- (d) One USAID-funded organization conducts community-based distribution of contraceptives in several provinces. In areas where HCs are not yet functioning, this is the sole source of RH services at community level. However, in those areas where HCs are functioning well, the Health Development Team (HDT) program has not adjusted to reflect this change in the health system but rather continued to function in a parallel manner, missing an important opportunity to strengthen the new district-based health care system.
- (e) The most commonly cited reason for both non-use and discontinuation of contraception is side effects. Nutritional deficiencies are a possible cause worthy of exploration. Folic acid and B vitamin deficiency are known to occur more frequently in users of COCs, and are also known to be frequent in the Cambodian population.

3. Child Survival

- (a) Child survival has been relatively neglected. As infant (especially post-neonatal) mortality rates are high and steadily rising, this needs to be addressed.
- (b) The present national EPI/VAC strategy may benefit from restructuring. Coverage levels are still inadequate and have not improved much in the last two years. Geographical realities make it difficult to achieve significant coverage through static clinic based EPI. Without external technical assistance, HCs cannot manage the complexities of rotational outreach to villages. Government funds for outreach are not reaching the periphery. Time-consuming monthly outreach to very small villages is labor intensive and costly.
- (c) The majority of ill children in Cambodia are never taken to a trained health provider; when they are, the result is often incorrect treatment. Cambodians prefer to go directly to pharmacies and shops rather than to trained health providers largely because they do not perceive there to be any benefit to consultation, due to the low level of provider competency, and because they fear being treated in a derogatory manner. Unfortunately, these perceptions are at present accurate ones. There is *no added value* to obtaining curative treatment from a HC as opposed to a pharmacy in the vast majority of cases, and providers lack training in interpersonal skills and in bridging class barriers. None of the present USAID-funded projects currently addresses these issues.
- (d) There is scope for significant improvement in infant and child health through improved breast-feeding practices. A very high burden of diarrhea and dysentery has been documented



in Cambodian children, including dysentery in neonates, and is undoubtedly related to the practice of discarding colostrum and non-exclusive breast-feeding. In addition, inadequate provision of weaning foods is a significant contributor to the malnutrition which underlies a great deal of early child mortality. Although existing USAID funded projects promote BF, it could be done more intensively.

- (e) There is untapped potential for using social marketing to improve access to and demand for child survival services, e.g. ORS, anti-helminthics, wound care kits, and possibly other simple curative drugs with clear dosage information.

4. HIV/AIDS/STDs

- (a) USAID funds many of its HIV/AIDS interventions through umbrella projects, which in turn make sub-grants to NGOs. This arrangement allows the Mission to have the benefit of multiple implementing agencies, particularly LNGOs, while addressing USAID financial accountability requirements and management constraints. Direct recipients of USAID financial support should make value-added inputs to ensure improved technical competence and efficiency among the sub-grantees. The degree to which this has thus far happened is variable. Some grantees could benefit from focussing more on the provision of support to their sub-grantees, especially in the areas of strategic planning, program design, and IEC.
- (b) It is essential that grantees have clear guidelines and criteria for ensuring that sub-grants fit within the framework of the USAID Mission's strategic objectives.
- (c) In some cases, reliance on sub-grantees to respond to the IEC needs of other sub-grantees has not been effective. Unmet needs for basic IEC materials were noted among some sub-grantees.
- (d) While IEC and BCC efforts have contributed greatly to knowledge of AIDS and improved condom use, there are gaps in message content and targeting, e.g.:
- Care of PLWHA and CAA has gotten comparatively little emphasis;
 - Messages about HIV prevention stress dangers but fail to make clear ways in which HIV is not transmitted, leading to unnecessary fear and stigmatization;
 - There has been an over-reliance on printed text where more visually literate materials would reach a greater number of people;
 - Current approaches and strategies have been effective in reaching CSWs and their clients, but less so in reaching IDCSWs and migrant male workers;
 - Preventive messages stress commercial sex encounters; there has been too little emphasis on protection of wives and "sweethearts".



- (e) A number of small pilot projects have been undertaken for care and support of PWHA and CAA. They need critical re-examination in terms of strategic coherence, replicability and realistic potential for scale-up. It is unrealistic to expect that, in a country still far from providing widespread access to treatment for curative illnesses, every AIDS patient can receive professional home care services. There is a need to prioritize and develop selection criteria for who is to receive what level of services, and to identify non-professional first-line care providers.
- (f) While condoms are readily available in commercial sex establishments, this is not the case for more informal locations, such as hotels and guesthouses, which are frequented by indirect sex workers and their clients. Such encounters usually occur at night, when shops are likely to be closed. In the absence of readily available condoms near nocturnal meeting places, intercourse is likely to be unprotected

5. Infectious Diseases

Tuberculosis

The present portfolio has included pilot testing of home delivery of DOTS. However, DOTS is not yet available at the HC level in most of the country. The greatest priority, for both general and HIV positive TB patients alike, is the implementation of HC DOTS. Premature efforts at doorstep delivery are unlikely to achieve measurable impact, and will not represent the best use of resources, which might otherwise be focused on implementation of HC DOTS and community IEC on transmission and treatment.

Malaria

The MOH has developed and field-tested a malaria test and treatment kit for distribution through social marketing. There is a great opportunity for the USAID Social Marketing Program to assist in developing marketing capacities in the public sector through collaboration with the National Malaria Center (NMC).

Dengue

Dengue Hemorrhagic Fever (DHF) is the leading cause of death in Cambodian children ages 1-4. Epidemics occur every 2-3 years and a widespread outbreak is feared for 2001 or 2002. The present portfolio contains no activities related to prevention or case management of DHF, and overall donor funding is inadequate, especially for prevention activities. A water (but not mosquito) permeable water jar lid has been developed and successfully piloted by the MOH. There is a gap in both funding and marketing TA for the successful social marketing of these lids.

Emerging Needs

A. VCT

To date, the USAID portfolio has not critically addressed VCT. The MOH plans to expand VCT nation-wide. While other donor support for the medical aspects of testing, and the supplies will probably be adequate, there will be enormous need for training, TA, mentoring and facilitative supervision of counselors, especially at the provincial and district levels where the health system is still quite new and weak. Counseling is not an indigenous concept in Cambodia. The planned nationwide expansion of VCT in the public sector will require intensive field level inputs.

In addition, the huge demand for VCT throughout the country, both in high risk groups and in the general population, currently overwhelms public sector testing facilities where they already exist, and will probably continue to do so. There is a potential market for complementary fee-for-service VCT in areas where government has already established free services, to cater to middle class concerns and reduce the burden on government facilities. This could include a comprehensive package of premarital RH services, since premarital testing is already becoming a societal norm.

B. Children Affected By AIDS

Lack of in-country technical capacity for early testing of infant HIV status results in unnecessary institutionalization of children orphaned or abandoned due to HIV/AIDS. Polymerase Chain Reaction testing is not generally available in Cambodia. Its introduction could greatly facilitate adoption of AIDS orphans within their families and/or communities. Such an initiative would, of course, need to link closely with agencies caring for OVC and, recognizing that some children will test positive, with pediatric hospitals and hospices.

Potential New Directions

A. Cross-cutting

1. The health care system in Cambodia is only four years old, and still in the early stages of development. To be effective, disease specific interventions must be accompanied by measures to strengthen it. USAID has a comparative advantage in strengthening health care delivery systems, particularly at the Operational District level, through:
 - a systems approach addressing essential elements of district health services
 - competency-based training for district health staff
 - intensive on-the-job follow-up and coaching after training is completed
 - support for the formation and activities of HC Feedback Committees
2. USAID may benefit from nascent cooperation with the government, as well as other donors, in resolving such fundamental issues as client charges and provider compensation. Political commitment to achieving a functioning public health system needs to be supported.



3. To maximize impact and effective leveraging of resources and to minimize administrative burden, a few and selected number of provinces should be targeted with a closely linked and strategic package of RCH and HIV/AIDS interventions in tandem with support for strengthening all ODs in the provinces selected.
4. Umbrella mechanisms offer manageable means of working through a large number of smaller organizations such as LNGOs, but only if the umbrella CA provides value added, strategic planning and technical support which should be clearly specified in CA agreements. It may be easier to achieve efficient Mission oversight if bilateral rather than field support mechanisms are used to fund umbrella mechanisms.
5. USAID has a strong comparative advantage in Social Marketing. It will be important to continue social marketing strengthening to achieve product placement in rural areas and squatter settlements. It may also be sensible to encourage the SM Program to work with other CAs and government agencies to building social marketing capacities.
6. It is important to support CAs in the development of their local staff as an integral part of their programs.

B. RCH-HIV/AIDS Linkages

1. The new strategy should make maximal use of potential linkages between RCH and HIV/AIDS/STDs interventions, including (i) IEC messages, (ii) ante-natal, obstetric and post-natal care and MTCT, HIV/STD prevention; (iii) FP and VCT, STD/HIV prevention; and (iv) ANC and STD prevention and treatment.
2. USAID should consider developing approaches and strategies that reach and counsel men, especially those seeking STD treatment, about dual protection with condoms.
3. RHAC clinics are an excellent model for urban RH/STD service delivery and should be encouraged to expand to other selected cities and to offer VCT as part of a package of premarital RH/FP/HIV/AIDS services.
4. IEC and training should be given to health care providers, especially midwives, on universal precautions to protect themselves and their patients.
5. MCH/FP providers and facilities have readiest access to women who are at risk of HIV/AIDS because of their partner's risky sexual practices. They should receive appropriate training in HIV/STD prevention counseling.
6. The issue of PMTCT and breast-feeding requires further research, including exploration of the feasibility of wet-nursing. Research should then inform development of new, clear policies and guidelines.



C. Reproductive and Child Health

1. High priority should be given to ensuring that the future strategy does not lose the "C" in RCH. Programs must maintain focus on child health.
2. USAID should continue to engage in policy dialogue with other agencies, such as UNICEF, on globally funded issues such as measures to improve EPI performance and provision of iodized salt.
3. USAID should consider the provision of TA to the national EPI program (through UNICEF if necessary) to explore new strategies for improving EPI coverage.
4. Logistics system strengthening through refresher courses, on the job training, and facilitative supervision at the field level should be included as an essential components for concentration. Facilitation should be provided to agencies working in other geographical areas to assist them in doing likewise.
5. USAID should consider working with other donors to create a contraceptive security plan.
6. It may be beneficial to conduct pilot studies to determine whether Vitamin B/folic acid supplementation reduces perceived hormonal contraception side effects.
7. In consultation with Government and other partners, Emergency Contraception should be introduced into both the public sector FP mix and into the Social Marketing Program.
8. USAID and RHAC should revisit the Health Development Team strategy and consider alternative approaches in ODs where HCs function.
9. USAID participation through its CAs in the development of national Safe Motherhood policies and guidelines is important. The present model for improving delivery practices through the LSS course and intensive follow-up is quite effective.
10. Consideration should be given to improved post-abortion care to save women's lives and encourage FP use.
11. Operations research is recommended for incorporation of traditional/non-medical elements into delivery services.
12. It is important to continue to support policy guidance and research on Vitamin A and other micronutrient deficiencies.
13. Studies should be supported to determine the feasibility and potential of a widespread, integrated postpartum outreach program.
14. Support for TBAs should be limited to partnership arrangements with HC and RH midwives and fee-splitting incentives.



D. HIV/AIDS/STDs

1. Continued support for the highly successful HSS and BSS is recommended as are efforts to build provincial and district level capacities to use the data.
2. The cultural and political realities in Cambodia are not conducive to multi-sectoral HIV/AIDS activities, yet it is possible to have activities in multiple sectors. It may be helpful to support on-going and future HIV/AIDS activities in the MOND, MOI, MOE, the MOT and the MO Women's Affairs.
3. USAID has achieved remarkable success in supporting BCI and condom interventions that have helped to stem the spread of HIV, especially among CSWs and their male clients. The Team strongly recommends that these activities be continued and enlarged.
4. It is recommended that messages be developed to inform the public about how HIV is not transmitted in order to protect PLWHAs and children orphaned by AIDS from stigmatization and isolation.
5. HIV prevalence among IDCSWs and migrant male workers has remained fairly constant. New messages and interventions for these more difficult to reach groups are recommended.
6. Recognizing that CSWs and their male clients are passing on HIV to their boyfriends and wives, preventative messages promoting the virtues of "protecting the one you love" are called for.
7. It is strongly recommended that USAID explore with the Government, partners and other donors, means of ensuring greater coordination in message design and sharing of IEC materials.
8. Developing and marketing a "sweetheart" condom and/or de-stigmatizing the current *Number One* condom is recommended in order to prevent the spread of HIV from high-risk groups to the general population.
9. USAID should consider supporting the MOH's planned expansion of VCT services nationwide through TA and facilitative supervision for quality control in labs, establishing monitoring, evaluation and supervisory systems and IEC to promote public awareness of the benefits and availability of VCT.
10. The Team does not recommend training private physicians in the use of ARV drugs. Instead, simpler, palliative home-based care and advocacy/IEC to encourage family and community support to PLWHAs are ideal.
11. The Team recommends that no additional care and support activities be funded until a coherent strategy is developed which articulates what interventions can and should be provided, to whom, by whom and how.



12. It is recommended that USAID consider support for the controlled introduction of the polymerase chain reaction (PCR) test for infants born of HIV+ or suspected positive mothers so that the infant's HIV status can be confirmed early and for those who are negative chances are greatly improved for adoption or foster care

E. Infectious Diseases

1. USAID should consider supporting the introduction of DOTs in HCs, and not home delivery for the foreseeable future, throughout geographic areas selected by the strategy team, with community based IEC promoting its utilization.
2. The PFD malaria control project should serve as a model for community-level malaria prevention. USAID should assist in making the components and results of this intervention widely known and consider replication of it in future focus provinces.
3. DHF is a leading cause of death in the 1-5 age group in Cambodia. USAID should consider using its comparative advantage in working at the community level to develop community-level IEC on prevention and recognition of danger signs and training and support for early detection and referral by HC staff
4. USAID should consider funding and TA for the social marketing of water jar lids.

F. Research, Monitoring and Evaluation

1. In view of the legislative mandate to show tangible results in 1-2 years in the area of HIV/AIDS, USAID should take great care in constructing indicators that are both measurable and realistic. Process indicators should prevail with service coverage indicators starting to be applicable only in years 4-5.
2. More indicators for MCH should be introduced to call attention to effective interventions, for example, ANC iron distribution (30 tablets x 3), complete filling out of the partogram in labor, etc. in addition to the standard TT immunization.
3. The USAID Mission should, in consultation with key government and non-governmental partners, develop a research agenda to ensure that resources allocated for research, whether by the Mission or from Central funds, best serve the information needs of priority programs. Periodic DHSs should certainly be high on that list.
4. The Mission should require pre-approval of any sub-grants for pilot activities, which should fall within the overall research agenda, to ensure that resources are not spent on pilots with no potential for scale-up.



I. Introduction

After the ratification of the Paris Peace Accords in 1991, the international donor community responded to the challenges of restoring societal and institutional structures in Cambodia. A decade into development efforts, overall health indicators in Cambodia remain among the worst in the Mekong Region. High rates of maternal and child mortality and morbidity, low coverage of basic health services, and wide-spread malnutrition remain significant issues in Cambodia. The country also has the fastest growing prevalence of HIV/AIDS, TB and drug resistant malaria in the region. Poor health status and limited human and institutional health resources clearly impede Cambodia's development potential.

USAID has supported health activities in Cambodia since 1994. Strategic Objective Two (SO2), "Improved Reproductive and Child Health" and Special Objective Two (SpO2), "Reduced transmission of STD/HIV among high-risk populations" were developed in 1997. Political unrest in July 1997 resulted in a temporary suspension of all mission activities. Congressional restrictions curtailed USAID's collaboration with the Royal Government of Cambodia (RGC) and restricted funding to NGOs. The immediate impact was a sizable reduction in mission funding (from approximately \$40 million to \$15 million/year).

In 1997, a scaled-down health program was implemented with MCH/FP and HIV/AIDS components. The current MCH portfolio emphasizes increasing supply, access and demand for high quality reproductive health and child health services for Cambodians in focus provinces. The current SO is "improved reproductive and child health" and includes three intermediate results:

- 1) expanded supply of RCH services;
- 2) increased access to RCH services;
- 3) strengthened demand for RCH

The current HIV/AIDS portfolio emphasizes policy development and risk reduction. The current Special Objective Two (SpO 2), is, "Reduced transmission of STD/HIV among high-risk populations" with three intermediate results:

- 1) Policy makers informed about the HIV/AIDS epidemic in Cambodia
- 2) Reduce high-risk behaviors in target areas
- 3) Model STD/RH service delivery program for high-risk populations piloted and replicated in target areas.

In late 2000, USAID developed a new strategic approach to HIV/AIDS worldwide with Cambodia being designated a "Rapid Scale-Up" country: HIV funding increased from approximately \$2.5 million in FY 2000 to roughly \$10 million in FY 2001 (includes CSD, ESF, and Orphans and Vulnerable Children funding sources). As a rapid scale-up country, Cambodia will be required to: 1) achieve significant increases in program coverage and intensity in the targeted populations within 1-2 years, and 2) work with other donors to ensure that at least 80% of the target population receives a comprehensive package of prevention and care services within 3-5 years.



The USAID Cambodia mission is in the process of developing a new strategy for the program that will cover the period of 2002-2005. As preparation for the formulation of the new strategy, it was deemed imperative to review and assess the performance of the population, health and nutrition (PHN) sector and current USAID portfolio. The objectives of the Assessment were to identify strengths, limitations, and missed opportunities in the present portfolio, to examine USAID PHN's comparative advantage and to identify the potentially strong linkages between the MCH/RH and the HIV/AIDS portfolios. The information thus provided will be used to develop a comprehensive and forward thinking PHN strategic plan.

As there is a very active international donor community in Cambodia, USAID/Cambodia also commissioned a thorough review of other donor activities and investments in the PHN sector (see Annex B).

PHN Assessment

The Scope of Work for the Assessment Team (See Annex A) set out a number of specific issues and questions to be considered with reference to 1) Reproductive and Child Health, including family planning, safe motherhood, child survival and nutrition/micronutrients, 2) HIV/AIDS/STDs, including orphans and vulnerable children and 3) infectious diseases, including TB, malaria and dengue hemorrhagic fever:

- Assess the extent to which programs are meeting their intermediate results and objectives and identify the strengths and limitations of the existing portfolio;
- Recommend the technical, geographical and programmatic areas on which USAID should focus, concentrate and invest in RCH and scale up in HIV/AIDS;
- Identify technical and programmatic gaps/missed opportunities and make recommendations for future investments;
- Identify areas where USAID should discontinue investments;
- Review the various components of the portfolio and assess how each component contributes to the overall objectives and intermediate results;
- Examine cross-cutting issues and make recommendations on critical components that will bridge across the MCH, RH, CS, HIV/AIDS areas including: geographic concentration, capacity building, health system strengthening, health communication/behavior change, training/performance improvement, social marketing, contraceptive security, reproductive health for young adults, monitoring and evaluation, partner and donor collaboration and targeting;
- Assess the current program implementation mechanisms, identify strengths and limitations and make recommendations for the future.

In addition a number of cross-cutting issues integral to many of the technical components in both portfolios were highlighted for which recommendations and action steps were to be identified to ensure maximum impact of the overall program. Included were an expanded role for the private sector (including social marketing) IEC, contraceptive security, policy and advocacy strengthening, youth, gender, and inter-sectoral collaboration and joint programming.

Given the critical need for human capacity development, the Assessment Team was requested to recommend for each programmatic area under review how best to address human capacity development needs in the short and long terms. An overall question throughout was: How best can USAID build local capacity in managing and delivering in MCH, RH, HIV and ID services in the long term, while continuing to increase the scale and reach of these services in Cambodia in the short term?

With consultants provided through The Synergy Group and from USAID/Washington, a nine-person Assessment Team was assembled consisting of the following individuals with complementary areas of competence:

Name	Area of Expertise
Sheryl Keller, independent consultant	Child survival and health systems development
Jay Parsons, independent consultant	Reproductive and child health-HIV/AIDS
Monica Kerrigan, USAID/W	FP, RH, quality of care
Mary Ellen Stanton, USAID/W	MCH/safe motherhood, quality of care
Elizabeth Preble, independent consultant	HIV/AIDS, VCT, MTCT, STDs
Paurvi Bhatt, USAID/W	HIV/AIDS multi-sectoral activities
Erika Barth, USAID/W	HIV/AIDS, youth & IEC
Linda Sussman, USAID/W	HIV/AIDS, OVC
Monique Derfuss, USAID/W	Donor coordination

The full Assessment was conducted over a six and a half-week period from February 25 to April 11, 2001. Jay Parsons, Sheryl Keller and Sonja Schmidt, a Synergy representative, arrived in Cambodia on February 25 in order to hold initial meetings with USAID partners, including Government and Cooperating Agencies, to assemble the relevant background documentation for the mission and to make logistical arrangements. Monique Derfuss arrived at the same time and independently conducted a survey of other donor funding. The remaining team members arrived on March 11 and departed between March 24 and March 30. Jay Parsons and Sheryl Keller remained in Cambodia until April 11 to debrief the Mission and external partners and to finalize the assessment report.

The Team met with a wide array of government officials, donors, CAs and local NGOs. Field visits were made to the provinces of Battambang, Banteay Meanchey, Siem Reap, Kompong Chhang, Pursat, Kompong Cham as well as within Phnom Penh. Each team member provided written input for the draft report which was submitted to the Mission in draft and finalized upon receipt of Mission comments. The final report was submitted to USAID/Cambodia on April 11, 2001 following a formal debriefing of the Mission and partners.



II. Country Context

A. Historical and Cultural Background

Cambodia's two thousand years of known history are distinguished by almost constant warfare. A very strong militaristic orientation, and idealization of the warrior model, took deep root in the culture, along with high tolerance for violence as a means of conflict resolution. From the 8th - 15th century AD, Cambodia was a vast empire with cultural and military dominance extending as far as present day Thailand, Viet Nam, Malaysia and Java. Present-day Cambodians look upon this "golden age" of Cambodia with great pride and nostalgia. Somewhere in the 14th - 15th century an abrupt decline occurred for reasons unknown and continued for four hundred years until French colonization intervened. Militarily, economically and culturally, the empire collapsed, replaced by a smaller and weaker nation concentrated in the south central area of modern day Cambodia. This sense of previous grandeur followed by humiliating loss and defeat is deeply etched in the Khmer psyche to this day.

From earliest recorded times up to the present day, the Cambodian social order has combined an odd mix of oppression and authoritarianism on one hand and a lack of effective social sanctions for improper behavior on the other. While family units and loyalty are strong, there has never been much social cohesion beyond the extended family except in the presence of external threats against which people could unite.

It was only during and after the decline of the Angkor Empire that Theravadan Buddhism became the predominant religion. Not surprisingly, given the historical context, the Cambodian interpretation of Theravadan Buddhist teachings has a distinctly fatalistic orientation.

By the 19th century, Thailand had annexed most of present-day northwestern Cambodia, and Viet Nam had annexed much of the eastern areas. As a desperate measure to stave off the loss of the country to its neighbors, Cambodia requested establishment of a French Protectorate. Some believe that this turning to foreigners to resolve problems has remained a common theme in the culture, coexisting with a deep distrust of foreign intentions, intense nationalism and sense of belonging to an endangered race.

Under nearly 100 years of French rule, there was little development of Cambodian capacities in governance, and very little in the way of social development; what did exist was limited to the urban areas. Urban dwellers, especially in Phnom Penh and among its upper classes, absorbed French cultural influences and in some cases French education. This fact widened the already large social gap between the rural (almost uniformly poor and uneducated) majority and the urban minority.

Cambodia gained independence in 1953, and reverted to an absolute monarchy. The King (who later abdicated to take the title of Prince) enjoyed immense popularity among the rural populace, but became increasingly unpopular among the urban educated classes. By the mid 1960's the Viet Nam War began to significantly impact on Cambodia. Heavy bombings occurred in Eastern Cambodia, extending as close as 20 km from Phnom Penh and sending millions of refugees into the tiny capital. The devastation wrought on rural areas led to increasing discontent and fuelled

the previously small Khmer Rouge (KR) communist movement. A 1970 coup overthrew the monarchy and installed an ostensibly pro-democratic, pro-American government. Although welcomed by many of the urban educated minority, this move outraged the rural majority who venerated the monarchy. In addition, the new government proved extremely ineffectual and corrupt. Bombing continued, further destabilizing the countryside, and the ousted monarch joined forces with the KR, further bolstering their support among the peasantry.

The KR seized control of the country in April 1975. From then until the collapse of their rule in 1979, somewhere between 1- 1.5 million people, out of a total population of about 7 million, died (i.e., about 20 percent of the population). Although no segment of the society was exempt, educated and skilled persons and those with important social or cultural roles (e.g. monks, classical dancers) were specifically targeted. The few educated people who survived disproportionately fled to refugee camps and were resettled abroad. Effectively, by 1979 there were no trained health personnel, no teachers, no craftsmen or tradesmen of any sort, and no religious institutions or clergy. Further, an entire generation of children had been denied all education, removed from their parents, brutalized, and indoctrinated in ways completely incompatible with traditional Cambodian society. The KR did not merely kill a large number of people; they intentionally and quite successfully eradicated an entire culture and civilization. "Year Zero" was, in many ways, achieved.

It is critical to understand that the violence and social destruction carried out by the KR, although orchestrated by a small number of highly authoritarian leaders, was implemented by hundreds of thousands of Cambodians, from KR cadres down to ordinary villagers. The KR achieved this through manipulation of several underlying social factors:

- a militaristic social model with emphasis on power as the basis for authority, and unquestioning obedience to, and acceptance of, authority;
- a fear-based and risk-averse psychological orientation in which personal security is viewed constantly in jeopardy and of greatest concern to protect;
- deep class division and long-standing resentment by the rural poor of the urban minority;
- a lack of conflict resolution mechanisms other than denial/avoidance and violence with the result that throughout society a vast array of long-standing resentments -- both class-based and purely personal in origin -- lay suppressed beneath a deceptively passive exterior; and,
- a long-standing high tolerance for physical violence as an outlet for anger and as a means of achieving aims.

These pre-existing factors were in turn deeply strengthened and reinforced by the traumatic events of the Khmer Rouge genocide, and they remain very prominent features of Cambodian society today. In addition, the eradication of the Buddhist religion, and forcible introduction of behaviors completely at odds with Buddhist precepts, effectively obliterated the moral and ethical base of the culture.

A Vietnamese invasion in 1979 ousted the KR. From 1979 - 1991, Cambodia was ruled by a Vietnamese-installed government consisting of ex-KR cadre who had escaped to Viet Nam to avoid internal purges, and by Vietnamese advisors and officials. The extreme genocidal policies of the KR era ceased, but a repressive and authoritarian, albeit much less brutal, rule took its place, continuing the climate of fear and concern for personal safety. Suppressive measures regarding religion continued, and young men were not permitted to join the monkhood. Warfare continued as pockets of KR and other rebels throughout the country carried out a guerrilla campaign against the Vietnamese-backed regime.

While Cambodians welcomed the initial intervention of the Vietnamese, there was deep distrust of Vietnamese motives, which quickly mounted as the Vietnamese presence became long-term. Ethnic hatred between the Khmer and Vietnamese goes back thousands of years and would be hard to underestimate. Both groups refer to the other with a derogatory word meaning "barbarian". Cambodians deeply resent the annexation of "Kampuchea Krom" (lower Mekong delta) by Viet Nam and believe that the Vietnamese have continuing territorial designs on Cambodia. The many Vietnamese migrants in Cambodia are commonly seen as a manifestation of Vietnamese expansionist tendencies rather than as individuals in search of land and work. These are important considerations given the number of ethnic Vietnamese in the HIV/AIDS/STD high-risk population.

In 1991 as a combined result of protracted guerrilla warfare, international sanctions and pressure, and the collapse of the USSR (which had largely financed the Vietnamese presence in Cambodia) the Paris Peace Accord was signed between the various resistance groups and the Vietnamese-backed government. The entire country came under UN administration from 1991-1993 while preparations were made for national elections. However, several branches of the KR backed out of the peace process prior to elections and resumed guerrilla activities right up until their final defeat in 1999.

The UN Administration brought with it a sudden influx of 16,000 multinational soldiers and 6,000 civilians who were posted throughout the countryside. With this, and the collapse of previous communist controls, a sudden surge in demand for commercial sex was followed by an equally sudden and large response. While historically commercial sex was rare and limited to urban centers, it became a widespread and lucrative enterprise even in remote villages where it was previously unknown. UN soldiers made regular R&R trips to Thailand where HIV prevalence among sex workers was extremely high. Not surprisingly, this resulted in an exponential spread of HIV in Cambodia in border provinces and in Phnom Penh and its surrounds.

Although the UN presence lasted only 3 years, cultural taboos made it impossible for village girls who had serviced soldiers to re-enter main stream society. The commercial sex industry became a prominent new feature of Cambodian life. By 1998 a census of commercial sex establishments found nearly 900 in Phnom Penh alone.

The royalist FUNCINPEC party won a majority of the votes in the 1993 election but not a sufficient plurality to form a government, and the ruling Cambodian People's Party (CPP)

refused to cede any significant share of administrative power. With strong international pressure, a "coalition" government between the CPP and the royalists (FUNCINPEC) was formed on paper. In practice, the CPP never ceded any significant power to FUNCINPEC and power struggles between the two continued until 1997 when open violent conflict broke out ending in the forced ouster of the FUNCINPEC party, followed by international condemnation and suspension of foreign aid. New elections were held in 1998, again resulting in a coalition government between the CPP and FUNCINPEC, which remains in place today. Most foreign aid resumed after the 1998 elections, but USAID still has restrictions in place (see Section III).

Aided by a significant and very sudden influx of foreign assistance in the last 6-7 years the government of Cambodia has begun the massive task of not only reconstructing an entire country but, in many cases, constructing basic systems and services which have never been in place. The magnitude of this task is hard to convey to anyone who has not seen firsthand what a "year zero" society is like, and the progress which has been made in less than a decade is enormous. Nonetheless, it is still very much a society and country in the making, with a deeply torn and fragile social fabric as its base.

B. Key Social, Cultural and Gender Factors

1. Overall Development Context

Cambodia has only been at peace for the past 2 years - and even that, in a context of frequent violence on an unorganized scale. Efforts to move towards democratic governance are taking place in a society which throughout its entire history has only known feudalism, colonialism, and communism. Cambodia completely missed the development which has generally occurred in the world over the last 30-40 years. It has never had most of the systems and services we take for granted in even the least developed countries. In addition, such social structures and capacities as it did have in the past were effectively wiped out by 1979, and efforts at reconstruction really began only post 1993. The country is heavily dependent on foreign assistance, and Government has not yet developed an efficient, transparent revenue base.

The establishment of legal frameworks and efforts to enforce resultant laws are at a nascent stage. There is no independent judiciary and the legal system is weak, underdeveloped and corrupt at all levels. Such laws as do exist are seldom enforced by police. The few arrests which go to court are often settled through illicit payment. Even where that is not the case, most judges have no legal training and decisions are often blatantly inconsistent with the law. Although a specific human trafficking law was passed in 1996, including establishment of a legal age of consent at 15 years, enforcement is extremely problematic. Politicians, military and police are involved with the sex trade, both actively and passively.

2. General Social and Cultural Factors

Cambodian culture is extremely hierarchical, with hierarchy based on power and the fear it inspires, rather than respect. Psychologically, most Cambodians have an overriding concern for personal security and a perception of the environment beyond the family as hostile, dangerous and unpredictable. The militaristic and authoritarian social order coexists with a lack of individual accountability, which allows large scope for individual acts of willfulness and violence. Social and legal mechanisms for curbing socially undesirable behavior are extremely weak.

The deep class divisions which have historically characterized Cambodian society, and which erupted so tragically during the KR era, remain strongly in place. This has particular implications for interactions between health care providers and clients since the former, whatever their class origin, are seen as members of the upper class and resented accordingly; for their part, most educated Cambodians lack sensitivity to class barriers and/or lack the skills to bridge them, and do indeed often behave in a derogatory or insensitive manner towards poor clients. In addition, they fear them, one of the less obvious reasons for the strong reluctance of health workers to work in rural and remote areas. This has very important implications for efforts to increase health service coverage, and for potential efforts in providing care to HIV/AIDS affected persons in rural areas.

A new generation has grown up in what amounts to a social vacuum, without the benefit of the beliefs and mores that previously informed Cambodian life. The post-genocidal society continues to have exceptionally high levels of violence, both political and personal, so that even the newer generation can be said to have been raised in a culture of violence and fear.

3. Religion

Since 1991, when temples were allowed to re-open and young men, for the first time in over 15 years, to ordain as monks, there has been a massive grass-roots effort to restore the Buddhist religion. Temples in various stages of reconstruction now dot the countryside and religious rituals have re-assumed a prominent place in daily life. Temples are full of young, recently ordained, monks, but lack senior monks to train and guide them. Due to lack of training and guidance, the new generation of monks do not match their predecessors in purity of conduct or knowledge of teachings. Nonetheless, especially in rural areas, monks are a respected strata of society and potential force for social change. Also attached to temples are a large number of Buddhist nuns and “wat (temple) grannies”, elderly women who have adapted a quasi-monastic life. Their numbers are large due to the preponderance of females in the older population (many more men than women died under the KR) and, unlike monks, they do not have a clearly prescribed role to play in temple life.

Theravada Buddhism, adhered to by 90 to 95 percent of the Cambodian people, has no objection to contraception, and its approach to sexual and reproductive matters is generally a pragmatic one. There is a small Muslim minority in Cambodia, who are more conservative than the Buddhists on such issues, but Cambodian Islam in general is quite liberal compared to that of other countries.

4. Health Beliefs and Practices

The Cambodian understanding of health and illness reflects a merging of several different paradigms. Indigenous animist beliefs, traditional Chinese concepts of “yin” and “yang”, Indian ayurvedic principles and Western medical concepts all coexist. No distinction is made between mind and matter, nor between symptoms and disease process. Somatization of psychological complaints – sometimes to the dramatic extent of hysterical blindness or paralysis – is common, and a person’s subjective experience defines the presence or absence of disease. Traditional medical practices are extremely widespread, even among the educated classes, and include spiritual rites, use of herbal medications, and physical manipulations (massage, moxibustion). Traditional healers have traditionally been accorded great respect and, in rural areas, will accept payment in kind and payment according to the client’s means. There are recent reports of more exploitative behavior by “counterfeit” traditional healers in urban areas, especially with regard to purported cures for AIDS.

The widespread popularity of traditional measures does not in any way inhibit acceptance of modern treatments. If anything, the latter are over-enthusiastically and excessively used, particularly injections and intravenous fluids. A wide range of pharmaceuticals, imported from all over the world, are readily available in shops throughout the country – along with clever counterfeits which cannot be readily distinguished from the genuine article. Almost every family has at least one member who is able to administer injections and start IVs, and the home use of injections and IV therapy is routine for those who can afford it. Medical treatment is considered synonymous with the giving of medicine, and the more drugs given at once, the better. Particularly popular are “cocktails” consisting of several different drugs taken at once in a single dose. Few “pharmacies” and shops have a trained pharmacist on the premises and it is unclear how treatments are selected. There appears to be both a mix of client requests (all of the major antibiotics being well known by name) and vendor recommendations, with the latter to some extent empirically-based.

A mixture of traditional and modern practices likewise surrounds childbirth and the postpartum period. Traditional measures include “roasting” (lying near a hot fire) to restore the body to its proper balance, change the normal postpartum “cold” state to “hot,” and restore energy. Protection from ghosts and spirits is obtained through placing a white string around the waist in pregnancy or placing a string around the house for the roasting period. More dangerous traditional measures include deep massage to crush the bones of the fetus to provoke abortion, pushing on the fundus during the second stage of delivery, and manual removal of blood from the uterus after delivery. Modern practices, which are widely popular, include the administration of oxytocin in the home to induce or speed up labor (an unsafe practice carrying risk of uterine rupture), the unnecessary use of injectable or intravenous fluids, vitamins and antibiotics, and injections of other unnecessary and/or dangerous substances.

5. Gender Issues

The status of women during the zenith of Khmer civilization was initially quite favorable. Women were the primary force in commerce and conducted most trade; women owned land, had complete freedom of movement and were free to divorce and remarry without stigma or constraint. Sexual mores were liberal and egalitarian. However, as Indian cultural influences gained ascendancy with the aristocratic classes, Indian-influenced codes of behavior for women were introduced as a social ideal. These became known as the "chhbap sray" ("rules for women") which still constrain women's behavior and options to the present day. Although female seclusion never took root, an idealization of female chastity did, along with an expectation of submission to male authority. An essentially patriarchal model was in effect grafted over an indigenously matriarchal society towards the end of the Angkor era, with the result that to this day, contradictory elements of both patriarchal and matriarchal social systems coexist in Khmer culture.

There is a strong emphasis on virginity/chastity, loss of which is irredeemable and places the woman outside civilized society with no avenue for re-entry; this is often a cause of entry into the sex trade. Rape is viewed as an undesirable but understandable action by the man, for which restitution is possible but an irreparable shame for the woman. Although women technically have the right to divorce, on a practical level there is no effective resource if the husband does not wish to grant it and no effective means of obtaining child support if he does not wish to provide it. Conversely, there is little or no effective sanction for men who abandon wives and children.

Once a Cambodian woman's chastity has been damaged, whether by choice or force, she is outside the pall and has little recourse for re-entry into society. The most likely alternative, life as a commercial sex worker, is one of extreme hardship. An estimated 40 percent of the CSWs have been forcibly recruited or lured with false tales of employment; once in the trade, it can be both physically and culturally difficult to get out. Approximately 50 percent of the brothel-based CSWs are debt-bonded and have to repay their debt to brothel owners.

While women are severely constrained in their sexual options, men have traditionally been allowed total license, both within and outside of matrimony. Infidelity is considered a natural failing and a wife has cause to complain only if her husband diverts significant family resources to other women. Homosexuality is not understood as a separate sexual orientation, but rather as just one of many things men do for sexual release. As long as it is conducted in private, there is virtually no taboo area with regard to male sexual behavior. This is, however, starting to change with growing recognition of the health implications of commercial sex.

Reproduction is seen as very much a private female matter. On the positive side, women can independently opt to use family planning; on the negative side, it is difficult to get male participation and co-operation when needed, e.g. condom use or vasectomy. There is virtually no cultural resistance to contraception. Prior to the introduction of family planning less than a decade ago - and still in the many parts of the country where access to services is inadequate - induced abortion, usually by TBAs or other untrained persons, was the primary method of spacing or limited births, and very widely resorted to, while simultaneously viewed by everyone (including the women undergoing them) as morally wrong. For this reason, it is a shameful affair

that is kept secret from even close family members and husbands, a fact which makes accurate estimation of maternal deaths difficult.

Women are able to control pregnancy and delivery related decisions to the extent economically feasible, i.e., it is up to the woman to decide whom to consult and where to deliver. Husbands are not usually present at delivery with the exception of more remote rural areas, where of necessity husbands sometimes actively assist and may even be the sole provider. It is deeply unacceptable for male providers to provide gynecological or obstetric care, a fact which has important implications for the provision of maternal health services, although this taboo is waived in the case of a perceived life-threatening situation and highly skilled male provider (e.g., surgeon).

C. Health Sector Development

1. Pre-1979

Even prior to the advent of the KR, Cambodia was an extremely underdeveloped country, its economy based almost entirely on agriculture, most of the population illiterate subsistence farmers, and without access to modern medical care. Outside of a few urban centers and isolated charitable undertakings, Cambodia never really had a public health care system. Traditional medicine, including traditional birth practices, was extremely prevalent and remains so to this day.

During the KR regime modern medical care of any sort was prohibited, trained health professionals were systematically killed, and people relied exclusively on traditional treatments. Thus, at a time when traditional medical knowledge was declining in many countries, it actually increased in Cambodia of sheer necessity.

2. 1979 - 1993

The Vietnamese backed government, assisted by Vietnamese advisors, made efforts to reconstruct the completely shattered country. A large number of health workers were recruited and trained and posted throughout the country. Due to the realities of the situation - the urgent need and the lack of basic education among prospective trainees - this training was sketchy in the extreme and often provided to persons who lacked even basic literacy and numeracy. In addition, much of the instruction was provided in Vietnamese or Russian, languages not understood by the trainees. These people form the bulk of the present-day health workforce, and the grossly inadequate nature of their pre-service training and basic education is a major constraint in health service delivery.

Nurses and midwives were assigned to work at the community level, but actual delivery of public health services appears to have been nearly nil in rural areas with the sole exception of limited immunization efforts through UNICEF. Such government funds as were available for social purposes went directly to provincial Governors who had full authority to decide on allocation among sectors. The central Ministry of Health, at that time consisting of Vietnamese doctors plus a small handful of the few surviving Cambodian health professionals, never controlled a budget and had no line authority over provincial health departments. What limited

policy and planning that occurred at the central level was done by Vietnamese officials and advisors.

Private pharmacies and private medical practices were not allowed during this period, a restriction that appears to have been fairly well enforced. Traditional medicine remained the primary source of health care for rural Cambodians, augmented somewhat by limited activities (of even more limited quality) by the rapidly trained new health workers. In parts of the country near the borders, Cambodians frequently traveled to Viet Nam and to the Thai border refugee camps for medical care.

In Phnom Penh and other urban areas, hospitals were re-established, in some cases with NGO or other foreign assistance. The level of foreign support (other than Vietnamese and Soviet) was greatly limited by international sanctions and non-recognition of the Vietnamese-installed government. There was a very small and under funded multilateral presence (UNICEF, WHO) and a few, mostly faith-based, NGOs. Foreigners and foreign organizations were severely constrained in their movements and activities by the government: they were allowed only to work in the cities; they were required to live in designated foreigner hotels, and there were limitations placed on interactions with Cambodians.

3. 1993 Onward: The Health Coverage Plan

Following the 1993 elections, international recognition was given to the Cambodian government and foreign assistance followed, both multi and bi-lateral. All restrictions on foreigners were lifted and the country opened up to foreign assistance. The formidable task of creating a Ministry of Health and a health service delivery infrastructure began. This effort was spearheaded by the World Health Organization (WHO), with funding and secondment of personnel from bilateral donors. Starting with a handful of trained people, few of whom spoke English, a central Ministry with capacity to plan and administer health services was created in an astonishingly short time. Lack of human resources was, and remains, the greatest constraint. Training of personnel has had to be conducted at the same time that efforts were underway to carry out essential functions. Simultaneous with this huge capacity-building undertaking, and development of key sectoral policies, there was a mapping out of existing health workers (previously accountable only to provincial governors) and development of a master plan of location of facilities and services to be provided at various levels, rationalized to population.

The resulting "Health Coverage Plan" and "Operational Guidelines" were completed by 1997; since then the MOH has been actively striving to implement these plans which represent the first real modern health care system Cambodia will have ever known. The task is formidable: the existing workforce, although excessive in number, is grossly inadequate in skills; salaries are so low as to create little or no incentive to work; staff had historically been free to do as they pleased in the communities with no ministerial control; there were virtually no structurally sound buildings to be used as static health facilities; and parts of the countryside remained insecure until just 2 years ago.

Despite all these obstacles, rapid progress has been and is being made in the creation of a network of Health Centers (HCs) at the commune level and Referral Hospitals (RHs) at

Operational District (OD) level (districts redefined from existing administrative district boundaries so as to constitute a rational and uniform catchment areas). In addition, policies have been developed and implemented decentralizing management of health services to the level of the ODs, and District Health Management Teams (DHMTs) created and trained. Simultaneously there are ongoing efforts to provide "refresher" training to the under-trained health workforce, and to develop protocols and guidelines for management of common diseases, essential drug use, logistics systems, etc. The following table shows progress, by year, in creation of the health care system as measured by the number of health centers meeting minimal MOH standards of staff, facility and training:

Table 1: Health Care System Development as Indicated by Opening of MPA Health Centers

Year	1996	1997	1998	1999	2000
Number Of HCs	59	157	280	402	565
Percent of Planned	6.3%	16.9%	30.1%	43.3%	60.8%

Source: Ministry of Health Planning Unit 2000

While the MOH has succeeded in opening 60 percent of planned HCs from a baseline of less than 10 percent, it must be understood that the vast majority of these facilities have been open for a year or less, and are still in very early stages of staff and service development. Due to the extremely low skill level and pressing need to get some sort of system in place, these HCs do not yet include the full package of services planned. Specifically, IUD insertions, and treatment of tuberculosis, STDs, and chronic diseases (hypertension etc) have not yet been widely introduced. About 40 percent of planned HCs still do not exist at all.

Although the HCs each cover a catchment area of only about 10,000 people, roads are poor and distances can be considerable. Consequently, immunization and other key preventive services must be provided on an outreach basis for remote villages. This system of outreach is not yet working well except in areas with technical and logistical support from NGOs or other external agencies.

There are also plans for the development of Referral Hospitals (RH) (one per operational district) to which the HCs would link, but development of the RHs has lagged behind that of HCs; currently only about 30 percent of planned RHs are functional as defined by capacity to treat inpatients, manage emergencies and perform simple emergency surgery. Most of these are the Referral Hospitals located in provincial capital towns. Only 10 percent of RHs in districts other than provincial capitals (i.e., in rural areas) currently have even minimal emergency surgical capacity. Many still lack structurally sound inpatient wards, and some are completely non-existent. The higher cost of hospital development and lack of human resources - particularly, lack of medical assistants and doctors willing to work in rural areas, and nationwide lack of trained surgeons - have been the main constraints to the development of the RHS, but more attention and resources are starting to be allocated now that HC development is nearing completion.

As noted above, Health Centers do not yet deliver tuberculosis treatment, with the result that it is limited to Referral Hospitals - and these are fully functional in only about 30 percent of planned locations. This means that tuberculosis treatment in Cambodia at present is for the most part available only at the tertiary level (provincial hospital or Phnom Penh), well out of reach of the majority of patients. The urgent need to expand access to TB treatment led the MOH to conduct a pilot feasibility study of Health Center DOTs treatment from 1999-2000 in 9 different HCs nation-wide. Based on lessons learned in this pilot, efforts have now begun to introduce DOTs in all Health Centers - no small task given the newness of those facilities and the substantial training, logistical and management requirements.

The MOH is aware of all of these constraints, as it is also aware of the problems of human resource capacity and inadequate salaries/motivation. Active efforts are underway, with strong technical assistance from a variety of organizations, to address these constraints, including some extremely innovative experiments in health care financing. Although the MOH is committed to the development of a public health care system, it is open to alternative service delivery arrangements and public/private partnerships, and has in fact used government funds to contract out health service delivery to private providers on a pilot basis. User fees have been introduced virtually from the start and work is ongoing to explore means of making this work well without disenfranchising the poor. In addition, the MOH not only welcomes but also strongly encourages the participation of NGOs at the provincial and district level as long as their efforts contribute to the overall strategic plans of the MOH. In particular, NGO assistance in upgrading skills and quality of services, a labor and TA-intensive effort, is highly valued by the MOH at all levels.

4. Response to the HIV/AIDS Epidemic

The MOH was quick to recognize the threat posed by HIV/AIDS, establishing a National AIDS Program (NAP) in late 1991 (the first year in which HIV was documented in Cambodia). This later became the National Center for HIV/AIDS, Dermatology and STDs (NCHADS) in 1998. NCHADS is responsible for the health sector response to HIV/AIDS as well as for provision of technical support to other government agencies and national partners. It is broadly oriented towards biomedical and behavior change interventions. It is the lead agency for both behavioral and prevalence surveillance, as well as the lead in development of strategic plans. It has developed an excellent capacity in both of those areas, and has separate units devoted to Research and Surveillance, IEC, STD management, and AIDS care.

At the provincial level, NCHADS has Provincial AIDS Offices (PAO) which play a critical role in implementing the National Strategic Plan. NCHADS provides direct technical support to the PAOs. At OD level there is a District AIDS Officer as part of the District Health Management Team. Capacities at provincial and district level are variable.

To help ensure a multi-sectoral approach, the Government established the National AIDS Committee in 1993, succeeded in 1999 by the National AIDS Authority (NAA). The NAA is responsible for coordination of an expanded multisectoral response to the epidemic across all sectors. It works with an Advisory Board made up of the Secretaries of State from 12 ministries to develop policy and strategic plans for each sector and to mobilize resources in support of these plans. At the technical level, these line ministries work with the NAA on a Technical Board to

develop objectives and measurable performance indicators for their strategic plans. The NAA consolidates these plans into one National Strategic Plan and monitors its implementation. The NAA reports directly to the Prime Minister's office.

At the provincial level, reporting to the NAA are Provincial AIDS Committees (PACs), chaired by the governor, which serves as the Policy Board and Provincial AIDS Secretariats which serve as the provincial Technical Board. There are plans to also develop District and Commune level AIDS Committees to oversee and coordinate the grassroots response.

NAA activities are constrained by several factors:

1. It is comparatively under-resourced, as most donor assistance to date has gone to NCHADS;
2. The effective leadership of NCHADS and NAA are affiliated with different political parties, making co-operation even at lower levels problematic;
3. Its mandate for coordination of multi-sectoral response has been largely understood to refer to government sectors. In practice, only the Ministry of Health has as yet developed any significant capacity, with the Ministry of Education running a distant second and all other Ministries close to non-functional. This leaves the NAA largely partner-less, since the MOH directs its activities through NCHADS.

The NAA has the benefit of some talented technical staff, and may shortly receive resources through an ADB loan. There is potential for it to play a more effective role, particularly if it can expand its horizons beyond line Ministries and identify non-governmental approaches to sectors.

Given the enormous progress that has been made in the development of a public health sector in an extremely short time, and the very positive policy environment and openness to new approaches and NGO/private sector involvement, there is every reason to expect that the MOH will continue to make significant progress towards the goal of accessible health services nationwide. However, it will make that progress in stages, and it will take time. Meanwhile, with the development of the basic skeleton of a health care delivery system still in progress, and exceptionally high levels of infant, child and maternal mortality, the country now faces a major HIV/AIDS epidemic.

The need to deliver both RCH and HIV/AIDS interventions is urgent, and cannot wait for full development of the health care system. At the same time, interventions cannot be delivered without such a system and will always be constrained by the level and pace of system development. Any effort to improve health conditions in Cambodia must, therefore, incorporate development/strengthening of service delivery systems along with a focus on specific, high-impact, cost effective interventions.

III. Overview of USAID/Cambodia Mission Strategy

USAID's current program in Cambodia traces its roots to humanitarian assistance in support of Cambodian non-communist resistance groups beginning in 1986. Known as the "cross-border program", the activity was administered from an Office of Khmer Affairs in Bangkok as there were no bilateral relations with the Vietnamese-dominated government in Phnom Penh. The program provided medical equipment and supplies, transportation, food and training to support community development and health care to displaced Cambodians along the northwestern border with Thailand.

With the signing of the Paris Peace Accords in 1991, U.S. assistance accelerated sharply. USAID/Cambodia's program evolved towards a more traditional USAID program with emphasis on meeting basic human needs across Cambodia as a whole and supporting the UN-sponsored move to establish a freely elected government. Once that was accomplished, emphasis shifted toward building the foundations for democratic governance and sustainable economic growth. The thrust of USAID's program was to support the nation-building effort being undertaken by the Cambodian people and to promote sustainable development by assisting to establish effective public and private delivery systems for improving basic health and education services throughout Cambodia and sound regional environmental management of natural resources.

The program was designed taking into account USAID's assessment of Cambodia's needs and constraints, the Royal Government of Cambodia's (RGC) reconstruction plan, other donor assessments and intentions, lessons learned from neighboring countries which have realized significant growth and equity and USAID's comparative advantage for delivery program services. From the outset funding has been delivered through contracts and grants to private voluntary organizations (PVOs) or international organizations, and no funding has gone to the RGC.

Having financed the bulk of the UNTAC operation, the U.S. had a significant stake in preserving the fragile peace and democracy that prevailed from the time of the elections in 1993 up to the "events" of July 1997. During that period, based on strong economic growth and a continuing fragile peace, USAID shifted to a sustainable development program, and the U.S. was the second largest bilateral aid donor after Japan. Other important donors included Australia, France, the Netherlands, Sweden and the World Bank.

When Second Prime Minister Hun Sen ousted his coalition partner, First Prime Minister Ranariddh, in a violent military clash in early July 1997, the result was a dramatic shift and setback for the evolving USAID development program. The U.S. suspended two-thirds of its \$37 million program until the government made measurable progress toward free and fair elections. Left in place were activities that were demonstrably humanitarian in nature and/or were promoting the democratic process without directly benefiting the Royal Cambodian Government (RCG). In addition to the suspension of on-going activities, during fiscal year 1998, under Washington instructions, \$24.6 million of FY 1998 and prior year funds had to be de-obligated and returned.



The July 1997 events and their aftermath marked a clear setback to Cambodia's transition to democracy as well. They further isolated the government from the international community and highlighted the difficulty of overcoming the country's long history of autocratic governance. In this climate preparations for national elections began. Unable to work with the RGC, USAID supported the establishment of three indigenous election monitoring organizations which worked to raise voter awareness and which fielded over 22,000 monitors countrywide for the national elections held on July 26, 1998. With over 93% of registered voters casting their ballots, the ruling CPP won the majority of votes but did not win the two-thirds seats necessary to form a new government. There was a stalemate during which the policy restrictions on USAID's program remained. In addition legislative restrictions added in 1999 prevented assistance to the RGC until a series of conditions were met.

After a four month deadlock in which tensions remained high and sporadic political violence occurred, a coalition government was formed on November 30, 1998 between the CPP and FUNCINPEC parties. Following the formation of the government, the National Assembly and a newly formed Senate started functioning and other donors responded to Cambodia's request for development assistance.

From 1997 until the time of this assessment in early 2001, the USAID program continued unchanged, still operating under policy and legislative restrictions imposed in 1997 and 1998. However a new waiver allowing work with Government for HIV/AIDS only has just been granted. In 1999, USAID operated at 31% of the resource level requested two years earlier. For FY 2000 it operated with less than \$12 million. The resources support implementation of only a portion of the approved strategic plan, and USAID is still not authorized to work directly with the Cambodian government except in the field of HIV/AIDS. In addition to the reduction of funds, funding levels have been unpredictable from year to year necessitating an ad hoc arrangement with projects and impeding the ability to plan and program effectively.

The program framework presented in the spring of 1997 was a logical evolution from past frameworks and on-going activities, yet it presented major changes that would set the stage for the next generation strategy. Customer surveys and team discussions resulted in a number of decisions to bring better definition and tighter focus to on-going activities as well as to build linkages among the various sectoral programs to make them more mutually reinforcing. Additional resources and emphasis were to be directed toward gender considerations.

USAID/Cambodia was in the process of moving into a program focused more on sustainable growth and development for the long term. This shift was intended to build upon previous achievements and generally be the foundation for a more strategically focused, results-oriented program. Based upon careful assessment of Cambodia's long-term development needs and the activities of other donors, USAID/Cambodia cast its program in terms of four interlocking and mutually supporting strategic objectives:

1. Strengthening democratic institutions and the rule of law;
2. Increasing access to improved basic and maternal child health services;
3. Increasing the quality of and access to primary education; and
4. Implementing and strengthening sustainable rural economic growth.

However, since the political events of July 1997, USAID has had to recast and redefine its program and strategy to fit the policy and legal restrictions imposed and the reduced resource levels for program and OE budgets and staff. In February 1998 a new program based on three Strategic Objectives and four Special Objectives as follows was approved:

SO-1:	Strengthening Democratic Processes and Respect for Human Rights
SO-2:	Improved Reproductive and Child Health Care
SO-3:	Improved quality of Primary Education (retained but with no funding or activities)
SpO-1:	Enhanced Assistance for War and Mine Victims
SpO-2:	Reduced transmission of STIs and HIV/AIDS in High Risk Populations
SpO-3:	Improved NGO Capacity to Manage Natural Resources (new FY1999)
SpO-4:	Expanded Access to Sustainable Financial Services (new for FY1999, currently funded under the PVO co-financing project)

Following a continuing reduction of funds in FY2000 to approximately 30% of the amount originally requested, SO-3 and SpO-3 were dropped and SpO-4 was extended another year using PVO co-financing project funds.

Even with its reduced program, USAID/Cambodia continues humanitarian support to vulnerable groups, especially amputees, orphans and the very poor. In addition, given the widespread poverty in Cambodia, the estimated 85% unmet need for credit and the success of USAID-funded micro-finance activities, USAID plans to continue these micro-finance activities which were part of the cancelled rural economic growth strategy as a stand-alone new Special Objective.

As it has been throughout the life of the program, a persistent underlying theme throughout the USAID portfolio will continue to be increased popular participation and continued strengthening of Cambodian civil society, largely through the support and nurturing of indigenous NGOs.

IV. Reproductive and Child Health

A. Overview of Country Situation

1. Maternal Health

Levels and Causes of Maternal Mortality

The first population based data on maternal mortality in Cambodia was obtained in 1995 using the sisterhood method, yielding an MMR of 473 per 100,000 live births (Sprechman et al 1996). Due to security constraints, the most isolated, war-affected and under-served provinces, which would be expected to have higher than average maternal mortality, were excluded from the sampling frame. Hence, the 473 estimate is clearly lower than the actual national level at that time.

A sentinel surveillance conducted in four provinces yielded an MMR estimate of 541 per 100,000 live births for the six year period 1993 – 1999 (van der Paal and Kertsana 2000). The last year of this six-year period captured actual deaths observed through direct surveillance while family recall was relied upon for the preceding five years. The population included in this study consisted of all families in 40 randomly selected rural villages in four provinces located in different regions of the country; the urban strata were specifically excluded. It is therefore statistically representative of the rural population of those four provinces. Judging from indicators for which there are reliable national estimates, it is fairly representative of rural Cambodia as a whole. Geographical variations among rural areas were considerable, ranging from a low of 250 in Stung Treng to a high of 690 in Siem Reap (a province with high malaria prevalence).

High as they are, the 473-541 survey estimates are much lower than previous estimates in the range of 700 - 900 from both the UNICEF field office and a number of field-based NGOs. The truth probably lies somewhere in between, with the difference due to an inability of surveys to capture abortion-related deaths. There is both an unusually high prevalence of abortion and an unusually intense social stigma attached to it in Cambodia. Therefore, among deaths to women of reproductive age (reportedly) who are not pregnant, it can safely be assumed that a proportion are due to unsafe induced abortion. This supposition is supported by a surprisingly high, “non-maternal”, death rate for women of reproductive age, and by data on hospital admissions for abortion-related complications. Among deaths to women of reproductive age identified in the rural survey cited above, 20 percent were classified as maternal. Among the remaining 80 percent, however, are a number of deaths suggestive of abortion related mortality if one disregards the reported pregnancy status (e.g.: “acute abdomen”, unspecified “infection”). Factoring those in would yield a revised estimate of 634 deaths per 100,000 births for this rural population. Assuming urban levels to be lower, this suggests a true national MMR of about 600 - 620 deaths per 100,000 live births.

Bearing in mind large underreporting of complications of induced abortion, causes of maternal death in a rural population of over 34,000 women for the period 1993-1999 were found to be as follows (based on verbal autopsy conducted by Obstetricians):

Table 2: Causes of Maternal Deaths in a Rural Population 1993-1999

<i>Cause</i>	<i>Number</i>	<i>Percent</i>
Direct Obstetric:	29	60%
Hemorrhage	14	29%
Sepsis	4	8%
Eclampsia	4	8%
Unknown	7	15%
Indirect Obstetric Causes:	19	40%
Infection	11	24%
Injuries	3	6%
Other	1	2%
Unknown	4	8%

Source: van der Paal et al, 2000

Notes:

1. Total reported maternal deaths probably under represents abortion related mortality by as many as 41 additional deaths beyond the 239 accounted for in this table.
2. There was a considerably higher proportion of deaths due to infectious disease (primarily malaria) in specific geographical areas of the sample.

Maternal Health Service Coverage Indicators

As noted above, most maternal deaths in Cambodia are due to either complications of unsafe induced abortion or direct obstetric causes. Unmet need for family planning will be discussed in detail in the following section. With regard to direct obstetric causes, the majority of Cambodian women deliver at home with untrained attendants, and receive no antenatal care prior to delivery. Delivery practices of Traditional Birth Attendants (TBAs) are known to include harmful practices such as routine manual removal of blood from the uterus. Even when the delivery is conducted by a trained attendant, the skill level of the practitioner is usually low and there is widespread misuse of oxytocic drugs to speed delivery, a very dangerous practice which carries a risk of uterine rupture. Access to emergency obstetric care is limited to nil at present in the vast majority of rural areas at present (see Section II.C.)

Vitamin A and iron deficiencies are widespread among pregnant women in Cambodia. Iodine deficiency is also prevalent in selected areas. There is no data available on postpartum services and it appears to be a largely neglected area, despite the fact that postpartum hemorrhage is a common killer. On the other hand, there is a great deal of attention being paid to the postpartum period through the traditional system with a number of physical and spiritual rituals carried out, and widespread use of injectable modern drugs (IV or IM iron, for example) by those who can afford it. These home practices include both benign and harmful elements.

Table 2: Maternal Health Service Coverage Indicators

Intervention	Nationwide	Phnom Penh	Range by Province	Source of Data
ANC, trained provider	37.6%	83.8%	15.7% (Monol/Ratanakiri) 58.2% (K. Chhnang)	DHS 2000
Delivery in health facility	9.7%	N/A	3.4% (remote provinces) 7.0% (“accessible” rural areas)	NHS 1998
Delivery by trained attendant	34.4%	76.6%	14.8% (Mondul/Ratanakiri) 46.0% (Kandal)	DHS 2000
Anemia in pregnancy	68%	N/A	N/A	HKI 2001
Reported Nightblindness in Pregnancy	2.5 – 9.3%		2.5 – 8.4%	HKI 2001
Unmet Need for Emergency Obstetric Care	N/A	N/A	81% (Siem Reap Province)	Von Schreeb 2001

Lack of antenatal care and delivery by trained attendants is understandable given the fact that public health services are not yet established in many rural areas, and that the number of midwives and quality of their training is inadequate. Another major constraint, especially with regard to delivery in a health facility, is the state of rural roads, which are poor at best and in the rainy season often washed out. Even if roads are passable, the major form of transportation is motor bike—a less than ideal way to transport someone in hard labor, bleeding or convulsing to a HC or hospital.

Additional factors are class barriers, poverty, and cultural practices and beliefs not well addressed by the modern health system. Trained health providers are consistently described by Cambodians as behaving in a rude and abusive manner to their clients, particularly clients of lower socio-economic status. They require payment in cash at the time of service, whereas TBAs accept credit and payment in kind. TBAs are perceived to provide, in addition to physical care, spiritual protection for the woman, and delivery at home readily allows for traditional practices and rituals believed important for the woman’s health. To date, the public health system has not experimented with incorporating any of these to render maternity services more acceptable. This was, however, done with great success with Cambodian refugee populations in Thai border camps between 1980-1993.

Lastly, and very problematic, is the issue of strong client demand for harmful modern practices not permitted under MOH protocols, which can provide an incentive for home delivery among both clients and trained midwives. Unnecessary drugs and intravenous transfusions (IVs) are actively sought by clients and are profitable for midwives to provide. Particularly popular and widely available is oxytocin, a drug which can be life-saving to stop blood loss in a postpartum

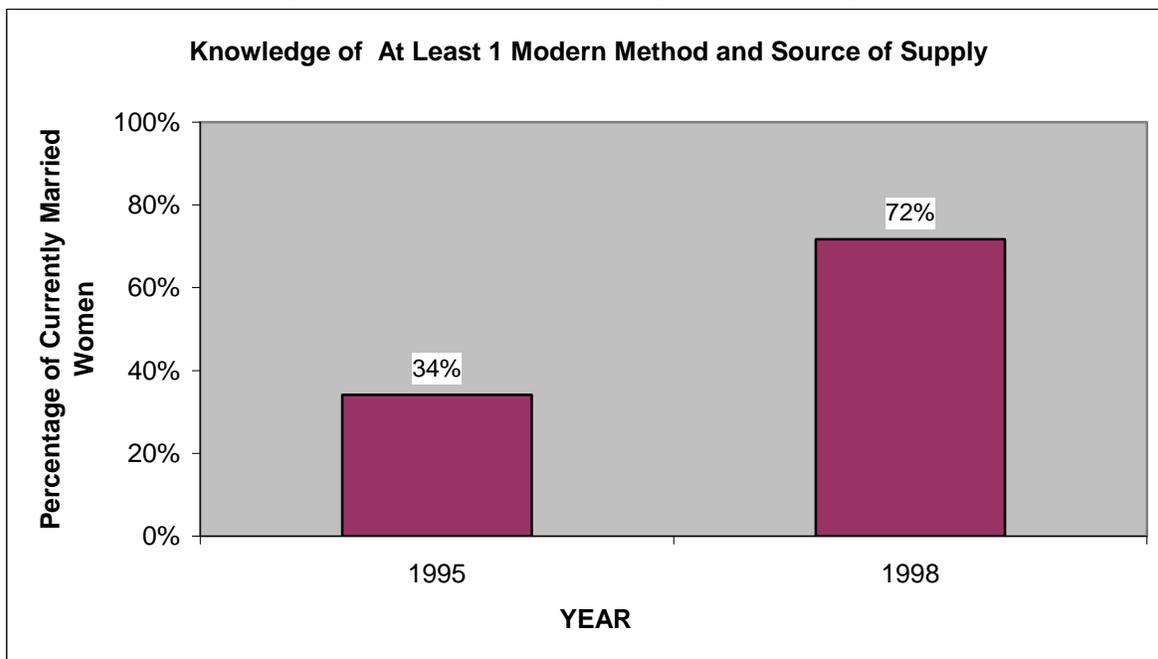
hemorrhage, but deadly when used to initiate or stimulate labor—resulting in prolonged, intense uterine contractions causing lack of blood flow to the fetus and possibility of uterine rupture.

2. Family Planning and Fertility

Contraception was illegal in Cambodia under every previous government in its turbulent history. It was only after the 1993 elections and onset of significant donor assistance that this policy changed. Family planning services have thus been available in Cambodia for less than a decade in the urban centers, and no more than five years nationwide. Access to services is still limited in many rural areas, although improving as the health care system is put in place (see Section IIC).

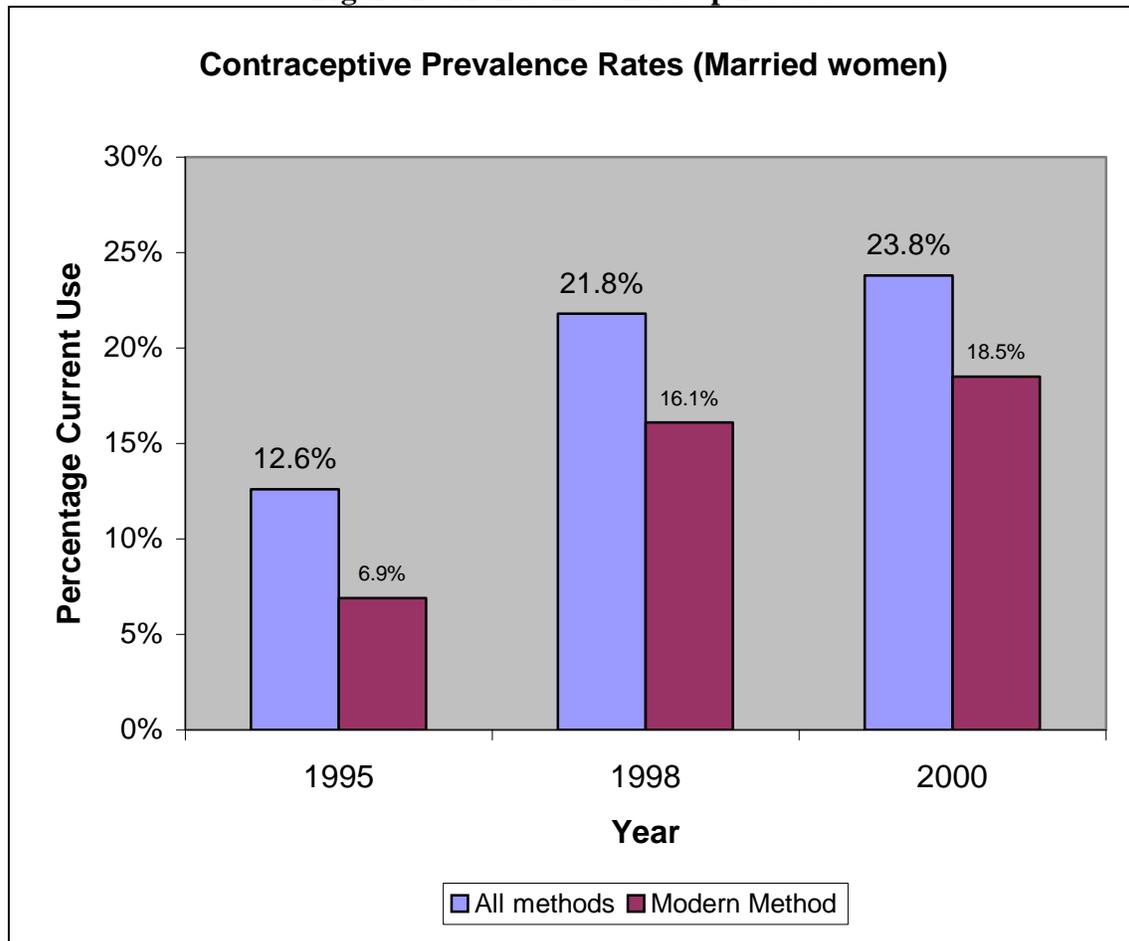
Current government policy is to provide a full range of methods, both temporary and permanent, and to encourage spacing of births. There is no policy or effort with regard to limiting family size. There does not appear to need to be, as demand for FP services is enormous and desired family size considerably lower than actual. As figures 1 and 2 below demonstrate, there has been a remarkably rapid increase in contraceptive knowledge and use in the past decade, very much demand-driven and occurring in spite of still limited service delivery mechanisms.

Figure 1: Trends in Knowledge of Contraception



Source: HSS 1998

Figure 2: Trends in Contraceptive Use



Source: DHS, 2000

Although government policy permits a complete range of methods, both temporary and permanent, service delivery lags behind policy and the only methods currently available to any significant extent in the rural areas are pills, injectables and condoms. IUDs are provided primarily in hospitals, although efforts are underway to gradually introduce them in HCs. Sterilization is available in only a handful of urban facilities. Norplant is being provided in only a few urban NGO clinics. Not surprisingly, given the pattern of availability and cultural factors, which tend to support female methods, injectables and pills are the leading methods. Little change in method mix occurred between 1998-2000.

Low use of sterilization probably reflects both the low level of development of surgical capacities in the country (and resulting wide-spread fear of surgery among the population) and the fact that the cohort of women of reproductive age in Cambodia is an extremely young one, who have had few children. Low condom use reflects both cultural factors which support female methods, and a stigma due to its strong association in the public mind with STDs and HIV/AIDS.

Notably lacking in availability is emergency contraception. It is both unknown and unavailable outside of a few NGO clinics, but the potential need given the reportedly high incidence of rape and large adolescent population is high.

Table 5: %Currently Married Women By Contraceptive Method

Method	1998	2000
Injectable	7.0%	7.4%
Daily Pill	4.0%	4.5%
Monthly Pill	1.8%	2.7%
IUD	1.8%	1.3%
Female Sterilization	0.9%	1.5%
Condom	0.6%	0.9%
Other modern	0.6%	0.2%
Traditional	5.6%	5.3%

Injectables, the leading method, are primarily obtained through the public sector, whereas pills are primarily obtained through shops and pharmacies. It is notable that between the 1998 NHS and 2000 DHS a very marked increase in receipt of methods from Health Centers occurred, consistent with the establishment of those facilities (see Table 1, p.13). This suggests that HCs have the potential to substantially meet contraceptive needs of rural women.

There has been a very recent and significant fertility decrease in Cambodia, almost all of which appears attributable to the equally recent rise in contraceptive use. The current Total Fertility Rate is 4.0, while the Mean Children Ever Born to women aged 15-49 years is 5.6. Among currently married women not using contraception, only 29 percent state it is because they desire another child, and the mean number of children for women giving that reply is only 1.36 (NHS 1998). 48.9 percent of all married women want to either space their next birth or have no more children; 28 percent are undecided. Only 9 percent wish to have another child within the two years. Clearly, with a modern method CPR of only 18.5 percent, there is enormous unmet need for family planning.

The most commonly cited reason for both non-use and discontinuation of contraception is side effects. While menstrual irregularities may be amenable to reassurance, there appears to be a high incidence of nausea and vomiting (with resultant weight loss), and other systemic complaints such as vertigo and headache, among pill and injectable users. Although hard data is unavailable, the frequency and uniformity with which these symptoms are reported by women who hold no cultural beliefs or superstitions regarding control of fertility suggests that there may be some factor in this population causing these known side effects of hormonal contraceptives to be unusually frequent and severe. Nutritional deficiencies are a possible cause worthy of exploration. Folic acid and B vitamin deficiency are known to occur more frequently in users of COCs, and are also known to be frequent in the Cambodian population.

3. Child Survival

Levels, Trends and Causes of Infant and Child Mortality

The most recent estimates of infant and child mortality in Cambodia are as follows. These rates are calculated for a five year period 1995-2000 (DHS 2000):

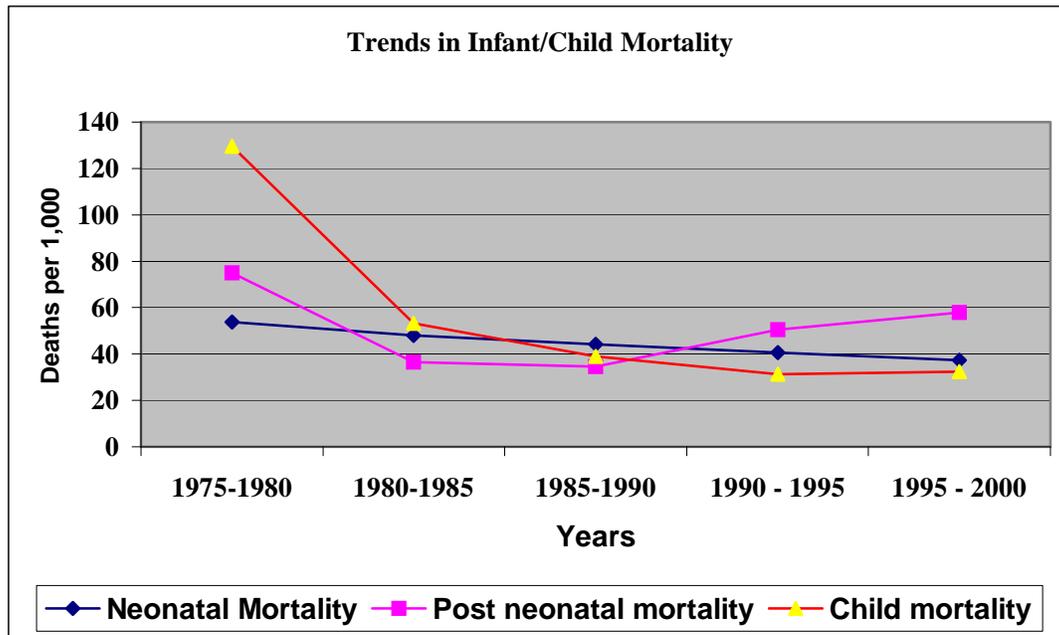
Infant mortality	95.1 per 1,000 live births
-neonatal mortality	37.3 per 1,000 live births
-post neonatal mortality	57.8 per 1,000 live births
Child Mortality	32.5 per 1,000 children surviving to 12 months of age
Under 5 Mortality	124.5 per 1,000 live births

These represent the highest levels of infant and child mortality in Southeast Asia, and among the highest in the world. Particularly high is the level of post neonatal mortality, accounting for 61 percent of infant deaths. Deaths in the post neonatal period are usually a result of infectious disease.

Both the 1998 National Health Survey and the 2000 Demographic and Health Survey obtained complete birth histories and data on the survival of all live births to women aged 15 – 49 at the time of those surveys. It is thus possible to estimate mortality levels from the start of the KR regime (1975) to present. Both surveys yielded extremely similar results.

All mortality rates (neonatal, post-neonatal and child) were very high during the KR years, and rapidly declined in the decade that followed the end of the KR regime. Since 1990, however, the trends have diverged. Neonatal mortality has continued to show modest declines, but child mortality has remained essentially unchanged, and there has been a significant and steady increase in post-neonatal mortality. An increase in post-neonatal deaths only, without a simultaneous change in neonatal or child deaths, usually indicates a change for the worse in the incidence and/or treatment of infectious diseases. While HIV/AIDS may account for some of the rise in the most recent period (and will certainly do so in the future), this trend occurred too early to be attributable to HIV/AIDS. Although the causes of the currently high levels can be fairly well identified, the reason for the deterioration starting in 1991 is unclear. It is only in the last few years that reliable population based data on causes of death and key health coverage indicators (e.g.. immunization coverage) became available.

Figure 3



Source: DHS 2000

Until quite recently the only data on causes of infant and child deaths were facility based. Data from health facilities (primarily hospitals, since HCs are an extremely new development) indicate neonatal tetanus, ARIs (including post-measles pneumonia), diarrhea, dysentery, typhoid, malaria, dengue hemorrhagic fever, sepsis and unspecified febrile illnesses as the chief causes of infant and child death. There is enormous geographical disparity in the occurrence of malaria.

A one-year sentinel surveillance was conducted in 1998 in 40 rural villages in four provinces, covering a total of 8,948 children. Village monitors tracked all births and deaths in the study population. Causes of death were determined by a working group of Cambodian health professionals based on verbal autopsy reports obtained from the caretakers. This study yielded mortality rates consistent with those of the DHS and NHS, suggesting a high degree of accuracy in capturing mortality events.

While verbal autopsies are always subject to limitations, the causes identified are remarkably consistent with facility-based deaths with the exception of a lower reporting of typhoid and malaria. The surveillance was conducted exclusively in rural villages, while typhoid is most prevalent in urban areas with a density of population and poor water/sanitation; and most of the villages included in the surveillance were not in a high malaria transmission area.

Table 4: Causes of Rural Infant and Child Death By Sentinel Surveillance

Age	Cause of Death	Percentage of Total
Neonatal (N=35)	Neonatal Tetanus	15.8%
	Prematurity	15.8%
	Hypoxia	13.2%
	Septicemia	13.2%
	<i>Other</i>	42.0%
Post Neonatal (N = 74)	Meningitis	21.6%
	Pneumonia	19.3%
	Diarrhea/Dysentery	17.1%
	Septicemia	10.5%
	<i>Other</i>	29.5%
Child (N= N/A)	Acute hemorrhagic fever	23.8%
	Drowning	14.1%
	Diarrhea/dysentery	9.5%
	Pneumonia	9.5%
	<i>Other</i>	42.9%

Source: RACHA 2000

Notes:

1. Sentinel locations were predominately not in endemic malarial areas
2. Surveillance period coincided with a nationwide epidemic of DHF

Indicators show that Cambodian infants and children have an extremely high burden of disease, as would be expected given the high levels of mortality. The 1998 NHS found that 27 percent of children under the age of five were reported to have been ill or injured in the 30 day period prior to interview: 18.8 percent moderately or severely ill (by perception of the caregiver) and 8.2 percent “slightly” ill. These figures are based on recall in response to a general question about illness or injury among household members. When mothers were questioned specifically about signs of ARI and occurrence of diarrhea or dysentery, it was found that in the two week period prior to interview:

- 25.9 percent of children under five were reported to have had cough accompanied by fast breathing;
- 15.0 percent were reported to have had watery diarrhea; and
- 6.7 percent were reported to have had dysentery.

This data was collected in the early rainy season (May-July) which is not a peak season for diarrhea and dysentery in Cambodia. There was little difference in ARI prevalence by socio-economic status or place of residence, but considerably higher prevalence of diarrhea and dysentery among lower socio-economic groups and in remote rural areas.

Child Survival Intervention Indicators

Coverage for basic, high-impact child survival interventions in Cambodia is extremely low. The majority of Cambodian children are not fully immunized and do not receive Vitamin A prophylaxis. Indigenous breast-feeding practices further expose infants to unnecessary risks of food and water borne diseases and malnutrition. When ill, the majority of Cambodian children do not receive treatment from a trained health provider. There is, therefore, enormous scope for significantly and rapidly reducing infant and child mortality through the delivery of a few key interventions.

Table 5: Child Survival Coverage Indicators

Indicator	National	Phnom Penh	Range by Province	Source of Data
Immunization ₍₁₎	39.9%	61.8%	26.6% (Koh Kong) 62.9% Battambang	DHS 2000
VAC Receipt ₍₂₎	48.6%	69.5%	30.8% (Isolated Provinces) 51.0% Accessible Provinces	1998 NHS
ORT treatment rate ₍₃₎	47.6%	62.7%	29.3% (Kampong Cham) 72.6% (Prey Veng)	DHS 2000
ARI treated by trained Provider ₍₄₎	30.9%	56.5%	20.7% (Isolated Provinces) 32.3% (Accessible Provinces)	1998 NHS
Breast-feeding:				
Breastfed(0-5mos)	98.8%	N/A	N/A	DHS 2000
Colostrum (BF1 st day)	50.6%	N/A	N/A	DHS 2000
Exclusive BF(0-5 mos)	6.8%	N/A	N/A	DHS 2000
Child Nutrition				
Solid/semi-solid food supplementation (6-9 mos)	74.3%	N/A	N/A	DHS 2000
Prevalence of stunting (chronic malnutrition) 12-59 mos	50%	N/A	N/A	SES 1996

Notes:

- 1) Complete immunization among children aged 12-23 mos, not necessarily given by 12 mos
- 2) Any VAC in last 12 mos
- 3) ORS, home solution or rice water
- 4) % children w/ cough and fast breathing in last 2 weeks who were taken to a trained provider

The low levels of immunization coverage, despite substantial donor investments in the EPI program, are directly related to inadequate quantity and quality of HC outreach. As noted in Section II.C, villages which are beyond walking distance from the HC are supposed to be visited by an outreach team monthly to deliver EPI and other preventive health services. However, most HCs are just getting established as static facilities, and the logistics and management demands of simultaneously providing static services and rotational outreach to villages are considerable. Funds to support outreach costs (transportation, ice etc.) have generally not reached the periphery, although there are efforts being made to redress this situation. Staff numbers are often

inadequate to support the demands of clinic and outreach services. Health workers are underpaid, face significant class barriers in interacting with villagers, and lack skills in community mobilization and rapport building. Roads are extremely bad and often impassable during the rainy season.

The MOH strategy for Vitamin A Capsule supplementation is to provide mass distribution every six months in tandem with the immunization program. Initial concerns that this might result in not reaching children 24-59 months (because they are not targeted for immunization) were found in pilot studies to be unfounded. When the previously mentioned barriers are overcome and outreach sessions take place, it has been found that satisfactory VAC coverage of all under fives is achieved. Postpartum coverage, however, is an entirely different matter, and has been found to be extremely low even in villages with otherwise high VAC coverage for children.

The low use of trained providers for children with ARIs reflects both poverty and lack of confidence in and/or fear of mistreatment by, trained health providers. Poverty is a relative issue since the vast majority of mothers surveyed purchased drugs at a shop or pharmacy, and the cost of getting treatment at a HC or private provider is not much higher -- in fact, if a functioning HC is close by, it is cheaper than private purchase of drugs. Stronger factors are for people's choices are doubt as to the knowledge and skill of trained providers, and fear of being treated in a derogatory manner. In addition, in rural areas not close to a functioning HC, costly and time-consuming travel may be involved with no guarantee of adequate treatment at the other end.

The lack of exclusive breast-feeding, failure to initiate immediate breast-feeding (colostrum), and common failure to introduce adequate weaning foods all reflect indigenous cultural practices and absence of health information.

B. Donor Support

In the area of maternal and child health, the other principal donors and multilateral agencies are ADB, World Bank, GTZ, DFID, UNICEF, AusAID, CIDA, UNFPA, WHO, and the French Cooperation (completely described in Annex B). There is at present adequate support for physical infrastructure, drugs, equipment and consumable supplies, and substantial technical support being provided to the MOH at the central level. Significant but not completely comprehensive support is also being provided at provincial level in many but not all provinces. Although many donors fund assistance through NGOs to strengthen community level health services, this is often done at an inadequate level of coverage (a few villages, or a few HCs, out of an entire OD - and there are many geographic gaps).

JICA supports the National Maternal and Child Health Center and Hospital. MCH/FP was identified during a recent Joint Japan-US Project Formulation Mission to Cambodia as an area for USAID/JICA collaboration. Specific Common Agenda activities were support for the NMCHC teaching hospital by JICA, and training of HC and RH personnel by USAID. Both are in fact taking place, as further described in Section C to follow. The Common Agenda also identifies, as an area for joint implementation, support to the EPI program. This is being done on USAID's side through the Global Bureau contribution to UNICEF.

Two very important donor initiatives are being considered which could have important ramifications for selection of future USAID focus areas. One is a possible scale-up, contingent on findings of an evaluation scheduled later this year, of the ADB-financed pilot contracting of health services. The extent and location of scale up, if any, is not yet known but would probably fall within the present ADB supported provinces of Prey Veng, Kampong Cham and Takeo.

The other is “Boosting”, a new initiative in which donor resources will be provided comprehensively to specific provinces to comprehensively address sectoral constraints and improve sector performance. The emphasis will be on civil service issues and increasing provincial health department capacities. Boosting is expected to be implemented in 2002 in Kampong Cham (AUSAID), Kampong Thom (GTZ) and possibly Takeo (Swiss) in the near future. There is also a possibility of Belgian funding for “boosting” in Siem Reap Province but probably not before 2003.

A scale up of contracting, if it encompassed all or most ODs in a province, would make those provinces inappropriate for USAID focus. “Boosting”, on the other hand, would not be inconsistent with likely future USAID activities and might increase their chance of success by providing a stronger health system to work with. On the other hand, “boosting” is a new initiative and it is not yet known how well it will work or what implementation problems it may encounter in its early stages. There are therefore both potential benefits and elements of risk in working in the same province where “boosting” occurs.

C. Current USAID Program

1. Overview

USAID/Cambodia’s Strategic Objective 2, Improved Reproductive and Child Health, has the following intermediate results: (1) expanded supply of reproductive and child health services; (2) increased access to reproductive and child health services; and (3) strengthened demand for reproductive and child health services.

The USAID/Cambodia RCH portfolio includes both activities with national level application (either national/urban or nationwide) and activities to strengthen the provision of services at the rural community level. These two will be discussed separately.

2. National Level

Social Marketing

Since 1993, USAID has provided core support to Population Services International (PSI) for social marketing of oral contraceptives and condoms. This activity contributes to both the reproductive and child health objective and the special objective for HIV/AIDS/STDs (see Section V). PSI/Cambodia has successfully leveraged funding from several donors, receiving pills and condoms from UNFPA and DFID respectively, while USAID funds core support and

some media work. PSI uses sales revenues generated by the commodities to fund IEC and advertisement campaigns.

The Social Marketing Program has consistently exceeded its performance objectives. As of February 2001, over 68 million condoms have been sold with sales in 2002 expected to average over 1.4 million units per month. Their overall share of the condom market is 80 percent, and 93 percent of brothels in a recent survey had PSI condoms for sale on the premises. The condom promotion campaign has been very successful and the name Number One is synonymous with condom. More information regarding Number One can be found in Section V.

In 1995, only 6.9 percent of married women used a modern contraceptive, and only 1.1 percent used combined oral contraceptives (COCs). In 1997, PSI launched *OK* Birth Spacing Pills. Since then, PSI has distributed more than 930,270 cycles, which translates into 71,599 couple-years of protection. *OK* sales far exceeded projected levels. By 2000, use of modern contraception had increased to 19 percent of married women, and use of COCs to 4.5 percent, almost half of which are purchased from shops and pharmacies. Of commercially sold COCs, PSI's *OK* brand accounts for 80 percent, making its total contribution to COC use 35.2 percent.

PSI is in the process of pilot testing the feasibility of social marketing of injectable contraceptives, using its own funding. Since injectables are the most popular method in Cambodia, and home use of injectable drugs is a cultural norm, this could have significant potential.

Social marketing is having a significant positive result on access and use of both COCs and condoms, and has the potential to do the same for injectable contraceptives. However, the program's reach is still primarily urban and peri-urban. Although about 10 percent of PSI COCs are sold to NGOs for resale in rural areas, overall rural availability of both pills and condoms remains quite low, a priority concern in a country where 85 percent of the population is rural. Demand for contraception in rural areas is extremely strong, and more efforts need to be made to ensure that social marketing reaches rural areas, although this will of necessity require different and more complex and costly retailing arrangements.

USAID has received a significant return on its investment in this program. The potential for impact on both RCH service availability and HIV/STD prevention in the future continues to be high, but could be substantially increased through expansion of the range of products and introduction of strategies to specifically target distribution to rural retailers and retailers in special population segments (e.g., slums, military bases).

In addition, given its comparative advantage in market research, the Social Marketing Program would be an excellent venue for exploring new approaches to one of the major constraints to family planning in Cambodia: management of side effects of hormonal contraceptives. Side effects are the leading reason for non-use and discontinuance of family planning among Cambodian women. It would be well worth exploring whether supplementation with folic acid/Vitamin B complex reduces the frequency and severity of side effects in pill and injectable users. If so, there would be scope both for sharing this information with the public sector and for

social marketing of nutritional supplements for women using family planning – who in any event are already spending money on less effective and sometimes dangerous remedies.

National Logistics Management System

The USAID funded Reproductive and Child Health Alliance (RACHA) project provides technical assistance and leadership in the development of a national logistics management system for contraceptive commodities and essential drugs in Cambodia. A long-term expatriate logistics advisor has worked with the MOH Essential Drug Bureau (EDB) to develop a logistics management information system and curricula, and training manuals for personnel at the central, provincial, and the OD level. More than 1,500 participants nation-wide were trained to manage the essential drug logistics system. RACHA also assisted the MOH EDB in forecasting and projecting contraceptive needs for a five-year period. With this information, the MOH submitted a proposal to donors for contraceptive supplies and gained tentative funding commitments for Cambodia for the next five years.

In selected ODs in Siem Reap, Kampot and Pursat Provinces, the logistics training has been augmented by intensive facilitative supervision, on-the-job training and computerization of the system down to the OD level. Monitoring of stock level status in these ODs demonstrates the effectiveness of these inputs – stock-out levels are decreasing and notable improvements have occurred in satisfactory stock levels. Field level follow up, computerization at the OD level, facilitative supervision, monitoring, and assistance in the use of data for decision making have been critical to achieving this. In other provinces, although the initial training was provided, success is anecdotally reported to be more variable and highly dependent on whether or not another agency was able to provide the needed field level follow-up.

The logistics management intervention has national coverage and has played an important role in improving logistics management and monitoring the flow of contraceptive supplies from the central to the peripheral level, although this has been more successful in provinces where RACHA or other agencies have been able to provide field level follow up. The long-term impact on strengthening the national capacity of the health logistics management system is significant, and could be further enhanced by a coordinated effort to ensure that the necessary follow up is done at the provincial and district levels in as much of the country as possible.

Safe Motherhood

Through the RACHA Project, which has fielded an experienced expatriate Safe Motherhood advisor for several years, USAID has contributed to the Safe Motherhood national policy, strategy and workplan and provided technical assistance for the clinical practice guidelines. The RACHA advisor participates in an MOH technical working group on midwifery training—an activity that has the potential to start a sustainable program in capacity-building of the frontline providers for maternal and newborn care.

A competency-based Life Saving Skills (LSS) course for midwives, developed by RACHA, has been a model for the country and both the curricula and the trainers are being used for other donor-funded courses. There is both demand and potential to expand this capability.



Private Sector Urban Reproductive Health Services

The USAID portfolio includes support to the Reproductive Health Association of Cambodia (RHAC), which is the largest private provider of family planning and reproductive health services in Cambodia with five clinics based in urban areas: Phnom Penh (2 clinics), Sihanoukville, Battambang and Kampong Cham. The latter is supported by funding from IPPF, while the remainder are USAID-funded. All clinics provide a range of birth spacing methods, diagnosis and treatment of RTIs and STDs, ante and postnatal care and counseling on HIV/AIDS. The method mix and choice of methods is wider than that generally available in Cambodia, either in the public or private sector. One of the two Phnom Penh clinics provides Norplant and male and female sterilization. The other clinics provide a range of contraceptive choices including oral contraceptives, injectables, IUDs, and condoms.

In 2000, the four USAID-funded RHAC clinics served 4,857 new family planning clients and provided a total of 15,218 family planning visits. Over 50,000 RTIs/STD visits took place, both male and female. RHAC clinics see a significant number of men as well as women for STD care, and clinics have separate waiting rooms for men and women. Several of its clinics are designated as “youth friendly” and provide separate private entrances as well as waiting rooms for adolescents, and host BCI activities targeted to youth (karaoke sessions with RH messages, etc.).

Laboratory services include cervical and vaginal smear, blood group identification, white blood cell differential count, hematocrit, syphilis testing, pregnancy testing, urine analysis, etc. HIV testing and counseling is relatively new, and RHAC would seem to have a comparative advantage in both laboratory and counseling aspects. Tests are sent to the local Pasteur Institute, though RHAC is currently considering alternative testing methods. Its clientele are predominately urban middle-class, among whom there is high demand for HIV testing, especially prior to marriage.

Clinic waiting rooms and offices have IEC materials, and staff provide health education to clients. In addition, RHAC conducts IEC campaigns through mass media and through outreach with peer educators for youth. It has developed a wide range of reproductive health IEC outreach materials, which are used by multiple agencies throughout the country.

The clinics have clear FP/RH protocols and guidelines that are used in training, supervision, and follow up, and the Continuous Quality Improvement approach is being used in all clinics to monitor quality services. A clinical assessment is conducted quarterly for staff and this tool provides feedback to staff to ensure good performance.

A special Training Department provides training not only to RHAC staff but also to other organizations countrywide. In 2000, RHAC provided reproductive health training to 1,041 participants from the public and NGO sector. The total training days in 2000 added up to 208. Local NGOs pay RHAC to train their participants and this department is a viable revenue-generating unit. The training courses are interactive competency-based and include: IUD insertion and removal, STD treatment and prevention, IEC techniques, Sexuality and Reproductive Health, HIV/AIDS prevention and counselling, Life Skills, and Youth RH.

RHAC is also a subcontractor with CARE International to provide clinical FP/RH services and training support in five garment factories in Phnom Penh. Garment factories employ an estimated 190,000 workers, most of them young female migrants from the countryside and highly vulnerable to exploitation in the absence of their families. This initiative has been supported by the EU/UNFPA Youth Reproductive Health Initiative. It received a positive review during the recent EU/UNFPA mid-term evaluation, and plans to extend coverage to other factories.

Nutrition

With USAID funding, Helen Keller International (HKI) provides technical assistance to the government for development of policies and programs to combat Vitamin A and other micronutrient deficiencies, and conducts and disseminates related research.

Major accomplishments under this project have been (1) formative research demonstrating a high prevalence of Vitamin A deficiency in Cambodia; (2) the establishment of a National Micronutrient Technical Working Group and National Vitamin A Policy; (3) operational research to test the feasibility and effectiveness of delivering VAC in conjunction with EPI; (4) establishment of National Guidelines for VAC supplementation based on this research; (5) research demonstrating a high prevalence of goiter in specific regions of the country; (6) ongoing TA and policy dialogue with UNICEF and the RCG on salt iodization; and (7) a nationwide survey on the prevalence of micronutrient deficiencies.

HKI's position in Cambodia is unique; there is no other organization with the capacity and credibility to guide national policy and programs in the area of Vitamin A supplementation and nutrition. Its activities in this regard have substantially contributed to increased access of VAC supplementation and increased awareness, among government, donors and implementing agencies, of other micronutrient deficiencies.

HKI has also pilot tested a model home gardening intervention and has provided materials, training and technical assistance to NGOs around the country in implementing it in existing NGO areas. To date, 12,620 home gardens have been supported through seven different NGOs across the country.

As the home gardens were originally viewed as a pilot nutritional intervention, an intensive monitoring system was developed to track food produced, whether eaten or sold, income generated, and changes in family nutritional status. Findings have already been published based on a full year of such monitoring and showed increased consumption of micronutrient-rich fruit and vegetables among young children in families with home gardens. The Assessment Team is uncertain of the necessity of continuous monitoring now that the program has gone beyond the pilot stage, given that the monitoring is labor-intensive for HKI and limits the number of additional NGOs it can assist.

Research

USAID has funded several studies which have had widespread impact on government and donor policies and programs. Foremost among these is the 2000 Demographic and Health Survey (DHS), co-financed with UNICEF and UNFPA.

Also of great importance have been studies by RACHA on the causes of maternal and infant/child mortality. These reports, gathered through sentinel surveillance in 40 villages, provide the first and thus far only population-based data on causes of maternal, infant and child death and as such are an invaluable tool for decision making and program design.

Through HKI, a number of nutritional surveys and studies have been conducted, particularly with respect to Vitamin A deficiency in women and children, and other micronutrient deficiencies.

3. Community Level

As has been noted previously, Cambodia is in the process of implementing a health service system starting from a zero base. Tangible results are evident 3-4 years after completion of the initial plans, but development of the planned system is still far from complete. Efforts to improve reproductive and child health services in Cambodia must therefore proceed on two tracks, simultaneously: assisting in the development and strengthening of the nascent service delivery system, and promoting the delivery of specific interventions. Furthermore, it should be noted that community level services are delivered in an integrated fashion, with HCs and HC outreach sessions as the primary source for MCH, FP, and curative care. HCs will also soon become the primary point of contact for TB treatment and HIV/AIDS detection.

Strengthening of Integrated Health Services At the District Level

Three USAID-funded projects strengthen the integrated delivery of basic preventive and curative services and community mobilization/participation within operational districts in accordance with the MOH Health Coverage Plan and Guidelines for Operational Districts. A number of other, non-USAID funded CAs provide similar interventions in other operational districts. The Assessment Team had the opportunity to observe the various approaches across CAs as well as the differences in health system development in areas with and without CA technical assistance, and the approaches of non-USAID funded NGOs engaged in similar work.

As can be seen from the following list, coverage is scattered across five different provinces. Only in Pursat are all the ODs of a single province included. This spotty coverage has resulted in large part from the unpredictable year by year funding (see Section III) as well as disruption in implementation of a prior MCH strategy by the “events” of 1997 and subsequent restrictions on US assistance. Lack of a critical mass of inputs in a single province both reduces potential impact and makes it harder to measure.

Project	Province	Operational District
CARE	Kampong Chhnang Pursat Banteay Meanchey	Kampong Chhnang Bakan* Preah Netr Preah*
RACHA	Pursat Kampot Siem Reap	Sampov Meas** Angkor Chrey ** Siem Reap**
PFD	Kratie	Chhlong**
* Also support a small number (1 or 2) of HCs in adjacent Operational District		
** A few selected interventions are also provided province-wide		

Although each project has its own unique strong and weak points, all of them have succeeded in strengthening community health services, with a much higher rate of service delivery and service utilization than is noted in ODs without such support. Key activities common to all three projects and to non-USAID funded NGO projects working successfully elsewhere in the country, are as follows:

- A systems approach is taken, recognizing the essential elements of district health services and their interdependency. HCs, HC outreach, Referral Hospital and capacities of the Operational District Health Team must all be addressed, along with referral mechanisms and linkages between them. The more completely a CA does this, either on its own or in coordination with other agencies working in the same OD, the better the results.
- Competency-based training, through both formal and informal mechanisms, is provided to health center staff and operational district managers to improve clinical, counseling/interpersonal, and managerial skills.
- Training is complemented by intensive on-the-job follow-up, coaching and facilitative supervision. This is essential if HC staff are to integrate and apply new skills, attitudes and approaches.
- Assistance is given in the formation and activities of HC Feedback Committees (FBCs). These committees, consisting of elected representatives from each village, provide an essential mechanism for improving HC-villager relations, mobilizing the community for outreach sessions and promoting health practices and utilization of preventive services. Most importantly, they empower communities and create a sense of accountability towards clients which health workers, raised and trained in an authoritarian culture, have never before had. Although the formation of FBCs is a required element in the MOH Health Coverage Plan, in practice it does not occur without external facilitation. With such assistance however, FBCs are playing a very important role in strengthening HC services.

Although all three projects have achieved higher levels of service delivery in the ODs in which they have concentrated inputs – in some cases, levels dramatically higher than the average for that same Province – there is room for improvement and enhancement of results.

By far the most common weakness is a failure to completely address the critical elements of OD health services: the District Health Management Team, Referral Hospital, Health Centers, and Health Center Outreach. Most commonly this was noted to take the form of supporting some, but not all, of the HCs in an OD. Other instances were noted in which the CA supported HCs but did not work systematically to strengthen the DHMT which manages and supervises them, and/or did not also have a strategy for strengthening the capacities of the Referral Hospital. It is not surprising that this is the case given that the current projects, and present Mission MCH Strategy, preceded the development of the MOH Health Coverage Plan by several years, and also given the constraints of uncertain and year-by-year funding. However, it is critical that future strategies and projects reflect and support the decentralized operational district aspect of the Health Coverage Plan and address OD health services as a system in order to maximize results.

The three projects vary considerably in the extent to which they take a development approach to strengthening community level services as opposed to primary emphasis on immediate term outputs. Some have a clear development focus and strategies for the long-term, including ultimate phase-down of activities, and address constraints with the larger national picture in mind. For example, CARE has a seven year plan for gradual phase-in and phase out of HC support, from an initial level of intensity of daily TA (Stage 1) to visits once a month (Stage 6) followed by “graduation”. Others seek quick improvement in performance through provision of material incentives such as motorcycles upon achievement of performance targets. While the latter approach provides a strong stimulus to staff, it may set an unsustainable precedent; motivation may again drop once the incentive has been obtained unless follow-on incentive schemes are introduced, and it is not an approach that would be acceptable or replicable on a national scale. In addition, it has been noted to create difficulties in neighboring ODs where incentives aren’t provided, and to disrupt the provision of services not specified in the performance contract.

While some of the projects are stronger in long-term development approaches, others stand out in terms of innovation and creativity, and have pioneered a number of extremely interesting and novel approaches. These include, but are not limited to, use of nuns and “wat grannies” (elderly women living a quasi-monastic life) as health promoters, introduction of a HC quality assurance tool developed by EngenderHealth called “COPE” (Client- Oriented and Provider-Efficient), and popular participatory approaches to community health education such as health promotion contests and lotteries. These initiatives have been piloted in an informal manner and not systematically studied, but it was evident during Assessment Team field visits that among them are a number of “gems” worthy of closer attention and replication.

In particular, there is tremendous potential of Buddhist nuns and “wat grannies” as a volunteer health workforce at the community level. Theirs is a unique situation free of many of the constraints which typically hinder health volunteer efforts:

- they are free of family and work obligations, with sustenance is already provided for;
- they perceive themselves as being in the last phase of life and have made a conscious, sincere commitment to dedicate their remaining years to the accumulation of spiritual merit through good works;
- they are present in large numbers throughout the countryside, and respected and credible in the villages;
- their age and monastic status give them the freedom to discuss intimate topics without fear of loss of reputation; and,
- they have significant amounts of free time and are searching for meaningful roles to play.

Although nun/wat granny initiatives have thus far been limited to promotion of better breast-feeding practices and CDD, the nuns met by the Team indicated both willingness and potential to assist in a number of other reproductive health areas – and, perhaps most importantly, in care of AIDS patients in the community.

The “COPE” quality assurance mechanism is working very well and HC staff find it easy to use and beneficial. Other CAs have also chosen to use it, further indicating its utility. Aside from enabling HC staff to identify and solve service delivery problems, it was found to greatly improve teamwork and the ability of staff to articulate problems and concerns. Another quality assurance tool, the SIS (Self-Improvement System) has been effectively developed and used to improve the quality of antenatal services through peer review among midwives.

While such innovations are very valuable, there is also a need to strike a balance between breadth and depth, and to resist the urge to experiment with new approaches to such an extent that no approach is sufficiently implemented and/or documented to do justice to its potential. The projects vary in the extent to which they are able to do this, with some well-focused but others over ambitious in trying to meet comprehensive community needs.

Maternal and Neonatal Health

In most of the USAID CA supported ODs, health education is carried out through FBCs and HC outreach teams. The quality of the IEC is good and villagers are receptive. USAID-funded CAs train and coach government counterparts to provide good antenatal care in health centers and through outreach sessions, thus bringing the effective interventions of TT immunization and iron supplementation to women who would not otherwise get them and introducing villagers to a functioning healthcare system. ANC coverage in CA areas are about double that of non-supported areas, and significantly higher than provincial and national averages. The outreach ANC brought to villages appears to be as good as in health centers with physical examination, general client education, TT immunization, iron tablet distribution and filling out the client record done in a systematic and professional manner. Follow-up and supervision are essential in maintaining the services, so the human input is intensive, but results are impressive when this is done.

Likewise in hospitals where USAID has supported midwifery in-service training in LSS, client use has doubled in a two-year period. LSS-trained midwives and trainers had attended 1,500 deliveries and made over 2,200 postpartum visits by December, 2000. This does not represent high volume but these midwives are well placed and now will be able to expand their practices as demand increases.

Most facility-based deliveries occur in RHs, but some of the HCs supported by USAID CAs and other donor funded NGOs are starting to perform deliveries, particularly HCs with an LSS-trained secondary midwife on staff. The caseload in such situations was found to range from 1-5 deliveries per month for a catchment area of about 10,000 persons. A particularly interesting approach seen in a non-USAID funded NGO project area was a fee-splitting arrangement between HCs and TBAs who brought women to the HC for delivery. Deliveries in HCs without external TA, and without LSS trained secondary midwives, are rare. In addition, it appears that women are increasingly calling LSS trained midwives to attend their births at home. This avoids the moto ride, allows for traditional practices to be observed, but also carries the risk of dangerous and unnecessary modern treatments not permitted in HCs (such as IVs and oxytocin induction/augmentation of labor—see section II.B.4). These client expectations were openly discussed with the Team by HC midwives.

The team did not have the opportunity to observe births in either setting so it is not possible to get even an impression of the quality of care (especially use of the partogram, immediate care of the newborn and care in the third stage of labor) in the various of settings or with the different categories of providers. LSS-trained midwives in HCs and RHs could accurately recite national protocols and stated that they followed them. Nonetheless, it is apt to be hard to resist the desires and demands of clients for potentially harmful interventions in the home, making it all the more desirable that HC and hospital deliveries be encouraged.

Some CAs have marketed safe birth kits within their project areas, with good consumer response. However the impact of the kits on birth practice has not been established. While the commodity itself could not create problems, there is some concern about possible encouragement of home delivery with TBAs if the woman feels the kit removes the need for a trained attendant.

There does not yet seem to be an effort to find out about recent births at the community level and provide early visitation (preferably within the first 24 hours) to those women who were not assisted at birth by the midwife or trained TBA in order to identify and deal with complications, promote optimal breastfeeding practices, and give appropriate advice about diet, hygiene, exercise, etc.

Family Planning

CAs have supported the delivery of FP services in HC and during HC outreach through training, coaching and mentoring of HC staff, and logistical assistance with conduct of outreach sessions. In just the brief two-year period 1998-2000, the contribution of HCs to modern method CPR rose more than five-fold, from 3 percent to 16 percent. This is particularly impressive since only 60 percent of planned HCs were operational in 2000, and half of these had opened just the year before. Clearly, HCs have tremendous potential to increase contraceptive use among rural women. The increase occurred in all methods available at HC level: pills, injectables, condoms, and IUDs. As more HCs open, HC outreach sessions increase in coverage, and IUDs are gradually introduced into more HCs, the contribution of HCs to increased CPR can be expected to continue to increase. Hence, HC strengthening activities are directly contributing to increased access to contraception. Still largely missing at rural level, however, is the potential contribution of social marketing. Although 10 percent of COC pill sales are through NGOs in rural areas, there is little or no penetration of the rural private sector and both condoms and COCs were noted to be unavailable in most rural villages, despite a proliferation of small shops in even the remotest areas. The current distribution strategy would benefit from stronger rural outreach.

Also notably missing from family planning services in Cambodia is Emergency Contraception (EC), although there is no legal impediment to it. EC is part of the protocols in the urban RHAC clinics, but generally unknown to the population and so seldom requested. EC is completely unavailable in both the public sector and on the retail market. Given both the apparently high incidence of rape and large adolescent population, this is a significant gap.

In addition to the urban clinics discussed under nationwide activities, RHAC conducts community-based distribution of contraceptives under its Health Development Team (HDT) Program in several provinces. This activity is one of the oldest outreach programs in Cambodia and pre-dated establishment of HCs and HC outreach by several years. In areas where HCs are not yet functioning, it remains the sole source of RH services at the community level.

However, in those areas where HCs are functioning well, the HDT program has not adjusted to reflect this change in the health system but rather continued to function in a parallel manner. MOH Provincial and District staff have voiced concern that this not only misses an opportunity to strengthen HC outreach, but may actually weaken HCs by diverting user fee revenue which would otherwise go to the HCs and is often their chief or sole source of operating funds; and by reducing attendance at HC outreach sessions. This is apt to become more of an issue in the future as government HCs are becoming more functional and beginning to meet the health needs of the rural populations. The Assessment Team recommends that USAID re-examine the HDT strategy and consider alternative approaches in ODs where HCs function. These might include directing the same staff and resources towards strengthening of HC outreach activities, or having the HDTs conduct complete HC outreach (i.e., EPI, ANC as well as FP on a regular basis) under contract to the HCs.

Child Survival

Present USAID-funded activities in child survival consist of (1) strengthening of HC and HC outreach services, thereby increasing EPI/VAC coverage and access to simple curative care; and (2) health education to mothers on proper breast-feeding, and prevention and management of diarrhea through HC outreach, FBCs, and, in one CA site, through use of nuns trained as health promoters. In addition, family planning activities have a positive effect on family planning through better spacing of births.

Current EPI and VAC coverage is abysmally low nationwide – and has remained consistently so throughout the three year period for which population based data has been available, despite considerable donor resources for EPI. VAC coverage for children follows the levels of EPI coverage since these interventions are delivered in tandem. However, this strategy does not effectively reach lactating women, for whom another approach is needed, perhaps in conjunction with provision of postpartum care (see the preceding section on maternal and neonatal health).

It is generally accepted in Cambodia that EPI/VAC coverage is low due to lack of regular HC outreach sessions. That, in turn, reflects lack of resources (money for ice, transport) for such sessions, a persistent problem despite specific donor support (through UNICEF) for such costs. Recent reforms in disbursement of funds through the MOH are hoped to reduce leakage and improve receipt of resources at the periphery; it is too early to judge the extent to which these will prove successful. In addition to lack of small scale but essential resources, it is difficult for HC staff to plan and manage outreach sessions without external technical assistance. HC staffing levels are often inadequate to allow for simultaneous service delivery in HCs and at outreach locations, requiring that services be staggered by day of the week and the community somehow adequately informed of what is available when, and where. Community mobilization is difficult for HC staff with no training in it and limited interpersonal skills with which to bridge class barriers and gain villager trust. Movement of people and materials can require a variety of different modes of transport and be especially difficult during the rainy season.

Support from NGOs and other agencies, such as that provided by USAID's CAs, certainly helps address these constraints. However, given rising levels of post-neonatal mortality and extremely poor EPI coverage levels, it would be worth revisiting the overall national strategy and considering alternative approaches. Many Cambodian villages are quite small, with only 1-2 births a month, and spending a full day each month to provide immunization in such locations may not be the most cost-effective approach. There cannot be a single uniform approach given the great variation in distances and modes of transport; there is a need to individually tailor strategies to the physical realities of each OD.

Aside from an obvious and urgent need to redress poor EPI/VAC performance, there is also a great need to improve management of common child illnesses. The HC strengthening activities undertaken by USAID projects to date, and indeed most of those funded by other donors, have made substantial progress in improving antenatal care and midwifery skills but notably omitted improvements in the skills of curative staff. Primary or secondary nurses generally conduct HC consultations, but their training has been both inadequate in content and totally didactic. The vast

majority of these practitioners are unable to accurately diagnose common problems or recognize and respond appropriately to signs of complications.

One of the reasons Cambodians prefer to go directly to pharmacies and shops rather than to trained health providers is that they do not perceive there to be any benefit to consultation; it is simply a more time-consuming means of getting drugs, and possibly a more expensive one if travel costs are involved. Unfortunately, this perception is at present an accurate one. There is no added value to obtaining curative treatment from a HC as opposed to a pharmacy in the vast majority of cases. In the few HCs fortunate enough to have higher level staff (i.e. a medical assistant or, very rarely, a doctor) there is inevitably a much higher volume of consultations, suggesting that Cambodians will recognize and respond to quality care when available.

In addition to lack of technical knowledge, practitioners have had no training in interpersonal skills or in bridging class barriers. Clients complain about insulting behavior and “rudeness, bad speech” from health providers and cite this as a major reason for not going to them. There appears to be little awareness of this on the part of health providers, who tend to attribute low utilization to “ignorance” on the part of the people.

None of the present USAID-funded projects currently provides competency-based training and mentoring in basic diagnosis and treatment of the ill child, but they are well placed to do so and have demonstrated a capacity to achieve results through similar interventions with other cadres of staff (e.g., midwives, pharmacists). In addition, they are well placed to do sensitivity training and coaching to improve the interpersonal skills of providers.

The current pattern of self-treatment through pharmacies might indeed change if consultation with a trained health worker conveyed more benefit. Nonetheless, it is unlikely to disappear in the foreseeable future, raising the question of direct education of mothers, the persons most often responsible for diagnosis and treatment of sick children. Training of pharmacists has been tried with little success, understandably given the different profit implications of curative prescription patterns. There has to date been no systematic effort to educate mothers on the appropriate use of pharmaceuticals. Neither has there been much social marketing of health commodities, but there is considerable potential to do so with good effect, e.g., for ORS, iron and folic acid supplements, antihelminthics, anti-malarial drugs, and water jar lids.

Lastly, there is scope for significant improvement in infant and child health through improved breast-feeding practices. A very high burden of diarrhea and dysentery has been documented in Cambodian children, including dysentery in neonates, and is undoubtedly related to the practice of discarding colostrums and non-exclusive breast-feeding. In addition, inadequate provision of weaning foods is a significant contributor to the malnutrition which underlies a great deal of early child mortality. There is a strong need for intensive health education and behavior change interventions at community level in this regard. Most of the existing USAID projects are already doing this, but there is a need to better integrate IEC efforts so that maximum use is made of each contact. Getting to and from the point of contact, and achieving attendance, is 99 percent of the battle and the cost. It is grossly inefficient to have vertical IEC campaigns at the community level. More could be done on identifying a package of key messages covering MCH, FP, HIV/AIDS and STDs to be disseminated through all available channels.

Child survival is, of all the current intervention areas, the most neglected in the present USAID portfolio. It is also generally neglected by other bilateral donors. Taken together with the very poor coverage levels and rising mortality, there is clearly a need for USAID to give greater and more explicit attention to child survival interventions.

4. Capacity Building

As noted in Section II, lack of human resource capacities is a pervasive constraint to development efforts in Cambodia, and capacity-building must go hand in hand with interventions. There is an enormous demand for individual capacity-building throughout Cambodian society. Elementary schools are bursting with double shifts. Families are seeking secondary, technical and university education for youth as never before. Savings are being depleted to pay for private language training. People in every walk of life are hungry for more knowledge and skills. This will inevitably result in better-educated and more empowered people to seek services and demand quality.

In the health sector, USAID-funded CAs have made substantial contributions to the capacities of their own local staff, district level health care providers, and communities. This has been most successful when undertaken in a systematic and proactive manner rather than scatter-shot and reactive one. While all CAs are doing capacity-building, some approach it with more depth and focus than others.

With respect to CA local staff, the Team was very impressed to see the initiative and skill that has been developed by the CAs in young Cambodian professionals. Important elements of the more successful approaches have been:

- Clear plans, policies and resource allocation for local staff development rather than an ad hoc response to training requests and opportunities;
- Deployment of a critical mass of professional staff at the field level and phased in devolution of authority and responsibility to them.

Capacity-building among district level government health workers is naturally a slower process, hampered by the low salaries and non-merit based organizational culture that typify government work. Nonetheless, significant progress is being made and leading to better performance and utilization of health services. Pharmacists and managers have had training in drug and commodity logistics and are able to apply these skills as evidenced by a documented decrease in stock outs. Midwives have had both classroom and on-the-job training in life-saving obstetric skills and antenatal care, with a resultant increase in clients as testimony to their improved quality of care. Village-based “feedback committees” are being taught how to map their villages and bring village concerns to the health care system. Villagers are being empowered with basic health information with which to avoid unnecessary disease and unwanted pregnancies. In an innovative program, Buddhist nuns and “wat grannies” are being used to disseminate information about optimal breastfeeding practices and control of diarrhea.

Quality assurance and problem-solving techniques such as “COPE” and regular team meetings have had a demonstrable effect on the ability of staff to identify and address service delivery problems. HC staff in areas supported by CAs were noticeably better able to articulate the health situation in their catchment area and HC strengths, weaknesses and needs than were staff in areas without such support.

While the approach being taken – development of capacities among local CA staff who in turn provide intensive, hands-on coaching and mentoring to OD level health staff – clearly works, there are some important gaps in content. General skills of consultation staff (diagnosis, treatment and emergency management/referral) is a hugely neglected area and one that contributes to the general under-utilization of HCs in favor of self-medication. Another gap area, due to the verticalization of the MCH and HIV/AIDS program, is in knowledge of HC staff and the general village level population regarding HIV/AIDS. HC health education outreach sessions currently focus on standard MCH/FP topics but largely omit HIV/AIDS/STDs even though these are areas of great interest and concern to villagers. Nurses and midwives have unmet needs for information on how to protect themselves from AIDS.

Local NGOs are rapidly expanding organizational capacity through formal courses, on-the-job training, and mentoring, and a few have developed the capacity to attract and manage direct donor funding and diversify services. Good progress has been achieved but the present LNGO numbers and capacity will have to be expanded greatly to meet current and emergent needs in the country.

While there have been substantial contributions to capacity-building of individuals, local NGOs, and community level health facilities, USAID has largely been on the sidelines in tackling national level policy issues related to overall health system strengthening. The focus has been on individual and team capacity building. While a number of other donors and agencies (including non-USAID funded NGOs) are playing an active role in dialogue at top levels to resolve such fundamental issues as civil service reform, USAID and its partners have not been significant actors. This may reflect both legislative restrictions on working with the government and USAID’s general comparative advantage in Cambodia in working with NGOs and private sector. Nevertheless, the sustainability and long-term impact of USAID’s investments will be substantially affected by the extent to which the government is able to address fundamental sectoral constraints.

V. HIV/AIDS/STDs

A. Overview of Country Situation

1. HIV/AIDS Prevalence

HIV was first detected in Cambodia in 1991 and a Sentinel Surveillance system (HSS) was established in 1994. Currently 19 serological sites have been established throughout the country, covering every province except Preah Vihear, Mondol Kiri, and Oddar Meanchey. These sites conduct annual HIV testing of population groups that include uniformed services, direct and indirect commercial sex workers, hospital patients and married women.

Surveillance data indicate that Cambodia has alarmingly high prevalence rates across the country. The pace of escalation of the epidemic has been one of the fastest in the world, and the interval between infection and illness appears to be unusually short. By 1999 the estimated cumulative number of HIV infections had reached almost 250,000 and the cumulative number of AIDS cases nearly 22,000. The current estimate of HIV infections is 169,000. The number of new AIDS cases in 1998 was estimated to be about 7,100 with projections for the year 2005 reaching almost 30,000 new cases (HSS 1999).

HIV in Cambodia is transmitted primarily via heterosexual contact. Infection is highest in commercial sex workers and in groups of men known to have higher than average contact with them. Male clients form a bridge between the infected commercial sex worker population and the general population. There is little information available about homosexual/bisexual transmission, and there appears to be limited transmission through intravenous drug use. Due to the very limited development of the health care system, only a negligible percentage of the population ever receive transfusion of blood or blood products.

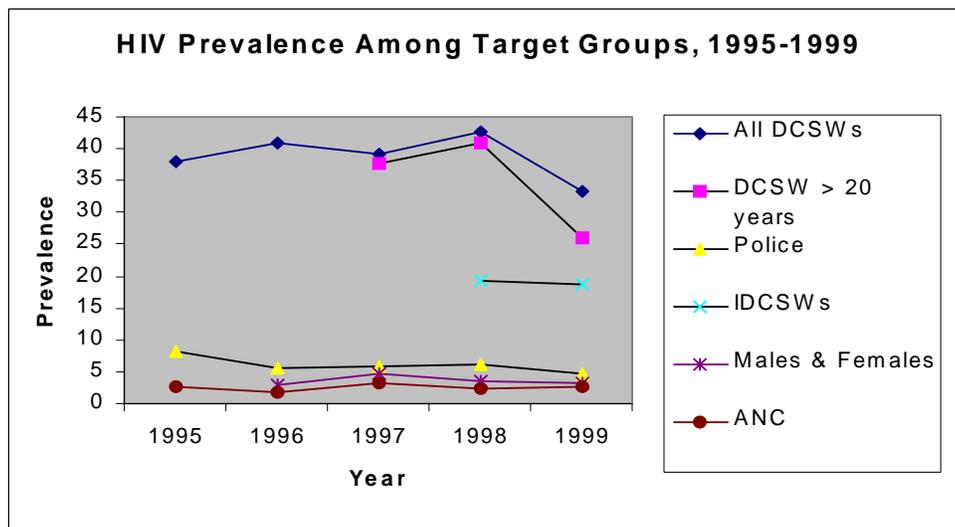
1996 HIV prevalence in the general population (males and females aged 15-49) was approximately 2.9 percent, increasing in only a year to 4.6 percent. Thereafter it stabilized and in the last year for which surveillance data has been released, showed a slight decline to 3.2 percent (HSS, 1999)¹. The Population Reference Bureau indicates that the prevalence rate for 2000 was 2.9 percent (PRB 2000). There are, of course great disparities in prevalence among different population groups and geographic areas.

Estimated HIV prevalence among direct commercial sex workers (DCSWs) of all ages was 37.9 percent in 1995, peaked in 1998 at 42.6 percent, and in 1999 had decreased to 33.2 percent. However, for DCSWs less than 20 years of age, the decline from 1998 to 1999 was even more dramatic - from 40.8 percent to 26 percent. Among indirect commercial sex workers (IDCSWs), rates are lower but the decline has also been less: from 19.2 percent in 1998 to 18.6 percent in 1999. Among antenatal (ANC) women tested, rates have remained relatively constant at approximately 2.6 percent. HIV prevalence among military personnel was estimated to be 5.9 percent in 1996 and 7.1 percent in 1997. After 1997 the military were dropped from the surveillance because their prevalence rates did not differ significantly from those of the police

¹ HSS data for 2000 have now been released, but were not released at the original writing of this document.

and because it was methodologically more difficult to sample the military population (HSS, 1999). Among the police the level has declined from approximately 8 percent in 1995 to about 4.7 percent in 1999, which is statistically similar to the 1999 prevalence rate in 1999 for household males (HSS, 1999).

Figure 4:



Source: HSS 1999

The sharp decline in HIV prevalence among all DCSWs from 1998 to 1999, almost 20 percent, is most unusual compared to the experience from other countries. A possible explanation warranting further investigation is that the cohorts of DCSWs infected earlier in the 1990s have since developed full blown AIDS or died and have been replaced by cohorts for whom more consistent condom use is the norm. The large decrease in prevalence among DCSWs less than 20 years old would support this. However, as younger sex workers are preferred by their clients, close monitoring of the apparent decrease in prevalence in this younger age group is warranted.

It is noteworthy that, although rates are highest among direct sex workers, they are also decreasing most rapidly in that group while declines in prevalence among indirect sex workers have been minimal. This group is both harder to characterize and harder to reach. They include beer promoters in restaurants and karaoke bars, and a wide category of women frequenting bars and nightclubs as venues for selling sex.

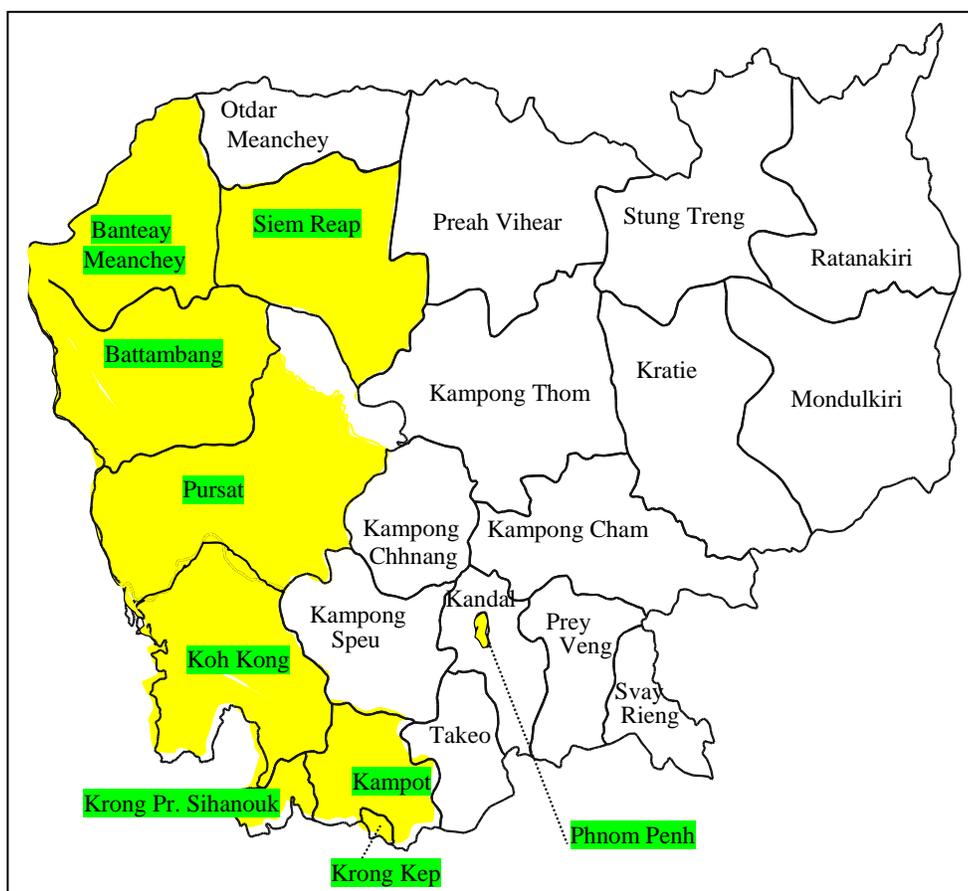
Of perhaps greatest concern is the continuing high prevalence among antenatal women, suggesting that the disease is moving into the mainstream population and in particular to women not involved in either direct or indirect sex work. A detected decrease in the ratio of HIV-positive men to HIV-positive women suggests that transmission is increasingly occurring from men to women within households rather than as the result of sex work. The continuing high HIV prevalence levels in ANC women suggests that these women are indeed more vulnerable and that more and more children with HIV are likely to be born in these families. While there is no data available on the prevalence of pediatric AIDS or its contribution to infant and child mortality, a substantial problem is evidenced by the continuing sero-prevalence rate in antenatal women of

over 2 percent. It is estimated that by end-2000, over 5 percent of Cambodia's HIV infections would be in children under the age of 18 (and many of these could be assumed to be due to MTCT). At present, about 3,500 HIV-positive babies may be being born each year. By 2005, the Ministry of Health predicts that there will be about 1000 new pediatric AIDS cases in Cambodia each year.

Geographically, while HIV infection was first detected in the western provinces of the country, along the Thai border, it rapidly spread and is now found in all regions of the country. However, greatest prevalence is concentrated in two distinct areas. One is on the western border and southern coast, primarily in those provinces bordering Thailand and in coastal port and fishing hubs. The second is the urban area of Phnom Penh and its surrounding provinces, notably Kompong Cham, Kompong Chhnang, Kompong Thom and Kompong Speu, which account for more than one third of the total national population.

Figure 5:

Geographic Concentrations of HIV Prevalence



2. STD Prevalence

The presence of sexually transmitted diseases (STDs), such as syphilis or gonorrhea, carries a five to tenfold increased risk of acquisition or transmission of HIV. A study conducted in 1996 by NCHADS and the University of Washington, Seattle documented prevalence rates in selected populations as follows:

Table 6: STD prevalence in three groups in Cambodia in 1996

STD	Female Sex Workers (n=432)	High-risk Men (n=322)	Women Attending RH Services (n=214)
Gonorrhea	35%	17%	3%
Chlamydial infection	22.4%	2.1%	3.1%
Syphilis	14%	6.6%	4.0%
Trichomoniasis	4.4%	--	1%
Bacterial vaginosis	31.5%	--	12.7%
HIV	41%	12%	4.5%

Source: STI Prevalence Survey and Algorithm Validation Study, NCHADS, October 2000

USAID-funded studies by FHI in 1997 indicate that 44 percent of all female sex workers had at least one STD, and half of these women were asymptomatic. In men, primarily members of the military and police, 17 percent had at least one STD.

STD rates among Cambodian men are very high in comparison to rates for men in other South and Southeast Asian countries - gonorrhea 5 percent compared to 1 percent and syphilis 7 percent compared to 1.4 percent respectively (Kolstad, 2000)

2. Key Intermediate Indicators

Knowledge of transmission and prevention

According to the 2000 DHS, knowledge of HIV/AIDS is nearly universal among women of reproductive age at 94.8 percent, with a slightly higher awareness among urban respondents (97.6 percent) compared to rural respondents (94.3 percent). Over three-quarters of the women could also correctly name at least one method to prevent AIDS, with condoms being mentioned by 69.9 percent. Twenty-two percent of the women, however, stated that AIDS cannot be avoided. There are large differentials between urban and rural women which probably reflects better urban access to information and services, as well as the higher literacy rate of urban women.

Cambodia exhibits a disturbing constellation of high-risk HIV/AIDS behaviors which helps to explain the explosive take off of HIV infection in the country. Three years after the first case of AIDS was diagnosed in 1993, HIV was found in about 40 percent of CSWs and in nearly 2 percent of women in antenatal clinics in border and urban areas, an infection rate that placed

Cambodia among the hardest hit countries in Asia. Indeed, Cambodia has many of the behavioral risk factors that characterize the countries of southern Africa where the highest infection rates in the world are found.

The sex industry has been and continues to be the primary spawning ground for the HIV infection. It is a sprawling multi-million dollar industry that reaches from border to border, found in all towns and even rural areas and employing thousands of commercial and free-lance sex workers. The situation of these women, as discussed in Section I. B.3, is dismal. About 20 percent of the brothel-based CSWs are Vietnamese, while other migrant groups also figure prominently in the sex trade. The average number of clients per day is about 3.2 and the median time spent in the same brothel is approximately 3 months. Only 10 percent remain in one brothel for a year or more. While it is not known how many leave the sex trade as opposed to changing brothels or becoming indirect sex workers, it can reasonably be assumed that there is a great deal of relocation and migration within the sex industry.

Although it is generally agreed that the sex industry is catering predominantly to heterosexual clients, homosexual brothels exist in Battambang and Banteay Meanchey and male sex workers operate in Phnom Penh's nightlife. A 1999 mapping exercise found that men seeking sex with men frequented public parks, brothels and nightclub/discos (FHI: Men who have sex with men, 1999)

The Behavioral Surveillance System (BSS), established in 1997, is currently conducted in 5 cities - Phnom Penh, Sihanoukville, Kompong Cham, Battambang and Siem Reap. A third round, conducted in 1999, targeted sex workers, military, police, moto-taxi drivers and beer girls. Table 7 reports the percentage of men in different categories who purchased sex the previous month. Over the period 1997 to 1999, there has been a significant decline in the proportion of men in all categories who paid for sex the previous month. However, the fact that nearly one third of the target groups covered still regularly purchase commercial sex is cause for continuing concern.

Table 7: Purchased commercial sex in the previous month

Group	1997	1998	1999
Military	64.7	40.8	32.6
Police	52.8	32.8	33.3
Moto-taxi drivers	42.1	33.9	31.1
Students	26.7	17.7	--

Source: BSS 1999

Condom use

In response to the threat posed by the sex industry, a vigorous campaign by the public and private sector has been launched to increase the use of male condoms to prevent the transmission of the virus (female condoms are currently not available in Cambodia although a pilot intervention was due to start in 2000). Condoms are promoted through Social Marketing and a variety of IEC efforts.

A critical national response to the HIV/AIDS epidemic was taken by the Government when a 100% Condom Use Policy (CUP) for brothels was endorsed by NCHADS following a pilot study from 1998-1999 in the port city of Sihanoukville. The CUP aims to ensure that condoms are used in every sexual transaction in every brothel in the country. Regular STD checks for sex workers are relied upon for monitoring the policy. In 1999 the Prime Minister signed a letter directing all provincial governors and local authorities to endorse and support the CUP policy in their jurisdiction. The MOH's Strategic Plan for HIV/AIDS and STD Prevention and Care, 2001-2005, calls for nation-wide implementation of 100% Condom Use, drawing on lessons learned in Sihanoukville. In 2001 the program is being introduced into five more provinces with support from WHO and using the MOH's World Bank loan.

Although the 100% CUP has considerable potential for reducing HIV transmission, there is also a potential for abuses against CSWs by brothel owners for being diagnosed with an STD. Because the CSW is often compelled by her client or the brothel owner to have sex without a condom, something for which many clients are willing to pay considerably more money, the CSW is not in complete control of the situation. This concern, which should be monitored carefully, does not diminish the fact that the "blanket" use of condoms in high-risk situations has been shown, both from the Thai experience and from modeling data, to play a significant role in reducing STD and HIV prevalence.

Preliminary results of these interventions can be seen in Table 8 which reports the proportion of individuals, by category, who report always using a condom during commercial sex.

Table 8: Always use condom during commercial sex

Group	1997	1998	1999
Military	42.9	55.3	69.6
Police	65.4	69.3	81.3
Female sex workers	42.0	53.4	78.1
Moto-taxi drivers	53.8	61.8	69.8
Beer girls	9.6	29.7	38.2
Students	71.5	77.4	--

Source: BSS 1999

However, as shown in Figure 6, the proportion of respondents always using a condom with a partner differs significantly by type of partner (BSS 1999). For example, whereas the proportion is encouragingly high for military, police and moto-taxi drivers, it is correspondingly low for use with "sweethearts". And thus the bridge between the core high-risk group and the general population is established.

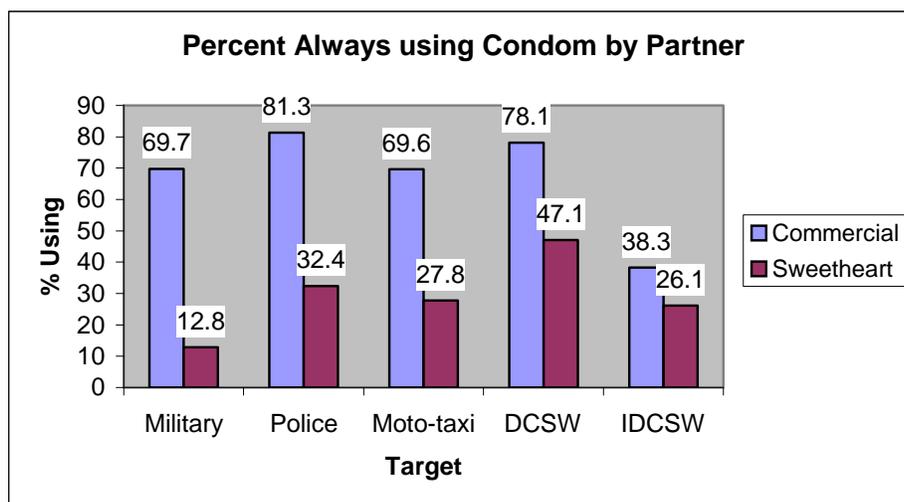
3. Current Service Availability and Output

a. Voluntary Counseling and Testing (VCT)

Voluntary counseling and testing (VCT), sometimes referred to as voluntary and confidential counseling and testing (VCCT), is an essential component of comprehensive HIV/AIDS prevention and care programs. It has been proven to promote and reinforce safe sexual behavior, provide a logical link to early health care and social support for those infected, and it is a prerequisite for identifying pregnant women who could be candidates for anti-retroviral (ARV) treatment for prevention of mother to child transmission (MTCT) where ARV is available.

VCT services are only at the very early stages of development in Cambodia and the lack of these services is a major gap. The first VCT center was opened in 1995 in Phnom Penh. In subsequent years, only 5 other public sites have been established.

Figure 6:



Source: BSS 1999

There is one more in Phnom Penh and one each in Kompong Cham, Siem Reap, Battambang and Sihanoukville. VCT remains completely unavailable in 18 out of the country's 23 provinces. Anecdotal evidence suggests that a large number of private sector facilities are also performing HIV testing, but the quality of the laboratory procedures and results is largely unknown (both false-negative and false-positive results are reputed to be given), and comprehensive counseling and/or links to care are rarely provided.

Demand for VCT appears to be quite high, as evidenced by the unregulated private sector response, spontaneous trends of premarital testing as a criteria for a girl's family to consent to marriage, and by feedback obtained from commercial sex workers during the Team's field visits. In Phnom Penh, government clinics have been overwhelmed with demand to the point of having to establish daily quotas. In Calmette Hospital, where a PMTCT pilot is in process, over 85 percent of antenatal mothers who are offered VCT accept the services, and over 90 percent return for their results – both figures are unusually high compared to other countries.

NCHADS has emphasized the importance of VCT and plans to expand services nation-wide. An NCHADS technical working group has drafted a testing policy to be formally reviewed and approved later this year. It calls for a two tiered “primary” and “secondary” VCT system in every province. Provincial capitals will have laboratory- equipped VCT sites, while at the OD level counselling and blood sampling will be done, blood transported to the provincial lab, and results returned to the district for disclosure with counselling. Provincial lab-equipped VCT will be based in the provincial hospitals. It is not yet clear whether the district level VCT will be done at the HC or RH level. Implementing this plan will be a long and costly process. Steps which need to be completed include developing and approving national guidelines, identifying potential counsellors, establishing training curricula for counsellors, training trainers, training counsellors, training laboratory technicians and equipping laboratories with HIV test kits, working out safe and efficient means of transporting specimens and results between the ODs and provincial labs, and establishing referral networks for care for clients who are found to be HIV-positive.

b. Prevention of Mother to Child Transmission (PMTCT)

Although PMTC (through counselling, contraception and provision of ARV prophylaxis) is one of the 8 areas of primary focus in the Health Strategy for HIV/AIDS and STI Prevention and Care (2001-2005), NCHADS accords it relatively lower priority in relation to other HIV/AIDS-related problems and interventions. Epidemiologically, infants with HIV are not core transmitters of HIV and practically, all interventions to reduce MTCT will depend upon significant strengthening of the ANC/MCH system, which does not currently reach the majority of pregnant women (see Section IV.A.1). Many other UN partners such as WHO, UNAIDS and UNFPA have not yet developed this strategy. UNICEF, however, has been strongly promoting PMTCT, which it views as a way to introduce VCT in ANC settings, and to improve ANC.

Any PMTCT effort requires the joint participation of HIV/AIDS and MCH leadership and technical staff. Both NCHADS and the National Maternal Child Health Center (NMCHC) are separate, highly autonomous vertical programs within the MOH, and Cambodian culture is notable for its lack of constructive conflict resolution mechanisms; there is no indigenous concept of compromise and negotiation, and a pervasive distrust of others and concern for personal security (See Section II.B). This makes it unusually difficult to move forward in areas where collaboration across organizational lines is required.

In addition, there are many formidable obstacles in Cambodia to introducing the most effective means of prevention of MTCT, anti-retroviral (ARV) therapy for HIV-infected women at delivery and for new-borns. These obstacles include:

- VCT is not yet available in most of the country (a prerequisite for identifying HIV-positive pregnant woman who would be candidates for ARV);
- Most Cambodian women do not receive antenatal care;
- Few Cambodian women deliver under the care of a trained health worker, and most women deliver at home

Three pilot projects have been designed for Cambodia to test the operational feasibility and optimal means of PMTCT through provision of Nevirapine, a drug already proven effective and safe in other clinical trials in developing country settings. The first pilot is already underway at Calmette Hospital in Phnom Penh with funding and TA from the French Agence Nationale de Recherches sur le SIDA. While data collection and analysis have not yet been completed, initial results are encouraging. However, it is not clear to what extent this approach would be replicable in less sophisticated health facilities serving a poorer and less educated population.

Two additional pilot PMTCT projects are planned for Cambodia, one at the National Maternal and Child Health Center (NMCHC) in Phnom Penh and the other at the Battambang Provincial Referral Hospital. Delays in implementing these two projects have resulted to some extent from differences of opinion on various issues between the NMCHC and NCHADS. These two sites will differ from the Calmette project in two major ways: training for the counselors and staff will be considerably longer, and testing and counseling will not be offered to women who do not appear for services until they are actually in labor (as Calmette does), due to donor (UNICEF) concerns that adequate counseling cannot be delivered when a woman is in labor. Implementation is scheduled to start before the end of 2001.

While Nevirapine has received much attention and thought, there is a notable gap in policies, strategies and interventions for PMTCT in the area of breast-feeding. There is no clearly articulated policy on how to handle the issue in the context of an HIV positive mother, perhaps in part because such a policy would have to be developed collaboratively by both NCHADS and NMCHC. NCHAD's strategy is to "advise mothers about the potential benefits of breast-feeding", while the general position of the NMCHC is that women should be counseled about the potential risk of transmission via breast-milk and then left "to decide for themselves". Various facilities and organizations (donors, NGOs, etc.) have opted for various approaches, from adherence to the general national policy on breast-feeding with no adaptation for HIV status, to promotion and even subsidization of infant formula. There does not appear to have been any country specific research on this nor on exploration of the potential use of wet nurses as an alternative. It is known that breast-feeding as normally understood and practiced by Cambodian women will expose the infant to both possible HIV transmission and a heavy load of pathogens, without the immune benefits of colostrum (see section IV.B.3). It is also known that the vast majority of Cambodians cannot afford to purchase infant formula and do not have the means (educational or hygienic) to safely use it. Clearly this is an area where further policy work and strategizing is urgently needed.

c. STDs

The Government's approach to STD control in Cambodia consists of two complementary strategies: targeted services for commercial sex workers and integrated services for the general population. With respect to the former, it is hoped that an aggressive approach to STD control in CSWs will help slow the spread of HIV in the country. STD services for CSWs also features prominently in the government's 100% CUP, and STD prevalence among CSWs is used as an indicator for compliance to condom use in brothel settings.

A wide range of antibiotics (genuine and counterfeit) are readily available without prescription throughout Cambodia. The majority of patients resort to this instead of, or prior to, seeking the advice of a trained health care provider. This can lead to inappropriate treatment, treatment of symptoms but not of underlying causes, increased resistance to antibiotics among groups vulnerable to STD infection and a high cost burden.

Although STD treatment is part of the “Minimum Package of Activities” to be provided by HCs, it was not initially provided at HC level due to the complex training and drug control requirements and the need to get a large number of HCs functional as rapidly as possible. In the last year or so, a phase-wise introduction of STD treatment in HCs has begun. Two staff, one male and one female, are trained following which appropriate drugs are provided. This is still in progress and many HCs have yet to receive the training and drugs. Even in those HCs which have, the fact that only some of the staff were trained means that services are not reliably available (HC staff have rotational outreach duties away from the HC). Furthermore, experience has shown that technical follow-up and supervision are essential if newly taught guidelines are to be effectively followed, and the capacity for this is limited unless there is external (e.g. NGO) assistance. Lastly, as staff are severely underpaid and STD drugs carry a high market value, many divert the drugs to their own private practices where adherence to protocols and numbers treated cannot be ascertained.

Experience has shown that, where there is external technical support to government facilities that comprehensively address system constraints, a high volume of STD treatment results. Examples include a pilot EU intervention in the District Referral Hospital in Sihanoukville, carried out as part of the 100% CUP, and a number of NGO district health-strengthening initiatives.

The main priority gaps and issues that need to be addressed with regard to STD treatment include:

- Completion of nation-wide introduction of STD treatment at HC level accompanied by the necessary TA, supervision and monitoring to ensure adherence to protocols and non-diversion of drugs;
- Better integration between the two national vertical programs - MCH/FP and HIV/AIDS to ensure early detection of STDs during routine family planning and safe motherhood services; and
- Interventions to address the dangers of STD self-diagnosis and drug treatment.

d. Reach of IEC

The only large scale assessment of IEC materials in the area of HIV/AIDS was conducted by PATH in 1998, whereas most IEC materials development has occurred in the two years hence. The assessment is therefore of limited utility, since both the volume and variety of IEC materials have recently increased. However, an informal look at materials in use today suggests that at least some of the earlier findings are still applicable, e.g.:

- over- reliance on printed materials not suitable for a country where illiteracy and semi-literacy are commonplace;
- a heavy focus on prevention messages and dearth of materials on care and counseling for people living with HIV/AIDS; and
- a stress on commercial sex activity as the risk behavior leading to HIV with little attention given to risks in the context of sweetheart relationships.

A large number of agencies working in HIV/AIDS have developed IEC materials, sometimes at very local levels using simple materials and with no dissemination beyond the immediate project area. Although sharing and borrowing of IEC resources occurs, it is largely ad hoc and often limited to groups operating in a common province or funded by a common donor.

In contrast to printed IEC materials, mass media efforts through radio, television and video have played a clear and prominent role – quite possibly the major role – in achieving the currently high levels of AIDS awareness. These include efforts by PSI, Health Unlimited/CHEDs, national radio and television, and others.

With regard to extending the reach of IEC activities, the following gaps have been identified:

- There is a serious need for USAID to develop a mechanism for its partners to help coordinate IEC efforts, maintain and disseminate inventory samples, and replicate them for other agencies. Such a mechanism, in collaboration with appropriate government/other donors, would then facilitate a review of what exists and identification of unmet needs, overlooked target groups etc.
- The time is ripe for a second generation of messages now that awareness of AIDS and its sexual transmission is nearly universal. These would include clarification of how HIV is and is not spread in order to reduce the fear that now surrounds those affected; messages related to care of PLWA; and messages targeting sweetheart relationships and dual protection through condoms.
- There remains a need for more visually literate materials and media, and materials in minority languages (e.g., Vietnamese).

e. Care of AIDS patients

In 1999 it was estimated that the cumulative number of AIDS cases in Cambodia, to date, was in excess of 22,000. Given both cultural norms and the nascent state of development of the Cambodian health system, the care and support of AIDS patients will largely fall on immediate and extended families. As noted in Section II. C, only an estimated 30% of planned referral hospitals are currently operational. Even when this level reaches 100% it will be barely adequate for the needs of people with curable diseases. Furthermore, Cambodian health professionals are oriented to a purely medical paradigm and nursing care is not viewed as an area for professional involvement. Palliation and care measures have always been the responsibility of the family,

even when a patient is admitted to a hospital. There is therefore both little reason to hospitalize patients with an incurable illness, and no capacity to receive them.

The impact of AIDS is already being felt in Cambodia where the vast majority of people live in rural areas, with few or no basic services. Even prior to the advent of AIDS, per capita family expenditure on health was exceptionally high, with poor families spending 25 percent of their income on health care; the major cause of landlessness is selling land to respond to a health crisis in the family. In addition, 50 percent of the population is under 18 years of age, giving Cambodia a high dependency ratio that will increase as those of productive age become ill and die of HIV-related illnesses. Due to the years of conflict and to the atrocities of the KR, Cambodia has a limited number of people of grandparent age to raise children orphaned by AIDS. Institutions and laws, which traditionally may have given support and protection to children orphaned by AIDS, are also still being rebuilt.

As grim as this picture may seem, it should be remembered that it is not a new one to Cambodia, and that family networks have coped in the past with equally large numbers of ill and dying, and absorbed large numbers of orphans – e.g., in the immediate wake of the KR era and its subsequent famine. Family loyalties are very strong and families – in the most extended sense – recognize an almost inviolable obligation to care for their members. The vast majority of deaths have always occurred at home and, while AIDS and its manifestations are new, nursing care of chronically and terminally ill people in general is a traditional family task.

The MOH's Strategic Plan for the period 2001-2005 identifies as one of its five key areas to address "ensuring that persons living with HIV/AIDS have access to a range of care services in an atmosphere of tolerance and respect for human rights". Of the 12 strategic areas in which activities are to be undertaken, strategy 5 identifies the need for community participation in HIV/AIDS/STD prevention, care and support and strategy 7 addresses care and support for people living with HIV/AIDS. The MOH recognizes that it cannot implement either of these without outside help and NGOs and CBOs are increasingly being relied upon to step into the breach.

Despite current international efforts to reduce the cost of anti-retroviral therapy for treatment of AIDS patients in developing countries, such therapy is likely to remain prohibitively expensive for the vast majority of Cambodians for the indefinite future. In addition, it is difficult to administer these drugs safely and effectively (to minimize and control severe side effects) in resource-poor settings. Finally, there are risks of creating resistance to these drugs if they are improperly prescribed or used. Nevertheless, recognizing that ARV drugs are appearing on the private market in Cambodia, NCHADS is taking steps to train private physicians in their use.

f. Orphans and Vulnerable Children (OVC)

Many factors make children vulnerable in Cambodia, nearly all of them related to poverty. Girls have more vulnerability factors than boys do, and the most vulnerable age is 7-12 years. The most vulnerable children overall are orphans from poor families.

Cambodia and Thailand currently have the highest proportion of orphans in Asia who have lost their mother or both parents due to AIDS. Predictions for the end of 2000 based on surveillance figures from 1998, indicate that over 5 percent of all infections are likely to be in children under 18 years and that approximately 7,500 children will have died of AIDS. NCHADS estimates that there are 40,000 children orphaned due to AIDS in Cambodia. These numbers vastly underestimate the number of children affected by HIV/AIDS, which would also include those whose father has died, those living with parents who are ill, those who are over 15 years of age, and those living in households in which the capacity – both financial and psychosocial – is severely limited as a result of caring for ill relatives or supporting orphans.

In June, 2000, an evaluation carried out by KHANA of a pilot home care program for people living with HIV/AIDS (PLWHA) found that:

- In 21 percent of the families of PLWHA with children, the children had to start working since the patient became sick;
- In 30 percent of the families, the children had to provide care, or take up major additional household duties;
- 40 percent of the children had to leave school, or take significant periods away from school;
- 40 percent of the families said that since the patient became sick, the children have had to go without certain things (food, clothes, books, etc.); and
- In 28 percent of the families, one or more children had to leave home.

The mandate to address the issue of CAA rests primarily with the Social Welfare Department of MOSALVY whose involvement in the National AIDS Program is supported and facilitated by the inter-ministerial National AIDS Authority.

The Social Welfare Department supports 20 children's centers located in Phnom Penh and the provinces. The statistics for these centers is unclear, but it appears that there may be over 2,000 children being cared for. The Department operates a Children's Center, located near Calmette Hospital in Phnom Penh that cares for babies abandoned in the hospital. Babies are tested after one year. Those who are HIV- are adopted and those who are HIV+ are cared for at the Center until they die. MOSALVY provides 15,000 riel (US\$4) per month per child.

The issues and gaps confronting CAA are similar to those for home-based care. AIDS orphans are but one sub-group of a larger population of vulnerable children in a country with very high levels of mortality, low life expectancy, negligible social services and recent emergence from three decades of civil strife. The Government does not have the resources, financial or human, to make the kind of investment that will have a major impact. On a more positive note, however, Cambodian society has a long history of successfully integrating orphans into the homes of near and distant relations, and cultural norms strongly support the practice. In addition, religious and cultural beliefs are favorable for adoption of children by non-relatives.

B. Donor Support

The other donors active in HIV/AIDS/STD are World Bank, DfID, KfW, EU, AusAID, CIDA, the French Cooperation, UNFPA, UNICEF and WHO (see Annex B). However, donor coordination is weak, and the absence of coordinated, overarching strategies for addressing such issues as care and support, including OVCs, has resulted in a disjointed and unsustainable plethora of small and localized interventions.

At present adequate support is provided for purchase of *Number One* condoms, STD drugs and fieldwork for the national surveillance surveys. Health sector support from the WHO to the MOH provides both technical assistance and financial support for trial interventions in care and support of PWHAs. However, the possible withdrawal of KfW, which now provides nearly all public sector commodities, including STD drugs, from the health sector in Cambodia, is cause for alarm.

Given the importance to the National AIDS program of the provision of high quality condoms, DfID's continuing support to PSI for its condoms and their quality packaging is critical to the success of the program.

In its newly approved program, UNICEF is making a major financial and technical contribution to increasing the availability of VCT in all national and provincial hospitals through training of counselors, laboratory technicians and health providers. Presently lacking, however, is similar technical assistance, training and follow-up at the OD level.

UNFPA and the EU support CARE's Youth Reproductive Health Program in garment factories where an increasingly large number of young people, especially young women, are employed.

One area of potential financial support for HIV/AIDS that has yet to be investigated is the private business community. Many IDCSWs work as "beer girls" promoting national and international brands of beer. Attempts to reach this more diffuse high-risk target group have been frustrated in part by the refusal of local management to allow outreach teams to work with the women in behavior change and empowerment interventions. The same is true for the women working in the growing gambling industry, especially along the Thai border but also in Phnom Penh.

While the management of a growing number of industries, from Coca Cola to garment factories, have successfully been convinced of the economic value of providing a range of health services, including HIV/AIDS education and counseling, to their employees - in part perhaps because national legislation mandating health clinics in such establishments is more rigorously enforced - and to allowing NGOs to work with their employees, the same cannot be said with regard to many other large industries employing beer girls and hostesses.

C. Current USAID PHN HIV/AIDS/STDs Portfolio

Given the explosive nature of HIV/AIDS in Cambodia, USAID opted for a dual approach, introducing HIV prevention activities into the existing MCH Strategy as well as establishing a new strategy for HIV prevention activities in high-risk populations. Antenatal surveillance indicated a high prevalence of sexually transmitted infections (STIs), particularly syphilis, and that HIV was moving into the general MCH population. However, since MCH clinic users consist primarily of women at the end of the HIV transmission line, these interventions alone were unlikely to have a significant impact on the spread of the epidemic.

In April 1997 USAID/Cambodia developed Special Objective SpO-2: Reduced STD/HIV transmission among high-risk populations with the following intermediate results to be accomplished between 1998-2002: (1) policy makers informed about the HIV/AIDS epidemic in Cambodia; (2) reduced high-risk behaviors in target populations; and (3) model service delivery programs for high-risk populations piloted and replicated in selected provinces.

The USAID/Cambodia HIV/AIDS/STD portfolio includes activities with national level application and activities specifically targeting high-risk populations located primarily in a cluster of five central-south provinces including Phnom Penh, Kompong Cham, Kompong Chhang, Kompong Tom and Kompong Speu.

1. National Policy

Considerable progress has been made in the last three years in developing a strong national response to HIV/AIDS, including political mobilization at the highest levels of Government and establishment of sound policies. The response of the RCG to HIV/AIDS has been largely driven by the MOH, primarily because it has by far the strongest capacity of any line Ministry (see Section II.C.4).

The governmental response to HIV/AIDS in Cambodia has been both prompt and pragmatic, and there are few countries, developed or undeveloped, which rival it in that respect. Likewise, the response in the informal sectors and general society has been noteworthy for its pragmatism and rapid action (including behavioral change) in the face of a totally new disease.

By far the greatest credit for an unusually favorable policy climate, and general social response, goes to the Cambodian people and RCG themselves. Donor-funded activities have played an important role in supporting the efforts of both to face the challenge of the HIV/AIDS epidemic.

USAID-funded activities which have contributed to IR#1 (“policy makers informed about the HIV/AIDS epidemic”) include:

- Technical assistance to NCHADs in conducting, interpreting, disseminating and using information from annual HIV prevalence and Behavior surveys. These surveys, which have served to inform policy makers at all levels of the extent of the problem and prevalence of contributing factors, have played a crucial role in guiding both policy and planning.

- Technical assistance and funding support, through the FHI/Impact Project to the Ministry of Interior (MOI) and Ministry of National Defense (MOND) in BCI for police and military, respectively. This assistance has helped these two key Ministries to develop and implement a constructive and pro-active approach to the problem of HIV/AIDS.
- Support to the Khmer HIV /AIDS National Alliance (KHANA), an umbrella organization dedicated to increasing the capacity of LNGOs to address HIV/AIDS issues in their community-based programs. Support to KHANA has helped put LNGOs on the map with respect to HIV/AIDS and also provided an organizational mechanism able to coordinate and voice LNGO concerns. KHANA actively participates in a variety of national and local government planning committees, providing both valued technical input and representation of grassroots views and concerns.

At the time of this assessment, awareness of the epidemic was so widespread at all levels of government, and the policy climate so favorable, that the IR as written no longer seems applicable. The main challenge from here on lies in implementing these policies. In addition, there are a few areas where existing operational guidelines are inadequate or inconsistent, such as in PMTCT and breast-feeding.

Epidemiological and Behavioral Surveillance

Cambodia is in its eighth year of HIV sentinel surveillance (HSS) and its fourth year of behavioral sentinel surveillance (BSS). These interrelated systems were instituted to track the course and spread of the HIV epidemic in Cambodia and to understand the behavioral determinants of the epidemiologic trends. The HSS now covers 19 sites throughout the country and works in all but four provinces. Throughout this period, USAID funded technical assistance to these interrelated surveillance systems through Family Health International (FHI), with NCHADS funding (provided from World Bank and other donors) covering the costs of the data collection itself. NCHADS and other donors that rely on this data applaud these surveillance systems as being the most advanced second-generation surveillance system in the region. A recent evaluation of FHI encouraged the Cambodian surveillance system to be replicated in other countries around the region.

The success of the systems has depended in part on appropriate targeting – the groups selected for both epidemiologic (HIV) and behavioral surveillance are indeed the high-risk groups that are the core transmitters of HIV in Cambodia. This surveillance system provides an essential foundation from which to better understand and reduce STD/HIV transmission among high-risk populations. For example, behavioral data that have shown an increase in condom use and decrease in commercial sex have helped explain the apparent beginning of stabilization of HIV prevalence in Cambodia that is reported to be reflected in the 2000 HSS which has still not been released.

USAID’s assistance in the area of surveillance addresses the intermediate result - “Policy makers are informed about the HIV/AIDS epidemic in Cambodia.” - and has contributed to that result. Although the policy climate for HIV/AIDS prevention in Cambodia is quite favorable, USAID’s

surveillance efforts have nevertheless provided specific data which informed more detailed policies, particularly in the areas of targeting high-risk groups. NCHADS has used both the biological and behavioral surveillance data to review and update their national strategic plans for HIV/AIDS prevention and care. These plans are used by USAID (and other donors) to provide baseline data for program planning, determine and refine future program priorities in HIV/AIDS, and evaluate program effectiveness.

USAID's inputs also contributed to the development of longer term surveillance plans, technically-sound analysis of data, and consensus workshops to interpret and disseminate the data. This helped ensure that surveillance data could be effectively used for advocacy, situation assessment, strategic planning and national level evaluation. This type of capacity building is important not only for the health system, but other development sectors, as AIDS is increasingly recognized as a multisectoral development problem.

One example of the links between data and program planning is the use of behavioral data to illustrate that high-risk situations arise from the behavior of large numbers of both married and single men who continue to buy commercial sex. 50 percent of men in all of the male surveillance groups visited a sex worker last year, and 20-30 percent of these encounters are still not protected with condoms. Therefore, it is necessary to continue to make brothels a priority for HIV/AIDS prevention.

This year, data were also collected from married and single "household" men (in addition to "high-risk" men) and confirmed that high-risk behaviors are widespread, even in the general population. This means that interventions need to expand to include the general population, especially married men, because married men have made fewer changes in their sexual behavior than single men.

These surveillance systems have not operated without some constraints. First, with the HSS, NCHADS staff are directly involved in the data collection, rather than contracting the work out to others. While this does positively promote a sense of ownership of and confidence in the data, NCHADS' staff have multiple responsibilities and often have insufficient time available for adequate supervision and management of the data collection. Second, USAID's inability to provide funds to government has made it impossible for FHI to fund Cambodian staff to participate in training outside Cambodia.

The sustainability of the HSS and BSS systems is thought to be high in terms of both technical skills and institutional capacity, provided external support continues. NCHADS is technically strong and with little staff turnover to date.

While expansion of the overall surveillance system is probably not indicated, it is necessary to continually refine the surveillance methodology, as well as to identify additional population groups as they emerge (such as mobile and migrant populations, which will be added to next year's HSS). Funds permitting, NCHADS plans to do so.

Voluntary Testing and Counseling

To date, USAID's assistance in the VCT area has been limited to the co-funding (through FHI and with UNAIDS) of a 1999 meeting, "HIV/AIDS and Counseling". The meeting was jointly conceived by NCHADS, FHI/IMPACT and UNAIDS and was attended by participants from government, NGOs and UN agencies. The meeting was intended to identify and prioritize strategic issues that would need to be addressed in Cambodia in order to strengthen counseling training and provision of services.

Important issues identified by the participants as relevant to Cambodia included: raising awareness about the importance of confidentiality; the need for skilled counselors; the need for follow-up after post-test counseling; and the importance of providing services linked to VCT. The meeting led to the creation of a Technical Working Group to look at issues of coordination and the monitoring and evaluation of progress.

Given the apparently large unmet demand for VCT services, by sex workers and increasing numbers of ordinary citizens, there is a pressing need to increase the availability of such services. The USAID-funded RHAC clinics (see section IV.C) have an established capacity for quality counseling, general laboratory services and training of other organizations. These clinics, which serve a large urban clientele, could be a future avenue for both private sector VCT services and training in counseling skills for public sector providers.

Free public sector VCT is already available in many of the RHAC clinic locations, but the volume of demand is overwhelming public sector capacities. In addition there is a high demand for premarital certification of HIV status, especially among the middle class, suggesting a potential niche for private sector fee-for-service VCT to complement free testing by the government and to reduce the strain on public sector services. Building on its experience in Africa, PSI has proposed, in collaboration with RHAC, the social marketing of VCT in selected private reproductive health centers. VCT could also potentially be part of an integrated package of premarital service that would also include FP and HIV prevention. Including VCT in RHAC's repertoire of RH and safe motherhood counseling would contribute to a more functional linking of MCH-HIV/AIDS vertical programs.

Condom Provision

At the time of the formulation of the Cambodia HIV/AIDS Mitigation and Prevention Action Plan, the Ministry of Health was distributing condoms for "AIDS prevention" through provincial and district health facilities. Distribution was free, primarily through STD clinics, and available to anyone who requested them. However, there was no free distribution by the government beyond clinic locations.

Given the low coverage of health facilities, low condom usage and cultural preference for self-purchase of health commodities, the USAID-funded Social Marketing Program has aggressively promoted and marketed condoms in such a way as to be readily available to potential customers in places where they were needed most, namely commercial sex establishments.

Almost all condoms presently available through commercial outlets, especially outside Phnom Penh, are distributed by PSI. Its *Number One* condom, marketed nationally, is supplied by British DfID which has just concluded a new agreement to make 81 million condoms available through 2006.

Number One condom sales have increased dramatically since their introduction in December 1994. Total annual sales have grown from 5 million condoms in 1995 to 16 million in 2000 with total sales over the period in excess of 65 million.

The PSI sales staff identify sales locations and sell the product for the first purchases. Subsequent efforts are devoted to re-supply to the outlets, essentially a delivery function. This is especially important for the critical commercial sex establishments, slightly over 18 percent of total sales, which have no natural link to other commercial supply links. The bulk of these sales are made to the 3 prime Phnom Penh commercial sex zones and to the larger provincial capitals.

Direct sales to pharmacies and drug sellers account for approximately 43 percent of total sales, over half of which occur in Phnom Penh. Drug wholesalers based at the city's Olympic Market provide smaller pharmacies and drug sellers around the country. This strategy is effective in saturating the Phnom Penh market. Rural coverage, however, is weaker, (especially in villages) since rural retailers must either travel to Phnom Penh or send their orders through an intermediary.

PSI also increasingly supplies condoms to NGOs, such as MSF and PDF, who carry out activities with commercial sex workers or who are involved in community based distribution. Almost one-third of all sales is with NGOs.

PSI's *Number One* condom has been effectively targeted at commercial sex workers and their places of work, as well as their male clients, especially military personnel, policemen and other men who frequent brothels. Data from the BSS indicates that effective and consistent condom use in commercial sex has apparently increased dramatically. However, it should be noted that the BSS data is obtained from face to face interviews in which respondents may, for whatever reason, give the answer that is expected.

The social marketing of condoms in general and with high-risk populations in particular, in combination with parallel behavior change communication and IEC programs, has been a key contributor to the achievement of the Special Objective.

Although cost recovery is a means to reduce costs and promote sustainability - PSI currently realizes about \$200,000 annually from sales - the condoms will continue to require a subsidy. At present *Number One* condoms are not financially sustainable. The cost of the commodity and packaging are approximately \$0.05 but *Number One* is sold to the trade at a price of \$0.01. The selling price decision was made in order to ensure access to the product by low-income groups; and because the more expensive packaging would connote high quality.

Despite the extraordinary success of the social marketing of condoms for the prevention of the transmission of HIV in Cambodia, a number of gaps and opportunities for increased impact have been identified.

- While condoms are readily available in commercial sex establishments, this is not the case for more informal locations, such as hotels and guesthouses, which are frequented by indirect sex workers and their male clients. In the absence of readily available condoms at the last minute or near nocturnal meeting places, intercourse is likely to be unprotected.
- Since PSI has been unable to link up with a nationwide distributor, the *Number One* condom is still not widely accessible in rural areas nor in many squatter enclaves, especially those inhabited by foreign migrants;
- "Never leave home without it" is not a slogan widely promoted or accepted with the result that in casual sex situations both partners may be caught unprepared. Innovative strategies, such as those effectively employed by Mechai in Thailand, for carrying condoms for use "in the case of emergencies" may warrant further investigation;
- Development and marketing of a "sweetheart" condom, or de-stigmatizing the current *Number One* condom for use in non-commercial sex situations, appears to be a major requirement if protection from HIV in the larger population is to gain momentum;
- The social marketing of a number of other health related products, given the propensity of Cambodians anyway for self-purchase of treatment, represents a potential for further growth.

Even when condoms are available and accessible, their use is often insufficient and inconsistent. Consequently, condom distribution must be accompanied by aggressive behavior change communication and IEC tailored to high-risk groups.

National IEC/Behavior Change Communication

The USAID Action Plan identifies two inter-linked strategies for IEC: (1) a national HIV/AIDS IE&C strategy for the general population with some stress on segmented audiences; and (2) coupling the national level strategy with more interpersonal communication (IPC) and behavior change communication (BCC) for high-risk groups, i.e., CSWs and their male clients.

a. Mass Media

PSI has produced and broadcast six radio drama series since 1996 (three during 2000). The three dramas in 2000 had 36 to 40 episodes each and focused on reproductive health topics, including issues concerning HIV/AIDS prevention. Each 20-minute episode was followed by a 40-minute call-in show to reinforce health messages from the drama and discuss questions posed by the listeners or who wrote letters. On-going PSI radio dramas target the general population, with a particular focus on youth. The overarching themes for the series include youth in school; youth

in rural areas who move to Phnom Penh for work; urban family life; and youth with little to no education.

The dramas are broadcast on 5 different radio stations throughout the country, and can be received in most areas of Cambodia (areas along the Lao border are an exception). Focus group discussions with 143 youth in Battambang and Kampong Cham during a midterm assessment by RHAC indicate that the total number of listeners is high – 62 percent of youth surveyed. There were many requests to continue the broadcasts (especially among in-school youth) and many would like to see video broadcasts of the episodes.

A 1996 evaluation of PSI's radio program indicated that 70 percent of the rural population and 55 percent of the urban population had heard an episode of the radio drama. Phnom Penh's Bayon radio station informed PSI that Prime Minister Hun Sen enjoyed the radio drama "Punishment of Love" so much that he has requested the re-broadcasting of these episodes at night.

ACTION, a local NGO with funding from FHI/IMPACT, is developing a short 30 second spot using two famous boxers (one from the military and one from the police) to "motivate men of the uniformed services to use condoms to preserve their health and strength from HIV/AIDS." The TV spot is intended to reinforce the ongoing HIV awareness peer education program with the uniformed services. The primary target audience is military and police aged 25 to 45 which represents the majority of men in the uniformed services.

The spot will be broadcast on 4 major TV channels over 6 months for a total of 224 broadcasts. Between 30 and 60 million general public viewers are expected to be reached, with between 6 and 12 million viewers in the primary target audience. It is important that an evaluatory component be attached to this program.

In January 2000, ACTION finished production of the film *Man in the Storm* – a feature film containing HIV/AIDS messages for the general public. ACTION showed the film directly to 15 communities along the Mekong river with an average of nearly 1000 people per showing. The film was broadcast on national television over 30 times and 200 video copies were distributed. The video is available throughout Cambodia - although most people do not own a VCR themselves, most at least have access to one, and it is often a community event to watch TV and movies. There are approximately 500,000 televisions in Cambodia and it is estimated that almost 25 percent of Cambodian families own TVs. Even small communities lacking electricity but with access to car batteries have one or two communal TV sets, and TV viewing is a popular group activity.

PSI has worked effectively with numerous TV stations in Cambodia to broadcast spots, live concerts, and game shows with STD/HIV messages. In 2001, PSI is planning to use Mobile Video Units to deliver HIV prevention and awareness messages to the general public.

b. Print media

PSI produces an advice column on HIV/AIDS and RH in *Popular* magazine which is directed at the general population but with particular emphasis on youth. The column provides answers to questions posed during the radio call in show that are not addressed on the air, as well as to questions received in letters from listeners.

Popular magazine has a circulation estimated to be 40,000 although research has indicated that each magazine is read by more than one person. A RHAC midterm assessment of PSI's media efforts found that magazines are more likely to be read in urban than rural areas. However, qualitative research found that people were slightly more likely to listen to the radio call-in show than to read the advice column in *Popular* magazine.

c. Other IEC materials

The production and distribution to the general public of T-shirts on World AIDS Day in 1999 and 2000 were supported with funds channeled through FHI/IMPACT. In each year 500 and 1,200 T-shirts were produced and distributed respectively. Some 50,000 HIV/AIDS leaflets were produced and distributed to the general public during the November 2000 Water Festival.

Some general observations can be made about the nationwide IEC efforts. The results of the 2000 DHS indicate that considerable progress has been made in achieving the portfolio's objective of increasing public awareness of HIV/AIDS. However a number of challenges/opportunities exist for extending the scope and reach of IEC.

First, in order to promote condom use in the general population, particularly with those bridging groups bringing HIV from high-risk groups to the general population, people's perceptions of condoms, now associated almost exclusively with commercial sex, need to be changed. In 2001, PSI will conduct behavioral research on this important bridging population and hopes to design a BCC strategy that targets "sweethearts" and attempts to de-stigmatize condom use in the general population. This will be an integral component to curbing the HIV/AIDS epidemic.

Based on this research and in order to address the sweetheart phenomena in an appealing and entertaining manner, PSI has requested USAID funding to develop a weekly soap opera TV series which is expected to reach around one million people. PSI will work with an advertising agency to develop four high-quality soap opera series containing 20-30 minute episodes and featuring popular Cambodian entertainers. The series will be broadcast over a two-year period. To leverage the reach of the soap opera's message, a number of BCC materials and activities will be developed around the themes and characters of the drama.

Second, in order to make further strides in changing sexual behavior, interactive BCC/IEC materials and methods are essential. There is currently a disproportionate focus on passive IEC materials (such as leaflets and posters) and not a great deal of educational and/or interactive IEC material. Call-in radio shows and TV campaigns have been extremely successful in this respect and have been effectively used in a variety of reproductive health situations. For example, UNICEF supports both an HIV/AIDS information hotline and a TV campaign that references the

hotline number as a source of further information. The hotline almost always experiences a rapid influx of callers during TV campaigns (around 70 calls per day versus 190 during campaigns), indicating both that people are listening, and they react well to interactive approaches.

Third, there is too much reliance on printed materials and a need for more mass media approaches, especially TV and video. Numerous conversations during the course of the assessment indicate that Cambodians love television – even in the rural areas. In rural areas near Poipet and Sisophon, local NGO officials reported that TV is more accessible than radio and more appropriate than printed materials because of low literacy rates. This theme was echoed by Health Officials in Battambang as well as by numerous NGO officials in the Phnom Penh area.

Fourth, the focus of USAID-funded IEC has largely been on CSWs and their clients. There has been a lack IEC materials targeted specifically for youth. Although in some cases youth are encompassed in other areas – i.e. factory workers, mobile populations, military etc - there is a definite need for IEC messages for general youth populations.

2. Targeted, Sub-national Interventions

The modality USAID uses for local funding of interventions directed at high-risk groups - sex workers and their clients - as well as those affected by HIV/AIDS is primarily through an umbrella arrangement. This permits greater accountability for funds and reduces the management requirements on the Mission. However, for this mechanism to be effective, there needs to be a clearly understood and accepted overarching strategy and set of priorities guiding the granting of sub-contracts. This currently does not exist. In addition, each of the direct recipients that provide subgrants within Cambodia of USAID financial support must make value-added technical inputs to ensure improved technical competence and efficiency among the sub-grantees.

Currently, there are two umbrella organizations receiving USAID funding: FHI/IMPACT and KHANA. FHI directly implements a portion of the financial support received from USAID, for example for technical assistance from their headquarters and regional office in Bangkok for formative research, technical studies training of health providers in STD case management. and for coordination of CSW empowerment programs, such as "Speak Out". In addition a large proportion of the USAID funding received by FHI is sub-contracted out to about 15 other local and international NGOs for a specific set of activities, ranging from behavior change initiatives with CSWs to care and support for PLWHAs and CAA. Grants made to date range in size from \$9,000 to \$231,000 over a one to three year time frame.

USAID's support to KHANA, a LNGO serving as an umbrella for 36 indigenous Cambodian NGOs, is channelled in part through the International HIV/AIDS Alliance and in part directly to KHANA. KHANA's mandate is primarily to build LNGO capacity through the transfer of skills in technical, managerial and financial competencies. Small grants ranging in size from \$5,000 to \$7,000 finance LNGO small pilot projects targeting more difficult to reach vulnerable groups and their communities. Until recently the bulk of KHANA's support was for community development and human rights, but since 2000 HIV/AIDS prevention and care and support have been added.

The absence of an overarching strategy and agreed upon set of priorities guiding the commissioning of sub-activities by USAID has made it difficult for the umbrella projects to maximize their achievement.

The value added by the two umbrella projects to their sub-grantees differs according to each organization. FHI/IMPACT has made good use of its access to international technical expertise in activities FHI/IMPACT has directly implemented, e.g., their formative and process research and evaluation and for specialized training, such as STD case management. In the future, more can be done to provide similar support to its sub-grantees, especially in the areas of strategic planning, technical support, design and support with IEC materials and monitoring and evaluation.

KHANA's value added is through its support to local NGOs and CBOs to build their managerial and technical capacity while at the same time providing limited funds for innovative pilot activities. The fact that a number of KHANA supported LNGOs "graduate" each year to the point of requiring no additional TA and, in some cases, only limited funding, attests to its success in building local capacity.

Both organizations have actively participated on a variety of national and local government planning committees, and their technical contribution as well as their representation of grassroots issues have been valued.

Prevention and treatment of STDs to control HIV/AIDS

USAID-funded STD interventions have included STD training for health workers that serve high-risk groups, STD surveys of prevalence and practices in Cambodia, and STD prevention and treatment of CSWs.

a. STD Training

The objective of USAID-funded in-service STD training has been to strengthen practical STD case management skills among health care providers working with members of high-risk populations. The four key training goals have been to teach health workers: diagnosis and early treatment of people with STDs, education of patients and the general public, treatment and education of sexual partners and targeting vulnerable groups. Three weeks of practical training is offered based within the trainees' own health care facility. Initial training is followed up a short time later and supervision is provided by FHI.

FHI's training was designed to focus on high-risk settings where commercial sex workers are treated and to provide practical as well as theoretical training. The decision to proceed in this fashion was taken in part as a result of earlier assessments conducted by FHI which showed that: (a) only 64 percent of STD clients in targeted facilities were treated according to national standards; (b) only 14 percent of clients were told about condoms and partner notification; (c) NCHADS basic STD training was theoretical, limited in its ability to provide practical training and did not cover the special issues related to working with high-risk groups such as CSWs; and

(d) the government tended to offer STD training primarily to male supervisors, rather than female health workers (nurses or midwives) who are preferred by CSWs.

Up to the present time, through the FHI project, 46 health workers have been trained from seven NGO clinics in Phnom Penh, two government STD clinics in Kandal Province, and four private sector health clinics (including two national breweries which hire “beer girls” and provide STD services for them). These 46 health care providers see an estimated total of 2,200 STD patients each month (an average of 48 patients per provider per month). This number appears rather small in terms of overall impact and the magnitude of contribution to human resource capacity building is questionable. Figures on cost per health worker trained were not available.

FHI/IMPACT plans to extend its STD training activities to the provinces of Kamong Cham, Kamong Thom, Kampong Chhnang and Kampong Speu. Assistance has, appropriately, centered around areas of the country where there are concentrations of CSWs, on clinics that specifically serve those sex workers, and on clinics where there are female health workers (nurses and midwives). The training is closely linked with efforts to empower sex workers such as Project Speak-Out and support to the NGO - Cambodian Woman for Peace and Development (CWPD).

The USAID indicator for the STD training program is “percentage of clients reporting clinic as first source of treatment for STD-related complaints.” Monitoring in nine of the health centers that FHI trained showed that, between December, 2000 and February, 2001, approximately 16 percent of the clinics’ patients chose that clinic first for treatment. No baseline data appears to be available against which to compare this.

b. STD studies

USAID funds have been used to fund three important STD studies in recent years, improving considerably to the weak knowledge base that has existed in Cambodia in relation to STDs.

In 1996, USAID funded a study (conducted by NCHADS with the University of Washington) to document STD prevalence rates in selected populations, determine gonococcal antibiotic susceptibility, assess the validity of the proposed WHO treatment algorithms for Cambodia, and document high-risk sexual behaviors in these populations. The findings of this study were used to develop Cambodia-specific recommendations for the modification of the WHO STD syndromic guidelines for vaginal discharge.

In April 2000, FHI completed a study, “The reality of STD care: An assessment of services, as seen by health care providers, patients and observers”. The study was undertaken to determine training needs of health care facilities where FHI had agreed to provide training. Specific objectives included ascertaining the appropriateness of clinical management of STDs, determining STD clients who received appropriate advice about partner notification and condom use, and assisting in identifying problems and solutions in terms of appropriate case management of STDs. The study was instrumental in guiding the training design.

Another study, (STD Prevalence Survey and Algorithm Validation Study in Cambodia) funded by USAID is currently being implemented through NCHADS with technical assistance from FHI/IMPACT, l’Institut Pasteur de Cambodge and the Institute for Tropical Medicine. The

study focuses on female CSWs, mobile men and antenatal care/family planning clinic attendees (the first two of these groups being high-risk groups for transmission of HIV) and will fill an important void in understanding STD prevalence and treatment patterns. The study is national, and is “oversampling” in USAID priority provinces to provide data for program effectiveness evaluations. The fieldwork was completed in early 2001 and results should be available in mid-2001.

Targeted Behavior Change Communication/IEC

a. HIV/AIDS communication/outreach to CSWs

The FHI/IMPACT project aims to reduce the incidence of HIV/STIs among direct and indirect sex workers in Phnom Penh, Kompong Cham, and Kandal (phase 1), and in Kompong Chhang, KompongThom, and Kompong Speu (phase 2), through an empowerment approach via LNGOs with sex workers. Particular IEC components of activities with female and transgender sex workers include: coordination of the ‘Speak Out’ project (a women’s empowerment project), peer education and peer support, networking, mobilization, and education of clients/boyfriends; and production of IEC materials.

In 1999-2000 ‘coverage’ (defined by the number of ‘active’ members of the sex worker network) of sex workers through Urban Sector Group, Cambodian Women for Peace and Development, Khmer Women's Cooperation for Development, Oxfam Hong Kong and Pharmaciens Sans Frontieres was 1,626 sex workers in Phnom Penh, 223 in Kandal, and 403 in Kompong Cham. Overall ‘reach’ (defined as the percentage of sex workers regularly contacted by peer educators) was estimated by FHI to be 35 percent of sex workers in Phnom Penh, 95 percent in Kandal, and 80 percent in Kompong Cham for a total of 2,590 sex workers.

There is concern that as the 100% CUP is implemented throughout Cambodia, commercial sex work will be increasingly driven underground, thus giving rise to an increase in indirect sex work. Reports indicate that implementing interventions in IDSW workplaces can be difficult – establishment owners, such as managers of beer breweries, are not always cooperative and many state that what the women do “on their own time” is not their concern.

PSI has produced posters specifically targeting CSWs that highlight PSI’s socially marketed *Number One* condoms. One of the posters depicts a female sex worker and her client with the *Number One* condom package prominently displayed. PSI staff reported that an MOH official wrote a letter to all Provincial Health Offices instructing them to display the poster in their health centers. The poster is also displayed widely in brothels. During a site visit to a brothel in Phnom Penh where PSI is active, the poster was hanging in every commercial sex room.

b. Workplace-based workers

In late 1998, FHI/IMPACT funded the pilot and subsequent expansion of a peer education program initiated by the MOND in 1995 among military service men in three densely populated provinces: Phnom Penh, Kandal and Kampong Cham.

A four-step process was developed for the peer education program:

- Training of Core Trainers (CT) at the national level;
- CTs then train Peer Education Trainers (PET);
- PETs train Peer Educators (PE); and
- PEs become 'peers' in educating and influencing their colleagues in the same unit/group using informal yet comprehensive risk reduction communication strategies in order to change their risk behaviors.

By 2000, the MOND, with support from FHI, had trained 11 core trainers, 153 Peer Educator Trainers and 2000 Peer Educators. It is estimated that each PET is able to 'reach' approximately 10 to 15 colleagues and friends within their unit/group. The program is reported to have reached 27,000 men (out of a total of 40,000 military forces) in three target provinces, representing approximately 20% of the entire military forces of Cambodia. ('Reached' is defined as the implementation of comprehensive risk reduction education between peers. The number of contacts with peers ranges from 3-5 each.).

In addition, a similar model is being implemented by the Cambodian Red Cross (CRC), a police peer education program which commenced in 1999. With funding received through FHI/IMPACT, the program has been implemented by the Ministry of Interior (MOI) in Phnom Penh and Kandal Province, and the CRC in Phnom Penh and Kampong Cham.

To date, two CTs, 30 PETs, and 594 PEs have been trained. The program has targeted approximately 6,000 policemen in 19 sites in Phnom Penh Municipality and 3 districts of Kandal Province.

The BCC interventions supported in the MOND and MOI have had wide coverage and have been highly effective as illustrated by the successive rounds of the HSS and BSS. Purchasing of commercial sex by the uniformed services has declined dramatically as has unprotected sex with CSWs. Furthermore, the commitment and support provided by both Ministries has been exceptional.

c. Mobile service workers

A program was recently initiated by the Cambodian Women's Clinics (CWC) directed towards men at high-risk of HIV/AIDS and STDs. This includes highly mobile populations not reached by other programs, such as moto-taxi drivers, construction workers and long-haul truck drivers. With funding from FHI/IMPACT, CWC has initiated a drop-in center in Phnom Penh that offers STD/HIV counselling, an STD clinic, information, condoms and lubricants. Outreach workers and volunteers reach men in the streets and in parks who may engage in risky sexual behavior. No data is yet available on coverage as the intervention began in January 2001.

d. HIV/AIDS materials availability

FHI/IMPACT provides a sub-contract, training and TA, to ACTION, a local NGO media company, to provide information, education and communication material support to all the sub-grantees receiving funding. When they were first established as a local NGO, ACTION's main capability was in the development of media production, including film and video, with less experience in IEC materials development. FHI has trained ACTION in the following areas:

- Audience based research for materials development;
- Developing creative briefs on which to base materials development;
- Pre and post testing of materials;
- Management of the production of materials.

Since the beginning of the project, over 190,000 pieces of materials have been produced and distributed primarily to the uniformed services. The vast majority of these have been T-shirts, caps, lighters with logo stickers and calendars. While these items may be much coveted by their target audience, they may have only limited IEC/BCC impact.

ACTION received a second contract from FHI/IMPACT (March 2000-2001) to broaden its scope by assisting all NGOs working under as FHI sub-grantees in materials development and production. In early 2001 FHI held a partners meeting to explain the role of ACTION in relation to all of the implementing agencies. Consequently, ACTION is about to go into production with a number of different materials for partner NGOs. This may help to provide LNGO sub-grantees with necessary, and lacking IEC materials.

KHANA builds the capacity of local NGOs to use participatory methods in determining the IEC needs of their beneficiary populations. In 2000, KHANA partners were supported to make a range of training materials for IEC. For World AIDS Day, partners, in conjunction with community members, designed puppet shows, drama, traditional songs, posters, T-shirts, hats, leaflet and flyers. Sex workers in one brothel designed their own T-shirts to encourage male clients to use condoms.

There is a critical need for coordination among donors and NGOs alike concerning the production and distribution of IEC material – especially printed materials such as posters, leaflets, and flip charts. Many local and international NGOs resort to producing their own IEC material, resulting in added labor, costs and duplication of efforts. Other NGOs (especially in rural areas) simply do not have access to any appropriate IEC materials. Further, an unintended consequence of many different IEC materials coming from many different sources is an overall lack of unity in themes and messages.

There is also a need for a clearly articulated overarching IEC strategy as to what messages should be designed for what target audiences using what types of media. The production and distribution of T-shirts, caps and other gimmicks, while perhaps useful for promoting the name of one's organization, has limited utility in conveying knowledge or bringing about behavior change.

In addition materials are often translated from English into Khmer and are not targeted well to the local culture/language/target group etc. There is a need for more appropriate and targeted IEC, as well as a need for simpler, better IEC materials, especially visually literate materials. It would be beneficial for USAID to work with its partners to coordinate its messages. This should also be coordinated with the appropriate government authorities and other donors/foundations.

HIV/AIDS - Care and Support

The original USAID Action Plan for HIV/AIDS did not specify care and support for people living with HIV/AIDS (PWA) as a key operational concern. However, as the number of people with HIV/AIDS has subsequently grown and as NCHADS drafted a comprehensive AIDS care and support strategy for inclusion in the National AIDS Strategy for the period 2001-2005, USAID has made some limited funding available for piloting several home-based care models. Some of the funding is channelled through the International HIV/AIDS Alliance and its local partner, KHANA, and some through sub-agreements from FHI/IMPACT with its local NGO implementing agencies. In addition ANE Regional Bureau funds were provided to FHI Bangkok in 2000 to begin discussions with two key regional networks, Asia Pacific Council of AIDS Services Organizations (APCASO) and APN+ on PWAs and human rights.

a. Home-based care

Two LNGOs, Mith Samlanh-Friends and NYEMO, receive financial support from FHI/IMPACT. The Friends project, targeting street children and their families affected by HIV/AIDS, is designed to assist these children and their families to cope with their situation in a humane way and to provide support and advice to caregivers on how to take care of PWA. NYEMO, co-funded by UNICEF, receives FHI/IMPACT funding in order to empower women and children living with HIV/AIDS to analyze their situation and to develop their capacity to initiate responses to protect their health and improve their quality of life and that of their children.

KHANA provides technical, managerial and financial assistance to a growing number of local NGOs to integrate HIV/AIDS prevention and care and support activities in their services with

urban and rural communities. Given the reach of NGOs and the trust they have in communities where they work, the program is designed to reach its beneficiaries through partnerships between community volunteers, NGOs and government to provide outreach services which are linked with Health Centers. Given the limited funds available from USAID, the current program basically focuses on the Phnom Penh and Battambang areas.

KHANA's Home care services in the pilot areas are provided by teams comprised of 5 members: 2 government health workers (i.e. nurses) from the local Health Center and 3 NGO representatives who serve the communities in the catchment area of the health center. The strategy is to use the health expertise of the government staff and couple it with the community trust and outreach approach of the NGO staff. In addition to the basic 5-person team, community volunteers are also involved in linking the outreach provided by the home care teams with the community. The volunteers also provide basic information about appropriate care and prevention.

Services offered as part of the home care package range from basic palliative care to welfare services through material support. Teams provide services to chronically ill adults rather than trying to search for HIV positive individuals, most of whom do not know their status or are unlikely to be able to determine it given the absence of easily accessed testing facilities. Teams are supposed to visit patients at least twice a week and more often if needed. Each team carries a home care kit consisting of basic drugs such as paracetamol, bandages, ORS, condoms, and soap. The Health Center nurse is the only member of the team authorized to dispense the drugs, all of which can be easily obtained across the counter in any pharmacy or drug seller. The team and the community volunteers provide HIV prevention information and education.

The provision of material, psychosocial and social support is primarily the role of the NGOs. Most of the material support provided consists of food to help households cope with the economic effects HIV related illnesses.

The Assessment Team visited one home-based care project in Battambang. In the 7 villages served by the health center, it was reported that 10 people had died in the last two months of AIDS-related illnesses. Approximately 35 suspected active AIDS cases were identified in the catchment area.

Given the time and language limitations of the visit, it is difficult (and perhaps unfair) to evaluate all of the home-based care trials from this one encounter. However, the Team's assessment is also based on a review of the relevant literature on the subject in Cambodia (see KHANA 2000) and knowledge of the social, economic and health system context. The following weaknesses/limitations are identified in the present models for delivering home-based care:

- an implicit assumption that professional home-based care would eventually be provided to all AIDS patients;
- an assumption that health professionals need to be among the care-givers; and
- an inadequate focus on what models are potentially replicable.

There appears to be an underlying and implicit assumption in the models now being tested that home based care by visiting health professions can and should be available to all AIDS patients. There is no country in the world that the Team knows of where this would be feasible. Limited resources make it essential that some type of needs-based prioritization takes place. Families vary enormously in the degree to which they require external assistance.

There is also the issue of who should provide home-based care. A home-based team made up in part by HC staff is a non-starter. As discussed in sections II-C and IV-C2, HCs are still in a formative stage of development, and their staffing patterns are barely adequate for existing services. While the HCs are expected to grow stronger over the next few years, they will also be expected to greatly expand their volume and range of services during that time. Provision of adequate outreach for essential preventable services such as immunization and antenatal care is already problematic, and there is no possibility of taking on home care outreach activities on a large scale as well. Besides, given the range of home-based care interventions, it is unlikely that health professions need to be involved except in the initial development of simple guidelines. Furthermore, professional nursing as commonly understood in many parts of the world does not exist in Cambodia. Nurses diagnose and treat diseases. They do not provide nursing care as we know it; that is done by the family.

It is also unrealistic to expect that NGO staff could be frontline members of a home care team if the program went to scale. No NGO has the capacity to recruit, train and manage that large a workforce. However, NGOs still can be program managers and provide the training to others, such as Buddhist nuns and wat grannies, who in turn can provide support at the individual family and community level.

Recognizing that there is a need for a potentially replicable form of home care support, the Team recommends a careful reexamination of the present set of models of home-based care delivery, a clear set of priorities and guidelines as to who should receive what kind of care and at what frequency and who the most appropriate care givers are within the community.

b. Children Affected by HIV/AIDS²

In FY1999, USAID received a Congressional appropriation of \$10 million to support activities targeted to children affected by HIV/AIDS. The supplemental funding led to the initiation of a range of projects addressing orphans and vulnerable children in 13 countries, including Cambodia. Cambodia and India were the only countries in Asia to receive these funds, and no previous efforts directed at children affected by HIV/AIDS had been supported by USAID in these countries. Therefore, USAID had no previous experience in implementing these types of activities. Nor has there been much (if any) experience from which to learn from other donor supported activities focusing on children affected by HIV/AIDS.

Supplemental funds in FY1999 in Cambodia totaled \$1 million, with the money received by projects in late 2000. Projects were implemented through KHANA and through FHI/Impact. KHANA received \$350,000; FHI/IMPACT received \$650,000.

² For a more complete analysis of CAA, see Annex C.

Working with partner local NGOs to respond to the growing needs of orphans and children affected by HIV/AIDS is a new area of work for KHANA that began in 1999. In 2000, in an effort to assist local NGOs to respond to children affected by AIDS, KHANA carried out an appraisal of the needs of these children and resources in Cambodia. As a result a growing number of KHANA's partner NGOs are recognizing a need to include attention to the needs of children affected by HIV/AIDS within their work. A 2000 evaluation of the home care program in Cambodia, in which a number of KHANA partners are involved, revealed that home care teams are increasingly dealing with issues related to children as part of their workload. Consequently of the 40 local NGOs funded by KHANA, 14 of these NGOs redesigned their programs in 2000 to include support for orphans and vulnerable children, with KHANA's technical assistance.

The types of activities which KHANA funds through local NGOs on behalf of CAA include: interventions with schools to waive fees for CAA, small amounts of food for CAA and their families, psychosocial counselling and practical skills such as writing wills, foster care and placement of CAA in families within the community.

FHI/IMPACT provides support to five local and one international NGO addressing CAA. Mith Samlanh-Friends for HIV/AIDS has two projects, one supporting HIV/AIDS prevention among street children in Phnom Penh, the other providing care and support to children affect by HIV/AIDS. The Friends prevention activity provides outreach education, addresses condom use, safe sex negotiation skill development, STD symptom recognition, STD treatment seeking behavior, empowerment and self-esteem issues. Activities are undertaken in a Phnom Penh settlement.

The care and support project identifies children affected by HIV/AIDS through the AIDS care ward of Preah Norodom Sihanouk Hospital when a parent is in the ward being cared for as a result of an AIDS related illness. The project provides food and day care support to the children while the parent is in the hospital.

NYEMO, based in Phnom Penh, has a project to improve the quality of life for women living with HIV/AIDS and their children. This project is supported by both UNICEF and through a sub-grant from FHI/IMPACT. Project activities include: a network for collaboration with referral to vocational, psycho-social and medical services; a drop in center for underprivileged mothers and their children; psychosocial, medical and recreational activities; empowerment for women with their children to face their current situation and to plan their future; and improved access to health care facilities and psycho-social support services.

FHI provides a sub-grant for CARE pilot interventions for children in distress in Koh Kong. The goal of the project is to increase the physical and mental well-being of children/adolescents affected by HIV/AIDS and their families through the provision of integrated and comprehensive HIV/AIDS prevention, care and support services

Activities supported by CARE include: a life skills and STD/HIV/AIDS prevention program for vulnerable children and adolescents in an effort to reduce their exposure to HIV infection; and a

team consisting of one CARE staff and five youth advocates to work in conjunction with Community Caring staff and partners to provide, monitor and evaluate prevention, care and support services to children/adolescents affected by HIV/AIDS and their families.

In 2001 FHI/IMPACT also began funding two local NGOs in Battambang. The first, Kien Kes Volunteer Network, was established in response to an assessment of the needs and capacity of Cambodian military to become involved in care and support programs for children affected by AIDS. The Network's plans have evolved from collaboration between the military unit in Thmar Kol, the activities of the Venerable Monk Mony Saveth from Wat Norea, and input from FHI/Impact and the local NGO Buddhists for Development. The main goal of the Kien Kes Volunteer Network is to ensure that children and their family members affected by chronic illness, including AIDS, receive assistance and support from the community in which they live, and that the community does not discriminate against PLWHA. The Kien Kes project will develop a volunteer network involving the local communities, monks in the local pagodas, and the military infrastructure to reunite children with their families, recognizing that functioning families are the most important unit for providing care and love to children. Family reunification will be achieved by providing psychosocial, material, technical, and/or financial support to both the children and their family members.

The second project in Battambang is with Meahto Phum Ko'mah (Homeland), a local Cambodian NGO established in 1997 to address the situation of children living on the streets of Battambang town. The goal of the project is to improve the quality of life of children orphaned by chronic illness of their parent(s), including AIDS, within 8 target communes in Battambang town and to strengthen community mechanisms for care and support of orphans, including fostering.

Because the KHANA and FHI/IMPACT funded projects are all relatively new, an assessment of their impact is premature. Nevertheless, several general observations can be made:

- The relatively small number of projects supported have been selected on an ad hoc basis rather than strategic basis. The minimal strategic planning for OVC may result in a plethora of disjointed activities that don't take full advantage of synergistic opportunities.
- There does not seem to be enough interaction and collaboration among the project implementing agencies or with Government. Complementary projects among implementing organizations, and individual comparative advantages, are not maximized, resulting in some duplication and inefficient use of time and resources.
- USAID should develop a comprehensive, coherent strategy in the area of OVCs.
- USAID should work with the various government bodies that are tasked with dealing with OVCs. In addition, USAID should work with international organizations/donors to be additive to the growing funds for OVCs.

A major factor accounting for the abandonment and institutionalization of babies born to HIV+ mothers (or mothers whose HIV status is unknown) is uncertainty of the child's HIV status. In

Calmette Hospital, for example, babies born to HIV+ or suspected positive mothers are placed in an institutional care facility for 12 months before being eligible for adoption. The conventional ELISA tests are not accurate before 18 months of age. However the polymerase chain reaction (PCR) test can be administered within days of birth. A window of opportunity would be created for early determination of the infant's HIV status and for its more rapid placement with family or in a foster home. USAID should work with the variety of players to determine the feasibility of the PCR test in this resource-poor country.

3. Building Human Capacity for HIV/AIDS Interventions

An underlying theme in all of USAID's work in Cambodia is the need to rebuild local capacity for leadership roles in virtually every aspect of life following the devastating destruction of the KR era (see Section IIA).

In the field of HIV/AIDS capacity building has, primarily because of the restrictions imposed by the U.S. Government in the wake of the 1997 "events", been directed at the local NGO and CBO community which forms one of the main and critical pillars of good governance. To a more limited extent, using alternative methods of funding, capacity building has directly benefited the national government.

The support channelled through FHI's regional office for the HSS and the BSS are good examples of national capacity building and fostering ownership of the surveillance systems. Before 1997 there was virtually no in-house capacity at NCHADS to conduct and analyze the HSS and the BSS. Since then, however, with the technical assistance provided by FHI through their Bangkok office, NCHADS is now capable of conducting and analyzing these critical sentinel surveys. Continued foreign technical assistance is desirable primarily to ensure that quality remains up to international standards and that the trends, especially the declining trends in prevalence, are subject to peer review. What appears to be lacking is capacity building for secondary in-depth analysis of existing surveillance data, either by NCHADS itself or by some other nationally based groups, such as the National Institute of Public Health.

FHI/IMPACT's contribution to building the capacity of Government, especially the MOND and the MOI, in the area of behavior change interventions targeting the uniformed services is harder to evaluate. Peer education activities in the military began in 1995 and were supported by UNDP/CARARE, and in 1998 WHO provided support to the MONDs health care program for STD case management training. The police peer education program began in 1999 in partnership with the MOI and the Cambodian Red Cross, the latter having a well-developed peer education program pre-dating the involvement of FHI. The FHI/IMPACT mid-term review recommended that technical and other support would probably have best been provided to the MOND, MOI and CRC for a wide variety of related activities, including coordinated curricula, policy development and strategic planning and HIV/AIDS program management. This may be where a few opportunities for capacity-building were missed, though the potential still remains strong.

With regard to FHI/IMPACT's capacity building and collaborative arrangements with other government and NGO groups, their mid-term review identified a number of areas for improvement, ranging from the need to collaborate more closely with the MOH to ensure that

various interventions are in line with government policy, to the reduction of compartmentalization within various project teams which result in fragmented and uncoordinated activities that may lack an overall strategy.

The potential impact of FHI's administration of sub-grants can be improved through a more clearly focused and well-articulated plan for capacity building. There should be a strategic plan developed whereas technical assistance in strategic planning, IEC and other areas are systematically provided.

KHANA has been successful in bringing new local NGOs under its umbrella, now totaling 40, a 30 percent increase over 1999. It receives an average of 70 applications a year to join the network, but because of limited staff and financial resources, it can handle only about 7 new NGOs a year. KHANA has been highly successful in "graduating" about 30 percent of the NGOs with which it works, graduating in the sense of no longer requiring technical or financial assistance from KHANA. Some of these local NGOs in turn have begun training other local NGOs who are increasingly reaching the point of being able to join the KHANA umbrella. The work which USAID has supported with KHANA and its partner local NGOs is a success story which is gradually but slowly enlarging the pool of Cambodian NGO talent which can be tapped for many innovative interventions in HIV/AIDS.

KHANA has also been very successful in developing its own capacity, as proven by success in diversifying its resource base. In its first year of operations in 1996, it was totally reliant upon financial support from USAID. By 2000 only 50 percent of KHANA's budget was provided by USAID with other donors such as World Bank, JICA, AUSAID, DfID and UNFPA providing the balance. This diversification of resources, however, has not been without some cost. Given KHANA's standing as an umbrella organization for indigenous NGOs and its track record, it is almost inevitable that other donors, each wanting to work with local NGOs but in accordance with the donors' own priorities and requirements, will flock to KHANA with offers to fund various activities. There is thus the real danger that this highly successful NGO will become overextended and its impact will be weakened.

With expansion, KHANA is beginning to have less direct involvement in their member NGO activities, concentrating instead primarily on managerial, financial and technical assistance. A decrease in the type of hands-on assistance provided in the past to LNGOs that were quite inexperienced may hamper KHANA's future contribution in the nurturing of new LNGOs. With increased funding for KHANA to take on more staff and to provide financial support, KHANA could further enlarge its pool of NGOs and continue to provide critical hands-on assistance.

VI. Infectious Diseases

A. Tuberculosis

1. Overview of Country Situation

Even prior to the advent of HIV/AIDS, tuberculosis was a major cause of morbidity and mortality in Cambodia. The country's estimated incidence of 539 cases per 100,000 population is the highest in all of Asia, and the highest in the world with the sole exception of sub-Saharan Africa. Every year, 60,000 new TB cases occur and about 10,000 cases die (90 TB-related deaths per 100,000 population). It is estimated that two thirds of the population are infected with *M.tuberculosis*. Given the magnitude of the HIV/AIDS problem in Cambodia, the unusually rapid pace of escalation and apparently short interval between infection and illness in this population, an explosive increase in the already high incidence of TB over the next five years is inevitable and may well reach levels equal or exceeding those of the worst affected African nations. HIV sero-prevalence among TB patients has increased sharply since the beginning of the HIV epidemic. In 1995, 3 percent of TB patients were HIV positive. This figure doubled to 8 percent by 1999 and is as high as 18 percent in some regions of the country.

As noted in Section I.C., the public health care system is still in a formative stage of development. Although national policy calls for inclusion of TB treatment in the minimum package of activities to be provided at the community (Health Center) level, the logistical and training implications of introducing DOTs at the periphery are considerable and implementation has been delayed pending initial establishment of functional Health Centers. In the interim, TB treatment has been available only at the hospital level and thus effectively out of reach for many patients. It is estimated that the current national program detects no more than 40 percent of actual TB infections in the population. The WHO target for case detection is 70 percent.

The case fatality rate for TB patients who enter the public health system is 17 percent. Taking into account an even greater number of patients who never receive treatment and die at home, it is evident that TB is a major cause of mortality in Cambodia. Further, the currently low level of case detection is inadequate to curtail transmission.

The MOH had initially intended to phase in TB and other chronic disease treatment at the HC level after the initial phase of district health system development – creation of over 900 HCs, 60 RHs and 60 DHMTs nationwide ---- was completed. This approach made sense given the already enormous challenges inherent in rapid creation of a health care system and the complexity, in terms of clinical skills, logistics and management, of this intervention. However, the advent of HIV/AIDS and corresponding increase in TB cases (expected to double within 1-2 years from an already high rate of incidence) has made it imperative to escalate the introduction of TB treatment at community (HC) level. A pilot project was implemented from October 1999 in 9 health centers in 7 operational districts nationwide to identify implementation issues and approaches. Results indicated that treatment at HC level is feasible and will substantially increase case detection; it was also found to strengthen community confidence in the HCs and overall improved HC utilization. The pilot project assessment concluded that about 70 percent of all TB cases could be diagnosed and treated at the HC level, and the MOH has committed to

nationwide implementation of HC DOTs. The technical assistance needed to implement this policy, however, will be considerable. Many of the HCs are not yet even open, and those that are have been so for only a short time; staff in general are inadequately trained and management and supervision systems have only recently been established. With an expected doubling of TB incidence, the sheer volume of caseload will present an enormous challenge to these new, and often understaffed, facilities. In addition the introduction of DOTs at HCs involves complex logistical and management mechanisms: obtaining sputum samples, transporting these to a laboratory facility, obtaining results and ensuring patient follow-up and compliance, ensuring drug security and control, etc. Health Centers and DHMTs will need considerable hands-on technical assistance, coaching and support if this challenge is to be effectively met.

2. Donor Assistance

JICA provides substantial technical assistance to the National Tuberculosis Program (NTP), including a fulltime long-term expatriate advisor. Inputs focus on strengthening of capacity of program managers and clinical skills of health personnel at the central, provincial and RH level, research and surveillance. The basic curricula and protocols necessary for use in treating TB at the HC level have been developed and piloted, but the scope of JICA's TA will not be sufficient to meet all technical assistance needs in implementation at the HC level.

TB is one of the areas of collaboration identified in the USAID-JICA Common Agenda for Cambodia. It outlines JICA's role in support to the NTP and proposes USAID involvement through funding of NGOs, presumably (but not specifically stated) for community-based activities such as IEC and HC DOTs.

Anti-TB drugs are currently purchased by the Government through both the national budget and a health sector loan from the World Bank, which expires in 2002. Initially all drugs were imported, but the MOH has recently begun to use a locally produced INH/rifampin combination which has not had adequate quality assurance testing. In addition to concern about quality of the drugs, there have been problems with leakage into the unregulated private sector, a serious public health concern given the problem of multi-drug resistance. Although private practitioners, clinics and pharmacies are prohibited by law from selling TB drugs, a survey on perceptions on TB and health care seeking behaviors conducted by FHI in a slum settlement in Phnom Penh found that drug sellers sold rifampicin and ethambutol. JICA is actively considering provision of anti-TB drugs, which will facilitate their ability to monitor both quality and distribution.

In summary, research and surveillance, policy formulation, protocol development and clinical training materials are adequately supported by other donors, as are drugs and related material needs (laboratory etc). However the expansion to HC level nationwide will require community-level TA and training well beyond what present donors can support. These inputs will be labor intensive and require a systems approach as the primary constraints and needs are operational, not clinical. Once community level services are established, community-level IEC will obviously take on importance as well.

3. Current USAID Portfolio

The prevention and control of TB is not explicitly addressed in the current USAID strategy. However, several USAID CAs are providing support to Health Centers (see Section IV.C), some of which participated in the HC DOTs pilot, and all of which will be expected to incorporate DOTs in their range of services in the near future, with the training and TA needs this entails. Most importantly, USAID's current portfolio and partners have demonstrated a capacity to strengthen the provision of basic preventive and curative public health services in Health Centers, and this will be as applicable to the introduction of HC DOTs as it has already been to the provision of maternal and child health and family planning services. The main constraints in HC DOTs and support required are not specifically clinical in nature but rather a matter of general capacity building and systems development.

FHI/Impact has provided a small subgrant to an NGO, Servants to Asia's Poor, to pilot home delivery of DOTs to PLHA in the catchment area of a Phnom Penh Health Center which was part of the HC DOTs pilot study. Khana has proposed similar initiatives through several of its partner NGOs. In addition, CARE has also proposed including DOTs into their existing program. KHANA and CARE's inclusion of DOTs has been positively greeted by JICA. While home delivery of DOTs to PLHA is undoubtedly a need, it is not going to be replicable on a large scale in the foreseeable future since neither HC TB treatment nor HIV/AIDS home care are yet established in the country.

FHI/Impact conducted and disseminated a study of TB health seeking behavior among the urban poor in 1999. A regionally funded study of prevalence, drug resistance and health-seeking behavior among HIV positive patients, prisoners and slum dwellers is underway through the FHI Regional Office in collaboration with the Gorgas Institute.

B. Malaria

1. Overview of Country Situation

Malaria is a leading cause of morbidity and mortality in Cambodia despite the fact that transmission is largely limited to specific and usually sparsely populated parts of the country. Approximately 5 percent of the population live in endemic areas, while a much larger number of people are temporarily exposed in the course of migrant work e.g. military, gem miners, loggers, rubber plantation workers, etc. In addition, the post-war environment has seen a large internal resettlement of non-immune people into previously insecure forested areas of transmission. Overall, approximately 2 million Cambodians are considered to be at risk of infection. The incidence of transmission in endemic areas can be extraordinarily high. Prevalence of over 50 percent has been documented in some areas. Malaria is the leading cause of hospitalization in Cambodia; in 2000, a total of 129,167 (11.3 per 1,000 population) cases of malaria were confirmed and treated within the public health system. Given the cultural preference for self-treatment of illnesses (see Section I.C.), widespread availability of anti-malarial drugs in the general market, and still limited reach of public health services, this can safely be assumed to represent only a fraction of true total incidence, which WHO estimates at 1 million cases annually.

Malaria in Cambodia has a higher case fatality rate than in neighboring countries. 92 percent of slide-confirmed malaria in Cambodia is due to *Plasmodium Falciparum*, and multi-drug resistance is widespread, especially in the western parts of the country. In addition, the selling of counterfeit anti-malarial drugs is a significant problem and contributes to mortality. Malaria is the single leading cause of all hospital deaths. Extrapolations from hospital data yield a generally accepted estimate of 10,000 deaths per year in Cambodia (WHO 1999). The overall case fatality rate for hospitalized severe malaria in 2000 was 9.8 percent, but runs as high as 30-88 percent in remote referral locations. Although working age males have the highest incidence, pregnant women and small children are at greatest risk of death when infected. Malaria in pregnancy, particularly in the third trimester, is associated with extremely high rates of fetal loss and maternal death.

The MOH's malaria strategy emphasizes both reduction of transmission and reduction of mortality. Insecticide-impregnated bed nets are distributed in endemic areas along with community health education. Health centers have been provided with dipsticks for rapid diagnosis and anti-malarial drugs, and providers have been trained in case management. Community education has also been conducted to encourage prompt treatment at health facilities, and efforts have been made to crack down on the sale of counterfeit drugs in the market. All of these interventions are ongoing, and there are encouraging signs of progress, including a recent decrease in incidence (both by public sector reports and survey of private clinics), and a significant decrease in the case fatality rate.

In addition to efforts in the public sector, the MOH has explicitly acknowledged the important role of the private sector in the treatment of malaria, and has conducted a pilot study of pre-packaged drugs and a dipstick test for distribution through drug vendors. Results were encouraging and donor support is being sought for large-scale implementation. The MOH has also developed collaborative agreements with a large network of NGOs for both preventive and case management activities.

Nonetheless, much remains to be done in combating this leading cause of death. Bed net distribution and use promotion requires intensive community-level efforts, and it is difficult to effectively target and reach migrant populations. The poor state of rural infrastructure and lag in development of Referral Hospitals means that the vast majority of malaria cases occur in settings where inpatient treatment is unavailable or limited (e.g., no blood bank facilities). This presents the greatest danger to those groups most likely to progress rapidly to severe complications – pregnant women and small children. Although it is MOH policy to provide malaria diagnosis and treatment as part of the OPA in all Health Centers, training of staff and provision of drugs and materials has had to be phased in as HCs are established and become operational. Understandably, the MOH first targeted facilities located in areas of endemic transmission. However, since the onset of malaria occurs several weeks after vector inoculation, cases can and do appear at Health Centers in non-endemic locations as well, and distribution of diagnostic supplies and anti-malarial drugs, along with training of health workers, has not yet reached all HCs.

An additional and more problematic constraint is that the distribution of HCs, generally one per 10,000 population, does not provide adequate access to services in the more sparsely populated and mountainous provinces where malaria is most endemic. Policies to provide outreach services or satellite health posts in such places have yet to be developed, and will in any event be extremely hard to implement especially in areas populated by migratory ethnic minority groups. It is hoped that social marketing of drugs, combined with IEC, will help extend access to curative services in such areas.

2. Donor Assistance

WHO (with DFID funds) and the EU provide support to the National Malaria program, as does the World Bank loan. This includes strengthening of Central and Provincial level capacities, training of health personnel, and provision of laboratory supplies. Anti-malarial drugs are purchased through the World Bank loan, national budget and by KfW, as part of general support for essential drugs. The MOH is currently seeking donor funding for initial capitalization of social marketing of anti-malarial drugs and has submitted a request to JICA for this. The EU will support related IEC efforts and materials development. The World Bank loan as well as a government-sponsored charitable contribution campaign support the cost of procurement and social marketing of impregnated bed nets. The USAID Global Bureau provides support for surveillance and research on drug resistance.

In short, support for capacity-building within the NMC and research/surveillance activities seems adequate, and there is adequate provision for procurement of materials (bed nets, drugs, testing materials) to be used in public health facilities at the periphery. There is a possible gap in funding of commodities to capitalize a large-scale social marketing effort, as well as unmet needs for technical assistance in marketing. There are also gaps in technical assistance at the community level to ensure the effective distribution and use of bed nets, and strengthen access and quality of community level treatment.

3. Current USAID Program

Community outreach health education activities of USAID CAs include messages about mode of transmission and the use of bed nets. In addition, some of the HCs receiving training and TA from these two projects diagnose and treat malaria. Ultimately, all will, as the phasing in of malarial testing and treatment in HCs progresses nationwide. The on-the-job coaching, training and management support provided by CAs at the HC level thus play an important albeit indirect role in improving access to effective treatment, and this potential will expand as malaria treatment extends to all HCs nation-wide in the coming years.

The USAID-funded PFD Project in Kratie Province – an area of high transmission – has a specific focus on malaria prevention and has carried out intensive and highly successful efforts to decrease malaria morbidity and mortality through village-based impregnated bed net distribution and intensive village level health education, both occurring in the context of a comprehensive grass roots integrated rural development project using highly participatory approaches which have succeeded in building trust and credibility among villagers.

PFD has a formal collaborative agreement with the MOH Malaria Control Program to implement the distribution and periodic re-impregnation of bed nets throughout the Province, along with intensive community IEC. As of the end of CY2000, over 100,000 family bed nets had been distributed to a total population of 263,000 persons, achieving 100 percent coverage of the endemic areas in the province. An intensive system of monitoring and follow-up has ensured near universal use of the nets, and a dramatic decline in malaria incidence has been documented in health facility statistics, through household interviews, and in a survey of 121 private drug sellers. Between 1998 and 1999, the number of patients treated in five HCs for malaria decreased from 1500 to 500. A nominal fee was charged for the nets and used by PFD to purchase and distribute anti-malarial treatment.

An external mid-term evaluation conducted in 1999 described PFD's malaria control efforts as "an unqualified success and a model for other provinces". The Assessment Team concurs with this evaluation. Although the initial inputs required to achieve results were intensive, the final product is an internalized behavior change and demand for bed nets that will be sustainable with only modest recurrent costs (insecticide for periodic re-impregnation, and replace of nets every few years).

In addition to the above mentioned USAID/Cambodia supported activities, there is a centrally funded grant through WHO/Cambodia for malaria control at a level of \$300,000 for five years. Activities supported include surveillance, and research on patterns of drug sensitivity and resistance.

C. Dengue Hemorrhagic Fever

1. Overview of Country Situation

Dengue hemorrhagic fever is endemic, but reaches epidemic proportions in Cambodia every two to three years. It is spread by *Aedes*, a day-biting mosquito which breeds in stagnant water. Studies have shown household water jars to be the prime breeding site in Cambodia, with an average of 85% of water storage containers testing positive for larval infestation. The most recent such outbreak occurred in 1997-8, and affected both rural and urban areas. As noted in section IV.A.3, DHF is the leading cause of death among children aged 1-5 years. The case fatality rate for DHF is much higher in Cambodia than in neighboring countries, ranging from 3.6 – 15 percent nationwide, but substantially lower in the capital city due to the availability of higher trained personnel and better equipped facilities. Over the six-year period 1995 – 2000, a total of 36,796 cases of DHF were registered with the MOH National Center for Epidemiology, Parasitology and Malaria Control, with a total of 1,259 deaths among them. These already high figures obviously under represent the true burden of morbidity and mortality as they are limited to cases diagnosed in a public health facility and reported to the National Center.

As with malaria, the MOH's dengue strategy consists of prevention through health education and improved case management. However, both are technically more difficult than in the case of malaria. The dengue vector is a day-biting mosquito, making it extremely hard to avoid exposure. Efforts to promote covering of water jars and larvicide treatment have so far met with limited success, but it is anticipated that this may improve when a successfully piloted new,

water-permeable water jar lid is widely available. Donor assistance for social marketing of it is being sought.

There is considerable concern that it is now 3 years since the last outbreak, meaning that another one is likely to be imminent. The MOH plans a massive larvicide campaign in April and May of this year, targeting a population of over 3 million persons in high-risk areas.

Case management of dengue is likewise more complex than that of malaria, and requires a higher level of care. While most cases of malaria can be effectively treated at Health Centers or through self-purchase of anti-malarial drugs, management of DHF requires inpatient treatment at a hospital equipped with laboratory, blood banking and higher level personnel. The majority of Cambodians do not have access to these because only 30 percent of planned Referral Hospitals have as yet been fully established.

2. Donor Assistance

There is not much donor assistance specifically slated to DHF. The Swiss government gives substantial support to a private children's hospital (Kantha Bopha) established by a Swiss pediatrician-philanthropist which, together with the World Vision-supported National Pediatric Hospital receives most DHF cases hospitalized in the Phnom Penh area; a second such hospital has recently opened in Siem Reap. The French Cooperation provides support to the Pasteur Institute, which conducts laboratory-based surveillance for the MOH. Both the World Bank and ADB loans provide support for construction and equipment of RHs in a total of 16 provinces, which as they become operational will begin to handle increasing numbers of dengue cases.

Preventive activities are under-funded, and the MOH still faces a shortfall of approximately \$100,000 to capitalize the proposed social marketing of water jar lids. There is also a shortfall in funding the intensive larvicide treatment campaign about to commence.

3. Current USAID Program

There are no activities directly relating to dengue in the present USAID/Cambodia program. However, there is a centrally funded USAID grant administered through WHO/Cambodia for control and management of DHF. Activities supported include disease and vector surveillance, vector control, community health education, and training of health care providers in case management.

VII. Key Findings and Lessons Learned

A. Cross-Cutting Concerns

1. Program Design

- USAID's areas of comparative advantage are in Technical Assistance, Social Marketing, working with the private sector, and working at the community level through NGOs.
- Disease-specific interventions in Cambodia need to be complemented by interventions which support development of the health care service delivery system. USAID has a comparative advantage in doing this at community level and its current projects have played a significant role in strengthening district Referral Hospitals, Health Centers, and Health Center outreach to villages.
- For maximum impact, interventions to strengthen health services must take a systems approach, addressing all five critical elements of community level service delivery and their linkages: the District Health Management Team, the Referral Hospital, Health Centers, HC Feedback Committees (FBCs) and Health Center Outreach.
- In interventions to strengthen the health system the "larger picture" must be kept in mind, particularly when dealing with constraints of national policy importance. Active participation in national forums is required to ensure that nationally systemic issues are addressed in a manner that is potentially replicable and acceptable to policy makers.
- PHN projects, even when implemented through NGOs and the private sector, are vulnerable to disruption when political events lead to deterioration in the bilateral relationship. USAID may benefit from nascent cooperation with the government, as well as other donors, in resolving such fundamental issues as client charges and provider compensation. Political commitment to achieving a functioning public health system needs to be supported.
- Both within the current USAID portfolio and the national programs, HIV/AIDS/STDs is highly verticalized with little or no interface with RCH programs or the overall health service delivery system. Health care providers have thus far been left out of the planning process and are poorly informed about proposed interventions, including those they will have to help implement. Health providers also have unmet needs for information on HIV transmission and universal precautions.

- There are numerous potentials for linkages between RCH and HIV/AIDS/STD interventions which would render both more effective, e.g.:
 - HIV/AIDS/STD and RCH IEC efforts
 - ante-natal, obstetric and post-natal care and PMTCT, HIV prevention
 - Family Planning and VCT, STD/HIV prevention
 - ANC and STD prevention and treatment
 - VCT and FP.
- In community outreach IEC, getting there is 99 percent the battle and cost. No opportunity should be missed to provide key messages in the areas of MCH, FP, HIV/AIDS and STDs at each outreach session.
- Youth, a key segment of the population who will largely determine future trends in both RCH and HIV/AIDS, are not optimally reached unless there is a specific focus and strategy for doing so.
- Use of umbrella-type mechanisms to fund a large number of implementing agencies provides a suitable range and number of LNGO implementing partners on the one hand, while meeting USAID financial accountability requirements and management constraints on the other. However, care must be taken to see that the umbrella agency provides value added technical support in exchange for the increased cost such arrangements entail.

2. Capacity-Building

- In addition to providing a vehicle for funding an otherwise, unmanageable but essential cadre of implementing agencies, umbrella mechanisms can and should provide added value in the form of technical assistance, access to coordinated IEC and other materials, and programmatic guidance and organizational capacity-building. Co-operative agreements for sub-agreements need to spell out clearly to sub-grantees specific expectations such as technical inputs from CAs, and specific strategies need to be developed to ensure this takes place.
- In the Cambodian context, where human resource capacity is extremely weak, and change is needed not only in information and skills but in basic attitudes and expectations, effective TA and training requires extensive, prolonged, hands-on follow-up, coaching and mentoring at the actual service delivery point.
- To achieve the above, it is critical that implementing agencies systemically approach, and allocate resources for, capacity-building of their own national staff so that they are well positioned to serve as mentors.
- USAID should develop a strategic plan with proper oversight to ensure that subgrantees receive needed TA.

3. Research, Monitoring and Evaluation

- Both impact and monitoring of impact is hampered when activities are scattered across a large number of provinces without complete coverage of Operational Districts within a province. Achieving a critical mass both within ODs and among all ODs in a province will enhance effectiveness and make it easier to measure.
- Research activities, whether Mission or centrally funded, will maximally reflect priority program information needs only if there is a clearly established USAID PHN research agenda and strategy to inform them. The possible range of research in Cambodia is virtually limitless and needs to be Mission, rather than researcher and CA, driven.
- Pilot interventions, in particular, need to occur within the framework of a strategic research agenda to ensure that they are potentially replicable in the context of the current level of health care system and overall socioeconomic development.

B. Intervention Specific Concerns

1. Reproductive and Child Health

- Child survival has been relatively neglected both within the present USAID portfolio and among bilateral donors to Cambodia overall. As infant (especially post-neonatal) mortality rates are high and steadily rising, this needs to be addressed.
- The present Cambodian national EPI/VAC strategy is not working. Coverage levels are grossly inadequate and have not improved in the last two years. Geographical realities make it impossible to achieve significant coverage through static clinic based EPI. Without external technical assistance, HCs cannot manage the complexities of rotational outreach to villages. Government funds for conducting outreach are not reaching the periphery. Time-consuming monthly outreach to very small villages is a labor intensive and cost-inefficient approach. The overall strategy needs re-appraisal.
- Competency-based training of midwives has significantly improved the quality of their services and utilization. Keys to this success have been careful training selection criteria, practical training provided in a setting with a high volume of deliveries, and intensive post-training follow-up.
- Community-level health providers are not adequately trained in the management of common child illnesses, so that there is little if any added advantage to the client in consulting a health worker. There is an urgent unmet need for competency-based training of HC and RH curative staff, as has been successfully done with midwives.
- Fear of abusive or impolite treatment, often based on prior experience, is a significant factor in non-utilization of trained health providers in Cambodia. Providers lack skills in bridging class barriers and their training has not stressed communication with clients or

interpersonal skills. There is an urgent need to train providers in interpersonal skills, quality assurance and to sensitize them to class barriers.

- Social marketing is an appropriate and cost-effective strategy for increasing access and demand for family planning methods. However, current marketing strategies do not effectively reach the rural areas where the majority of the population resides.
- There is untapped potential for using social marketing to improve access to and demand for RCH services, e.g. ORS, iron/folate supplements, etc..
- While progress is being made in increasing the quality and coverage of antenatal services and safe delivery, the post-partum period and post-partum interventions have been neglected. As the majority of direct obstetric deaths are due to post-partum hemorrhage, and as improper breast-feeding is a significant contributor to infant mortality, post-partum interventions could have a potentially large impact on both maternal and child survival, and on MTCT of HIV.
- Delivery at home, even when conducted by a trained midwife, is apt to entail significant unnecessary risk due to widespread use of dangerous modern medical interventions. This makes the development of client-friendly delivery services in HCs and RHs all the more important.
- One of several factors constraining the use of health facilities for delivery is the failure of these to incorporate non-harmful traditional beliefs and practices. This was successfully done in the past with Cambodian populations in Thai refugee camps and effectively increased deliveries in hospitals.
- Although significant resources are being directed to TBA training, it is not clear that this actually improves TBA delivery practices. An alternative approach, which takes into account the important psychosocial and spiritual functions of the TBA, is partnering arrangements with HC and RH midwives.
- Emergency Contraception is not generally available in the FP program, and is a strong unmet need given the reportedly high incidence of rape and large adolescent population.
- Post-Abortion care is also not generally available in the USAID FP program and should be explored.
- There is little understanding or promotion of the dual protection (pregnancy and STD/HIV) advantages of condoms. FP providers currently give too little emphasis to condoms, which are associated with disease prevention rather than contraception.
- Condom security is an area that must be further explored in Cambodia.

2. HIV/AIDS/STD

- The national response to the HIV/AIDS epidemic is thus far largely a health response; responses in other sectors have been relatively muted. This reflects two things: (1) the much stronger capacities of the MOH relative to other line Ministries, and overall low level of activity in many sectors; and (2) deeply rooted cultural factors which make inter-departmental, let alone inter-sectoral, collaboration extremely difficult to achieve.
- While there has been good utilization of the HSS and BSS data by government and donors at national level, there is an unmet need for building the capacity of provincial and district levels to use the data in development and evaluation of province and district specific strategies.
- USAID-funded efforts to reach CSWs and their male clients, especially men in the uniformed services, have been highly successful and have contributed to declines in high-risk behavior and HIV prevalence in these groups. Key to this success have been the participation of local women's NGOs, and the strong commitment of the Ministries of Interior (MOI, responsible for the police) and National Defense (MOND, responsible for the military). Both the MOND and MOI would benefit greatly from additional TA in developing their own HIV/AIDS strategies, policies and guidelines to ensure that the entire military and police services are covered nationwide.
- The association of condoms with prevention of STD/HIV has led to a stigmatization and under-use with wives and "sweethearts". Attention to these groups should be a priority to contain the spread of HIV/AIDS to the "generalized" population.
- IEC/BCC through mass electronic media, particularly television and video, has a greater range and impact on target audiences than other forms of media.
- While IEC and BCC efforts have contributed greatly to a near universal knowledge of AIDS and improved condom use, there are some important gaps in message content and targeting, e.g.:
 - Care of PLWHA and CAA has gotten comparatively little emphasis;
 - Messages about HIV prevention stress dangers but fail to make clear ways in which HIV is not transmitted, leading to unnecessary fear and stigmatization;
 - There has been an over-reliance on printed text where more visually literate materials would reach a greater number of people;
 - Current approaches and strategies have been effective in reaching CSWs and their clients, but less so in reaching IDSWs and migrant male workers;
 - Preventive messages stress commercial sex encounters; there has been too little emphasis on protection of wives and "sweethearts".

- There is a huge unmet demand for VCT throughout the country, both in high-risk groups and in the general population. Public sector testing facilities are inadequate in number and location, and overwhelmed with clients where they do exist. There is a potential market for complementary fee-for-service VCT in areas where government has already established free services, to cater to middle class concerns and reduce the burden on government facilities. In addition, there is a need to develop VCT services in “private” health centers.
- Counseling is not an indigenous concept in Cambodia. The planned nationwide expansion of VCT in the public sector will require intensive TA, training, follow-up, social marketing and facilitative supervision.
- Present interventions for care and support of PWHA and CAA are ad hoc and need to be re-examined in terms of strategic coherence, replicability and realistic potential for scale-up.
- It is unrealistic to expect that, in a country still far from providing widespread access to treatment for curative illnesses, every AIDS patient can receive professional home care services. There is a need to prioritize and develop selection criteria for who is to receive what level of services, and to identify non-professional first-line care providers.
- ◆ Lack of in-country technical capacity for early testing of infant HIV status results in unnecessary institutionalization of children orphaned or abandoned due to HIV/AIDS. PCR testing is not generally available. There should be an analysis to determine the feasibility of PCR testing in Cambodia.

3. Infectious Diseases

- Current TB treatment availability is inadequate to reach the majority of patients or decrease transmission, and the incidence of TB is likely to double in a few years due to HIV/AIDS. Introduction of DOTs at the HC level is by far the greatest priority.
- Introduction of HC DOTs will require significant, hands-on TA, training and mentoring at HC level, to ensure correct treatment protocol and non-diversion of drugs.
- Collaboration with JICA and the National TB Program is important to complement their current programs.
- Very dramatic reductions in malarial morbidity and mortality can be achieved through a combination of IEC and insecticide impregnated bed net distribution when carried out by NGOs in a structured, intensive manner at community level, accompanied by careful monitoring and evaluation of both behavioral change (maintenance and use of bed nets) and impact (decrease in incidence of malaria).

- Population-based data indicates that DHF is the leading cause of child mortality, suggesting a need for greater emphasis on prevention and on development of district Referral Hospitals as a child survival priority.
- There is untapped potential for using social marketing to improve access to and demand for ID control measures, e.g. water jar lids, malaria treatment kits.

VIII. Potential New Directions and Activities

A. Cross-Cutting

1. The health care system in Cambodia is only four years old, and still in early stages of development. To be effective, disease specific interventions must be accompanied by measures to strengthen the health care delivery system, particularly its decentralization at the level of the Operational District. USAID has a comparative advantage in doing this through NGOs. Important features of such support, which have proven successful under the current portfolio, include:
 - A systems approach, recognizing and addressing the essential elements of district health services (HCs, HC outreach, Referral Hospital and the Operational District Health Team) and the referral mechanisms, and linkages between them.
 - Competency-based training, through both formal and informal mechanisms, for HC, RH and DHMT staff to improve clinical, counseling/interpersonal, and managerial skills.
 - Intensive on-the-job follow-up and coaching after training is completed, to assist staff in internalization and application of new skills, attitudes and approaches.
 - Assistance for the formation and activities of HC Feedback Committees (FBCs). These committees, consisting of elected representatives from each village, provide an essential mechanism for improving HC-villager relations, mobilizing the community for outreach sessions and promoting health practices and utilization of preventive services. Most importantly, they empower communities and create a sense of accountability towards clients which health workers, raised and trained in an authoritarian culture, have never before had.
2. The new health system's development and maturation is fundamental to achieving success in all intervention areas: maternal health, family planning, child survival and HIV/AIDS prevention and care. Without this, all other interventions are just tinkering around the edges. A number of innovative experiments in health sector reform (contracting in/out, "boosting", the MSF "New Deal", etc) and active policy dialogues between government, donors and implementing agencies are underway. USAID may benefit from closer collaboration with the government, as well as other donors, in resolving such fundamental issues as client charges and provider compensation. Political commitment to achieving a functioning public health system needs to be supported.
3. To maximize impact and effective leveraging of resources, and minimize management burden, it is strongly recommend that a few provinces be selected for intensive focus, in addition to continuation of selected national-level interventions. Within these provinces, a closely linked and strategic package of maternal, infant/child, family planning, STD, and HIV/AIDS interventions should be provided, in tandem with general support to strengthen the health service delivery system, in all Operational Districts.

4. The following criteria are suggested in selection of focus provinces:
 - HIV/AIDs prevalence (RCH needs are equally severe throughout the country);
 - Progress in health service system development. Interventions need to have some degree of a functioning health system to start with, as well as to be accompanied by inputs to further strengthen those systems. It is suggested that geographical areas selected have at least 75 percent of planned HCs open with MPA; functional RHs in every OD (not necessarily surgical capacity if there are other surgical referral points within an hour of the OD), and a fully staffed and functional District Health Management Team in every OD;
 - It is important to take into consideration other donor interventions with significant impact on the health system. It would not be appropriate to select a province in which the ADB-financed contracting pilot may be scaled up. A strategic decision will need to be made with regard to provinces slated for “boosting” (see Section IV.B.). On one hand, “boosting” is expected to result in a stronger health system with which USAID projects could interface; on the other hand, like any new initiative, there are elements of risk and a possibility of significant disruptions as change is introduced. Given the Mission’s mandate to show results in 1-2 years, this may be a risk too great to take. Close collaboration and consultation with the MOH and other donors is imperative.
5. Aside from major systems interventions such as “boosting” and contracting of health services, most other donor-funded assistance need not influence selection of geographical focus; a “template” of key interventions at OD level should be developed and then tailored to specify which elements USAID can support and coordinated with other elements which are expected from other donors within each OD.
6. Umbrella mechanisms offer a manageable means of working through a large number of smaller organizations, particularly LNGOs which have unique potentials but seldom the financial systems in place to directly receive USAID funding. The Mission should continue to use umbrella-type mechanisms, especially with regard to LNGOs, but should ensure that the umbrella CA provides value added technical support in exchange for the increased cost such arrangements entail. Assistance instruments should clearly spell out CA obligations with regard to technical assistance, provision of IEC and other materials, programmatic guidance and organizational capacity-building for sub-grantees. In addition, it would be desirable to require pre-approval of subgrants by the Mission, to ensure that these fall within the Mission’s strategy and that the umbrella CA has made provision of adequate technical support.
7. Social Marketing is both an area in which USAID has a strong comparative advantage and one with unusually high potential impact in Cambodia due to an established cultural preference for self-purchase of health commodities and a very receptive policy climate. It is therefore strongly recommended that:

- USAID support expansion of the present product line to include injectable contraceptives and a “sweetheart” brand of condom (if successfully piloted);
 - future social marketing initiatives include specific strategies to achieve product placement in rural areas even if these are more labor-intensive and hence yield lower cost return than conventional distribution mechanisms;
 - social marketing can be used to contribute to a broader range of reproductive and health needs, through expansion of product lines into health commodities e.g.: ORS, STI drug kits, malaria treatment kits, water jar lids to combat DHF, prenatal iron/folate tablets, and, possibly, safe birth kits;
 - the Social Marketing Program should extend beyond project implementation to wider capacity building in the areas of marketing and marketing research, message development, IEC materials, script writing, etc. An overall strategic plan and collaborative working arrangements should be developed, both with all USAID CAs and with specific government programs (e.g., Malaria and Dengue Control).
8. Lack of human resource capacities is a pervasive constraint to development efforts in Cambodia, and capacity-building must go hand in hand with interventions. Projects in the current portfolio have demonstrated that capacity-building, particularly for public sector health staff, requires intensive, hands-on mentoring and coaching from suitably trained local counterparts. To be able to do this, USAID’s partner CAs require a growing cadre of highly skilled local professional staff. USAID should explicitly support CAs in staff development as an integral part of their programs. RFAs and assistance instruments should reflect clear plans, policies and resource allocation for local staff development, and deployment of a critical mass of professional staff (both international and local) at the field level with phased in devolution of authority and responsibility to them.
9. Given the young population in Cambodia and the tremendous RH needs of this growing population, the new strategy should try to include youth as a cross cutting theme. A youth strategy should encompass both males and females, using age appropriate approaches such as peer education, to encourage a reduction high risk behavior for HIV/AIDS, STDs and unwanted pregnancy.

B. RCH-HIV/AIDS Linkages

1. The new strategy and projects funded under it should make maximal use of potential linkages between RCH and HIV/AIDS/STD interventions, including:
 - HIV/AIDS/STD/ID and RCH IEC efforts
 - ante-natal, obstetric, ID, post-natal care and post-abortion care, MTCT, HIV prevention
 - Family Planning and VCT, STD/HIV prevention
 - ANC and STD prevention and treatment

- CT for FP/HIV/AIDS/STDs.
2. Outreach services and IEC activities should include a integrated package of key MCH/FP/STD/HIV/AIDS interventions and messages since the greatest expenditure of time, staff and money lies in reaching these contact points. No opportunity should be wasted to convey key messages in all of these areas.
 3. Through both social marketing and community level health services (HCs and health education), efforts should be made to de-stigmatize the condom and make condom use a societal norm. Program efforts should focus on promoting the condom for dual protection.
 4. Men are the users of condoms; USAID should try to develop approaches and strategies that ensure the dual protection message is reaching men, and provide one on one counseling for correct and consistent condom use. At the same time, STD programs that treat men for STDS should also play a more effective role counseling them on correct and consistent condom use and communicate the dual protection message.
 5. RHAC clinics are an excellent model for urban RH/STD service delivery, effectively reaching men, women and youth with a broad range of RH/STD services. Expansion to other urban locations, especially ones of growing need and risk such as Siem Reap town (tourism center, youth in-migration for employment), is highly desirable. However, establishment of new clinic sites involves considerable investment in staff development and is feasible only if there is long-term (i.e., 3-5 year) donor funding.
 6. Currently the national HIV/AIDS program is very vertical and there is no effective linkage yet to health care providers nor to MCH/FP clients – despite the fact that both groups have a strong felt need for information. The recommended integrated Operational District approach will help bridge this gap. In addition, special attention should be given to health care providers, who have great unmet needs for information on how to protect themselves, and how to deal with HIV/AIDS in their health centers and hospitals. Midwives in particular need information on HIV/AIDS in pregnancy, peri-natal transmission, infection prevention practices, and PTMTC. Prevention practices by health care providers are an important element of HIV/AIDS control. Basic RH/HIV/AIDS/STDS training of health care providers is desperately needed at provincial and district levels of the health care system, and should not be overlooked.
 7. The HIV/AIDS epidemic has entered the general population of Cambodia. Reaching women who are at risk of HIV/AIDS because of their partner's risky sexual practices creates a special challenge. MCH/FP providers and facilities have the readiest access to this population, and need to develop strategies and skills to counsel women to assess their risks and provide them with negotiation skills for condom use with their partners. STD prevention should be highlighted in health education of pregnant women, especially since newly acquired HIV infection is associated with an increased viral load; an HIV infection acquired in pregnancy will increase the probably of MTCT.
 8. Improper breast-feeding practices are wide-spread in Cambodia and of great concern both for child survival and PMTCT. USAID should support:

- intensified IEC efforts, including use of mass media, to better educate women on correct breast-feeding practices;
- formative research on alternative infant feeding practices for babies born of HIV+ mothers, including wet nursing;
- TA to facilitate development of new policy guidelines and training curricula for counseling mothers in the face of HIV.

C. Reproductive and Child Health

1. Very high priority should be given to ensuring that the future strategy not lose the “C” of RCH but rather explicitly address the alarmingly high and rising levels of infant/child mortality. In particular, attention should be given to:
 - innovative EPI approaches to achieve better coverage levels, and training of OD and HC staff in use of cluster surveys as tool to evaluate performance;
 - competency-based training of HC consultation staff in the management of common child illnesses and recognition, referral of complications, and in inter-personal skills. Mothers currently avoid use of trained health workers both because they are perceived as having little real knowledge and because interactions with them are perceived to be unpleasant and demeaning to the client;
 - direct education of consumers (mothers) in the use of pharmaceuticals for young children;
 - continuation of support for breast-feeding promotion and family planning activities.
2. USAID may benefit from engaging in policy dialogue with UNICEF in regard to the following areas where USAID provides significant global fund support:
 - Measures to improve EPI performance in Cambodia, including alternative mechanisms to ensure that funds for outreach sessions are actually received at the periphery, and consideration of more flexible and innovative approaches to outreach which incorporate locality-specific logistical features;
 - Provision of USAID funded TA to the national EPI program (through UNICEF if necessary due to legislative restrictions) to achieve the above;
 - Finalization and implementation of the iodized salt policy now under formulation.
3. The national logistics management system has been a significant achievement for the MOH and is one of USAID’s key accomplishments. Logistics system strengthening through refresher courses, on the job training, and facilitative supervision at the field level should be

included as an essential component in the next strategy in USAID focus provinces. Facilitation should be provided to agencies and donors working in other geographical areas to assist them in doing likewise in order to maximize return on the investments already made in nation-wide logistics training.

4. USAID should consider working closely with the government and other donors, and provide technical assistance as needed, to create a contraceptive security plan that ensures commitment of government and donors to support commodities and builds the capacity of the government to come to transfer ownership and accountability.
5. A pilot study should be done, perhaps as part of a Social Marketing project(s) to determine whether Vitamin B/folic acid supplementation reduces perceived side effects of hormonal contraception among Cambodian women, and results, if positive, should inform new social marketing initiatives.
6. In consultation with the national MCH program and other partners, Emergency Contraception should be introduced into both the public sector FP method mix and --perhaps most importantly given the need to provide access to rape victims and youth -- into the Social Marketing Program.
7. USAID should re-examine the HDT strategy and consider alternative approaches in ODs where HCs function. These might include directing the same staff and resources towards strengthening of HC outreach activities, or having the HDTs conduct complete HC outreach (i.e., EPI, ANC as well as FP on a regular basis) under contract to the HCs.
8. USAID should continue to lead the way in models of high quality maternity care such as LSS for safe motherhood, and to participate through its CAs in national level SM policy making and working groups on midwifery training. The present model for improving delivery practices through the LSS course and intensive follow-up should be replicated in future areas of geographical focus. In addition, facilitation should be provided to other donors and agencies interested in replicating it in non-USAID focus provinces.
9. Unsafe abortion is a major public health issue in Cambodia. Currently, there is no specific linkage between hospital care for complications of abortion and the FP program. A PAC program in Cambodia could save women's lives and decrease unwanted pregnancies by linking women to needed family planning services.
10. Operations research should be undertaken on the incorporation of traditional/non-medical elements into delivery services and their impact on utilization of services for delivery and treatment of complications. Research design should be informed through both existing literature and local interviews with key informants and focus groups so as to capture any locality-specific concerns. This could be done in conjunction with overall NGO support to an OD, but should include careful baseline and evaluative measurements.
11. HKI has a unique comparative advantage in its ability to provide technical and policy guidance to government, donors, and NGOs, and conduct essential research, on Vitamin A

and other micronutrient deficiencies. USAID should continue to support these functions. With respect to the model gardening component of the present project, if continued at all, it should be not as a pilot with labor-intensive monitoring but rather as a TA and training service for NGOs, provided at actual or sliding scale cost.

12. A qualitative and quantitative study should be done to determine the feasibility and potential of a widespread postpartum outreach program which includes identification of complications, counseling on breast-feeding, and Vitamin A and iron supplementation. The study should examine whether and how postpartum outreach can (1) reach mothers and newborns in the first 24 hours after birth (2) contribute to recognition and referral of life threatening complications, (3) improve breastfeeding practices, (4) enhance receipt of iron and Vitamin A supplementation, and (5) enhance the relation between medically trained providers and the community to stimulate utilization of medically trained providers for birth.
13. A focus on midwives as the frontline providers is appropriate and critical. Support for TBAs should be limited to partnership arrangements with HC and RH midwives and fee-splitting incentives for bringing women to a health facility for delivery. Such an approach preserves the important psycho-social and spiritual functions of TBAs while avoiding the dangers of unsafe delivery practices.

B. HIV/AIDS/STDs

1. The HSS and BSS have proven to be invaluable tools to both the national government and donors in advocacy, policy formulation, charting the course of the HIV/AIDS in Cambodia, prioritizing target groups for IEC/BCC and for overall program development in response to the epidemic. USAID should consider continued support for this widely recognized program as well as efforts to build provincial and district level capacities to use the data in the development and evaluation of province and district specific strategies.
2. The present IR #3 for HIV/AIDS has been both achieved and surpassed. The overall policy climate is extremely favorable, and within the health sector, detailed policies are being developed that adequately address most areas of HIV/AIDS prevention and care. However, other Ministries lag behind the MOH in development of policies and programs. The cultural and political realities of Cambodia are not conducive to multi-sectoral activities, but it is possible to have activities in multiple sectors. The Team strongly recommends that any future Mission support in other sectors, e.g. education, democracy and governance, microcredit, include an HIV/AIDS component. In addition, consideration might be given to providing TA in HIV/AIDS policy and planning for the Ministries of Interior, National Defense, Tourism and Women's Affairs.
3. A major success story of the USAID HIV/AIDS portfolio is the extent to which funded behavior change interventions coupled with targeted provision of condoms have dramatically altered the spread of HIV in high-risk groups. In order to avoid backsliding and missing new cohorts, be they CSWs or men in the uniformed services, the Team strongly recommends that activities directed at these groups be continued and enlarged. Furthermore, provision of TA to the MOND and MOI for policy and program development and strengthening is encouraged

to ensure that this all important intervention is replicated throughout the military and police services nationwide.

4. IEC and BCC efforts have successfully raised general awareness about HIV/AIDS and have greatly improved condom use among high-risk groups. There are, however, some important gaps in message content and targeting which require immediate attention:
 - Messages about HIV prevention stress primarily what not to do, such as engaging in unprotected sex, particularly in commercial sex settings. They have done little to inform the public about how HIV is not transmitted which has left PLWHAs and children orphaned by AIDS vulnerable to stigmatization and isolation. Greater effort is required to ensure that those who are directly and indirectly affected are not unnecessarily denied care and support by their families and communities.
 - IEC/BCC interventions towards the general public have relied too heavily on print media of questionable value for a largely illiterate or semi-literate population. TV and video are popular and growing rapidly in availability. In order to more effectively reach the general public and targeted audiences, greater use should be made of these relatively more expensive but effective forms of media.
 - When printed IEC materials are available to the general public or to specific target audiences, there has been too great a reliance on written text - written Khmer is an extremely complicated language - to convey the message. Simpler and more visually literate materials need to be developed to reach a larger number of people.
 - While HSS data indicate a recent sharp decline in HIV prevalence among CSWs and their clients as a result of targeted BCC and condom interventions, prevalence among IDCSWs and migrant male workers has remained fairly constant. New strategies and messages for these more difficult to reach target groups are required.
 - Recognizing that CSWs and men who frequent commercial sex establishments are increasingly passing on HIV to their boyfriends and wives, there is a great need for preventative messages promoting the virtues of "protecting the one you love".
 - There is a critical need for coordination among USAID's CAs and grantees, government, donors and NGOs to develop an agreed upon set of messages and mechanisms for sharing of materials.
5. Condom promotion for CSWs and their clients has been highly effective and should continue to be supported. In addition, there need to be expanded efforts to promote condom use with IDSWs and "sweethearts", e.g:
 - Targeted availability in locations, such as hotels, karaoke clubs and guesthouses, which are frequented by indirect sex workers and their male clients.

- Promotion of "Never leave home without it" and investigation of innovative strategies, such as those effectively employed by Mechai in Thailand, for carrying condoms for use "in the case of emergencies" to increase use in casual sex.
 - Development and marketing of a "sweetheart" condom, or de-stigmatizing the current *Number One* condom for use in non-commercial sex situations.
6. A huge unmet demand for VCT exists throughout the country, both within high-risk groups and increasingly in the general public. Public sector testing facilities, in those few places where they exist, are overwhelmed with clients. Routine pre-marital testing has spontaneously become a cultural practice and could be capitalized upon to create opportunities for a broader reproductive health initiative that would reach youth at a critical juncture in their lives. In larger urban settings where free VCT is already available, there is a potential niche for quality private sector initiatives to cater to middle class concerns and to reduce the burden on government facilities. It is recommended that USAID support PSI and RHAC in a trial introduction and marketing of a pre-marital package that would include VCT for HIV and STDs, FP counseling and services, and general RH information and counseling.
7. Voluntary testing for HIV is ethical only when pre- and post-counseling services are provided. However, counseling is not an indigenous concept in Cambodia. USAID should support the MOH's planned nationwide expansion of VCT in the public sector and provide tangible assistance in the following areas:
- training of counselors, including both initial training and subsequent on-the-job intensive TA, follow-up and facilitative supervision;
 - establishing quality control for laboratory aspects of testing;
 - establishing monitoring, evaluation and supervisory systems at provincial and district levels;
 - IEC to advocate the benefits of VCT and informing the public of the availability of services. This should be a coordinated effort with the MOH and donors/foundations.
8. Recognizing that ARV drugs are appearing on the private market in Cambodia. The Assessment Team recommends simpler, palliative home-based care and advocacy/IEC to encourage family and community support to PLWHA. Working with PLWHA organizations should be a critical component.
9. In the absence of an overarching USAID strategic framework to guide the piloting of USAID-funded interventions in the area of care and support of PLWHAs and OVC, many small activities have been undertaken in an ad hoc manner resulting in some disjointed and non-replicable projects. In addition, unreasonable expectations or assumptions have arisen as to what the range and scope of such care and support activities can be in the current country context. No additional care and support activities should be funded until there is a coherent

strategy developed which complements the RCG's strategy and which articulates what interventions can and should be provided, to whom, by whom, and how. In that regard the Team suggests the following:

- development of simple, at-home protocols for infection control and palliative management of AIDS-related illnesses which families can use independent of health professionals. These should make maximum use of readily available, low-cost pharmaceuticals and common traditional medicines, and include clear information on infection control both to protect care-givers from HIV transmission and to protect the immunosuppressed patient from unnecessary risk of infection;
 - simple, visually-literate training materials in use of the above;
 - IEC to promote care and acceptance of PLWA in families and communities, with particular attention given to the potential role of monks, Wat grannies, nuns and other religious clergy as credible advocates;
 - IEC to warn patients and families against quack cures and unnecessary depletion of household resources for same;
 - development of needs-based criteria for which families/PLWHA should receive and what intensity and type of support;
 - identification of potential non-professional community-based front-line care and support personnel to provide such targeted support, with particular attention given to the potential of nuns and "wat grannies, and
 - development of job descriptions and training materials for the above, and of mechanisms linking them to Health Centers and NGO programs.
10. A major factor leading to abandonment and institutionalization of children born to HIV+ mothers (or mothers whose HIV status is unknown) is due to the uncertainty of the child's HIV status. Conventional ELISA tests are not accurate before 18 months of age. USAID should support introduction of the polymerase chain reaction (PCR) test, with appropriate counseling and quality controls, in a manner accessible to and closely linked with institutions and agencies working with OVC. IEC on the availability of such testing should be done, as communities are confused and concerned about the risks of caring for CAA.

C. Infectious Diseases

1. USAID should support the introduction of DOTs in HCs throughout geographical areas selected for strategic focus through technical assistance, training, and on-the-job follow-up by NGOs at the level of actual service delivery. This should be done in close collaboration with the National TB program and JICA. Since a significant percentage of TB patients are HIV positive, and that trend can be expected to increase substantially over the coming few

years, support for the provision of DOTs in HCs would be significantly reduce morbidity and mortality both in the general population and among PLWHA.

2. When and as HC DOTs is available, community-based IEC to promote utilization of services and decrease transmission should be integrated into general community based health education efforts.
3. While home delivery of DOTs to PLWHA is certainly a need, it should not be addressed prior to successful implementation of DOTs in Health Centers and of large scale, community-based and home care activities. Premature efforts are unlikely to achieve measurable impact, and will not represent the best use of resources which might otherwise be focused on first ensuring the implementation of HC DOTs and general community education on transmission and treatment.
4. Skills in diagnosis and treatment of malaria at HC level should be supported in the geographic areas selected through on-the-job training, coaching and facilitative supervision.
5. The PFD malaria control project in Kratie should serve as a model for community-level malaria prevention. USAID should assist in making the components and results of this intervention widely known and consider replication of it in any endemic areas which fall within the focus provinces.
6. DHF is the single leading cause of death in the 1-5 age group in Cambodia. USAID has a demonstrated comparative advantage in working at the community (HC, HC outreach, district RH) level, and it has been previously recommended that this be the primary locus of RCH and HIV/AIDS efforts. Rural community-level IEC on prevention and recognition of danger signs, and training and support for early detection and referral by HC staff, would fit well within that framework and entail little additional resources if delivered as part of an RCH/HIV package. Strengthening of RH case management entails a greater investment and where possible could be left to other donors. However, on a case-by-case basis, where other donor support is not available in a targeted geographical area, it might be considered. This approach would complement, without duplicating, the surveillance and vector control activities supported by the Global Bureau.

D. Research, Monitoring and Evaluation

1. In view of the legislative mandate to show tangible results in 1-2 years in the area of HIV/AIDS, great care should be taken to construct indicators that are both measurable and realistic. In the Cambodian context, the most that should be expected of new activities within two years is that they be established on the ground, staff recruited and trained, an implementation plan and guidelines in place, and activities commencing. Process indicators should be constructed accordingly. Service coverage indicators would start to be applicable in years 4-5.

2. It is timely to introduce more indicators of maternal health care in order to call attention to effective interventions, for example, ANC iron distribution (30 tablets x 3), complete filling out of the partogram in labor, etc. in addition to the standard TT immunization.
3. There is an enormous range of research activities that could be carried out in Cambodia, and researcher interests will not necessarily reflect national needs and priorities. The USAID Mission should, in consultation with key government and non-governmental partners, develop a research agenda to ensure that resources allocated for research, whether by the Mission or from Central funds, best serve the information needs of priority programs. Periodic DHSs should certainly be high on that list.
4. Pilot projects, including subgrants through umbrella mechanisms, should fall within the overall research agenda and strategic objectives of the Mission. The Mission should require pre-approval of any sub-grants for pilot activities, to ensure that resources are not spent on pilots with no potential for scale-up. The needed degree of Mission oversight and ownership may be easier to achieve if bilateral, rather than field support, mechanisms are used to fund umbrella mechanisms.

ANNEX A: SCOPE OF WORK

CAMBODIA PHN SECTOR ASSESSMENT

I. Rationale

After signing of the Paris Peace Accords in 1991 the international donor community responded to the challenges of restoring societal and institutional structures in Cambodia. A decade into development efforts, overall health indicators in Cambodia remain among the worst in the Mekong Region. High rates of maternal and child mortality and morbidity, low immunization coverage, wide-spread malnutrition and micronutrient deficiencies remain significant issues in Cambodia. The country also has the highest prevalence of HIV/AIDS, TB and drug resistant malaria in the region. Poor health status and limited human and institutional health resources clearly impede Cambodia's development potential. A more detailed summary of the Reproductive Health, Child Survival and HIV/AIDS status in Cambodia is attached (Appendix I We will send this to you later this week!)

USAID has supported health activities in Cambodia since 1994. Strategic Objective Two (SO2), "Improved Reproductive and Child Health" and Special Objective Two (SpO2), "Reduced transmission of STD/HIV among high-risk populations" were developed in 1996. Political unrest in July 1997 resulted in a temporary suspension of all mission activities. Congressional restrictions curtailed USAID's collaboration with the Royal Government of Cambodia (RGC) and restricted funding to NGOs. The immediate impact was a sizable reduction in mission funding (from approximately \$40 million to \$15 million/year).

In 1997 a scaled-down health program was implemented with MCH/FP and HIV/AIDS components. The current MCH portfolio emphasizes increasing supply, access and demand for high quality reproductive health and child health services for Cambodians in focus provinces. The current SO is "improved reproductive and child health" and includes three intermediate results:

- 1) expanded supply of RCH services;
- 2) increased access to RCH services;
- 3) strengthened demand for RCH services.

The current HIV/AIDS portfolio emphasizes policy development and risk reduction. The current Special Objective Two (SpO 2), is, "Reduced transmission of STD/HIV among high-risk populations" with three intermediate results:

- 1) Policy makers informed about the HIV/AIDS epidemic in Cambodia
- 2) Reduce high-risk behaviors in target areas
- 3) Model STD/RH service delivery program for high-risk populations piloted and replicated in target areas.

In late 2000, USAID developed a new strategic approach to HIV/AIDS worldwide with Cambodia being designated a “Rapid Scale-Up” country: HIV funding increased from approximately \$2.5 million in FY 2000 to \$10 million in FY 2001 (includes CSD, ESF, and Orphans and Vulnerable Children funding sources). As a rapid scale-up country, Cambodia will be required to: 1) achieve measurable impact within 1-2 years, and 2) work to ensure that at least 80% of the population receives a comprehensive package of prevention and care services within 3-5 years (See Appendix II).

The USAID Cambodia mission is in the process of developing a new strategy for the mission that will cover the period of 2002-2007. The USAID mission strategy will be submitted to USAID Washington in July 2001. The next three months represents a critical time period for the PHN sector. It is imperative to review and assess the performance of the PHN Sector to identify strengths, limitations, and missed opportunities. The PHN sector needs to clearly identify its comparative advantage and provide a clear vision of what can be achieved over a five-year period (2002-2007). The performance review will provide critical information needed to develop a comprehensive and forward thinking PHN strategic plan. Along with a long-term vision, the PHN sector needs to develop a transition plan that provides bridging activities and allows key interventions to be scaled up during 2001-2002.

There are potentially strong linkages between the MCH/RH portfolio and the HIV/AIDS portfolio. In the assessment and strategic planning process, it will be critical to identify future synergies and technical cooperation between the two portfolios.

There is a very active international donor community in Cambodia. USAID/Cambodia will commission a thorough review of other donor activities and investments in the PHN sector. The results of this review will assist the assessment and strategic planning to better focus USAID/Cambodia’s program.

The Royal Government of Cambodia, the donor community and the NGOs are emphasizing the need for a multi-sectoral approach for HIV/AIDS, recognizing that HIV/AIDS is no longer “just” a health issue. The assessment and strategic planning process should produce a framework for creating a strong multi-sectoral response to HIV in Cambodia.

During the strategic design process, USAID/Cambodia will work closely with the Center for Disease Control and Prevention (CDC) to develop a joint strategy for investing USG HIV/AIDS funds over the next five years. This joint collaboration will compliment the comparative advantages of both institutions and maximize the impact and results of both agencies to best serve the needs of the Cambodian people. In May 2001 CDC is planning an assessment of the HIV/AIDS sector and the data and analysis will be shared to develop a comprehensive joint strategy.

II. Critical Assumptions

Relationship with Government of Cambodia

USAID/Cambodia has requested a waiver that if approved would allow USAID to work closely with the Government of Cambodia in the area of HIV/AIDS. This waiver does not cover the MCH/CS portfolio. Congressional response to the waiver request may be known by the time the assessment team arrives in March.

If Cambodia is successful in holding free and fair elections in 2002 and convenes a truth and reconciliation committee, USAID/Cambodia anticipates providing overall assistance to the RGC.

Funding

In terms of MCH/RH/CS, the strategy should work from the assumption that the level of funding received for the last 3-4 years will remain stable (\$5-7 million/year) or experience only limited increases. In terms of the HIV/AIDS, while the mission will receive approximately \$10 million dollars in FY 01 for HIV/AIDS programming in ESF (\$7 million in CSD, \$2 million for TB and infectious diseases and approximately \$1 million in Orphans and Vulnerable Children), this level of funding may not be sustained for the entire period of the strategy.

Staffing

In order to implement the new strategy it is imperative that long and short term staffing needs be met.

III. Purpose of the Assessment Team Assignment:

This scope of work is intended to provide the USAID/Cambodia with an assessment of the PHN portfolio and to provide recommendations for input to the development of a transition plan and a PHN strategic plan 2002-2007 that includes both MCH/RH/CS and HIV/AIDS/ID.

Specifically, this scope of work consists of the following critical components:

PHN Assessment

A strategic review and assessment of the performance of USAID's current MCH, Reproductive Health, Child Survival and HIV/AIDS portfolio.

The team should respond to the following questions and issues:

- A. Assess the extent to which programs are meeting their intermediate results and objectives and identify the strengths and limitations of the existing portfolio;
- B. Recommend the technical, geographical and programmatic areas on which USAID should focus, concentrate and invest in RCH and scale up in HIV/AIDS;

- C. Identify technical and programmatic gaps/missed opportunities and make recommendations for future investments;
- D. Identify areas where USAID should discontinue investments;
- E. Review the various components of the portfolio and assess how each component contributes to the overall objectives and intermediate results;
- F. Examine cross-cutting issues and make recommendations on critical components that will bridge across the MCH, RH, CS, HIV/AIDS areas including: geographic concentration, capacity building, health system strengthening, health communication/behavior change, training/performance improvement, social marketing, contraceptive security, reproductive health for young adults, monitoring and evaluation, partner and donor collaboration and targeting;
- G. Assess the current program implementation mechanisms, identify strengths and limitations and make recommendations for the future;
- H. Examine the current Office of Public Health's Management structure and make recommendations on structure, staffing needs, and professional development.

III. STATEMENT OF WORK

PHN Assessment

The Scope of Work reflects the mission's need to conduct a comprehensive assessment and analysis of the current portfolio. Given the critical need for human capacity development, the assessment team must recommend for each programmatic area under review, how best to address human capacity development needs in the short and long terms.

An overall question throughout should be: how best can USAID build local capacity in managing and delivering in MCH, RH, HIV and ID services while continuing to increase the scale and reach of these services in Cambodia?

A. Reproductive and Child Health

Specifically the team should address the following questions in the Reproductive and Child Health Program which consists of 1) family planning, 2) safe motherhood, 3) child survival, and 4) nutrition/micronutrients:

1. Assess the extent to which the programs are meeting their objectives. What are the strengths and limitations of the existing portfolio?

Since 1997, what has USAID achieved in the component? What impact has USAID had in improving quality and access to services? What impact has the component had in increasing demand for services? Have services become more client-centered? What is USAID's comparative advantage in the component? Has USAID had significant impact on the problem? Specifically, what have been the key contributions of USAID to the overall SO? Where has USAID had limited impact or not been successful in achieving results?



2. Identify the technical, geographical and programmatic areas on which USAID should focus, concentrate and invest in for the future taking into account other donor programs;

Based on USAID's comparative advantage, the needs in Cambodia, government priorities and activities of other donors, are the four components of equally high priority? In what specific areas could USAID make the most significant contribution? What technical and programmatic interventions have been most effective and are most appropriate? Given national strategies, such as Safe Motherhood, how could USAID best contribute and maximize results? Given the lessons to date, what key interventions are cost effective and can be expanded? What should USAID's role be in improving quality of services and access?

3. Identify areas in which USAID should discontinue investments given other donors, past performance issues, lack of comparative advantage or need to concentrate and focus the portfolio.
4. How best can USAID build local capacity in managing and delivering services while continuing to increase the scale and reach of these services in Cambodia? How can capacity building be linked throughout the PHN sector in Cambodia?
5. How can technical components be linked effectively in the PHN sector?
6. Examine cross-cutting issues and make recommendations on critical components including: policy formulation for health system strengthening, health communication/behavior change, training/performance improvement, social marketing, contraceptive security and monitoring and evaluation.
7. Who are the key partners (NGOs, multi and bilateral donors, government, local partners) in these activities?
8. Examine USAID management capabilities and needs in this component.

B. HIV/AIDS/STDs

Specifically the team should address the following questions:

1. To what extent is the program meeting its objectives and intermediate results. What are the strengths and limitations of the existing portfolio? What should USAID's role be in the area of STD prevention and treatment? Should new target groups be considered given the changing profile of the epidemic? What new approaches need to be designed or scaled-up to reach new target populations?
2. Given other donor priorities, past performance issues or lack of comparative advantage, identify the technical and programmatic areas in which USAID should focus, concentrate and invest for scale up;

3. What areas of long term focus should USAID primarily support?
4. How best can USAID build local capacity in managing and delivering in HIV and STD services while continuing to increase the scale and reach of these services in Cambodia?
5. How can HIV/AIDS/STDs be effectively linked with other technical components in the PHN sector?
6. Examine potential opportunities for multi-sectoral approaches; make recommendations on how mission SOs can include HIV activities /information within their portfolios.
7. Who are key partners (NGOs, multi and bilateral donors, government, local partners) in these activities? How does USAID currently collaborate with what other donors are doing and what are the strengths and weaknesses of this collaboration? With which partners has USAID had the most success in collaborating? What elements made those collaborations successful?
8. What are USAID management capabilities and needs in this component?

C. TB

1. What are the key accomplishments of the TB program? What are the lessons learned to date in this new programming area? What is USAID's comparative advantage in this area given what other donors are doing? What significant investments should be made in this area in the future?
2. How can the connections between HIV and TB referral and treatment programs be made and strengthened?
3. Examine potential opportunities for multi-sectoral approaches; make recommendations on how mission SOs can include TB activities/information within their portfolios.
4. What are USAID management capabilities and needs in this component?

D. Orphans and Vulnerable Children (OVCs)

1. What are the priorities that USAID should address in the area of orphans and vulnerable children? What is USAID's comparative advantage given the work of Government, other donors and NGOs? What significant investments should be made in this area in the future?
2. What are USAID management capabilities and needs in this component?



IV. Cross Cutting Issues:

There are several critical issues that are integral to many of the technical component in both the RCH and the HIV/AIDS portfolios. Specifically what recommendations and action steps should be taken to ensure maximum impact in the following areas?

1. Increase and expand the role of the private sector and NGOs;
2. Develop a long term human capacity development and leadership development plan;
3. Ensure targeted and effective health communication messages and effective approaches for developing healthy social norms and behavior change;
4. Ensure contraceptive security for FP and HIV/AIDS;
5. Strengthen reproductive health and HIV/AIDS policies and ensure advocacy efforts and capacity building for NGOs, faith-based organizations and local organizations;
6. Strengthen the health care delivery at national, provincial and district levels and contribute to on-going health system development;
7. Develop an effective youth component for reproductive health, HIV/AIDS and multi-sectoral approaches, including the workplace and factories;
8. Strengthen the male involvement component and gender component;
9. Improve training and performance improvement approaches to build human capacity and effectively improve on the job performance;
10. Expand the utilization of social marketing for multiple products and services and targeted groups (youth, sweethearts, high-risk populations, etc).
11. Impact of migration on programming; address issues arising from internal and external migration, cross border issues, especially HIV/AIDS, increasing regional trade and development of economic growth corridors;
12. Recommend mechanisms by which future RH, ID and HIV/AIDS and ID CAs can be required to do joint work plans and program coordination.

VI. The Common Agenda

What progress has been made to implement the Common Agenda? Should the Common Agenda be continued? What action, resources and staffing are needed to effectively implement the Common Agenda?

VII. Team Composition

The Assessment Team will be composed of the following individuals:

Name	Area of Expertise	Role
Sheryl Keller	Child survival and health systems development	Co-Team Leader
Jay Parsons	Reproductive and child health-HIV/AIDS	Co-Team Leader
Monica Kerrigan	FP, RH, quality of care	USAID/W lead
Mary Ellen Stanton	MCH/safe motherhood, quality of care	USAID/W
Beth Preble	HIV/AIDS, voluntary counseling & testing	Indep. Consultant
Paurvi Bhatt	HIV/AIDS multi-sectoral activities	USAID/W
Erika Barth	HIV/AIDS	USAID/W
Linda Sussman	HIV/AIDS, orphans and vulnerable children	USAID/W
Caroline F. Connolly	RCH, HIV/AIDS	Mission lead
Paljor Ngudaup	MCH	Mission member
Sonja Schmidt	Synergy backstopping	Synergy
Frances Davidson	Nutrition - Virtual Team Member	USAID/Washington
Tim Quick	Nutrition – Virtual Team Member	USAID/Washington

V. Schedule and Duration of Activities for Assessment

The assessment is scheduled for a full two-week period. The co-team leaders and the Synergy representative will arrive in Cambodia on February 25, 2001. The remainder of the overseas team will arrive on March 11, 2001, begin work on March 12 and conclude with a debriefing of the mission and external partners on March 24.

In order for the team to get a jump-start on the work to be completed, the team will read and analyze the assessments and internal evaluations that have been completed to date prior to arriving in Cambodia. The team will also be meeting with implementing partners in Cambodia and review impact data and results achieved to date. The team will meet with host country counterparts (NGOs, host country counterparts and local beneficiaries) to receive their feedback on the performance of the implementing partners. The team will visit project sites to assess the performance of portfolios and discuss strengths and limitations of the portfolio.

VI. Expected Deliverables

Each team member is expected to produce a designated section to feed into the draft report which will be submitted to the USAID mission before leaving the country. The final report will be submitted to USAID/Cambodia by the Co-Team Leaders by April 9, 2001.

ANNEX B: OTHER DONOR FUNDING

IO/Multilaterals

ADB

ADB's current major program, Basic Health Services, focuses on the construction and rehabilitation of health centers and hospitals and the provision of essential drugs as requested by Ministry of Health's National Program Center. By the end of the current program cycle (9/96-6/02), ADB's goal is to complete construction activities of 197 health centers and 13 referral hospitals. At a budget of \$25 million, it is focusing on the provinces of Kampong Cham, Kampong Chhang, Prey Veng, Svay Rieng and Takeo.

In addition, ADB recently launched a \$600,000 grant activity to increase human capacity of the National AIDS Authority (NAA). It will run from March 2001 to July 2002. Also in March, in response to flood damage to health facilities, ADB funds the "Emergency Flood Rehabilitation Project". This is a six-month, nationwide program to renovate or reconstruct 88 health facilities and 15 hospitals affected by flood.

The plan will be succeeded by the Health Development Project upon completion of ADB's Basic Health Services program. It's proposed to cover the period 2002-2004 and have a budget of \$30-40 million. The goal will be is to complete construction/rehabilitation of the remaining 65 health centers and all referral hospitals Kampong Cham, Kampong Chhang, Prey Veng, Svay Rieng and Takeo, construct district pharmacies in 3 districts in Kompong Cham (Tboung Khmum, Ponhe Krek and O Riangor) and complete construction/rehabilitation of OD offices and warehouses.

European Commission

The European Commission/UNFPA Initiative for Reproductive Health in Asia is a regional program that also covers Bangladesh, India, Laos, Nepal, Pakistan and Vietnam.

It focuses on the reproductive health needs of adolescents, including HIV/AIDS, and NGO capacity building. This \$6.8 million program will end in December 2001.

Working with the European NGO's SCF (UK), CARE, PSF, MEMISA (CORDAID), ALLIANCE, IPPF, Health Unlimited, the program focuses on the provinces of Kratie, Phnom Penh, Battambang, Kg Cham, Kampot, Sihanoukville and Battambang.

Bilaterally, the EC currently has two activities. The first focuses on sexually transmitted diseases and HIV/AIDS. The \$276,000 is carried out by M9decins du Monde exclusively in Phnom Penh over the period of 4/99-3/02. Activities include testing and treatment for STI's, medical care for the poor and free HIV testing and medical care for HIV- positive individuals.

The second program is regional and addresses malaria control for Cambodia, Laos and Vietnam. Activities for Cambodia have a budget of \$4.19 million for the one and one-half year period 1/98-9/01. It is being carried out in collaboration with Ministry of Health's National Malaria Control Center in Kompong Cham, Kompong Speu, Kampot, Battambang, Pursat, Mondoliri, Ratanakiri, Koh Kong, Kratie and Kompong Thom provinces.



There is discussion in Brussels to expand EC health activities in Cambodia. However, no new programs are foreseen for the next two years.

UNFPA

This year, UNFPA entered its second country program for Cambodia. The five-year, \$26 million program has three subprograms. The reproductive health sub-program, with a \$21 million budget, is designed to strengthen the technical and program management capacity of reproductive care providers and program managers (in collaboration with WHO, UNICEF and GTZ), strengthening of midwifery skills through four-month, in-service midwifery training courses for those with only secondary-level education to be conducted by regional training centers and curriculum development for midwifery course.

Through the second subprogram, reproductive health commodity security, UNFPA plans to procure partial supply of condoms for social marketing and fully supply pills for the public sector.

The population and development strategies subprogram is designed to lead to the adoption of a gender-sensitive national population and development policy; integration of population and gender concerns in sectoral development plans and strategies; utilization of census data by policy makers, program planners and other development partners.

It has a budget of \$2.5 million.

As part of advocacy subprogram, UNFPA plans to take responsibility of the reproductive health component of NCHAD's 100% Condom Use in Brothels pilot programs in Battambang province, ½ of Phnom Penh province and the port of Sihanoukville. The budget for this activity is \$2 million for the period 2002-2004.

Lastly, UNFPA and the European Commission (EC) have a joint program, Initiative for Reproductive Health in Asia, which is described below in the EC section.

UNICEF

UNICEF's Master Plan of Operations covers the period of 2001-2005 at a budget of \$67.78 million. Focusing on the provinces of Stung Treng, Kampong Thum, Prey Veang, Svay Rieng and Kampong Speu, its objective is to advocate for child rights and to develop human resources and strengthen public and private institutions.

In 2001, UNICEF is carrying out several health and nutrition programs, as well as a subprogram for essential drug procurement and improved drug management. In collaboration with UNFPA, WHO and GTZ, it is also supporting capacity building to strengthen safe motherhood/birth spacing activities.

WHO

WHO is focusing on the development of health policies and sustainable health services. Its activities also strive to address poverty alleviation and gender equity. For the period 2001-2005, WHO has a projected budget of \$33.5 million.

For the period 2000-2001, WHO's budget is \$6.7 million, of which \$3 million are from core funding. Its country program has three main components: strengthening health sector policies, systems and partnership, improved access and quality of health services, and technical support to environment health activities, with proposed tobacco control activities. WHO will collaborate with other UN agencies in carrying out its program.

Specifically, the organization will address the capacity building needs at all levels. To improve health services, WHO is providing technical support, training, supplies and equipment to strengthen the rural health infrastructure. It will also provide drugs for the prevention and control of malaria. In collaboration with UNFPA, UNICEF and GTZ, WHO is participating in a Safe Motherhood/Birth Spacing Services Strengthening scheme.

World Bank

The World Bank Disease Control and Health Development Project will end in 2002. The five-year program's objective has been to provide national program support for the country's malaria, TB and HIV/AIDS control programs. Its \$30.4 million budget includes \$10 million for construction/rehabilitation of buildings and \$6 million specifically for HIV/AIDS activities. Other activities under this program include technical assistance to NCHAD, provision of essential drugs, HIV/AIDS test kits, IEC for HIV/AIDS and office equipment for provincial-level HIV/AIDS offices. The World Bank's activities have focused on the needs of the central government, as well as those of the provinces of Siem Reap, Ratanakiri, Battambang, Kampong Thom, Kratie, Pursat, Kampong Speu, Kandal, Kampot, Phnom Penh and Krong Kep.

The Disease Control and Health Development Project will be followed by the "Health Sector Support Project". Also a five-year program, it is proposed to expand the activities of its predecessor to health-center level, provide DOTS at rural level and strengthen existing monitoring systems. The budget for this new program has yet to be determined.

Bilaterals

AUSAID

Bilaterally, AusAID is focusing on capacity building at both the central and district levels, immunization and HIV/AIDS. In Kompong Cham, it is concentrating its activities on Tboung Khmum, Ponhe Krek and O Riengor districts. AusAID's implementing partner is ACIL. The current program, Cambodia Health Promotion and Primary Health Care Project, has a \$6.92 million budget and will complete its five-year program cycle at the end of 2001.

AusAID's assistance focuses on three major activities. The first area is capacity building of National Centre for Health Promotion to develop health education and primary health care programs. Secondly, it is strengthening the capacity of the Kompong Cham Regional Training Centre to provide training to health staff in management, health promotion and clinical skills. Lastly, AusAID is strengthening the capacity of health staff in Compong Cham province and 3 operational district-level individuals to improve health care and to establish and strengthen the primary health care network from district through to village level.

AusAID is considering expansion beyond the current three districts and to include health promotion and linking current district activities with community health centers. No final decision has been made.

To address the country's immunization needs, AusAID provides \$1.58 million to WHO and UNICEF under its "Expanded Program on Immunization". The current program cycle will be completed end-2002 and will be renewed for another three-year cycle. Specifically, its objective is to reduce sickness and death due to six diseases (TB, diphtheria, pertussis, tetanus, measles and poliomyelitis) through the immunization of all infants under one year of age and the immunization of pregnant women.

Cambodia also receives AusAID assistance under the Mekong Sub-regional HIV/AIDS Grant Facility Program (SEARP). It is a one-year program with a 2001 funding level of \$52,800 with the objective of improving the lives of individuals in this region in several development sectors. Specifically, AusAID is working with Cambodian Red Cross in Battambang, Cambodian Health Committee in Svey Reing, PSBI in Poipet, Khmer Buddhist Association in Thmar Puok and NCHADS home care in Siem Reap. Still to be launched in 2001 under the SEARP project is one-year support to KHANA in Kompong Cham, MSF in Svey Pak and Cambodia Health Committee in Svey Reing.

CIDA

CIDA's activities in the health sector are currently quite limited. However, it is strongly considering increased activity in the health sector. There was an October 2000 mission and the follow-up visit at end-March will result in a final determination.

One of CIDA's current programs falls under its Counterpart Fund Program. The objective of this activity is to improve human capacity of government health officials at the district and provincial levels. It has a revolving, three to five year cycle with a current budget of \$2.6 million. Funding for these programs comes from the sale of Canadian wheat flour to Cambodia. Proceeds go into the Counterpart Fund. The MoH and CIDA co-chair a committee that reviews NGO proposals. Only proposals that have been written in collaboration with district or province-level officials will be considered.

CIDA's second activity in Cambodia is a new HIV/AIDS prevention and care program that is carried out through World Vision. The two-year (2001-2003), \$259,000 activity focuses on the Route 1 highway area.

DFID

DFID's current activities are limited to two new programs and general support to WHO for health system reform. However, after ten years, its support for the latter will end in December 2001. DFID's current programs are carried out through PSI. The first is a regional program, which was recently approved and will support the NGO for two years at a budget of \$2.93 million. These funds will support the establishment of a regional office in Bangkok to carryout lessons learned and develop new models for 4 pilot programs. Note that a small portion of the funding will support condom procurement for Burma. The second PSI program will support condom packaging and for the first time some administrative costs, as well. This five-year initiative has a total budget of \$8.35 million.

Looking forward, DFID is currently finalizing a \$14.65 million, five-year proposal. A design team will go to Cambodia in April 2001 and final approval is expected in October. With \$5.13 million earmarked for IEC, DFID is considering a BBC proposal for a nationwide, multi-year mass media campaign to raise HIV/AIDS awareness and on how to make better health care decisions. Indirectly, it would also build RCG capacity through their participation. The proposal expected in March 2001. Other components of the new program may include funding of UNAIDS to support NCHADS and strengthening of UNAIDS South East Asia regional office to conduct sentinel surveys.

FRENCH AID

The French are continuing their long-term support of both the Calmette hospital with the provision of equipment, budget and surgical staff and the Medical School with the provision of faculty.

GTZ

The German-Cambodian Health System Development Project is in its second cycle (01/00-12/03) with a budget of \$3.55 million. It provides support at the national level, as well to the districts of Baray Santuk, Treal, Prasat, Krova in Kampong Thom province and Kampot district in Kampot province.

At the national level, GTZ provides technical assistance to the National Institute of Public Health (NIPH) and the above-mentioned provinces. In collaboration with WHO, UNICEF, MSF and AusAID, GTZ provided a second 6-month course for province and district-level health service managers. Collaborating with SEAMEO TROPMED, University of Thailand, the goal is to expand this course to develop a masters degree program. Discussions have also begun with University of Heidelberg to develop a doctoral degree program.

By the end of this program cycle, GTZ envisions Kampong Thom to be a model province. To achieve this goal, it is carrying out the following activities: through the UNFPA-led activity, it is providing technical support for strengthening safe motherhood/birth spacing services and supports a public health advisor; management capacity and service provision. It is providing financial support for the province director to begin his MPH coursework. In collaboration with

the Mother and Child Center, 86 women will receive family planning training; strengthening of the province hospitals' financial and systems, a financial cost analysis system will be developed in collaboration with the NIPH. A decentralized province-level health data system will also be created and provision of family planning services to be offered in all health centers.

In Kampot, GTZ is focusing on health system development activities. Here it is also funding a public health advisor to work through the UNFPA-led technical support for strengthening safe motherhood/birth spacing services activity. The German Development Department (DED) is supporting two newly recruited safe motherhood/birth spacing trainers, who are expected to start 7/01. In order to strengthen the province's management capacity, GTZ is supporting the Regional Training Centre via a one-month practical coursework for nursing students. This activity is also related to a four-month midwifery training activity that will be carried out in cooperation with UNFPA. Lastly, GTZ is also developing a two-year midwifery course for individuals with only primary-level education.

GTZ recently submitted two proposals for approval. The first is for a risk insurance activity, targeting garment workers. It would be a four-year, \$715,000 activity. The second is intended to increase prevention and awareness-raising activities, with a focus on youth, prostitutes and garment workers. It has been proposed as a \$2.85 million, four-year program for Kampot Thom and Kampot.

JICA

Maternal and child health (MCH) and tuberculosis are JICA's focus areas. Its current MCH project is in its second cycle (4/00-3/05) with a budget of \$5 million. With a geographic focus of Phnom Penh, JICA is carrying out several activities through its partner, International Medical Center of Japan. Specifically, it is building capacity of the the country's health staff through the establishment of management systems and a training division. At the rural level, it is also providing training for various staff.

JICA is also providing hardware in the form of hospital equipment maintenance and repair, provision of midwife kits, traditional birth attendant kits, operation sets and IEC equipment.

JICA's "National TB Control Project" is approximately at the half-way point of its program cycle (8/99-7/04). With a \$5 million budget, JICA is focusing on the needs of Phnom Penh and working with its partners, Japan Anti-Tuberculosis Association: Research Institute of Tuberculosis and the National Institute of Infectious Diseases in Japan. JICA is focusing on human capacity building, development of IEC and teaching materials, research on TB prevalence and drug resistance, and provision of HIV tests for TB patients.

JICA is currently planning for its next fiscal year and is considering the long-term provision of the country's TB drug needs beginning in 2002. However, activities may only begin with one pilot province. Final decisions are scheduled to be made in April.

KfW

KfW is currently providing all public-sector commodities (except for pills, which are supplied by UNFPA). However, KfW may be considering terminating its health sector activities in Cambodia. GtZ will try to convince them otherwise during 20-22 March mission to Cambodia.

Foundations

David and Lucille Packard Foundation

The Packard Foundation will support AVSC's Reproductive and Child Health Alliance (RACHA) for the period 2001-2006. With the objective to provide Sustainable family planning and reproductive health services, this \$2,600,000 award will focus on four provinces - Kampong Cham, Svay Rieng, Takeo and Prey Veng. However, since Cambodia is not one of Packard's priority countries, this grant will probably be a one-time award.

SUMMARY OF DONOR FUNDING LEVELS (PHN Sector/Cambodia)

DONOR	PROGRAM CYCLE	BUDGET \$US millions	ANNUAL BUDGET \$US millions
World Bank	1997-2002	\$30.40	\$6.0
ADB	1996-2002	\$25.00	\$4.5
WHO	2000-2001	\$6.70	\$6.7
UNICEF	2001-2005	\$67.78	\$13.5
UNFPA	2001-2005	\$26.00	\$5.2
European Commission	1999-2002	\$4.50	\$1.5
DFID	2001-2005	\$26.00	\$5.2
JICA	1999-2005	\$10.00	\$2.0
GTZ	2000-2003	\$3.55	\$1.2
CIDA	2001-2005	\$2.90	\$500,000.0
AUSAID	1997-2001	\$6.92	\$1.3
FRENCH AID	1996-2001	\$2.50	\$500,000.0
Packard Foundation	2001-2006	\$2.60	\$500,000.0

ANNEX C: ORPHANS AND VULNERABLE CHILDREN

I. Background in Cambodia

Eighty-five percent of Cambodians live in rural areas, are poor, and lack access to the most basic services. Of the 11.4 million people living in Cambodia, 52 percent are less than 18 years old. Among school age children, only 52 percent of primary schools offer all six grades. By the age of 15, less than 5 percent of children are still in the education system. (Reference: UNICEF-Community Action for Social Development (CASD); 1996-2000; Investing in Children; Master Plan of Operations of the County Program of Cooperation 2001-2005; the Royal Government of Cambodia and UNICEF 11/2000) Many factors make children vulnerable in Cambodia, nearly all of the related to poverty. Girls have more vulnerability factors than boys do, and the most vulnerable age is 7-12 years. The most vulnerable children overall are orphans from poor families. (KHANA's appraisal of the needs and resources of children affected by HIV/AIDS)

Cambodia and Thailand currently have the highest proportion of orphans in Asia who have lost their mother or both parents due to AIDS. (re report on Global HIV/AIDS Epidemic, ZUNAIDS/WHO, June, 1998 – from KHANA Appraisal of the needs...in Cambodia) Predictions for the end of 2000 based on surveillance figures from 1998, show that over 5 percent of all infections are likely to be in children under 18 years and that approximately 7,500 children will have died of AIDS. (KHANA's appraisal of the needs of children). NCHADS estimates that there are 40,000 children orphaned due to AIDS in Cambodia. (Securing a Future, Mekong Children and HIV/AIDS April 2000, UNICEF East Asia & Pacific Regional Office, Bangkok) These numbers vastly underestimate the number of children affected by HIV/AIDS, which would also include those whose father has died, those living with parents who are ill, those who are over 15 years of age, and those living in households in which the capacity – both financial and psychosocial – is severely limited as a result of caring for ill relatives or supporting orphans.

In June, 2000, an evaluation of the home care program for people living with HIV/AIDS (PLWHA) found that:

- In 21% of the families of PLWHA with children, the children had to start working since the patient became sick.
 - In 30 percent of the families, the children had to provide care, or take up major additional household duties.
 - 40 percent of the children had to leave school, or take significant periods away from school.
 - 40 percent of the families said that since the patient became sick, the children have had to go without certain things (food, clothes, books, etc.).
 - In 28 percent of the families, one or more children had to leave home.
- (Alliance's evaluation of Home care program, June, 2000)

II. USAID support of programming related to children affected by HIV/AIDS in Cambodia

In FY1999, USAID received a Congressional appropriation of \$10 million to support activities targeted to children affected by HIV/AIDS. The supplemental funding led to the initiation of a range of projects addressing orphans and vulnerable children in 13 countries, including Cambodia. Cambodia and India were the only countries in Asia to receive these funds, and no previous efforts directed at children affected by HIV/AIDS had been supported by USAID in these countries. Therefore, USAID had no previous experience in implementing these types of activities. Nor has there been much (if any) experience from which to learn from other donor supported activities focusing on children affected by HIV/AIDS.

Supplemental funds in FY1999 in Cambodia totaled \$1 million, with the money received by projects in late 2000. Projects were implemented by Khmer HIV/AIDS NGO Alliance (KHANA) and by FHI's Impact Project in Cambodia. The HIV/AIDS Alliance received \$350,000; FHI/IMPACT received \$650,000. The following describes these activities:

III. KHANA

The International HIV/AIDS Alliance builds the capacity of KHANA to mobilize and, in turn, build capacity among NGOs/CBOs to provide services and support for children affected by HIV/AIDS in Cambodia. The expected outcome is increased provision of care and support services by NGOs to children affected by HIV/AIDS in Cambodia. (Summary update 8/2000)

KHANA currently works with 42 NGOs. Fourteen of these include efforts to support children affected by HIV/AIDS. Seven of the fourteen include a primary focus on these activities; the other seven NGOs include objectives with a focus on children affected by HIV/AIDS, though this is not their primary focus. There are nine other NGOs that have long term experience working with youth, 15-21 year olds. Most of the latter target their activities to prevention of HIV/AIDS; some have begun to expand their efforts by involving youth in care and support activities.

Working with partner NGOs to respond to the growing needs of orphans and children affected by HIV/AIDS is a new area of work for KHANA that began with FY1999 supplemental funds. In 2000, in an effort to assist local NGOs to respond to children affected by AIDS, KHANA carried out an appraisal of the needs of these children and resources in Cambodia to address those needs. Over 900 people participated in the appraisal in five locations, including 413 orphans. The report was widely disseminated and findings were incorporated into technical support for partners and non-partners to contribute to the development of evidence based strategies. (KHANA's appraisal of needs and resources of children affected by HIV/AIDS).

Through their work in HIV/AIDS prevention and care and support, a growing number of KHANA's partner NGOs are recognizing a need to include attention to the needs of children affected by HIV/AIDS within their work. A 2000 evaluation of the home care program in Cambodia, in which a number of KHANA partners are involved, revealed that home care teams are increasingly dealing with issues related to children as part of their workload. (Alliance

evaluation of home care program) The following are some of the challenges that were identified during interviews with KHANA and partner NGOs.

A) Challenges to addressing the needs of children affected by HIV/AIDS through home based care (HBC) programs:

Education – Children are required to pay fees at the initial start-up of the school year (homes visited reported approximately 200-500 riel, depending on the level of the child); then to pay the teacher each day (could be 100-500 riel) and, also to pay private fees. The latter is a common practice since the school day is ½ day, with the teacher supplementing his/her salary through private fees. In addition, there is a cost for school materials. Teachers are very poorly paid by the government (verbal reports indicate that they receive less than \$20 per month).

HBC workers have tried a number of approaches to enabling children to return to school. Some have talked with the head of the school or the teachers themselves, requesting that they waive school fees. However, decreased payment by children affected by HIV/AIDS means that others in the community might be required to somehow make up the difference. This raises the possibility of discrimination against these children. Another repercussion (check spelling?) that has been identified is that the teacher might ignore the child who has not paid the fees. HBC workers have followed-up with teachers to explain the situation of the child and to influence the teacher to address the child with compassion and understanding. Another strategy by the HBC workers has been to go through chiefs who may be able to find ways to help children remain in school. Sometimes, the workers approach NGOS to help keep children in school.

Food and other material support: KHANA provides a small amount of money to the HBC workers to provide food and other material support to their patients and their families. This enables the home based care workers to provide a little bit of rice or clothes. In addition, KHANA sometimes provides bags of rice for HBC workers to access for their patients.

Future planning: HBC workers are also trained in will writing which enables an ill parent to plan for the future of the children, even though such action does not always prevent property grabbing after the death of the parent. During discussion with representatives of NGOs, the memory project was described to them and they expressed interest in learning more about it and possibly using this type of intervention in their work. The memory book began in Uganda and has been replicated in many countries in Africa. It is a tool by which PLWHA are taught to discuss their illness and the future of their children with those children through the development of a scrapbook that contains important information about their family, their past and their future.

Placement: Placement in families that are not related to the orphans poses problems because there is often suspicion that the families may exploit the child. There may also be fear about whether the children also are infected and may also become ill. The preferred choice of placement is with relatives and others in the community, but there are NGOs that operate children centers, though these are overcrowded. There are also government run orphanages. There is no government regulation of orphanages so that there are no standards by which these institutions must operate. Wats take in boys where they are educated and cared for, but the numbers are extremely limited. Interviews conducted as part of the KHANA appraisal of the

needs of children affected by HIV/AIDS in Cambodia revealed that adults often see orphanages as the answer to placement, but children – particularly those in orphanages themselves – disagreed. Overwhelmingly children said they would prefer to live in a family within the community. Group homes do not currently seem to be an existing option in Cambodia.

B) Discrimination: (see section below)

C) Capacity building:

1. KHANA through HIV/AIDS Alliance

The HIV/AIDS Alliance seconded Alliance staff to KHANA two years ago. Alliance staff will remain in residence for approximately another year. The KHANA executive director was hired a year ago. Gradually, the technical assistance needs of KHANA have decreased and the organization has taken over many of the tasks and management originally conducted by Alliance staff.

When asked, KHANA was interested in exchange activities with other countries. The International HIV/AIDS Alliance has received Global Bureau funding for capacity building activities related to orphans and vulnerable children and it may be possible to use some of those funds to facilitate inter-country and/or inter-continental exchange to enhance capacity of KHANA and partner NGOs to address the needs of children affected by HIV/AIDS in their programming.

2. The NGOs through KHANA:

KHANA works with NGOs to build capacity in program development and management, including organizational development and financial management. Training is provided, along with small grants to carry out participatory community assessments. Once needs assessments are completed, KHANA works with the NGO to develop a project proposal which, if suitable, is funded for implementation. New grants range from \$5-7,000 and well-established NGOs might receive up to \$15,000. Existing partners carry out review and evaluation activities before being assisted by KHANA to re-design their projects based on the updated assessment of local need. NGOS gradually graduate to the point where they receive less technical and financial support from KHANA.

Strategies used by KHANA to provide technical support to partner NGOS include field visits, workshops, NGO exchange visits, one-to-one and general partners meetings, the provision of training and resource materials. A workshop focusing on children affected by HIV/AIDS is planned for this summer for partner NGOs. An emphasis of the workshop will be on the community-based approach to support orphans and vulnerable children. The priority of community based efforts instead of institutional care is not yet universally recognized by NGOS and is an important step in building capacity of partner NGOS to develop and implement support efforts for children affected by HIV/AIDS.

KHANA partner NGOs are required to engage in a participatory review process every year. This provides an opportunity for the organization to undergo a review of their activities with their beneficiaries, with the objective of improving those activities as a result of the information gleaned.

3. Partner NGOs to general population:

NGO partners trained approximately 15,000 people to deliver HIV/AIDS prevention, care and impact mitigation services at community level. (KHANA 2000 review report-draft)

Observations during visits to KHANA and to two of its partner NGOs:

- A workshop with 35 participants representing 22 NGOs was being conducted at KHANA.
- At the same time, NGOs working with youth were participating in workshops in a different location.
- KHANA provides home care kits to the home care teams, which contain drugs, as well as other essential items. KHANA arranges for the purchase and payment of approximately \$30.00 of medications to replenish the kits on a monthly basis.
- When asked how the HBC workers learned how to do specific tasks or how the NGO was able to accomplish particular achievements, the answer consistently was that the skills came from KHANA sponsored training.

Target population reached:

Responding to the needs of children and adolescents affected by AIDS was a new area of focus for KHANA in 2000. During 2000, 14 NGO partners re-designed projects to include the support for orphans and vulnerable children. Approximately 2,000 highly vulnerable children or orphans were served by NGOs that are supported by KHANA. Current partner NGOs are in 17 provinces, including the municipalities of Phnom Penh and Kompong Som.

Potential for expansion:

KHANA's partner organizations are increasingly recognizing the need to include a focus on children affected by HIV/AIDS. KHANA's is currently working with 42 NGO/CBOs. The coverage of the activities of these organizations is large and is growing, with a goal of delivering a combination of prevention and care activities to at least 200-300,000 people with an identified vulnerability to HIV/ infection. Therefore, with technical assistance and support, KHANA partners have the potential to greatly expand coverage to children affected by HIV/AIDS by partner NGOs who are already working in HIV/AIDS prevention and care.

Monitoring:

An external evaluation of KHANA will take place within the year.

In May of 2001, KHANA will review all 42 of their projects, identifying new areas of concern and new strategies to address those concerns. An annual evaluation of progress takes place through review and re-planning visits by the Alliance staff to KHANA at the end of each year.

The following are performance indicators that are gathered by supported NGOs and CBOs on at least an annual basis and reported to KHANA for ongoing reporting to the Alliance as part of the annual review process:

Number of highly vulnerable children or orphans served by NGOs supported by KHANA.
(Total as of Dec, 2000: 2,509)

Number of highly vulnerable young people aged 15-24 years being served annually by NGOs supported by KHANA.
(Total as of Dec, 2000): 54,000)

The following are performance indicators that are gathered by KHANA through a combination of field visits and analysis of NGO reports, then synthesized and reported to the Alliance as part of the annual reporting process.

Number or percent of NGO/CBO projects supported by KHANA offering services for highly vulnerable children (under age 15), including orphans.
(Total as of July, 2000: 14 or 43 percent of 32 NGO/CBO projects)

Number or percent of NGO projects supported by KHANA each year offering services for highly vulnerable young people aged 15-24 years.
(Total as of July, 2000: 9 or 25 percent of 36 NGO/CBO projects)

Sustainability:Of KHANA:

Approximately 50 percent of KHANA's funding is from USAID. When it began in 1997, it was totally funded by USAID. Using diversity of funding as an indicator of sustainability, KHANA has quickly moved forward along that indicator. Using technical capacity as an indicator, KHANA is also moving toward technical independence, as described above.

Of partner NGOs:

The goal of KHANA is to build the capacity of partner NGOs to the point where they no longer need technical assistance or funding. Gradually, NGOs reach the point where they no longer need technical assistance. In fact, some NGOs are now providing technical assistance to others. KHANA has set up a process whereby these "graduating NGOs" meet with donors to seek other

funding, with the goal of complete independence from KHANA. However, some of the donors that are supporting these NGOs do so only for a limited period of time. To paraphrase the statement of one of the managers of a partner NGO, “The donors all want us to be independent, so they only fund us for a short time and they expect us to get other funding – but there is only a limited number of donors in Cambodia”.

An observation: What is the meaning of “sustainability”? Perhaps there is a need to re-think the meaning of sustainability in Cambodia (and in other countries as well). NGOs will continue to need funding from donors. Even if they are able to get donor funding for the life of the NGO, would they be considered “sustainable”, because they depend on donor funding?

Impact if any activities scaled down/not continued:

KHANA is currently moving forward to address the growing recognition among its partner NGOs for the need to include a focus on children affected by HIV/AIDS in their activities. Increased funds would allow them to pursue this activity with more NGOs and the scale of these activities to reach children affected by HIV/AIDS would expand. Decreased funds would limit their ability to move ahead with this work, in the face of the growing recognition and need to expand.

IV. Mith Samlanh-Friends:

A) Background

Depending on the definition and according to the figures accepted by UNICEF, there are between 600 to 1,000 street children who have completely cut ties with their families and have made the streets their home. There are approximately 10,000 street children who have kept ties with their families and return home either regularly or irregularly. Mith Samlanh-Friends adopts the latter, wider definition of street children in targeting their activities. (survey from FHI-Dec, 2000)

B) Description:

Mith Samlanh-Friends was established in August 1994 as a non-religious association working with street children in Phnom Penh. In six years it has set up a wide range of activities to address the needs of street children and their families. The project aims to help the reintegration of street children into their families, society, the public school system, the workplace, and the culture. It is organized into eleven inter-linked programs: an Outreach Program, a Transitional Home, a Boarding House, a Training Center, an Educational Center, a Family Reintegration Program, Community Outreach Program, HIV/AIDS Awareness Program, Drug Awareness Program, Project for Incarcerated children and a child rights project. (survey from FHI-Dec, 2000)

FHI/IMPACT supports Mith Samlanh-Friends to implement 2 projects:

1. HIV/AIDS prevention among street youth (August 1, 1999-June 30, 2002)
(Budget: \$152,139)
2. Care and support to children affected by HIV/AIDS. The latter has been supported through the FY1999 funds for children affected by HIV/AIDS . (According to the mid-term review, both projects have been funded through CAA funds – not the same info as through interview) (Sept 1, 1999- Sept 30, 2001; Budget: \$103,911)
(interview and Impact mid-term evaluation)

The Friends prevention activity provides outreach education, addresses condom use, safe sex negotiation skill building, STD symptom recognition, STD treatment seeking behavior, empowerment and self-esteem issues. (survey from FHI-Dec, 2000) The base for the HIV/AIDS prevention project is the squatter settlement of Stung Mean Chey (W- Phnom Penh). Mith Samlanh-Friends is also conducting HIV prevention activities in their Transitional Home, Boarding House, Training Center and Educational Center. (FHI/impact progress report to USAID/C Q3-Fy00) Activities include peer education programs; awareness raising activities on HIV/AIDS and life skills; treating STDs; training doctors to improve attitudes and treatment of children affected by STDs (FHI/IMPACT Cambodia progress report 10/1/00)

The care and support project identifies children affected by HIV/AIDS through the AIDS care ward of the Preah Norodom Sihanouk Hospital when a parent is in the ward being cared for as a result of AIDS related illness. The project provides support to the children while the parent is in the hospital. Many are malnourished, and Friends works with World Food Program to get them some food. They bring them to the Friends' center during the day, though this is not supported through the care and support project budget. The plan is for social workers to follow-up with the children in an attempt to integrate them back into their extended family when the parent dies.

C) Capacity Building:

FHI/Impact and Friends seem to have had a “rocky” relationship. Friends questions the utility of capacity building efforts provided to them by FHI/IMPACT; FHI/IMPACT questions cooperation received from Friends in their work together.

D) Impact if any activities scaled down/not continued

The Friends Project has a number of donors, including: Save the Children/Aus; UNFPA; EC; UNICEF, and CCFD. USAID funding accounts for approximately 18 percent of the current budget. Therefore, if USAID funds were no longer available, the project would continue, though the director has stated that their abilities would be significantly reduced. In addition, it is unclear whether HIV/AIDS would continue to be a component of their activities, since USAID is the primary (if only) donor funding these activities.

E) Meeting its targets:

The component of Friends project that works with children affected by HIV/AIDS is reaching a very limited number of children.

The quarterly activity report dated October-December 2000 indicates the following:

Number of children with sick parents in hospital:

October # identified	October # placed	October # follow-up	November # identified	November # placed	November # follow-up	December # identified	December # placed	December # follow-up
19	15	0	10	5	0	32	0	0

Number of orphaned children

Month	# identified	# placed w/ relatives	# placed in institution	# placed foster care	# follow-up
October	4	1			
November	1		1		
December	3	2	1		

On the other hand, the HIV/AIDS prevention activities are reaching large numbers of youth. Because the project focuses on street children, the youth that they reach are likely to be among those most at risk of becoming infected with HIV/STDs in the target area. The following are examples of statistics that were reported in the Friends quarterly report dated Oct-Dec, 2000:

Number of Behavior Change Activities

Activity/ Location	Total	Friends	Street	Boarding house	Stung Meanchey Center	Club Friends	Community
Oct-Total	114	8	52	11	9	24	10
Boys	76	6	34	11	5	14	6
Girls	38	2	18	0	4	10	4
Nov-Total	63	3	20	6	8	15	11
Boys	42	2	12	6	6	9	7
Girls	21	1	8	0	2	6	4
Dec-Total	107	6	27	13	37	0	24
Boys	68	4	16	13	21	0	14
Girls	39	2	11	0	16	0	10

Number of Children/People who participated in the Behavior Change Activities

Shows/ Location	Total	Friends	Streets	Boarding house	Stung Meanchey Center	Club Friends	Community
Oct- Total	621	66	243	48	75	136	53
Boys	455	47	168	48	49	108	35
Girls	166	19	75	0	26	28	18
Nov- Total	342	28	75	19	67	111	42
Boys	226	17	46	19	54	65	25
Girls	116	11	29	0	13	46	17
Dec- Total	864	59	211	62	455	0	77
Boys	526	41	124	62	257	0	42
Girls	338	18	87	0	198	0	35

It is important to note that the data above measures output- numbers of activities and numbers reached. It does not indicate whether those activities reached the participants in a way that influenced their behavior. This type of analysis would necessitate an evaluation of the outcome of the activities. In fact, though the potential to reach large numbers of vulnerable youth is evident from the data, it would be advisable to assess the effectiveness of the activities in positively influencing behavior change to reduce risk of HIV/AIDS/STDs.

The prevention component of the project has the potential to reach large number of the youth most at risk of becoming infected with HIV/AIDS in Phnom Penh. In addition, a pilot project in another location is being implemented by Friends, so that there might be potential to expand to other locations as well.

The draft (3/2001) mid-term review of FHI/Impact Cambodia includes a recommendation to phase out interventions with street children. It also suggests that potential areas of expanded assistance could be for children affected by HIV/AIDS.

Observation:

The component of the project that focuses on care and support of children affected by HIV/AIDS seems to have hardly started and the potential for these activities to effectively provide support to children affected by HIV/AIDS to the degree that would justify the budget allocated for this project is questionable. Therefore, the remaining funds may be better utilized to “shore up” the HIV/AIDS prevention component of the Friends project. However, the effectiveness of the current prevention program has not been systematically determined. Recommendation for transition period: Phase I. Support Friends project to assess the effectiveness of their current activities in HIV/AIDS prevention (either through the re-allocation of the remainder – if any - of supplemental funds or through other funds). If the current

activities are found to be effective or if they are able to re-design a more effective methodology that is effective, then consider Phase II: USAID/Cambodia considers funding an effective prevention program that is implemented by Friends Project, to prevent HIV/AIDS and other STDs among street children. Phase III. If Friends Project can successfully achieve Phase II, and if further funds are available, consider funding the Project to reach even further into the community – so that they can expand their prevention activities to youth who may not yet be considered “street children” but are at risk of becoming street children and are also especially vulnerable to becoming infected with HIV/AIDS. Caveat: The supplemental funds for children affected by HIV/AIDS that were provided to Friends Project for care and support have been poorly utilized. The assumption should not be made that whatever caused these inadequate results will not be repeated. Future management of the project must assure that plans are developed and implemented in a timely manner that assures an agreed upon level of effectiveness, quality and coverage.

V. NYEMO Counseling Center for Woman and Children Cambodia

NYEMO I was established locally in Cambodia in 1997 with an initial focus on specialized vocational training for vulnerable women in Phnom Penh. The majority of the women graduating from the project had been abandoned by their family or had been orphaned. Funding was received from ECHOL, WFP, Canada Fund, Redd Barna, CCFD and private donations. In June 2000, NYEMO II expanded its focus to improve the quality of life for women living with HIV/AIDS and their children. This project is supported by UNICEF and FHI/IMPACT. It is being implemented in two phases (June,2000-Feb 2001 and March-September, 2001) (3-page description received from NYEMO)

Phase one activities include initial implementation:

- A network for collaboration with referral to vocational, psycho-social and medical services is established in Phnom Penh for the program beneficiaries;
- A drop in center for underprivileged mothers and their children is organized;
- Psycho-social, medical and recreational activities are organized for the beneficiaries of the Counseling Center;

Phase two began in March and plans are to include the following:

- Women with their children living with HIV/AIDS will be empowered to face their current situation and to plan their future;
- The beneficiaries of the project will have improved access to health care facilities and psycho-social support services;
- The beneficiaries of the project will practice self-care;
- Orphaned children of women beneficiaries will be placed in extended and/or foster families;

In addition, capacity of the staff will improve to manage and implement the project. (3-page description provided by NYEMO)

Drop-in center activities include educational sessions on sexual and general health and skill training; women’s rights; behavior change; AIDS education; capacity building; gender;



community hygiene; birth spacing; prenatal education; psychosocial problems and stress; self-care. The following are some of the organizations that participate with NYEMO in conducting these sessions: Women; Ponlechivete II; Oxfam; Friends; TPO; Sovann Phoum; Maryknoll; OHCHR; Share; PSF; USG; RHAC; Indradevie (KHANA)

NYEMO has initiated a self help group among the beneficiaries. Members accompany sick women and children to health services and also care for the children in the center if mothers are in hospital. NYEMO has also set up an internal kindergarten in the center, with activities organized by women beneficiaries. A referral system has been set up to five different health facilities in Phnom Penh for women and children when needing follow-ups for pregnancy, vaccinations, STD treatment; treatment of opportunistic disease; support for children; mental health care; and Nevirapine treatment for HIV+ women. NYEMO also organizes free STD consultation and treatment. Women contacted through NYEMO II are offered the opportunity to be enrolled in the professional training courses offered by NYEMO I. (FHI/Impact Cambodia progress report 10/1/00)

For women who are single and destitute mothers, temporary shelter is provided for 20 women and their children. Women in the shelter are supported to identify and develop alternative accommodation. Reintegration within the extended family is facilitated and monitored. Beneficiaries of the project are assisted in preparing for the care of their children when they are ill or die, through fostering in the extended family or through other women-to-women support networks.

The project was designed in collaboration between NYEMO and UNICEF and FHI/Impact. FHI provides 50 percent (\$65,000) of the funding, as does UNICEF. FHI provides technical assistance. (per interview with Simone) (the mid-term review identifies the budget as follows: May 1, 2000 – September 31, 2001; Budget: \$178,968)

A) Coverage:

The number of women who regularly attend the Center (between June 1, 2000- March 15, 2001) is 275. These women have received a total of 1,223 consultations. The project includes both HIV+ and HIV- women. Approximately 50 percent of the women in the residential shelter are HIV+; approximately 30 percent of the non-residents are HIV+. According to the director, there is a great need for the project as is evidenced by the fact that they are always full to capacity and must sometimes turn away women and their children.

B) Monitoring and Evaluation:

NYEMO maintains its medical quantitative database using EpiInfo and another database for reporting social indicators. They submit medical and social quantitative reports on a monthly basis. A qualitative survey tool is currently being developed by NYEMO and will be submitted to FHI/IMPACT for feedback at the end of March. A preliminary qualitative survey of residential clients to determine client satisfaction indicated that 70 percent were satisfied.

C) Capacity building:

There are 35 Cambodian staff members. The director explained that training will continue to raise the capacity of the staff so that they can take over the project and become a local NGO. FHI/IMPACT training for the staff has included proposal and report writing. IMPACT has also helped NYEMO staff to develop an abstract and presentation for the Regional Meeting on HIV/AIDS that will be held in October, 2001, in Australia. (See information below for other FHI/IMPACT capacity building activities)

NYEMO works with a network of many NGOs with whom they share information, ideas, experience, and referrals. As indicated in the description of educational activities above, training for beneficiaries is shared by the NGOs within this network.

D) Sustainability:

NYEMO is in the process of attaining NGO status. Staff are being trained, with the goal of a Cambodian-run local NGO. The project is fairly new, however, so that it is not expected that the project can effectively achieve sustainability (neither financially nor technically) by the end of the contract, Sept, 2001. The director pointed out that the other NGOs with whom they are working as a network are all faced with challenges regarding fund raising, report writing, etc. She suggests the potential of this group to eventually create a federation that might be able to work together to decrease costs and a more sustainable way of supporting their projects.

E) Impact of scaling down activities:

According to the director, NYEMO will continue to receive funds from UNICEF, though it is unclear how long that funding will continue. Decreasing USAID funding would have a significant impact on the project, especially if this were to occur within a time frame that would not allow them to seek alternative funding. With a longer time frame and explicit planning for phasing out USAID funding, NYEMO has the potential to develop technical and financial sustainability.

Other projects supported by FHI/Impact that focus on children affected by HIV/AIDS:

In February, 2001, FHI/IMPACT signed subagreements to begin three new projects focusing on children affected by HIV/AIDS:

(The following information came from the subagreements between FHI and the projects)

1. Children in Distress (CID): Piloting Interventions for Children Affected by HIV/AIDS in Koh Kong. The implementing organization is CARE International in Cambodia. The agreement is from Feb 15 – Sept 30, 2001 for \$35,776. (the mid-term review of FHI/IMPACT Cambodia has different information, indicating that the budget is \$43,299)

The goal of the CID project is to increase the physical and mental well-being of children/adolescents affected by HIV/AIDS and their families through the provision of integrated

and comprehensive HIV/AIDS prevention, care and support services in the Mondol Seima and Smach Meanchey Districts of Koh Kong, Cambodia. The following are objectives toward achieving this goal:

- A life skills and STI/HIV/AIDS prevention program will be developed for vulnerable children and adolescents in the target communities in an effort to reduce their exposure to HIV infection;
 - A team consisting of one CARE staff and five youth advocates will work in conjunction with Community Caring staff and partners to provide, monitor and evaluate prevention, care and support services to children/adolescents affected by HIV/AIDS and their families in targeted areas.
 - The capacity of the target communities to support children/adolescents affected by HIV/AIDS will be enhanced over the life of the project.
2. Community Support Project for Children Orphaned by chronic illness of their parent(s), including AIDS – Phase one. The implementing organization is Kien Kes Volunteer Network in Battambang. The agreement is from Feb 15-Sept 30, 2001 for \$9,042.

The Kien Kes Volunteer Network is a local Cambodian organization, managed and directed by Cambodians. The Network was established in response to an assessment of the needs and capacity of Cambodian military to become involved in care and support programs for children affected by AIDS, which was contracted by FHI/Impact Cambodia and conducted in July 2000. Recommendations from the assessment were that the military in Thmor Kol District are very motivated to be involved in care and support activities for PLWHA in their community. The report also indicated that ongoing supporting activities for children such as the project in Wat Norea are strong interventions which have already gained substantial experience in care and support for PLWHA including children and involving the community in care and support.

The Network's plans have evolved from a collaboration between the military unit in Thmar Kol, the activities of the Venerable Monk Mony Saveth from Wat Norea, and input from FHI/Impact and the NGO, Buddhists for Development. The main goal of the Kien Kes volunteer Network is to ensure that children and their family members affected by chronic illness, including AIDS, receive assistance and support from the community in which they live, and that the community does not discriminate against PLWHA. The Kien Kes project aims to develop a volunteer network involving the local communities in Thmar Kol, monks in the local Pagodas, and the military infrastructure to reunite children with their families, recognizing that functioning families are the most important unit for providing care and love to children. Family reunification is achieved by providing psychosocial, material, technical, and/or financial support to both the children and their family members.

3. Care & Support Project for Children Orphaned by chronic illness of their parent(s), including AIDS – Phase one. The implementing organization is Meahto Phum Ko'Mah (Homeland) in Battambang. The agreement is from Feb 15-Sept 30,2001 for \$21,703.

Meahto Phum Ko'mah (Homeland) is a local Cambodian NGO established in 1997 to address the situation of children living on the streets of Battambang town. The goal of the project is to

improve the quality of life of children orphaned by chronic illness of their parent(s), including AIDS, within 8 target communes in Battambang town and to strengthen community mechanisms for care and support of orphans, including fostering. It is a 3 year project, to be implemented in two phases. Phase one will be implemented from February until September 2001, and Phase Two will be from October 2001-January, 2004. FHI/Impact has agreed to provide funding support to Phase One of the project. Conditional to the availability of funds, FHI and Homelands will discuss possible continued funding. It should be noted that UNICEF has already committed to providing financial support to the project after Phase One.

VI. Capacity building by FHI/IMPACT for projects focusing on children affected by HIV/AIDS:

FHI/IMPACT works with projects that focus on children affected by HIV/AIDS through project design, implementation, and evaluation. Technical assistance is provided, beginning during initial design. The following are examples of assistance provided to the five projects currently being supported to focus on children affected by HIV/AIDS:

- Research on street children and their risk for HIV was conducted by Anne Gullou in September-November 1999 and a report was written, edited and distributed by FHI/Impact. (FHI/impact progress report to USAID/C Q3-Fy00) A summary document of the research has been developed for IEC purposes and to inform HIV/AIDS prevention strategies with street children.
- FHI/Impact facilitated a field trip to Thailand with NYEMO staff and NCHAD to visit programs focusing on children affected by HIV/AIDS. A document containing results of the field trip and lessons learned from these visits was produced and widely disseminated.
- For the two Battambang projects that are currently in the initiation stage, FHI/Impact developed a technical working group that includes representatives from the two projects, as well as provincial AIDS officers and Military Corps trainers. The latter bring to the group their experience in HIV/AIDS awareness and prevention activities. They will be involved in providing training and supervision to the new projects. The technical group will work with the projects to develop the curricula to be utilized in the project regarding HIV/AIDS prevention and care, including a focus on children affected by HIV/AIDS. They will also provide support in terms of training and supervising implementation of the curricula.
- Plans are underway for FHI/Impact, together with NYEMO, UNICEF, MOSALVY, and IOM to conduct a study on issues related to grief among children in Cambodia. Findings will be used to guide development of psychosocial support within projects focusing on children affected by HIV/AIDS.
- An assessment of lessons learned will be conducted in August among the projects. The focus will be on how to strengthen community coping mechanisms to support children affected by HIV/AIDS. (interview)

- FHI/IMPACT has adapted and piloted a participatory qualitative evaluation methodology called Qualitative Participatory Evaluation (QPE). The objectives of the QPE are to evaluate the process and outcomes of ongoing interventions and is meant to be utilized on a yearly basis. (FHI mid-term review) Friends project has received training in QPE, but has not yet implemented the evaluation. The other projects are either undergoing training or will receive the training within the year. (interview)

Impact of scaling down funding for projects that focus on children affected by HIV/AIDS:

The first, and only, USAID projects focusing on Children affected by HIV/AIDS have been supported with FY1999 supplemental funds, but the funds were not received by projects until late in 2000. Therefore, these projects have just begun; some are still in the design phase. Those that have already begun and seem to be on their way to implementing a potentially effective program include NYEMO and KHANA. Those that have only just begun are Homeland, Kien Kes Volunteer network, and Children in Distress. These represent different models of identifying and working with children affected by HIV/AIDS and there is much to be learned from their various programming models. It would be a loss to allow them to die without: 1) maximizing their potential to continue through a concerted effort to work with them toward sustainability within the transition period; and 2) analyzing and documenting lessons that can be learned from these various models to inform future interventions focusing on children affected by HIV/AIDS in Cambodia (and in other parts of Asia). However, in order to assure both of these objectives, more than just additional funding would be necessary. It would also be necessary to assure that appropriate technical assistance is available and committed to accomplishing these objectives and regular progress toward achieving those goals is monitored to assure that they are reached in the short transitional period that would be available.

Issues/Challenges

- In communities where HIV/AIDS prevalence is very high, as in some countries in Africa where prevalence is 10-30 percent, children affected by HIV/AIDS make up a large proportion of the most vulnerable. When developing interventions in those areas, lessons learned from Africa have led to the recommendation that communities themselves identify those children who are most vulnerable within the community. Generally, a large proportion of the most vulnerable children identified will likely be orphans, living with ill parents, living in households where increased number of dependents have drained the resources – both financial and psychosocial – of the adults in the household, or otherwise severely affected by HIV/AIDS. However, in a country like Cambodia, where HIV/AIDS prevalence is much lower and child morbidity and mortality are, in general, high (add the statistics), the most vulnerable children in a community will include only a small proportion who are affected by HIV/AIDS. Therefore, the most direct way of identifying children affected by HIV/AIDS will be to link with interventions that already identify adults who are chronically ill, and thereby, their families. In Cambodia, where home based care is beginning to expand, linking with home based care workers and hospital referral systems is a direct method of identifying children affected by HIV/AIDS.

In fact, home based care workers and others implementing HIV/AIDS prevention and care activities are increasingly identifying the needs of children affected by HIV/AIDS as a gap in the current interventions. Integrating programs that focus on children affected by HIV/AIDS with home based care activities may, therefore, be the most efficient way of identifying and implementing interventions related to children affected by HIV/AIDS. Another possibility of reaching children affected by HIV/AIDS may be the integration of those activities with other child survival interventions. This has not yet been a model that USAID HIV/AIDS activities have yet employed and might be an area that is further explored by the strategy team.

- Fear/stigma and discrimination against PLWHA and their families was repeatedly described throughout the interviews with implementing partners and has been identified through assessments conducted in Cambodia in 2000. In addition, changes resulting from care and support activities were also reported. NYEMO, for example, reports that HIV/AIDS education and daily association among women at the center have led to an environment at the Center where seropositivity has been normalized and there is no longer stigma or fear associated with those who are HIV+. One of the KHANA partner NGOs, conducting home based care in a squatter area of Phnom Penh reports a great deal of stigma toward PLWHA. However, the observation was made that the stigma seems to be a result of fear of becoming infected and that it decreases when the project begins its work to provide care and support. The workers attribute the change in attitude to be a result of the community members' observation of the close contact between HBC workers and their patients. In this way, the community learns fear of becoming infected by the PLWHA is unfounded.
- Linking prevention and care and support activities: Many of the activities visited and discussed are currently linking prevention and care and support activities. Some have begun as prevention projects and, by necessity, have begun to expand to include care and support. Others are primarily focused on care and support but have recognized that prevention is of utmost importance in their work. There are many models in which prevention and care and support are integrated. Whatever model is used, it is important to consider the provision of both prevention and care and support in an integrated program design.

VII. Potential partners with whom USAID might consider collaborating on activities related to children affected by HIV/AIDS:

- World Food Program: The lack of food is a consistent problem identified through the activities focusing on PLWHA and their families. During a few of the interviews, mention was made of food received from World Food Program. These include SFODA (a KHANA partner NGO), the children's centers through the Dept of Social Welfare, Friends, and others. Types of food provided have been canned fish, rice, oil, and a small amount of flour. Also mentioned was that the food provided from WFP must be supplemented because it does not provide a nutritious diet. There are potential benefits and potential drawbacks for incorporating food into care and support programs, including those that include a focus on children affected by HIV/AIDS. The FANTA Project,

supported by the USAID Global Bureau has received funding to address some of the issues related to coordination between food provision and HIV/AIDS. Though USAID programs have been recently initiated to combine Title II food distribution and HIV/AIDS activities in Rwanda and Malawi, there remains little information about optimal models of integrating these activities.

- UNICEF: The Government of Cambodia and UNICEF identified a set of priority problems affecting children and women. These include MTCT; HIV+ children and AIDS orphans; discrimination, including against PLWHA; unprotected sex among adolescents; and HIV/AIDS/STDs. Related priorities include: street children; child labor; access to basic services such as health, education, water, sanitation, household food security; TB; child abuse; neglect; exploitation; trafficking, etc. UNICEF supported the CASD program as an integrative approach to child survival, care, growth and development in 6 of the poorest provinces in the country. Through Village Development Committees, 600 villages prepared village action plans centered on the rights and needs of children and women. A stand-alone HIV/AIDS project was established after 1998. The following are targets for the year 2005:
 - PMTCT in all national hospitals with maternity wards and 50 percent of provincial hospitals
 - Availability of VCT in all national hospitals and 70 percent of provincial referral hospitals
 - Widespread awareness of HIV/AIDS, general knowledge in its modes of transmission, and adoption of protective behavior by 60 percent of the sexually active population and by 80 percent of adolescent and high risk groups
 - Access to recovery, health care, and psychosocial support for 70 percent of children affected by HIV/AIDS and development of family and community care practices for PLWHA

UNICEF supports HIV/AIDS activities through two sets of activities: 1) the Children in Need of Special Protection (CNSP) program includes a focus on children affected by HIV/AIDS; and 2) the HIV/AIDS program, which also includes a component that includes a focus on children affected by HIV/AIDS.

UNICEF/Cambodia plans to support MOSALVY to conduct an assessment on institutional and non-institutional approaches to vulnerable children. The analysis will identify problems and define potential options of care, including community care. There are currently no guidelines for institutions, and they remain unregulated. This assessment can thus be used to support the development of policies and regulations regarding institutions.

A couple of the projects currently being funded by USAID to support efforts focused on children affected by HIV/AIDS are also funded by UNICEF. There is a great deal of potential for further collaboration in the future on this issue and on others, as well. During a meeting with the UNICEF/Cambodia Program Coordinator and the HIV/AIDS coordinator, interest in collaboration between USAID and UNICEF was reaffirmed and plans to follow-up were made.

The meeting also included a representative from the Regional UNICEF office in Bangkok who was interested in pursuing discussion about collaboration at the regional and/or global level. For example, the possibility of collaborating on support of sessions focusing on children affected by HIV/AIDS at the upcoming regional meeting on HIV/AIDS in Australia was discussed as a possibility.

VIII. Recommendations to Strategy Design Team:

- Linkage between HBC, OVC, and VCT (including antenatal testing in MTCT) must be explicitly acknowledged and planned for. Linked programs will contribute to the effectiveness of these activities through identification and referral of project recipients. More than that, however, are the ethical considerations of, for example, providing patients with information that they are seropositive and a post-test counseling session in an area where there may be no on-going support for the PLWHA and their families (as well as the possibility of heightened stigmatization and fear surrounding the disease). CDC will be developing a strategy for their HIV/AIDS related work in Cambodia. In other countries, they have chosen to focus on VCT and on MTCT as priority interventions. It is therefore suggested that the USAID strategy team develop strategies in close collaboration with CDC in order to identify the types of activities in which USAID has experience and capacity that will complement and enhance the work that will be supported through CDC, especially in those areas where care and support will be an important complement to medically-based interventions.
- KHANA has discussed with UNICEF and with Save the Children/UK the possibility of conducting a quantitative assessment of children affected by HIV/AIDS, to follow-up on the qualitative assessment conducted by KHANA in 2000. USAID/Cambodia might want to consider supporting a collaborative effort among a broad array of government, donors, NGOs and other stakeholders to conduct a national assessment similar to the joint effort of UNICEF, USAID and other stakeholders in Zambia. The joint assessment on the needs, resources, and gaps in a response to children affected by HIV/AIDS in Zambia was the beginning of an ongoing process of collaboration. The assessment provided information to guide a collaborative response. In addition, this type of collaborative effort has the potential to initiate a process that can maximize the effectiveness and the efficiency of follow-on activities through continued coordination among stakeholders.

Policy related information:

MOSALVY: NYEMO is working with MOSALVY to identify ways to provide foster care for orphans. For example, MOSALVY has social workers (funded through UNICEF) who may be able to provide follow-up support to women who return to their rural areas. NYEMO and other NGOs are signing an MOU with MOSALVY and MOH.

The Social Welfare Department of MOSALVY supports 20 children's centers located in Phnom Penh and the provinces. The statistics for these centers is unclear, but the deputy director of the Department mentioned that there may be over 2,000 children being cared for. The Department operates a Children's Center, located near Calmette Hospital in Phnom Penh that cares for

babies abandoned in the hospital. Babies are tested after one year. Those who are HIV- are adopted and those who are HIV+ are cared for at the Center until they die. MOSALVY provides 15,000 riel per month per child. This amount is also all that would be available under current policies for other children for whom the government may be responsible, such as orphans.

NCHADS: NCHADS supports home based care in Phnom Penh and in other provinces. HBC workers consist of health personnel, NGOs, and volunteers. PLWHA are in need of more than medical care. Psychosocial support is needed by the PLWHA and by the family. In addition, HBC reaches very poor households and there is often a need for material support such as food or transport to the hospital. These are not currently part of the HBC package, though NGOs are sometimes providing these through their own budgets. There is a potential niche for USAID in funding the expansion of social support, including support to children affected by HIV/AIDS, to supplement the medical care provided by home based care activities. (interview NCHAD)

National AIDS Authority (NAA): NAA was created two years ago to serve as the HIV/AIDS umbrella organization tasked with coordinating the national HIV/AIDS response for the government ministries. However, few financial and human resources make it extremely challenging for NAA to fulfill its official legal directive. The NAA policy on HIV/AIDS is in need of revision, necessitating further consultations. The National Assembly, the Ministry of Women's affairs, and the Ministry of Health have draft policies on HIV/AIDS. The latter does not include mention of children affected by HIV/AIDS, though the first two do mention children. In addition to NGOs, efforts to address the needs of children might include MOSALVY, Ministry of Women Affairs, Ministry of Health, and Ministry of Cult and Religion. There are many barriers facing inter-sectoral work on HIV/AIDS. Except for NCHADS, the ministries are greatly lacking in human and financial resources. An example of one of the barriers is that documents are frequently not translated into Khmer, and this makes them inaccessible to some Ministry personnel.

A personal thought about continued support of the Speak Out project, working with a network of NGOs and sex workers which is currently supported by FHI/IMPACT:

There are a number of reasons to consider continuation of funding for the project, at least until it can be evaluated:

- The project modifies a successful model of intervention among sex workers that was implemented in Calcutta, India, and has been attributed to reduction of HIV/AIDS and STDs among sex workers, among many other benefits to the sex workers.
- The intervention model in Cambodia is a more realistic and reproducible model in Cambodia and in other countries that do not have the extensive brothel areas found in Calcutta. The lessons learned from this activity – whether it is found to be successful or whether it fails – could provide valuable input into future efforts among sex workers in Cambodia and in other countries.
- USAID is the sole funder of this activity. Unless it is given a reasonable amount of time and support to seek alternative funding, the project is unlikely to continue. Therefore, the potential that this project represents will be lost, in addition to the loss of the time, energy, expectations, and hope that have been invested in the project by the sex workers and their partners.

ANNEX D: HEALTH SECTOR FINANCING FOR HIV/AIDS

Health Care Utilization Patterns and Household Expenses

The sequence of basic health service utilization in Cambodia is first, managing illness at home with home remedies, then accessing traditional medicine, purchasing medicines from pharmacies and drug sellers, and finally accessing trained health professionals.

Formal public and private health systems are involved in providing HIV prevention and care services through government health workers, centers, and facilities and through for-profit and non-governmental organizations (NGOs) which directly deliver behavior change, STD management, HIV care, and condom social marketing services. In addition, networks across public and private providers of care are essential components in forming referral networks for the provision of STD services and home care.

Household Expenditure

Accessing health services and HIV prevention and care services are often a burden on household expenses. Over 10 percent of household expenditures in Cambodia are for health services – in some instances up to 50 percent in poorer households. (Economic Costs of AIDS In Cambodia: Some Preliminary Estimates, Myers) Various health professionals and NGO representatives state that many clients and beneficiaries often go into debt to access health services due to fees and voluntary contributions. Expenditures for care are due to the cost of treatment and drugs, the cost of charges for in-patient care, travel costs, food while away from home in clinical setting, and opportunity costs of time spent accessing health services. Daily accommodation costs at provincial hospitals are reported to be \$2.56. Given these costs from the clients' perspective, traditional medicine is perceived to be less expensive because accommodation costs are not needed and treatments can seem shorter. For example, charges for STD treatment when accessing traditional medicine range from \$1.28 to \$3.80. (Integrating Care and Support into HIV/AIDS Prevention Projects – Report on Participatory Project Reviews - KHANA Partner NGOs)

Government Funding for HIV/AIDS

Local resources available for HIV programming from NCHADS to Provinces in 2001 totaled \$1.2 million where provinces received what each requested. Provincial HIV budgets ranged from \$30,000 – 107,000, averaging between \$40,000 - \$50,000 per province. Representatives from NCHADS stated that second to USAID projected increases in funding, the public sector are likely to be the largest source of NGO funds if ADB and World Bank loans are provided to the government. The current MOH Strategy for AIDS for 2001- 2005 which covers HIV prevention and care services will require at least \$9 million per year to finance. To put this level of funding in context, if Cambodia were to invest at the same level as Thailand, where \$1.90 were spent per capita on prevention services, we'd find that the \$9 million needed to fund the MOH strategy could fund prevention for 4 million Cambodians. (Economic Costs of AIDS In Cambodia: Some Preliminary Estimates, Myers) (Economic Costs of AIDS In Cambodia: Some Preliminary Estimates, Myers) If one were to look at investments in care alone, it is clear that \$9 million

would not be enough resources to finance the home care needs in Cambodia today. Therefore, it is clear that the appropriate strategic focus of funding areas is critical, as resources administered by the Ministry is scarce.

NGO Sector and HIV

Globally, the delivery of HIV services is linked with the strength of NGOs and their relationships with populations vulnerable to becoming infected and affected by HIV – particularly since many of these populations are outside the reach of government. Table I highlights the number of prominent NGOs, primarily international NGOs and local NGOs, working in HIV and related areas as of January 2000. There are over 100 NGOs explicitly working in HIV related areas – over 60 percent working in HIV prevention related areas of IEC and STD management. These NGOs provide technical, material, and financial support. As Table I presents, the majority of services that NGOs provide are in technical areas or in all three areas combined. Therefore, technical services and the means to transfer technical skills by the NGO sector is important to understand. To date local NGOs are not yet able to fully reach populations vulnerable to HIV, therefore given the importance of NGOs in the delivery of HIV services, it is essential that growth in the NGO sector be nurtured.

Table I: Number of NGOs working in HIV related areas in Cambodia (Jan 2000)

Sector	Number of NGOs	TA, Financial & Material Support	TA	Material Support	Financial Support	TA and Material Support	TA and Financial Support	Material and Financial Support
STDs	34	14	8	2	2	5	2	1
HIV prevention (IEC)	40	14	19			5	1	
HIV care	19	9	6		1	2	1	
Tb	22	11	8		1	1	1	
TOTAL	115	48	41	2	4	13	5	1

(Source: Medicam Database: NGO Health Projects in Cambodia Jan 2000)

The Costs of Providing HIV Related Services in Health

Many health facilities, particularly the national hospital are already experiencing increased pressure of bed occupancy among people living with AIDS. The current costs to provide care are extreme. The average cost to deliver inpatient services is \$20 per inpatient day in a health facility while outpatient services cost \$4 per visit. When compared with the average budget for the health, it is clear that the public health system will not have enough resources to care for all of the projected needs for PLWHA accessing the system. (Economic Costs of AIDS In Cambodia: Some Preliminary Estimates, Myers)

In addition to the costs borne and estimated to impact the formal health system, NGO representatives report high spending on treatments and health care by People Living with

HIV/AIDS (PLWHA) and their families. The average cost for medicine per episode is \$4.65. An initial visit to the hospital is \$17.30. \$7.30 for the first contact with a health provider. Given that the average monthly household income in Cambodia is \$100, many families cannot afford to finance their care directly from discretionary income. (Cambodia Poverty Report, 1998) The cost of illness is also the costs borne by decreased income to the household by those who are infected and unable to work. As HIV related disease advances for individuals, household income decreases by over 25 percent of household income or \$7 – 10 per week or \$28 - \$40 per month. (Evaluation of Home Based Care Program – KHANA 2000) Given these pressures of health care financing for HIV related illness on household income, health care is funded through partial or total sales of assets including land and livestock, and other productive assets. In addition, many households access credit through money-lenders to finance care when they have little to no savings or assets. (Integration of Care and Support with Prevention Programs – Participatory Review with KHANA NGOs draft report)

As a result of these constraints home care for the management of HIV related illness is an important component of a care strategy. An evaluation of home care reveals that the principal needs for PLWHAs are the appropriate use of traditional health systems, timely referral to government facilities and social services, and welfare for food and transport costs. (Evaluation of Home Based Care Program – KHANA 2000)

Cost of Providing Home-based care to PLWA

An evaluation of the pilot Home-Based Care program conducted in 2000 found that the program provides a diverse range of services including basic health services and social services to chronically ill adults and their families. In addition, it found that while the program has met many of the needs of the beneficiary population, reaching scale for this program will require many more resources. The costs of providing home care in rural area, areas where its most likely to be most needed, was at least 50 percent higher due to high transportation costs.

Over the program period of 1998 – 2000 up to 700 patients were reached per month at a cost of nearly \$2000 per month. (Evaluation of Home Based Care Program – KHANA 2000)

Per the suggestion of the Evaluation to increase the efficiency of home care services to reach rural populations, it was estimated that 1500 patients per operational district could be reached for \$70,000 per year. Using this estimate and the estimated cumulative number of HIV positives in 1999 at 250,000, approximately \$12 million per year would be required to meet the home care needs of those likely to be positive.³

³ Given Evaluation's recommendation on efficiency of home care program – it was suggested that 1500 patients per month could be reached for \$70,000 per year. The parameters for scale and coverage were based on this assumed cost and the intention to at least reach the 250,000 HIV positives assumed in 1999.

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TABLE OF CONTENTS

	Page
List of Acronyms.....	3
I. Executive Summary	8
II. Assistance Environment	10
The Royal Government of Cambodia	10
USAID Assistance.....	10
Other Donors	12
III. Problem Analysis	13
A. Development Parameters: HIV/AIDS, Infectious Diseases, Reproductive and Child Health.....	13
B. Country Context	14
C. Problem Analysis/General.....	14
D. Problem Analysis/Specific	15
E. Consultations with Partners and Customers	17
F. Cross-cutting Themes	17
IV. Results Framework	18
A. Strategic Objective: Increased Use of High Impact HIV/AIDS and Family Health Services and Appropriate Health-Seeking Behaviors	18
1. Strategy: General.....	18
2. Sectoral Strategies	19
3. Geographic/Population Coverage	21
4. Magnitude and Nature of Expected Change	23
B. Key Intermediate Results.....	25
IR 1: Increased Access to Information and Services.....	25
IR 2: Strengthened Capability of Individuals, Families and Communities to Protect and Provide for Their own Health	29
IR 3: Improved Quality of Information and Services	31
IR 4: Improved Capacity of Health Systems.....	33
C. Collaboration with Other Donors, other USG Agencies and other USAID Activities	35
D. Critical Assumptions	38

V. Performance Monitoring 38

VI. USAID/Cambodia and Mainland Southeast Asia Programs Staffing
Capabilities 45

VII. Funding 46

Annex 1: Contact List 49

Annex 2: Documents Reviewed..... 52

Organizational Chart 63

LIST OF ACRONYMS

ADB	Asian Development Bank
ADD	Accelerated District Development
ACNM	American College of Nurse-Midwives
AIDS	Acquired Immune- Deficiency Syndrome
ANC	Antenatal Care
ANE	Asia Near East Bureau
ARI	Acute Respiratory Infection
ARV	Antiretroviral
ARO	Asia Regional Officer
AusAID	Australian Agency for International Development
AVSC	Association for Voluntary Surgical Contraception

BAAM	Border Action Against Malaria
BASICS	Basic Support for Institutionalizing Child Survival Project
BAHAP	Border Area HIV/AIDS Project
BCC	Behavior Change Communication
BCI	Behavioral Change Intervention
BHSP	Basic Health Services Project
BHR/PVC	Bureau for Humanitarian Response, office of Private and Voluntary Cooperation
BSS	(Sexual) Behavioral Sentinel Survey

CA	Cooperating Agency
CARE	CARE International
CBD	Community-based distribution
CBR	Crude Birth Rate
CBO	Community Based Organization
CDCP	Cambodia Disease Control and Health Development Project
CDC	Centers for Disease Control
CDD	Control of Diarrhoeal Diseases
CDHS	Cambodia Demographic Health Survey
CEB	Children Ever Born
CEDPA	Center for Development and Population Activities
CEP	Continuing Education Program
CMA	Cambodian Midwives Association
CMS	Central Medical Stores
CMR	Child Mortality Rate
Co-com	Coordinating committee
COC	Combined Oral Contraception
COPE	Client Oriented and Provider- efficient
CPA	Complimentary Package of Activities
CPR	Contraceptive Prevalence Rate
CRC	Cambodian Red Cross
CSW	Commercial Sex Worker

CUP	Condom Use Policy
CQI	Continuous Quality Improvement
CWPD	Cambodian Women for Peace
CYP	Couple-years Protection
DFID	Department For International Development
DHF	Dengue Hemorrhagic Fever
DHMT	District Health Management Team
DHS	Demographic and Health Surveys
DOT	Directly Observed Treatment
DPT	Diphtheria, Pertussis, Tetanus
DSC	Demographic Surveys of Cambodia
EC	European Community
EDB	Essential Drugs Bureau
EmOC	Emergency Obstetric Care
EPI	Expanded Program of Immunization
EU	European Union
FBC	Feedback Committee
FC	French Cooperation
FEFO	First Expired, First Out
FHI/ IMPACT	Family Health International/Implementing AIDS Prevention and Care Project
FIFO	First In, First Out
FP	Family Planning
FPIA	Family Planning International Assistance
FPLM	Family Planning and Logistics Management Project
GDP	Gross Domestic Product
GFR	General Fertility Rate
G/PHN	Global Bureau, Center for Population, Health and Nutrition
GTZ	German Technical Cooperation
HACC	HIV/AIDS Coordinating Committee
HC	Health center
HCMC	Health Center Management Committee
HCP	Health Coverage Plan
HDT	Health Development Team
HE	Health Education
HIS	Health Information System
HIV/AIDS	Human Immuno-deficiency Virus/ Acquired Immunodeficiency Syndrome
HKI	Helen Keller International
HP	Health Promotion
HSS	HIV/AIDS Sentinel Surveillance
IDSW	In Direct Sex Worker
IEC	Information, Education Communication
IMCI	Integrated Management of Childhood Illnesses

IMR	Infant Mortality Rate
IPC	Inter-personal Communication
IPD	In-patient Department
IPPF	International Planned Parenthood Federation
IR	Intermediate Result
ISSA	Integrated System for Survey Analysis
IUD	Intrauterine Device
IWDA	International Women's Development Agency

JSI	John Snow, Inc.
JICA	Japanese International Cooperation Agency
KAP	Knowledge, Attitude and Practice
KfW	Kreditanstalt Fur Wiederaufbau (German bank for Reconstruction)
KHANA	Khmer HIV/AIDS National Alliance

LBW	Low Birth Weight
LMIS	Logistics Management Information System
LNGO	Local Non-governmental Organization
LSS	Life-Saving Skills
LSO	Logistics Support Officer
LOP	Life Of Project

MAQ	Maximizing Access and Quantity
MCH	Maternal and Child Health
MDR	Multi-Drug Resistant
MIS	Management Information System
MMR	Maternal Mortality Ratio
MOND	Ministry of National Defense
MoEYS	Ministry of Education, Youth and Sport
MOH	Ministry Of Health
MOI	Ministry Of Interior
MOSALVY	Ministry Of Social Affairs
MPA	Minimum Package of Activities
MRD	Ministry of Rural Development
MSF	Medicin Sans Frontiers
MSM	Men Who Have Sex With Men
MTCT	Mother To Child Transmission

NAA	National Aids Authority
NAP	National AIDS Program
NCHADS	National Centre for HIV/AIDS, Dermatology and Sexually Transmitted Diseases
NCHP	National Center for Health Promotion
NGO	Non-governmental Organization
NHS	National Health Survey
NID	National Immunization Day
NIPH	National Institute of Public Health
NMC	National Malaria Center

NMCHC	National Maternal and Child Health Center
NN	Neonatal Mortality
NRPH	National Reproductive Health Program
NTP	National Tuberculosis Plan
OD	Operational District
OPV	Oral Polio Vaccine
ORT	Oral Rehydration Therapy
ORS	Oral Rehydration Salts
OVC	Orphans and Vulnerable Children
PAC	Post Abortion Care
PAC	Provincial Aids Committee
PATH	Program for Appropriate Technology in Health
PCU	Project Coordination Unit
PDF	Partners for Development
PET	Peer Education Trainers
PGE	Peer Group Educator
PHA	Provincial Health Advisor
PHD	Provincial Health Department
PHD	Provincial Health Director
PLWHA	Persons Living With HIV/AIDS
PMTCT	Prevention of Mother to Child Transmission
PNN	Post-neonatal
Pro-Cocom	Provincial Coordinating Committee
PSI	Population Services International
PSF	Pharmaciens Sans Frontiers
PVO	Private Voluntary Organization
PWHA	Persons With HIV/AIDS
RACHA	Reproductive and Child Health Alliance
RH	Referral Hospital
RCH	Reproductive and Child Health
RCG	Royal Cambodian Government
RHAC	Reproductive Health Association of Cambodia
RSM/EA	Regional Support Mission, East Asia
RTI	Reproductive Tract Infection
SCF	Save the Children Federation
SEATS	Family Planning Service Expansion and Technical Support Project
SES	Socioeconomic Status
SIS	Self Improvement System
SM	Social Marketing
SO	Strategic Objective
SpO	Specific Objective
SSDS	Social Sectors for Development Strategies, Inc.
STD	Sexually Transmitted Disease
STI	Sexually Transmitted Infection

TA	Technical Assistance
TB	Tuberculosis
TB ERA	Tuberculosis Expanded response and Access Project
TBA	Traditional Birth Attendant
TFR	Total Fertility Rate
TOT	Training of Trainers

UN	United Nations
UNAIDS	Joint United Nations Program on HIV/AIDS
UNICEF	United Nations Children's Fund
UNDP	United Nations Development Program
UNESCO	United Nations Education Social and Cultural Organization
UNFPA	United Nations Population Fund
UNTAC	United Nations Transitional Authority for Cambodia
USAID	United States Agency for International Development
USAID/C	USAID/ Cambodia
USAID/W	USAID/Washington
USG	US Government

VAC	Vitamin A Capsule
VAD	Vitamin A deficiency
VCR	Videocassette Recorder
VCT	Voluntary Counseling and Testy
VCCT	Voluntary Confidential Counseling and Testing
VDC	Village Development Committee
VSC	Voluntary Surgical Contraception
VSO	Volunteer Services Overseas
VSS	Voluntary Sterilization Services

WB	World Bank
WHO	World Health Organization
WS&S	Water Supply & Sanitation
WRI	World Relief International
WVI	World Vision International

YRHP	Youth Reproductive Health Program
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I. EXECUTIVE SUMMARY

Three decades of civil war including the brutal genocide and systematic destruction of the infrastructure and state under the Khmer Rouge regime have left Cambodia and its largely rural poor population in dire straits. Poverty¹, malnutrition and poor or non-existent health services have resulted in some of the worst health conditions in the world. These include unacceptably high levels of maternal and child mortality. Of global as well as national concern are the exceptionally high rates of HIV/AIDS and tuberculosis infection. Cambodia's HIV/AIDS prevalence rate of 2.3%² remains the highest in Asia. Some estimate that 60% of the adult population are infected with tuberculosis (TB). A cycle of poverty, ill health and debt continues to cripple the country's development. Cambodians, including especially very poor Cambodians, spend a significant portion of their scarce income for bad health care. Expenditures for health are a major cause of debt, landlessness and poverty. All of these factors have made health assistance a priority for the U.S. government.

Concerns about progress toward democracy and governance as well internal instability, however, have limited and disrupted U.S. assistance. Although the U.S. has been providing health assistance since the early 1990s, this was disrupted in 1997. With the return to civil order after the Peace Accords in 1991, the U.S. has become an important partner in Cambodian efforts to save lives.

While the recent reported declines³ in HIV/AIDS prevalence, especially among key high-risk populations, are very good news, the epidemic is far from stemmed. An estimated 169,000 adults were living with AIDS in 2000⁴. In late 2000, Cambodia was designated a "rapid scale up country", one of the four countries in the world, and the only country in Asia, identified as the highest priority for U.S. assistance in HIV/AIDS. Cambodia is also a priority country for tuberculosis control. Also in 2001, USAID/C was given permission by Congress to work directly with the Royal Cambodian Government (RGC) on HIV/AIDS, while continuing support for citizen groups, private voluntary agencies and other partners working to address the HIV/AIDS epidemic.

USAID/C's three-year transition health assistance strategy builds upon successes and lessons learned in how to reach HIV high-risk populations and how to deliver improved reproductive and child health care. It supports a dual approach: a) rapid scale up and national level expansion of those successful HIV prevention interventions which change behavior and reduce transmission among high risk and other special populations; and b) a more comprehensive systems approach to meeting the broader reproductive, family health and infectious disease needs of Cambodia's largely rural population. The latter includes developing and testing community-based approaches for the care and support of those infected and affected by HIV/AIDS.

¹ GDP of US\$260 per capita in 1999 with 1/3 of the households below the poverty line. (Cambodia's Health Sector Performance Report 2000, Nov. 2000)

² Based on the estimated rate of pregnant women attending antenatal clinics, Ministry of Health, Report on HIV/AIDS Surveillance in Cambodia, 2001.

³ The estimated prevalence among pregnant women attending antenatal clinics declined from 3.2% in 1997 to 2.3% in 2000; from 39.3 in 1997 to 31.1% in 2000 among direct sex workers and from 6% to 3.1% among police, ibid.

⁴ Ibid.

USAID/C's vision is that with our Cambodian, NGO and other donor partners, we can significantly impact on HIV/AIDS transmission, the delivery of other quality health information and services and the use of such information and services by informed, proactive citizens, particularly women.

Therefore, we have set as the strategic objective: **“Increased use of high impact HIV/AIDS and Family Health Services and Appropriate Health Seeking Behaviors”**. This is supported by four key intermediate results:

- 1) Increased access to information and services;
- 2) Strengthened capability of individuals, families and communities to protect and provide for their own health;
- 3) Improved quality of information and services and;
- 4) Improved capacity of health systems.

While we believe that this will contribute to decreased HIV/AIDS prevalence and reductions in mortality and morbidity, the strategy's three year time period may be too short to obtain significant, measurable changes in these conditions.

Four principles guided the development of the strategy:

- 1) Working closely with our Cambodian and other donor partners under the umbrella of RGC national strategies and policies;
- 2) Integrating HIV/AIDS and RH/MCH health education and service delivery programs wherever feasible to build upon synergies and preserve scarce resources;
- 3) Concentrating health assistance in key provinces and operational districts (OD) to achieve a critical mass and enable Cambodians to make the choices that will improve their health; and,
- 4) Ensuring that capacity building is part of every activity that USAID supports.

Achievement of this strategy is dependent not only on USAID staying the course in terms of providing substantial funding at the proposed levels and requisite staff but also of the RGC continuing its focus on improving health service delivery and addressing HIV/AIDS boldly from a multi-sector perspective. The success of the strategy will also depend on key donors such as DFID, the World Bank and the ADB continuing to provide essential support. On-going health sector development efforts and the RGC's continued supportive policies in combating the HIV/AIDS epidemic will be critical in the successful execution of the proposed strategy. By 2005, and the end of this transition strategy period, we expect to see the following results:

Within the special target population groups reached by expanded HIV/AIDS prevention activities, changes will include *an increase in the per cent of men using condoms with CSWs; and an increase in the per cent of men using condoms with a “sweetheart”*.⁵ These and related behavior changes among high-risk and vulnerable populations will contribute to a ***decrease in the HIV prevalence rate among those population groups, and also among men's wives and primary sexual partners.***

⁵ The term 'sweetheart' is readily understood by Cambodians, but is somewhat difficult to translate into a western concept, particularly as the definition of a sweetheart is a flexible concept even for Cambodians. For single men, a sweetheart is roughly interpretable as the western concept of a girlfriend. A sweetheart for a married man has more of a direct sexual connotation. In general, sweethearts who have sex tend to be sex partners that 'trust' each other more than commercial sex partners, may have more romantically tinged relationship, and may have longer term relationships than the typical commercial sex encounter.

(Recent data suggest that Cambodia may be one of only three countries in the world--along with Thailand and Uganda--to have reduced its level of HIV prevalence.

In the focus provinces and operational districts, key people-level impacts will include *increases in the contraceptive prevalence rate; a decrease in risky sexual behavior; an increase in the per cent of children under one year of age fully immunized; and an increase in the per cent of births assisted by a trained provider.*

II. ASSISTANCE ENVIRONMENT

The Royal Government of Cambodia (RGC)

The RGC has identified reproductive and sexual health as national priorities, and has developed national strategies supportive of safe motherhood, birth spacing and HIV/AIDS prevention and control. Institutions relevant to the implementation of these strategies -- including the National Maternal and Child Health Center (NMCHC) and the National Center for HIV/AIDS, Dermatology and STDs (NCHADS) -- have been established within the Ministry of Health. The National AIDS Authority (NAA), comprised of 13 ministries, is promoting a multi-sectoral response to HIV/AIDS issues. Moreover, the RGC looks to the sizeable NGO community (both international and local) as a key partner in its efforts to improve and expand the availability of primary health care services and to stem the scourge of HIV.

USAID Assistance:

The proposed strategic framework builds on past and current USAID assistance to Cambodia. The present program traces its roots to humanitarian assistance in support of Cambodian non-communist resistance groups beginning in 1986. Known as the "cross-border program", the activity was administered from the Office of Khmer Affairs in Bangkok, as there were no bilateral relations with the Vietnamese-dominated government in Phnom Penh. The program provided medical equipment and supplies, transportation, food and training to support community development and health care to displaced Cambodians along the northwestern border with Thailand.

After the signing of the Paris Peace Accords in 1991, USAID began to support health activities in Cambodia in 1994. Strategic Objective Two (SO2), "Improved Reproductive and Child Health" and Special Objective Two (SpO2), "Reduced transmission of STD/HIV among high-risk populations" were developed in 1996. Political unrest in July 1997 resulted in a temporary suspension of almost all mission activities. Congressional restrictions curtailed USAID's collaboration with the RGC and restricted funding only to NGOs. Except for the recent change in HIV/AIDS programming authority, the legislative and policy restrictions imposed in 1997 remain unchanged. The immediate impact was a sizable reduction in mission funding (from approximately \$40 million to \$15 million/year).

In 1997 a scaled-down health program was implemented with Reproductive and Child Health (RCH) and HIV/AIDS components. The current RCH portfolio emphasizes increasing supply, access and demand for high quality reproductive health and child health services for Cambodians in focus provinces.

The current SO is “Improved reproductive and child health” and includes three intermediate results:

- 1) Expanded supply of RCH services;
- 2) Increased access to RCH services;
- 3) Strengthened demand for RCH services.

The present HIV/AIDS portfolio emphasizes policy development and risk reduction and the current Special Objective Two (SpO 2) is “Reduced transmission of STD/HIV among high-risk populations” with three intermediate results:

- 1) Policy makers informed about the HIV/AIDS epidemic in Cambodia;
- 2) Reduce high-risk behaviors in target areas;
- 3) Model STD/RH service delivery program for high-risk populations piloted and replicated in target populations.

The RGC’s positive policy environment regarding reproductive health, safe motherhood and HIV/AIDS prevention has enabled USAID to achieve significant progress in the PHN sector over the past four years, despite the US policy, legal and financial restrictions in place during that period. In the fields of reproductive and child health, USAID support provided primarily through NGOs has played a critical role in increasing contraceptive prevalence from 6.9% in 1996 (modern methods) to 19.1% in the year 2000; reducing the infant mortality rate from 115 deaths per thousand in 1996 to 95 per thousand in 2000; decreasing child mortality from 181 deaths per thousand to 124.5 deaths per thousand over the same period; and decreasing HIV/AIDS prevalence from 3.2% in 1997 to 2.3% in 2000 among pregnant women attending antenatal clinics.

USAID has played a key role in the country’s efforts to reduce the transmission of sexually-transmitted infections/HIV into the general population by focusing its interventions on behavior change among high-risk populations (commercial sex workers and indirect sex workers, police and military personnel), and improving the quality of and access to STD care for low- and high-risk populations. USAID support for the development and operation of an HIV Sentinel Surveillance (HSS) system and Behavioral Surveillance Survey (BSS) has helped create one of the most advanced surveillance systems in Asia. Indeed, the HSS and BSS are being consistently used by policy makers to inform their decisions regarding program priorities and resource allocations. Sales of the *Number One* condom brand marketed by the USAID-supported social marketing project are exceeding targets.

Importantly, much of USAID’s assistance over the past several years has been used to strengthen the overall capacity of our partners to deliver health and HIV prevention services. This capacity-building focus has helped to lay the foundation for an onward strategy which will continue to expand our partners’ ability to plan, manage and refine their own programs. These prior investments have also helped to prepare our partners for the daunting task of scaling up their efforts so they can reach much larger population groups.

Rapid Scale-Up Designation:

In late 2000, the Agency developed a new strategic approach to HIV/AIDS worldwide with Cambodia being designated as one of four “Rapid Scale-Up” countries in the world-and the only one in Asia. This designation recognized the seriousness of the HIV/AIDS epidemic that threatens not only Cambodia and its neighbors, but also the effectiveness of the overall development agenda.

This designation makes Cambodia a priority for USG HIV/AIDS support. Both USAID and the Centers for Disease Control (CDC) are substantially increasing HIV/AIDS assistance. The rapid scale up designation also requires that special attention be given to tracking and reporting on performance. USAID will build upon and expand the work that has already been done in tracking HIV prevalence and related sexual behavior through the HSS and BSS, as well as develop other measures of program coverage and achievement.

Part of the reason that Cambodia sought to be, and was selected as a rapid scale up country was the willingness of the Cambodian government and private citizens to face HIV/AIDS directly and to make important policy, organizational and personnel decisions. Government and NGO leaders have spoken out frankly and boldly on the seriousness of the HIV/AIDS epidemic and have instituted a variety of approaches including a 100% condom use policy in brothels to address the situation. A similar policy was believed to have been critical in neighboring Thailand in controlling the epidemic there.

Other Donors:

Other bilateral and multilateral donors assisting in the PHN sector in Cambodia are listed below. Like USAID, these donors are very interested in establishing close partnerships within the PHN sector. For a discussion of possible collaborative relationships between USAID and other major donors, see Section IV.C.

In the MCH field, donors include GTZ (health systems development and midwifery training in collaboration with UNFPA); JICA (technical assistance, supplies and equipment for the NMCH Center and teaching hospital, and support for a referral hospital in Battambang Province); UNICEF (advocacy for child rights, and strengthening of public and private institutions for health and nutrition of children, immunization, vitamin A, and correct case management of diarrheal diseases and acute respiratory infections). UNICEF (pilot-testing the first IMCI program in Cambodia, in collaboration with WHO); UNFPA (strengthening midwifery skills through a four-month training course conducted in four regional training centers); AusAid (provides support for immunization of infants and pregnant women in collaboration with UNICEF and WHO); the World Bank (construction/refurbishing and provision of medical equipment and supplies for 22 referral hospitals in 16 provinces, plus training-in collaboration with Medecin Sans Frontiers and UNICEF--of the surgical staff in these hospitals); and the Packard Foundation (working through EngenderHealth--formerly AVSC--to develop contraceptive technology updates for medical doctors and nurses, clinical training in sterilization in provincial hospitals, promotion of FP in villages, safe motherhood practices, and various child health initiatives.)

Key donors in the field of reproductive health, including family planning, include DfID, UNFPA, UNICEF and the Packard Foundation. Contraceptive commodities are made available by KfW, DfID and UNFPA. Support to strengthen the technical and program management capacity of RH care providers and program managers, including IEC, and to address the particular needs of adolescents is made available through UNFPA and the EU. The Packard Foundation is funding the scaling up of birth spacing services, and UNICEF is supporting family planning through the strengthening of integrated health services at the district level in 6 provinces and at the national level.

In the area of HIV/AIDS, major donors include the Asian Development Bank (ADB) and AusAID--both of which are focusing their investments in a few selected provinces/ODs; CIDA, the European Union (EU), French Cooperation, GTZ, JICA, KfW, DfID (which provides condoms for the *Number One* social marketing activity), UNFPA, UNAIDS, UNICEF, WHO, and the World Bank.

The British Department for International Development (DfID) recently completed a strategic planning mission to Cambodia, and has committed itself to provide budgetary support for the Ministry of Health's HIV/AIDS prevention program managed by NCHADS; capacity building and advocacy support for NAA; HIV/AIDS-related mass media campaigns; and capacity-building at the Ministry of Education, Youth and Sports. The U.N. Foundation and the Gates Foundation are currently exploring opportunities for assistance in this sector.

In the field of infectious diseases, the MOH'S National Centre for Tuberculosis and Leprosy (CENAT) receives technical assistance from WHO and JICA to strengthen TB control in Cambodia. The National Malaria Centre (CNM) within the MOH, receives support from WHO on all aspects of malaria control including: promotion of bednets for prevention, ensuring early diagnosis and treatment, monitoring drug resistance, and developing new combination therapies to respond to drug resistant malaria. International donors and partners include Japan, USAID, and the EU. The CNM, with support from WHO, has also developed a Dengue Hemorrhagic Fever Control Program, which focuses on: improving DHF surveillance; improving DHF case management; and evaluating new models for vector control.

III. PROBLEM ANALYSIS

A. Development Parameters: HIV/AIDS, Infectious Diseases, Reproductive and Child Health
State 071904 (April 24, 2001) recommended that the Mission's proposed strategic objectives on HIV/AIDS and Improved Reproductive and Child Health be combined into one strategic objective. The USAID/Washington guidance message also instructed the Mission to provide clarification regarding: engagement with the Cambodian Government; child health; contraceptive security; infectious diseases; and noted that the Mission's strategy should state explicitly the geographic and programmatic foci of HIV/AIDS interventions. Finally, the guidance message asked that the Mission strategy address potential synergies in PHN activities, such as those between tuberculosis and HIV/AIDS.

The original development parameters provided by USAID/Washington were fully incorporated into the articulation of the integrated strategy and the strategy sent to Washington for review and decision in October 2001. At that time, submission of the mission's full strategy had been delayed until early 2002, and since both USAID/Cambodia and USAID/Washington wished to rapidly proceed with the Interim PHN strategy, the mission submitted it prior to the full mission strategy. USAID/Cambodia will submit the full strategy, including the pre-approved PHN strategy, to USAID/Washington the end of February.

In regard to the PHN strategy, State 027608 (February 12, 2002) provides additional guidance for the PHN Strategy. The strategy was reviewed in Washington on November 16, 2001. At the time of the review meeting, the decision was made not to approve the reproductive health portion of the strategy due to uncertain funding. Subsequently, ANE management determined that, if sufficient ESF is not available for reproductive health in the out-years, ANE will provide up to \$5 million CSH funds to continue strategy implementation. The revised parameters cable states: "The HIV/AIDS portion of the strategy is approved at a planning level of at least \$10 million and the reproductive, maternal, and child health portion of the strategy to a planning level of no more than \$5 million per year. The planning level for infectious disease is \$2 million per year."

While the funding levels have changed from those stated in State 071904 (April 24, 2001), the

overall strategy remains the same. The scale of implementation will be adjusted however, in response to the new three-year funding levels. Thus, the Mission plans to proceed with the design of the integrated PHN strategy at the funding levels stated in State 027608.

B. Country Context⁶

Demographic situation: The 1998 population census estimated the population of Cambodia to be 11.4 million, with women accounting for 51.8% of the total. The annual population growth rate--the highest in Southeast Asia--is estimated to be 2.5%. The total fertility rate (TFR) is 4.0 children per woman, and contraceptive prevalence remains relatively low at 19%. Approximately 42.5% of the population is under the age of 15--an age structure that implies continued high rates of population growth, even in the event of significant declines in fertility. Life expectancy at birth is 58.6 years for females and 50.3 years for males.

Health Sector: The RGC launched its ongoing health sector reform program in 1995 with the presentation of the National Health Coverage Plan (1996-2000). Key features of the plan included the creation of the Operational District (OD)--a population-based unit comprising anywhere from 100,000 to 300,000 people--as the functional focus of health reform efforts; designation of health centers (HC) as the first level of health care; and a stated intention to provide a Minimum Package of Activities (MPA) and the Complementary Package of Activities (CPA) at the health centers and referral hospitals respectively. The plan called for the establishment of 940 health centers. As of late 2001, approximately 700 health centers were in place (75% of the total) in 74 Operational Districts around the country. Of the 67 referral hospitals called for in the plan, only 15 are currently in place. The range and quality of services offered at these facilities vary widely.

The trend in RGC expenditures for health is positive. The Government's per capita budget for health in 1998 was about \$1.00, representing approximately 0.3% of GDP. This rose to \$1.70 in 1999 (0.8% of GDP), and to \$2.10 in 2000 (1% of GDP). Most observers predict that these increases are likely to continue in the years ahead.

C. Problem Analysis/General

Despite this encouraging budgetary trend, the health sector faces enormous and persistent challenges. With regard to safe motherhood, these include a high maternal mortality ratio (437/100,000 live births); low antenatal attendance at health centers; a low level of deliveries assisted by trained health providers; and harmful traditional practices during pregnancy, childbirth and postpartum. Child health challenges include high infant, child and neonatal mortality rates (95/1000, 125/1000 and 37/1000 live births, respectively); low use of oral rehydration salts, low EPI coverage (40%); low rates of exclusive breastfeeding (5.4%) of infants below five months of age; and indiscriminate use of antibiotics for childhood infections. With respect to birth spacing, they include low contraceptive prevalence (19%, modern methods); large unmet needs for family planning services; and a high prevalence of unsafe abortion. Prevention of HIV/AIDS and transmission of STDs is hampered by low use of condoms with intimate partners, a lack of counseling and testing services, and a paucity of information and services geared to the needs of especially vulnerable groups such as youth and internal migrant populations.

The still nascent public health system is not yet playing a major role in responding to these

⁶ Unless indicated otherwise, all data cited in this section are drawn from the *2000 CDHS*)

challenges. That system's existing workforce, while perhaps excessive in number, is grossly inadequate in skills; salaries are so low as to create little or no incentive to work; and supplies and equipment at health centers are not adequate or appropriate for many health care situations. Not surprisingly, most Cambodians look to other, non-government outlets (pharmacies, traditional healers, drug sellers) as their preferred sources of services for most health problems, including delivery assistance, birth spacing methods, STD drugs and abortion. A number of studies have suggested, however, that very few of the personnel at these outlets are familiar with common symptoms of reproductive health problems, correct drug dosage or potential side effects, or correct management procedures for many of the health problems they treat. In consequence, most Cambodians are receiving very poor quality of care, and little value for their money, at either public or private sources of health services.

D. Problem Analysis/Specific

HIV/AIDS: The HIV/AIDS epidemic in Cambodia threatens to undermine successes that could be achieved through other development efforts in economic growth and the reduction of morbidity and mortality. While there has been an apparent stabilization of seroprevalence in certain target groups, rates are too high in antenatal women (over 4% in several provinces), and there may be a movement of the virus into the general population. An estimated 169,000 adults are currently living with HIV/AIDS. An estimated 13,000 children have lost one or both parents to AIDS. Pediatric AIDS is not yet a major killer of children, but is likely to increase, particularly in the absence of any efforts to prevent mother-to-child transmission. Behavior change has occurred; again, in some target groups, but in general, high risk sexual behavior remains unacceptably high.

Constraints to addressing the HIV/AIDS problem in Cambodia include the lack of condoms, especially in rural areas; continued and widespread risky sexual behavior; limited public sector diagnosis and treatment of STDs and inadequate and often ineffective private sector treatment; disempowerment of women; continuing vertical orientation of the health sector; lack of trained health workers, supervisors and managers; low salary levels of health workers; a virtual absence of voluntary counseling and testing centers; no active program for the prevention of mother-to-child transmission; limited capacity of the curative sector to effectively diagnose and treat symptoms of AIDS; a lack of resources and capability to provide social services for persons living with HIV/AIDS; and the stigma associated with HIV.

Since 1993, USAID has been an active and important partner in the battle against HIV/AIDS. USAID's support with other donors of policy change, national information campaigns, targeted interventions with high risk populations and critical surveillance and behavioral studies have contributed to heightened HIV awareness, behavior change and reduced prevalence among key populations and good use of resources. There are good models of successful interventions with high-risk populations that can be scaled up. While awareness of HIV/AIDS is high and concern is increasing, the social environment is still one of the most permissive, wherein there is a very active sex trade and many participate in high-risk behavior. A quarter of men engaging in commercial sex still do not always use condoms. Moreover, men who have unprotected sex outside of marriage with commercial sex workers and "sweethearts" put their own wives at risk of HIV infection as well. Current condom social marketing programs do not reach into the rural areas where 80% of Cambodia's population live. There is a considerable turnover among sex workers, and little is known about what happens to them once they leave brothels.

Maternal/Child Health: Cambodia has one of the highest levels of maternal, infant and child

mortality in the world. The maternal mortality ratio is 437 per 100,000 live births. Most maternal deaths are due to complications of unsafe induced abortion or direct obstetric causes. The majority of Cambodian women (89%) deliver at home assisted by untrained birth attendants (65%), receive no antenatal care prior to delivery (62%), and no tetanus toxoid immunization (55%). Access to emergency obstetric care is extremely limited. Most pregnant women are anemic (a range of 50 to 80% across provinces), and suffer from Vitamin A deficiency, and iodine deficiency in selected provinces. Postpartum services are virtually absent despite the fact that postpartum hemorrhage is a common killer and breastfeeding practices are poor.

The infant mortality rate is 95 per 1000 live births, neonatal mortality is 37 per 1000, while post-neonatal mortality is 58 per 1000 (and steadily increasing), and the under-five mortality rate is 125 per 1000. The chief causes of infant and child mortality are neonatal tetanus, acute respiratory infection, diarrhea, meningitis, septicemia, typhoid, malaria, and dengue. Child health service coverage is extremely low; the majority of children are not fully immunized (60%), do not receive any Vitamin A prophylaxis (51%) or oral rehydration therapy (62%), or treated for ARI by a trained provider (60%). Half the children are malnourished. While breastfeeding is universal, less than 6% of babies are breastfed exclusively for five months, and few are breastfed immediately after birth.

Family Planning/Birth Spacing: Despite a rapid increase in contraceptive knowledge and use over the last five years, unmet need for family planning is considerable--due mainly to the absence of extensive service delivery systems. Among currently married women not using contraception, only 29% state that they are not using because they desire another child. Although the government policy environment toward birth spacing is favorable, and permits distribution of a complete range of contraceptive methods, the only methods currently available to any significant extent--though not always in rural areas--are pills, injectables and condoms. Notably lacking is emergency contraception for which the potential is great given the reportedly high incidence of rape-- which bears especially heavily on the adolescent population.

Anecdotal evidence suggests that this limited availability of birth spacing services is at least partially explanatory of Cambodia's high incidence of unsafe abortions--an important contributing factor to the country's high rate of maternal mortality. There are no statistics to indicate the availability of post-abortion care.

Infectious Diseases: Malaria, dengue hemorrhagic fever (DHF), and tuberculosis (TB) continue to be leading causes of morbidity and mortality. The emergence of drug-resistant malaria strains has been confounded by extensive national and cross-border mobility. There has been increasingly large DHF epidemics every two to three years, the largest and most recent occurring in 1998. Even though case fatality rates due to DHF can be maintained below 0.5% with proper case management (as in Thailand), rates in Cambodia can be as high as 15-20% in locations. In recent years, transmission has spread from the urban centers of Phnom Penh and Battambang to smaller towns and villages.

E. Consultations with Partners and Customers

As part of its strategy development process, USAID/Cambodia consulted closely with the RGC, including cabinet, management and operations-level personnel of the Ministry of Health, the Ministry of Education, Youth and Sports, the Ministry of Women's Affairs, and the National AIDS Authority. USAID also consulted with all major bilateral and multilateral partners involved in the Cambodia PHN sector, with a special focus on the identification of cooperative or closely coordinated assistance approaches that might reduce programmatic overlap or redundancies and reinforce the impact of our respective programs (see Section IV.C).

In addition to direct discussions with these partners, USAID also hosted a two-day workshop (September 6-7, 2001) so that representatives of the Ministry of Health (MoH), donor agencies and various NGOs could help USAID develop its strategic vision and framework for the PHN sector.

F. Cross-Cutting Themes

Gender: Poverty and other negative social factors such as trafficking, rape and violence against women force many women and some children and men into direct or indirect sex work. Extensive sex outside of marriage with commercial sex workers, and with "sweethearts" heightens the risk of infection for married women who stay at home. Relatively little is known about men having sex with men, though evidence from neighboring countries suggests that this could be widespread. Birth spacing is considered to be a woman's responsibility; the lack of male involvement in family planning has given women relative freedom to use any birth spacing method available to them.

Youth: HSS data suggest that young people are at special risk of contracting HIV/AIDS--showing, for example, that young adults between 20-24, especially married women, police and direct CSWs, have the highest prevalence rate of any age group. Teenage fertility is also a concern for both social and health reasons. Approximately 9% of young women begin childbearing while still in their teens, and many of this group are exposed to the heightened health risk of early childbearing. Accurate estimates of abortion among young women are not available, but anecdotal evidence suggests that it is common, and frequently associated with complications. It is also difficult to gain accurate information about the extent to which young people are subjected to sexual violence and exploitation, but qualitative research (CARE, 1999) among young factory workers and young freelance sex workers suggests that it is a fairly frequent danger.

Few projects--most of which are implemented by local and international NGOs--are in place to meet the sexual and reproductive needs of youth and young adults. Many of these are relatively small-scale activities funded under the European Community/UNFPA Reproductive Health Initiative for Cambodia; efforts by the IPPF-affiliated Reproductive Health Association of Cambodia (RHAC) to operate youth-friendly clinics; and a CARE project to help meet the needs of workers--most of them young women--in garment factories. Outside of these initiatives, some young people are being reached as part of projects designed to access high risk groups (CSWs, uniformed police and military personnel, etc) in HIV/AIDS prevention programs. Very limited sexual health education is provided in the formal school system, and only at the highest grades of high school--beyond the level at which most young people, and especially women, leave school.

Capacity Building: The bulk of Cambodia's public health system staff was recruited and trained quickly during the Vietnamese occupation of 1979-89. Many of the skills these new personnel learned were/are not adequate to respond to the country's burden of disease. Moreover, the planning, management and supervisory systems and skills needed to support the health care delivery system are similarly weak. Local and international NGOs are helping to fill this gap in many important ways; but such heavy reliance on external assistance should not delay the strengthening of the public health system's own capacity to meet citizens' basic health care needs.

IV. RESULTS FRAMEWORK

A. Strategic Objective: Increased Use of High Impact HIV/AIDS and Family Health Services and Appropriate Health-Seeking Behaviors

1. Strategy: General

Holistic Focus on Health Services at the Provincial and Operational District (OD) Level: USAID will address the family health problems noted above (maternal and child health, infectious diseases, birth spacing, HIV and STD prevention and treatment) by strengthening the capacity of the Cambodian health system to provide a basic package of essential health services (the MoH-sanctioned "Minimum Package of Activities-Plus" or MPA+, whereby the "plus" refers to HIV/AIDS and STD prevention activities) in predominately rural areas. In this instance "health system" is defined holistically to include the planning, management and oversight systems in place in selected provinces and operational districts; OD-level service delivery facilities, plus the supervisory and referral systems to support them; cooperating NGOs (international and local); commercial and other private sector health care providers; and-key to the success of the strategy-community level organizations prepared to help educate, mobilize and serve the needs of health-seeking clients at the grassroots level.

In the *HIV/AIDS* sector, USAID will employ a *three-pronged approach*. This will include:

- Activities at the national level, taking advantage of USAID's and CAs' comparative advantage and success in providing technical assistance, condom social marketing, and behavior change communication services targeted at commercial and indirect sex workers, high risk men (including the uniformed services), and other vulnerable groups such as garment workers and mobile populations. Much of this work will involve the taking to national level scale activities, which have demonstrated their effectiveness in reaching high-risk and vulnerable populations.
- At the provincial level, and within the context of the holistic OD-based strategy discussed above, USAID will support:
- HIV/AIDS prevention activities at the OD level, ensuring that prevention messages and condom supplies are integrated in other reproductive, maternal and other health services
- Expansion of voluntary counseling and testing (VCT) and linkage with other testing and curative treatment at the OD level
- Assistance to eventually ensure comprehensive availability of the MPA-Plus and the

hospital-based Complementary Package of Assistance (CPA)

- Home-based care to offer simple treatment and palliative care for Persons Living with HIV/AIDS (PLWHA), plus social support services for children and families affected by AIDS
- Nationally, continued strong support for field-based research on effective approaches to reach key populations with 1) prevention and care and 2) surveillance and monitoring of sero-prevalence and sexual behavior.

USAID is confident that this strategy charts a course whereby we can, with our Cambodian, NGO and other donor partners, significantly impact on HIV/AIDS transmission, the delivery of other quality health services and the use of such services and information by informed, proactive citizens, particularly women.

2. Sectoral Strategies

Child Health:

USAID will strengthen child health interventions in the MPA+ package with special emphasis on ARI, diarrhea, and malnutrition (optimal breastfeeding and infant feeding practices and use of micronutrients, especially Vitamin A). USAID will also work with UNICEF and WHO to support the RGC's pilot test of Integrated Management of Childhood Illness (IMCI), and to scale up that activity in ODs selected for implementation of USAID assistance.

Maternal Health:

Most maternal deaths in Cambodia are due to either complications of unsafe induced abortion or direct obstetric causes. With regard to direct obstetric causes, the majority of Cambodian women deliver at home with untrained attendants, and receive no antenatal care prior to delivery. Delivery practices of traditional birth attendants (TBAs) are known to include harmful practices such as routine manual removal of blood from the uterus. USAID will support efforts to gradually shift deliveries from traditional birth attendants to trained midwives. The main focus of this effort will be on capacity building and support of midwives by training them in Life Saving Skills (LSS); strengthening the referral system to provide emergency obstetric care (EmOC); building the capacity of doctors who support and supervise the trained midwives; and supporting partnerships between midwives and TBAs.

Reproductive Health:

USAID will support measures to make contraceptive products routinely available at the community level (i.e. by moving beyond the current, health center medical model) by strengthening and expanding services through community-based approaches. These approaches will extend and complement the outreach activities of the health center staff without undermining or competing with them. USAID will also expand partnerships with private providers of reproductive health services, expand social marketing in rural areas, and improve the health system's capacity to provide post-abortion care and to provide treatment for STDs. In the targeted provinces and ODs, expanded voluntary family planning services will address the needs of married couples not yet using a contraceptive method, and who have said they want to limit or prevent future pregnancies

and IEC efforts will promote the practice of three-year birth intervals⁷ It will also respond to the needs of that large group of women who resort to abortion as a means of achieving their fertility preferences and provide post-abortion care for them. Adolescents at risk of unwanted pregnancies, especially in the burgeoning garment worker section of the economy and in the growing urban middle class, will receive specially designed youth-friendly information and services, including emergency contraception.

HIV/AIDS:

USAID will place primary emphasis on prevention. This focus will support the apparent downward trend of HIV incidence among some major high-risk groups, and will slow the spread of the epidemic into the general population, especially women and infants. Care and treatment will also become increasingly important as Cambodians who are already HIV-infected progress to symptomatic AIDS, in an environment where the health system is extremely weak. Effective home-based treatment models will be developed, tested and replicated as appropriate for persons living with HIV/AIDS who are unable to receive adequate treatment through the formal health system. USAID will also help develop, test and replicate effective models for support for children, adults (especially the elderly) and families affected by AIDS. Practical, applied field-based research on which approaches effectively reach key populations will continue to be a key program component. Finally, USAID will continue to support, and expand, Cambodia's premier, "second generation" surveillance system to monitor the epidemiological and behavioral trends of the epidemic in Cambodia. These data are critical to help both the government and other partners balance prevention and care efforts appropriately; to develop optimal prevention messages for the Cambodians; and to target those messages to appropriate sectors of the population.

In designing its assistance program for the HIV/AIDS sector, USAID will follow the guidance of Cambodia's National Strategic Plan for a Comprehensive and Multisectoral Response to HIV/AIDS (2001-2005). This Plan reflects an important paradigm shift from a vertical, exclusively health centered and top-down approach to a more holistic development approach that is gender and community sensitive. In developing health sector-related interventions to address HIV/AIDS, USAID will ensure consistency with the policies and guidelines of NCHADS and the NAA.

Indeed, USAID will seek to broaden this paradigm shift across its entire PHN strategy. Major opportunities to improve the technical quality of services; to take full advantage of all available channels for HIV/AIDS prevention; and to improve cost-effectiveness have been missed by offering various health services through vertical structures. At the OD level, USAID will support the delivery of an integrated health package, ensuring that links are made between HIV/AIDS and all other health programs. This integrated programming is expected to have higher impact, and to help in the identification of approaches which can be replicated by the RGC and other donors in other geographic areas.

To prevent cases of pediatric AIDS, USAID will increase access to the prevention of mother-to-child transmission (PMTCT) of HIV at the OD level interventions designed to prevent mother-to-child transmission (MTCT) of HIV including voluntary counseling and testing. These interventions will also foster integration between HIV/AIDS and RH/FP/MCH and will contribute to reducing

⁷ Estimates suggest that three-year birth intervals may contribute to reductions of 20-30 percent in neonatal, infant, child and under-five mortality. Rutstein, She, *effects of Birth Interval on Mortality and Health: Multivariate Cross-Country Analysis*, MACRO International, July 2000.

overall maternal and child morbidity and mortality, and are consistent with USAID's global priorities and strategies in health.

Infectious Diseases:

Tuberculosis: A plan for USAID to address the problem of tuberculosis will be developed in early 2002 with the assistance of the Tuberculosis Coalition for Technical Assistance (TBCTA). The latter will conduct an assessment of USAID and other donors' current activities, based on which a strategy will be developed. The USAID strategy is likely to support (a) strengthening surveillance of TB including drug-resistant forms of the disease; (b) improving case detection of new cases of TB, especially in people also infected with HIV; (c) maintaining high treatment success rates; (d) expanding Directly Observed Therapy (DOTS) services to lower-level health facilities; and (e) strengthening collaboration with other partners such as NCHADS, communities, and NGOs. The strategy will be developed in close coordination/collaboration with JICA, the World Bank, WHO, and the U.S. Centers for Disease Control (CDC). The latter is likely to concentrate its attention on developing strategies and guidelines, training, improving testing and laboratory facilities, assisting with expansion of DOTS and development of better referral systems for TB and HIV.

Malaria: USAID continue to support the RGC's national Roll Back Malaria plan in collaboration with WHO/Cambodia. Efforts will focus on monitoring drug-resistant malaria, drug-use practices, and drug quality in Cambodia, and on the development and implementation of interventions to improve the rational use of anti-malarial drugs in Cambodia.

Dengue fever: In collaboration with WHO, USAID will continue to support the RGC's DHF program. Efforts will focus on geographic areas of highest risk, including Phnom Penh and Battambang, and will expand and improve surveillance, clinical management, health education, and control activities in other high-risk areas of the country.

3. Geographic/Population Coverage

a) *Geographic Coverage:* Key Provincial and Operational Districts (ODs) will be identified as part of the design phase of the strategy. The number and location of these ODs (population between 100,000-300,000 each) will be determined by 1) the amount of funds available to USAID for implementation of this portion of the strategy (WHO and NGO data indicate that a holistic approach to health service improvement at the OD level can be expected to cost \$700,000 - \$1,000,000 per OD per year); and the application of selection criteria to be developed with the RGC. It is expected that these criteria will include, *inter alia*, population size, HIV prevalence (e.g. among sex workers and ANC women), the existence of a functioning health services infrastructure, the presence of other international donors, and the effectiveness and readiness of provincial and OD-level leadership to work constructively with USAID and its partners. (Provincial-level authorities' effectiveness in health program implementation might be further assessed by such proxy measures as the proportion of central funds they pass downward to support health facilities, and/or the coverage of the province's EPI program.)

A key consideration behind the adoption of an OD-based strategy is the continuing upward trend in the RGC budget for the health sector. As noted above, RGC per capita outlays in the health sector have doubled over the past three years (from \$1.00 per capita in 1998 to \$2.00 in 2000). If this trend continues, the RGC may eventually be in a position to assume a significant share of the investment required to implement the OD-based portion of the USAID strategy. USAID and other donors in Cambodia are currently making per capita investments of such magnitude in localized areas, but largely through NGOs. The distinctive aspect of USAID's onward strategy is that it would focus a significant portion of its future investment on measures to substantively improve the institutional, managerial and human capacity of the public health system-in cooperation with its non-government partners and communities-to provide health care services. While this approach might produce less evident quantifiable achievements in the short term *vs.* for example, the "Contracting Out" (to NGOs) arrangement adopted by some donors, it is likely to produce a more sustainable host country delivery capacity over the medium-to-long term. It should also be noted that the USAID strategy, unlike those of other donors, will not include any salary supplements or other inducements for public sector employees.

b) Population Coverage: For the OD-based component of the strategy, the size of the population reached will be a function of the number of ODs eventually selected for inclusion in the assistance program. As noted above, each OD has a population of between 100,000 and 300,000 persons. Those numbers-ODs and their populations-cannot be described precisely until overall funding levels and funding categories available to the Mission are more clear

Population coverage of the targeted HIV/AIDS prevention component of the strategy will be significantly greater than the coverage of USAID's current HIV/AIDS prevention program by taking to national-level scale many of the activities now focused on relatively small segments of the high-risk and at-risk population and expanding these to other high-risk populations such as indirect sex workers, migrant workers and truck drivers and other mobile populations. The condom social marketing campaign for example, will be extended to all urban and peri-urban parts of the country (it is currently active primarily in Phnom Penh and larger provincial capitals). Peer counseling programs for police and military personnel will be extended from their currently limited geographic focus (military: three provinces; police: Phnom Penh and Kandal and Kampong Cham provinces) to a nationwide program expected to reach over 70% of the country's uniformed personnel (current coverage: 20%). HIV/AIDS counseling, STD services and other reproductive health services will be provided to young women in 50 garment and textile factories, *vs.* the 15 factories now being served. Peer counseling, STD treatment services and other reproductive health care will be provided to over 75% of all sex workers in the country-well beyond the program's current focus on seven NGO clinics and four private clinics in Phnom Penh, and two government STD clinics in Kandal Province. At the national level, USAID will continue to support the development, with the NAA, of HIV/AIDS policies and action plans of the 12 non-health ministries which comprise the NAA. USAID will also support the operation and further refinement of the HSS and BSS so these tools can better serve policy-and-decision makers at national and provincial levels.

These national level HIV/AIDS prevention activities will go forward even if USAID does not implement an OD-based program-although their impact would be enhanced if they were linked to and supported by the OD-level component of the strategy. The absence of an OD-based component would also limit USAID's ability to collaborate with other donors (notably the Asian Development

Bank and DfID, both of which are developing OD-based programs), and the Centers for Disease Control (CDC), which plans to develop, *inter alia*, a model VCT service which USAID would hope to help replicate at the OD level.

4. Magnitude and Nature of Expected Change

In the focus Operational Districts, key beneficiary-level impacts by the end of three years will include increases in the contraceptive prevalence rate; a decrease in high-risk sexual behavior; an increase in the per cent of children under one year of age fully immunized; and an increase in the per cent of births assisted by a trained provider.

Within the special target population groups reached by expanded HIV/AIDS prevention activities, changes will include an increase in the per cent of men using condoms with CSWs; and an increase in the per cent of men using condoms with a “sweetheart”. These and related behavior changes among high-risk and vulnerable populations will contribute to a ***decrease in the HIV prevalence rate*** among those population groups-making Cambodia one of only three countries in the world (along with Thailand and Uganda) to have reduced its level of HIV prevalence.



PHN Strategic Objective
Increased Use of High Impact HIV/AIDS and Family Health Services & Appropriate Health Seeking Behaviors



IR# 1
 Increased access to information and services

IR# 2
 Strengthened capacity of individuals, families and communities to protect and provide for their own health

IR# 3
 Improved quality of information and services

IR# 4
 Improved capacity of health systems

→ **APPROACHES:** *Work with RGC, NGOs and commercial sector partners at national/sub-national levels to:*

Improve collaboration between public, NGO & private sectors

Integrate information and services

Expand coverage (service outlets & community outreach)

Broaden services offered (MPA+ and selected components of CPA)

Focus on selected target groups

Make health information more broadly available through mass & print media, community mobilization and interpersonal communication/counseling

Increase partnerships with non-health programs (NAA, military, VDC, microcredit & literacy programs, etc)

Raise level of demand for quality services

Improve consistency & accuracy of health promotion messages

Health worker training

Promote quality standards of care in provision of health services

Strengthen planning & management skills at all levels

Improve use of data at operational and management levels

Transfer program skills and responsibility gradually to the host country organizations

B. Key Intermediate Results

IR1: Increased Access to Information and Services

Approaches:

- Improve collaboration among public, NGO and private sectors
- Integrate information and services
- Expand coverage by increasing the number of service delivery points and community outreach
- Broaden services offered by providing integrated MPA+ and selected components of the CPA
- Focus on selected target groups (HIV/AIDS and RH/MCH components)

Reproductive Health/Maternal & Child Health: Expanded access to RH/MCH services will address both Cambodia's significant unmet need and demand for birth spacing, antenatal/postnatal care, safe delivery, and child health information and services. Access to these services is currently limited as a result of geographic, economic and social barriers.

Results: By the end of three years:

- Each health center in selected ODs will be staffed by trained midwives and health workers using the MPA+
- Referral systems from the HC to the referral hospital will be strengthened and will include functioning emergency obstetric care (EmOC), where feasible.
- The outreach system in selected ODs will be functioning effectively with full participation from communities
- The number of social marketing outlets will be expanded in rural areas
- The number of service delivery outlets will be expanded in the NGO sector and new approaches of linking with the private sector, such as private provider networks, will be developed, tested and quickly scaled up.

Illustrative Activities:

Maternal and Neonatal Health

- Increase access to skilled birth attendants:
 - Scale up LSS training to all midwives in selected ODs
 - Scale up successful models of midwife-TBA partnership that encourage TBAs to be part of the formal health system
- Increase the availability and effectiveness of outreach antenatal care services to promote at least two ANC visits, provide tetanus toxoid and anemia prophylaxis, diagnose and treat STIs, dengue, and malaria
- Develop a postpartum outreach program that would foster partnership between midwives and TBAs; strengthen early visitation by the midwife for detection/treatment of complications of mother and newborn (for managing hypothermia, asphyxia, and tetanus, promoting early breastfeeding, and immunization according to schedule); strengthen TBA capacity to recognize and refer for complications.
- Increase access to postpartum Vitamin A supplementation through HC and NGO outreach activities and through TBAs
- Frame the program as maternal and neonatal health - the two need to be treated together
- Integrate safe motherhood and child health outreach activities

Infant and Child Health

- Increase access to health workers trained in child health care:
 - Support the RGC/UNICEF/WHO effort in pilot-testing and phasing in IMCI efforts to address diarrhea, ARI, measles, malaria, malnutrition, and dengue in selected ODs.
 - In other USAID-supported ODs, continue to strengthen health-worker skills in appropriate case management of diarrheal diseases and ARI and in promoting optimal breastfeeding - these form the foundation for the subsequent implementation of IMCI
 - Expand the availability of child health activities beyond the health facility and into the community through HC and NGO outreach workers
- Increase access to Vitamin A and iron supplementation, replicating the intensive technical assistance and community mobilization of the Nepal National Vitamin A Program.

Birth Spacing

- Strengthen provincial, OD and HC logistics and management information systems to ensure a constant and reliable supply of contraceptive methods, including emergency contraception, and other essential drugs;
- Train HC midwives for IUD insertion, syndromic diagnosis and treatment of STDs counseling and referral;
- Train midwives to recognize post abortion complications; strengthen referral to appropriate secondary and tertiary health facilities;
- Train referral hospital staff in voluntary surgical contraception and counseling;
- Through social marketing enlist and train rural retailers to provide non-clinical contraceptives (pills and condoms), including emergency contraception
- Through a private provider network, enlist and train private providers in urban and peri-urban areas to provide injectables, nonclinical contraceptives, emergency contraception, and other products.
- In areas not adequately covered by HC outreach, identify, train and supply community based distributors of contraceptives (within the framework contained in the MOH's guidelines for outreach activities) ;
- Train and/or retrain garment factory health service personnel to provide contraceptive products and referrals

Linking with NGO and Private Sector

- Increase access to high quality service delivery points among NGOs and private providers:
 - Expand the number of successful NGO clinics in urban and peri-urban areas
 - Develop and scale up model for private provider network to expand access to birth spacing (especially injectables) and to reproductive and child health care
 - Test the feasibility of contracting selected services, e.g., immunization, to the NGO and private sector
 - Expand access to pills and condoms and other health products by increasing the number of social marketing outlets in rural areas, utilizing non-traditional retail outlets, including CBDs/depot holders

- Test feasibility and expand social marketing product line to include MCH products, e.g., iron tablets, ORS, insecticide treated mosquito nets, jar lids, and STD kits.
- Strengthen the Cambodian Midwives Association and utilize the network as a vehicle for improving the quality of care provided by midwives in their private practices, and for developing advocacy and leadership skills among the CMA members so that they have a place in the safe motherhood policy-making process.

HIV/AIDS: The last three years' successes in reaching HIV high-risk populations and changing their behaviors demonstrate that Cambodians will act when provided adequate information and services. Furthermore, these behavior changes among target populations appear to have resulted in decreased levels of HIV/AIDS infection. Most Cambodians, however, lack access to information, voluntary counseling and testing; condoms and STI diagnosis and treatment, resulting in considerable unmet demand for these services, especially among high-risk and mobile populations. Advancing the availability of affordable, effective, high-quality health care and social services is also essential to mitigate the effects of the epidemic on the 72,000 adult women and 97,000 adult men in Cambodia who already are living with or affected by HIV/AIDS.

Results: By the end of three years:

- HIV/AIDS prevention information and services--including peer education and outreach services--will be more broadly available, especially for direct sex workers, indirect sex workers and the men most likely to use their services, and adolescent populations.
- The number of voluntary testing and counseling sites will be increased from the current seven to at least one in each targeted operational district.
- Successful approaches/models of community-based care for those infected and affected by HIV/AIDS as well as the prevention of mother to child transmission of HIV will have been developed, tested and, as appropriate, expanded in the targeted operational districts.
- HIV positive pregnant women in these districts will have counseling in how to prevent mother to child transmission of HIV /AIDS. Those with AIDS will receive care and support from community based organizations.
- Reproductive health information and services--including particularly, but not exclusively HIV/AIDS--will be available to major work-based populations such as garment factory workers and adolescent populations.

Illustrative Activities:

- Scale up targeted interventions to high risk populations i.e. sex workers, the military and the police and to other vulnerable populations such as garment factory workers to achieve national coverage
- Broaden targeted approaches in peer education and outreach to other high risk groups such as mobile populations (truck drivers, moto drivers, fishermen, migrant male workers) and indirect sex workers such as karaoke and beer girls.
- Expand social marketing of condoms to the more densely populated rural areas (possibly target OD's)
- Pilot test social marketing of male STD drug treatment packages and support for private sector provision of voluntary testing and counseling

- Increase access through the public sector in the focus provinces and ODs to voluntary testing and counseling, STD treatment and diagnosis and more generally information about HIV/AIDS
- Ensure that VCT is linked to care and support in the focus districts
- Test and replicate as appropriate community based approaches to care and support for those infected with and affected by HIV/AIDS
- Improve access to information, education, communication and behavior change and services for prevention of MTCT
- Improve linkage and synergy between HIV/AIDS and RH/MCH programs:
 - Expand maternal and child health (MCH) services
 - Improve infant feeding practices
 - Establish voluntary counseling and testing (VCT) services
 - Provide voluntary family planning services
 - Improve obstetric practices; increase access to antenatal care and facilitate the increased use of skilled birth attendants
 - Where possible, set the stage for the eventual introduction of the antiretroviral drug nevirapine for HIV-infected pregnant women

Infectious Diseases: Malaria and dengue are still common in Cambodia. In the recent past, significant gains have been made in reducing malaria deaths by expanding malaria diagnostic services and treatment with effective and affordable anti-malarial drugs. These successes, however, may be in jeopardy because of the emergence of strains of *P. falciparum* that are now resistant to most anti-malarial drugs, including chloroquine, fansidar, mefloquine and quinine. Dengue hemorrhagic fever (DHF) is an increasingly important cause of child morbidity and mortality in Cambodia. The primary mosquito vector, *Aedes aegypti*, is ubiquitous and in recent years transmission has spread from the urban centers of Phnom Penh and Battambang to smaller towns and villages.

Results:

- Access to vector control measures such as high quality anti-malarial drugs, water jar lids, etc., will be expanded in public and private sectors in areas at high risk for dengue and drug-resistant malaria

Illustrative activities:

- Design interventions aimed at public and private health providers and provide appropriate drug dispensers
- Expand adoption of effective, community-based, vector-control measures in at-risk communities including the expanded access to jar lids

IR2: Strengthened Capability of Individuals, Families and Communities to Protect and Provide for Their Own Health

Approaches:

- Make health information more broadly available through mass and print media, community mobilization, and interpersonal communication and counseling
- Increase partnerships with non-health programs (including Village Feedback Committees, Village Development Committees, microfinance organizations, literacy programs, etc.)
- Raise level of demand for quality services

Reproductive Health/Maternal & Child Health: Individuals, families and communities will be empowered to demand high quality care, to change their health seeking behavior, and to actively participate in and influence the systems responsible for delivery of their health care services. An increase in demand for services will increase (currently low) utilization rates of public sector health care services. Whereas latent or unmet demand for contraceptive services is great, individuals' ability to use contraceptives is constrained by an environment that is largely unresponsive to their needs. Although knowledge about some form of contraception is nearly universal, individuals have not been systematically informed about their range of choices, including the pros and cons of different contraceptives, where to obtain services or their options when encountering side effects. Demand for MCH services from trained providers is low compared to demand for services from the unregulated, unskilled private sector and for inappropriate, and often harmful, self-care practices.

Results: By the end of three years:

- Knowledge and attitudes about key family health, birth spacing and HIV/AIDS services will be improved among adolescents, young adult men and women, married couples, care-takers of children, and high risk groups in selected ODs
- Individuals and families will understand their right to receive high quality services and will seek these services
- Communities will be mobilized to actively participate in protecting their health

Illustrative Activities:

- Promote an integrated "package" of messages that will educate individuals, families and communities about appropriate health seeking behavior
- Promote use of skilled birth attendants. Provide health education on safe motherhood, birth-preparedness and self-care, breastfeeding, birth spacing, and harmful traditional practices. Increase awareness for improved nutrition during pregnancy and postpartum. Create demand for tetanus toxoid immunization, iron tablets, and postpartum Vitamin A.
- Conduct intensive health education to change behavior among care-givers of children. Promote optimal breastfeeding, use of ORS, immunization, and Vitamin A; promote recognition of danger signs; increase awareness of mothers and other care-givers on how to diagnose and care for children suffering from symptoms of diarrhea and ARI, particularly pneumonia, and educate care-givers about the *irrational* use of pharmaceuticals and injections for children.
- Collaborate with WHO and UNICEF to support RGC's pilot-testing and phasing in of Community-IMCI which places emphasis on linkages between the community and the health system, reducing harmful practices of traditional health providers, and promoting appropriate

health behaviors among care-givers of children.

- Create new channels for health promotion; identify change agents from among community leaders, religious leaders, mothers' groups, etc., who are linked to Health Centers. Link up with non-health community groups such as Village Development Committees (VDCs), micro-credit groups, literacy groups, etc., as channels for health promotion.
- Develop IEC materials which address the needs of adolescents and young adults and make available in places where large numbers of young people are found
- Promote dual use of condoms (prevention of disease and pregnancy) in social marketing campaigns
- Promote three-year birth interval
- Train VDCs, FBCs, shop owners and other influential figures such as monks and wat grannies in basic family planning counseling and referral.

HIV/AIDS: Many Cambodians still lack critical information about what they can do to prevent infection for themselves and their loved ones as well as the risks of relationships with sweethearts and infected partners. Few women are empowered to insist that their sexual partner wear a condom. Inaccurate knowledge about HIV/AIDS and its transmission contributes to the stigmatization of those infected and affected by HIV/AIDS. Many communities and families are reluctant to provide care for the children of those who have died of AIDS because of fear of infection.

Results:

- Decline in high risk behaviors among key populations
- Choice of public or private services in target districts and provinces
- More effective use of personal resources for health care
- Greater community tolerance, involvement with and support for those infected or affected by HIV/AIDS

Illustrative Activities:

- Increase the involvement of people living with AIDS (PLWA) in the full range of program and policy activities
- Get key public and private leaders to speak out in support of PLWA
- Coordinated national, provincial and district information and education campaigns
- Scale up "sweetheart" condom campaign
- Implement specially tailored youth programs
- Establish VTC centers at the OD level.
- Involve village development committees, village feedback committees, and other appropriate community structures/mechanisms in efforts to strengthen community-level tolerance and support for PLWA.

Infectious Diseases: Communities need to be more actively engaged in efforts to protect themselves

from malaria and dengue vectors. Incorrect behaviors and practices (e.g. in dispensing and using anti-malarial drugs) contribute to the spread of drug resistance.

Results:

- Communities will be mobilized to undertake vector (malaria and dengue fever) control measures
- Communities will understand the effect of using inappropriate anti-malarial drugs

Illustrative Activities

- Conduct health education and community mobilization for larval source reduction and other vector control measures
- Develop joint activities with education, rural-development, and other partners for vector control
- Organize, facilitate, and support community-based and sustainable vector-control interventions

IR3: Improved Quality of Information and Services

Approaches:

- Improve consistency and accuracy of health promotion messages
- Health worker training
- Promote quality standards of care in provision of health services

Reproductive Health/Maternal & Child Health: Except for a handful of health facilities that have received additional support from international donors and NGOs, the quality of services in both public and private sectors is generally inadequate. Improving the quality of care in both public and private sectors will increase client satisfaction, expand utilization of services, and result in improved health outcomes.

Results:

- The quality of care will be improved in all health centers in focus ODs
- A model for improving the quality of RH/MCH services in the private sector will be tested and scaled up
- A system of continuous quality improvement will be instituted in all HCs and referral hospitals in focus ODs
- Health worker skills in appropriate case management of ARI and diarrheal diseases will be strengthened in all focus ODs; skills in IMCI will be improved in selected pilot and scale-up ODs
- Midwifery and life saving skills of midwives will be improved in all HCs
- Inter-personal counseling skills in RH/MCH will be improved among all HC health providers in focus ODs

Illustrative Activities:

- Maintain primary focus on capacity building of midwives and on selected doctors who work with these midwives in focus geographic areas. Scale up LSS training of midwives (identify an

additional training center). All midwives should be able to provide basic maternity services, obstetric first aid and referral, and support the TBA.

- Create awareness among TBAs about clean delivery practices, elimination of harmful practices, recognition of danger signs and referral to HCs and midwives
- Develop partnership program for midwives and TBAs. Encourage antenatal and postpartum visitation by midwives in partnership with trained TBAs.
- Provide competency-based training to outreach, HC, and RH staff in IMCI, especially focusing on diarrhea, ARI, and nutrition (breastfeeding, Vitamin A, and iron). Follow up with on-the-job coaching and mentoring.
- Provide intensive training in interpersonal counseling to all health providers
- Institute continuous quality improvement in all HCs and referral hospitals to ensure compliance with standards for clinical management of obstetric and neonatal care at referral hospitals and health centers
- Test and scale up a new approach/model for improving the quality of services among private providers, training them in the correct use of antibiotics for ARI, diarrhea and STDs, providing them with contraceptive technology updates, certifying the trained providers with a seal of high quality, and possibly “branding” their high quality services (modeled, perhaps, on the Pakistani “Green Star” or the Nepali “Pariwar Swasthya Sewa Network” to distinguish them from other private providers.

HIV/AIDS: Many public providers lack the knowledge and training to provide clients with the information they need to protect themselves and their families from HIV/AIDS. Key services and commodities are often unavailable or available on an erratic basis. Public services and service providers are often unwelcoming to men, single women and youth. Private health care providers such as drug sellers supply expensive, ineffectual and sometimes dangerous remedies as well as misinformation. Increasing the quality of HIV/AIDS prevention and services is essential to ensure that persons in need actually avail themselves of these services and that these services are integrated, effective, culturally appropriate and relevant for Cambodia at this stage of the epidemic. In the context of improving the quality of curative care at the OD level, USAID will seek opportunities to improve the diagnosis of both HIV and TB; and to treat TB and opportunistic infections related to AIDS. Referral links will be fostered between health care services that diagnose AIDS via VCT, clinical case definition, or home-based care and social support services. Since care and support services are just beginning to be introduced in Cambodia, efforts will be undertaken to support them through appropriate non-governmental organizations (NGOs).

Results:

- Specialized services for target populations will be available nationwide
- HIV/AIDS related services will be integrated into ongoing health services in focus ODs - high quality voluntary testing and counseling services will be linked to care and treatment
- HIV/AIDS counseling skills of health providers will be improved at all levels of health care in focus ODs

Illustrative Activities:

- Improve diagnosis of both HIV and TB
- Provide treatment for TB and opportunistic infections related to AIDS
- Foster referral links between health care services that diagnose AIDS

- Provide home-based care and social support services in focus ODs
- Provide care and social and economic support through appropriate NGOs
- Provide training to public and private sector health care providers in HIV universal precautions
- Link VCT with care and support services
- Integrate HIV/AIDS with TB services

Infectious Diseases: Efforts should continue to focus on identifying factors contributing to the emergence and spread of drug-resistant malaria. Health providers need to be trained in correct drug identification and dispensing procedures.

Results:

- The capacity to determine the quality of anti-malarial drug formulations will be enhanced
- Public and private sector providers will dispense quality anti-malarial drugs
- Utilization of standard clinical management practices for treatment of infectious diseases will be increased among health providers in focus ODs

Illustrative Activities:

- Determine the quality of anti-malarial drug formulations available in the public and private sectors
- Design interventions aimed at public and private health providers, drug dispensers, and consumers in order to improve the quality of anti-malarial drugs and decrease the inappropriate use of anti-malarial medications
- Train health providers in standard clinical management practices

IR4: Improved Capacity of Health Systems

Approaches:

- Strengthen planning and management skills at all (Provincial and OD) levels
- Improve use of data at operational and management levels
- Transfer program skills and responsibility gradually to the host country organizations

Reproductive Health/Maternal & Child Health: Current public health systems are only four years old. Service delivery is inadequate in many areas. Both public and private sector providers need better skills, higher motivation and greater knowledge. Planning, management and supervisory skills are lacking, resulting in inefficient use of scarce financial and human resources. Accurate data are not routinely collected, analyzed or used for management or oversight purposes.

Results:

- Referral linkages between all levels of the health system for emergency obstetric care and other selected CPA interventions will be improved in focus ODs
- Operational policies for the delivery of integrated RH/MCH services will be in place at the provincial, OD, and HC levels
- Monitoring, supervision, and routine use of data for better management will be institutionalized in focus ODs

Illustrative Activities:

- Support the National Safe Motherhood Workplan (2001-2005) which details first aid care in village and home, basic EmOC at health center, and comprehensive EmOC at referral hospital.
- Give primary emphasis to IMCI since WHO and UNICEF are focusing on developing the skills of health providers and on strengthening the health system
- Strengthen the contraceptive logistics system through refresher courses, on the job training, and facilitative supervision at the field level
- Strengthen management skills of health providers through training in management, facilitative supervision, and use of data
- Work with MOH technical working groups: safe motherhood and midwifery training, micronutrient, IMCI, etc., to improve the policy environment (especially operational policies)
- Support operations research to improve service delivery management

HIV/AIDS: Many of the approaches to HIV/AIDS prevention, care and mitigation are limited in scope and coverage. Better information is needed on effective public and private approaches and how to scale these up in a cost effective manner. Information is also lacking on the spread of the epidemic within the general population and the behavior of certain critical populations. Cambodia's HIV Sentinel Surveillance System (HSS) and Behavioral Surveillance Surveys (BSS), developed largely with USAID funding, are high-quality and have been credited with contributing significantly to effective program planning and a policy environment conducive to AIDS prevention in Cambodia. Assistance for these tools will be expanded by USAID during 2003-2005 to include new target groups, as relevant, and will provide an ongoing basis for HIV/AIDS program planning and priority-setting.

Results:

- More effective service delivery through the public and private sector
- Increased human and organizational capacity
- Improved policies linked to operational guidelines and regulations
- Better information for decision makers including lessons learned on what increased knowledge of what works especially in critical areas like HIV/AIDS care and support
- Improved epidemiological, behavior and programmatic information and increased use of such data by decision makers at all levels

Illustrative Activities:

- Development of a field based research agenda on critical issues in prevention, care and support
- Pilot programs in community based AIDS care and support for children and families affected by AIDS including multi-sector approach
- Strengthened surveillance system
- Annual BSS which includes both men and women from the general population as well as special populations

Infectious Diseases: Continuing surveillance is needed to identify geographic and population "hot spots" of malaria drug resistance, drug use, and drug quality. Surveillance capacity for dengue should continue to focus on geographic areas of highest risk, including Phnom Penh and Battambang, while also expanding and improving surveillance, clinical management, health education, and control activities in other high-risk areas of the country. This approach is consistent with the RGC's national

dengue/DHF control plan.

Results:

- The capacity to monitor drug-resistant malaria and the factors contributing to its emergence and spread will be enhanced
- The capacity to use surveillance data to change health policies (as needed) and design/implement effective control strategies for drug-resistant malaria will be enhanced
- The dengue-control program will be fully implemented

Illustrative Activities:

- Conduct baseline drug-resistance surveys in Cambodia to map focal points of drug resistance
- Conduct behavioral surveillance to assess how behaviors and practices (e.g. dispensing and use of anti-malarial drugs) contribute to the spread of drug resistance
- Strengthen the capacity of Cambodian institutions related to drug-resistant malaria (e.g. surveillance, planning, training, etc.)
- Continuously monitor drug resistance and case-fatality rates to evaluate program impact
- Strengthen the capacity of Cambodian institutions to respond to DHF; strengthen laboratory capacity and disease and vector surveillance
- Train health providers in the development of hospitalization emergency plans

C. Collaboration with Other Donors, other USG Agencies, and other USAID Activities

1. Other Donors

Consultations with other donors during the development of this strategy have identified several prospects for collaboration. These include:

- a) UNICEF/WHO: Both agencies have indicated their strong interest in working with USAID in support of the scaling up of an IMCI approach now being pilot tested in one province. This broader replication of the IMCI model could be carried out in one or more of the target operational districts selected for implementation of the OD component of the strategy.
- b) Asian Development Bank: ADB is launching a new, three-year assistance effort designed to prevent HIV/AIDS transmission, especially among highly mobile populations, in four provinces along Cambodia's borders with Thailand and Vietnam (Battambang, Koh Kong, Prey Veng and Svay Rieng). If any of these provinces are selected as sites for the OD component of the USAID strategy, USAID and the ADB could structure their respective assistance investments to complement and reinforce each others' efforts.
- c) Japanese International Cooperation Agency: JICA is currently supporting technical assistance, supplies and equipment costs at the National Center for Maternal Health (NCMC) in Phnom Penh and one referral hospital in Battambang. JICA has advised USAID, however, that it might consider providing supplies and equipment (including operating theater equipment) for referral hospitals in provinces selected for inclusion in the OD-based portion of the USAID strategy. This support would facilitate the development of hospital-based safe motherhood elements (EmOC, post-abortion care) and effective referral systems in the focus ODs.

- d) World Bank: The Bank is providing construction, equipment and supplies for referral hospitals in most of the country's provinces. This support could help ensure the availability of PAC, EmOC and other hospital-based services in focus ODs, either in conjunction with or in lieu of JICA assistance for these elements.
- e) Department for International Development: The UK development agency's recently completed (August, 2001) five-year strategy for HIV/AIDS prevention activities in Cambodia includes budgetary support for the NCHADS program; technical assistance and capacity-building for the NAA and its constituent ministries; an ambitious, national-level media effort; and support for the development of HIV/AIDS education activities by the Ministry of Education, Youth and Sports. USAID and DfID will coordinate closely in the design and implementation of the two agencies' media activities. Moreover, DfID officials have indicated that they might be prepared to consider targeting a portion of their support for a small number of ODs, and that they would welcome partnership with USAID, both identifying such sites, and in the implementation of complementary programs in such areas. DfID also plans to continue providing condoms for the USAID-supported condom social marketing program.

2. Other USG Agencies

Other USG agencies are exploring ways by which they can utilize their special capabilities to slow the transmission of HIV/AIDS in Cambodia. The plans they have developed include notable opportunities for cooperation with USAID.

- a) Centers for Disease Control: The CDC's *Cambodia Country Assessment* (Draft report, May, 2001) proposes to undertake a series of national-level activities (strengthen laboratory capacity in support of HIV testing for VCT, and for surveillance and care of STI's and AIDS opportunistic infections; support policy and program development for blood safety, VCT, PMTCT, STD, AIDS care, TB/HIV, laboratory standards, etc.); support for monitoring and evaluation; training in epidemiology, laboratory techniques, etc.; and behavior change and stigma reduction, with a focus on youth.). In addition to these national-level initiatives, the CDC is prepared to provide at least technical support for the extension of these activities to one or two provinces and/or operational districts.

CDC is looking to USAID as its key partner in the implementation of this geographically-focused portion of its program. USAID will work with CDC in the identification of our focus-ODs, and in the development of linkages between USAID and CDC-supported activities in the target areas.

- b) Naval Medical Research Unit: NAMRU does laboratory research, diagnoses and surveillance of infectious diseases and HIV/AIDS. NAMRU advises that it could work with USAID to conduct selected studies to track STD and HIV prevalence in geographic areas targeted for USAID assistance. Such support could be helpful in monitoring the impact of USAID assistance in these areas.

3. Other USAID Activities (USAID/G/PHN/HN and USAID/ANE/SPOTS)

For the past several years, USAID/G/PHN/HN and USAID/ANE/SPOTS have been supporting activities in Cambodia and neighboring non-presence countries to address the health needs of mobile populations, respond to multi-country problems, and to develop new approaches/models that can be

used in other developing countries. These programs, and their linkages to this strategy, are as follows:

- a) HIV/AIDS: USAID/ANE has been supporting regional HIV/AIDS activities through the Family Health International (FHI) Asia Regional Office (Bangkok) since the early 1990s. Activity areas include surveillance, care and support, HIV/TB co-infection, regional capacity building, and cross-border HIV/STI interventions. The Regional Program assigned priority to surveillance among migrant and mobile populations in the Mekong sub-region in view of data suggesting that a significant proportion of mobile Cambodian men continue to purchase commercial sex services, and that condom use among these men was lower than among their Thai counterparts. These data suggest, therefore, that mobile Cambodian men in and across the border provinces should continue to be targeted for strong HIV/AIDS-prevention interventions. With the increase of USAID/Cambodia resources for HIV/AIDS in FY 01, the FHI/ARO does not intend to start any new activities in Cambodia in FY 01, and does not plan to continue to support activities in Cambodian provinces along the Cambodia-Thailand border.

Linkages: The needs of this mobile population will be taken into consideration as USAID/Cambodia selects provincial/OD sites for the geographically-focused portion of its strategy. If these areas are selected as program sites, the Asia Regional Program could focus on facilitating cross-border linkages, and on disseminating global dissemination of surveillance efforts and findings.

- b) Multi-Drug Resistant (MDR) Malaria: USAID/G/PHN/HN and USAID/ANE/SPOTS have been supporting the Roll Back Malaria Mekong Initiative and country-level activities in both Thailand and Cambodia since FY 99. Regional and country priorities have included surveillance of drug-resistant malaria, drug-use practices, and drug quality, as well as the development of interventions to limit the emergence and spread of MDR-malaria. The USAID central bureaus are also supporting WHO efforts to address MDR in Cambodia.

Linkages: Since MDR-malaria is a problem in western Cambodia (e.g. Battambang and Banteay Meanchey provinces), it may be useful to link Cambodian health officials in these provinces with Thai counterparts who are facing the same problem on their side of the border. The USAID/Washington-supported Border Action Against Malaria (BAAM) project in Thailand can facilitate these contacts.

- c) Dengue: USAID/G/PHN/HN has been supporting WHO/Cambodia efforts to improve surveillance, prevention, treatment and control of dengue at the community level since FY 98.

Linkages: These national-level efforts would be reinforced at the OD level in districts targeted by USAID under the OD-based component of the strategy.

- d) Tuberculosis: USAID/ANE/SPOTS is providing support to the University of Alabama-Birmingham and FHI to address the problem of low TB case detection in Cambodia. The Tuberculosis Expanded Response and Access Project (TB ERA) is working with the RGC National TB Program to 1) assess the impact of TB among disadvantaged populations in Phnom Penh, including HIV-infected and chronically ill persons serviced by a home-care network (KHANA and World Vision); and 2) improve access to TB care by linking public TB health services with selected groups using innovative approaches through existing community structures. In addition, the project is conducting qualitative research to develop BCC materials to be used by local leaders

and NGOs to promote awareness of TB symptoms, diagnosis and treatment options in the community.

Linkages: The TB elements of USAID/Cambodia's strategy will be developed over the next few months, as noted in Section IV.A.2. We expect, however, that the OD-based component of the strategy will include measures to improve TB surveillance and to strengthen DOTS. Moreover, since TB is a leading opportunistic infection in HIV-positive people, the OD-based program will likely include TB detection and treatment as a way to improve HIV/AIDS care and support services.

D. Critical Assumptions

1. Progress toward national stability and democratic governance will continue.
2. USAID/Washington will provide an adequate and appropriate mix of sectoral funding to USAID/Cambodia in a timely manner in order for the Mission to implement this three year transition PHN plan.
3. Other donors and international foundations and private voluntary organizations will continue to provide essential complimentary resources.
4. Donors will continue to encourage the RGC to allocate an increasing share of its budget to social services, and that RGC allocations for the health sector will continue to improve.
5. The ongoing public administrative reform process stays on course.

V. PERFORMANCE MONITORING

With its partners, USAID will continue support for epidemiological, demographic and behavior research. USAID's support for the HSS and BSS and other applied field research has provided essential information on the HIV/AIDS epidemic, related behaviors and on effective interventions.

In order to manage its assistance and track progress in meeting the objective and the supporting intermediate results, USAID will carry out population-based health surveys in each of the targeted operational districts in 2002 and 2004/5. These will be designed to complement the national level data already collected through 2000 Demographic and Health Survey and 1998 National Health Survey. USAID with other donors will also consider supporting a national level demographic and health survey (including HIV/AIDS and infectious diseases modules) in 2005. Annual facility-based health assessments of health centers in each of the target operational districts may be used to measure progress in improving health information, quality of care and management. These will be carefully coordinated with RGC and other donor-financed data collection and use efforts. Annual sales data will track progress in expanding access to social marketing products.

In cooperation with CDC and NAMRU, USAID will strengthen and expand as necessary the HSS and BSS surveys to provide more complete, national-level information on HIV/AIDS. USAID will also

work to improve provincial and OD-level capacities to use these data in the development and evaluation of province and district-specific strategies.

USAID will help managers at all levels use health service statistics, survey data and other information to better manage and monitor their programs.

While it is standard Agency practice to require Missions to include a discussion of the expected changes that will occur if the proposed strategy is to be successful, that exercise is premature given USAID/Cambodia's strategy for the design of the follow on activity. It is USAID/Cambodia's intention, once all implementation partners have been selected for the interim strategy and are set up in-country in mid- to late 2002, to finalize the Performance Data Table with key indicators, baseline years by calendar year and values, data sources and out-year targets. Importantly, the selection of key indicators can only be accomplished after activities and geographic coverage have been identified and agreed upon by USAID/Cambodia and its local partners. However, the Performance Data Table below provides illustrative indicators which are both universally used by the Agency and which are suitable within the Cambodian context.

Performance Data Table: Illustrative Indicators
2002-2005

Input baselines and targets for the life of the SO for each SO and IR indicator. Modify the table to include additional indicators and years as needed.

SO or IR	Results Statement	Indicator	Unit of Measure	Disaggregation	Baseline Year	Baseline Value	2003 Target	2003 Actual	2004 Target	2004 Actual	2005 Target	2005 Actual
SO	Increased use of high impact HIV/AIDS, family health services and appropriate behavior	Contraceptive Prevalence Rate	Percent	Currently married women	2000 CDHS	18.5% (Modern method) CDHS						
		Couple Years of Protection	Couple years of protection		2000 Update for 2002	194,675 Update for 2002						
		Percent infants <6 months exclusively breastfed	Percent		2000 CDHS	5.4%						
		Percent of children <12 months fully immunized	Percent		2000	31%						
		Percent of births assisted by trained provider	Percent		2000 CDHS	31.8%						
		Percent of women with live births received 2 doses of more of TT	Percent		2000 CDHS	30%						

		Percent of men 15-49 using condoms with CSW	Percent	Rural/Urban	BSS							
		Percent of men 15-49 using condoms with sweetheart	Percent	Rural/Urban	BSS							
IR 1	Increased access to information and services	Percent of health centers in target provinces/ODs with staff trained and equipped to deliver key elements (define elements) of the MPA+ package	Percent		2003 Annual facility study	TBD						
		Percent of entertainment places with condoms in stock	Percent		2002 (PSI?) TBD	TBD						
		Case detection rate of TB	Percent		TBD	TBD						

		Percent of reproductive health clinics providing HIV/AIDS related information and services, including referrals										
		Percent patients who present with STIs at health care facilities who are appropriately diagnosed and treated										
IR 2	Strengthened capacity of individuals, families and communities to protect and provide for their own health	Percent change in case-load in target operational districts	Percent		2003 Facility study	TBD						
		Percent of villages in targeted operational districts with feedback committees that have met in the past two months	Percent		2003 Facility study	TBD						

IR 3	Improved quality of information and services	Percent of health centers in targeted ODs implementing selected (TBD) service delivery protocols	Percent		2003 Facility study	TBD						
		Percent of HIV/AIDS related interventions providing RH related information and services, including referrals	Percent		2003 facility survey	TBD						
IR 4	Improved capacity of health systems	Percent of target ministries which have implemented strategies and plans	Percent		2003	TBD						
		Percent of health centers in target ODs using data for program management	Percent		2003	TBD						
		Percent of ODs with an annual plan	Percent		2003	TBD						

Research Agenda: USAID work with the RGC and its partners to develop a focused and coordinated research agenda, concentrating on practical issues/topics relevant to program operations and decision-making. USAID will work with its partners to see that these important lessons are broadly shared. Following are some examples of possible lines of research that USAID will either support-or for which it will encourage other agency/donor support--during the strategy period:

- Poor infant feeding practices in Cambodia are responsible for a large portion of Cambodia's unacceptably high levels of infant and child morbidity and mortality. A relatively large body of quantitative data is already available from the DHS and other surveys about the duration of breastfeeding and about breastfeeding patterns. However, little qualitative data is available concerning the knowledge, attitudes and cultural beliefs that guide mothers' and families' feeding choices. Qualitative data (from formative research such as focus group surveys and other studies) should be collected to assist in the design of training curricula for health workers and messages for health workers to impart to mothers during antenatal and postnatal care.
- A rapidly growing number of HIV-infected Cambodians are progressing from asymptomatic infection to symptomatic AIDS; however, the formal health system is ill equipped to cope with this growing caseload. While home-based care and social services for orphans and other vulnerable children have proven effective in other AIDS-affected developing countries, few affordable, practical models are available for the delivery of home-based care or social services in Cambodia. Operational research is needed to evaluate and cost various models of such care and service to determine optimal approaches in the Cambodia setting.
- Operations research to examine various private sector investment strategies in the health sector
- A study of the factors that promote or impede parents' health-seeking behaviors for childhood illnesses.
- Operations research to test the incorporation of traditional and non-medical elements into the health service delivery system, and their impact on utilization of services for delivery and treatment of complications.
- Operations research to test and scale up a culturally appropriate postpartum outreach program. The study should examine how best to (1) reach mothers and newborns in the first 24 hours after birth (2) contribute to recognition and referral of life threatening complications, (3) improve breastfeeding practices, (4) enhance receipt of iron and Vitamin A supplementation, and (5) enhance the relation between medically trained providers and the community to stimulate utilization of medically trained providers for birth.
- Market research preparatory to the (social market) launch of new health products
- Operations research on interventions to control infectious diseases including use of lids for water storage jars, use of predatory copepods for larval control, development and field testing of health education materials, etc.

- An examination of the quality of care offered at Health Centers-including an assessment of health care provider behavior towards clients; their observance of treatment protocols and guidelines, etc.
- A study to assess the impact of cultural, legal, regulatory and other factors that affect access to health care services by women and youth.
- Better information is needed about the behavior of certain high-risk populations. USAID will support studies designed to improve understanding about the movement of commercial sex workers between brothels and their home villages, and about men having sex with men.

VI. USAID/Cambodia and Mainland Southeast Asia Programs Staffing Capabilities

The USAID Mission for Cambodia, located in Phnom Penh, is responsible for the development and management of the U.S. Government's program of assistance focused on democracy and human rights, reproductive and child health, HIV/AIDS, and humanitarian assistance. Beginning in September 2000, USAID/Cambodia was also made responsible for management of USAID activities in Vietnam, Thailand, Burma border, and Laos, with offices in Hanoi and Bangkok.

The Office of Public Health is one of two technical offices in the Mission. The other one is the Office of General Development responsible for democratic processes, humanitarian assistance and related issues.

Support offices include separate offices of Program, Procurement, Financial Management and an Executive Office. Each of these offices is fully staffed by USDH, TCN and FSNs (see organizational chart on page 63).

1. Office of Public Health (OPH):

The Office of Public Health has recently undergone a number of structural changes. The old structure included an Office Director (SO Team Leader), an HIV/AIDS Specialist, an MCH Specialist, a Monitoring and Evaluation (M&E) Specialist and one FSN secretary. The new structure will include an Office Director (USDH SO Team Leader), three sub-team leaders, three senior FSNs, a Portfolio Manager (USPSC for one year), and two FSNs for administrative and secretarial support. It is anticipated that the heads of the three units within the OPH - HIV/AIDS/ID, MCH/RH, and M&E - will lead the sub-teams. Specifically, the three sub-team leaders are the MCH/RH Technical Advisor (USPSC), the HIV/AIDS/ID Technical Advisor (Technical Advisor for AIDS and Child Survival--TAACS) and the Monitoring and Evaluation Technical Advisor (Population Leadership Program--PLP). Working in conjunction with the HIV/AIDS Technical Advisor are two Senior FSNs who will assist in program monitoring, implementation and portfolio management. An additional senior FSN will work in conjunction with the MCH/RH Technical Advisor and assist in all aspects of the MCH/RH portfolio management. The OPH will be supported administratively by two FSNs. By February 2002, the transition to the new structure will have been completed and the OPH fully operational with a staff of ten.

In addition, as an integral part of USAID/Cambodia and Mainland Southeast Asia Programs, the Office of Public Health also serves the countries outlying the Mekong River - Vietnam, Burma, Laos and Thailand. Specifically, all OPH staff will be called upon to support staff and programs in these contiguous countries in advisory, administrative and backup roles.

A second TAACS, the Regional HIV/AIDS/ID Advisor, will be co-located with the Mission but will be responsible primarily to the ANE Bureau. The Regional TAACS will support the ANE Bureau's regional HIV/AIDS/ID program. Because this program covers south and Southeast Asian countries, the ANE/PHN office in USAID/W will supervise the Regional Advisor. Duties will include strategic planning, design, and monitoring of USAID country and regional HIV/AIDS and infectious disease activities in south and southeast Asia; coordinating with USAID missions, other U.S. Government agencies, HIV/AIDS and infectious disease implementing partners, host-country counterparts and regional organizations; providing technical assistance to USAID missions in the region; and representing USAID at key HIV/AIDS/ID meetings in the region. While it is expected that the Regional TAACS will travel frequently in the region, s/he will be available to provide technical assistance support to USAID/Cambodia's rapid scale-up HIV/AIDS program and will facilitate integration of Cambodia's efforts in controlling the spread of HIV/AIDS with those of the region.

VII. Funding:

Background: State 027608 (February 12, 2002) provided revised parameters for the Interim PHN Strategy 2002 – 2005. The strategy was reviewed in Washington on November 16, 2001. At the time of the review meeting, the decision was made not to approve the reproductive health portion of the strategy due to uncertain funding. Subsequently, ANE management determined that, if sufficient ESF is not available for reproductive health in the out-years, ANE will provide up to \$5 million CSH funds to continue strategy implementation. The revised parameters cable states: "The HIV/AIDS portion of the strategy is approved at a planning level of at least \$10 million and the reproductive, maternal, and child health portion of the strategy to a planning level of no more than \$5 million per year. The planning level for infectious disease is \$2 million per year."

While the funding levels have changed from those stated in State 071904 (April 24, 2001), the overall strategy remains the same. The scale of implementation will be adjusted however, in response to the new three-year funding levels. Thus, the Mission plans to proceed with the design of the integrated PHN strategy at the levels stated in State 027608.

The Integrated Strategy: The RGC's positive policy environment regarding reproductive health, safe motherhood and HIV/AIDS prevention has enabled USAID to achieve significant progress in the PHN sector over the past four years, despite the US policy, legal and financial restrictions in place during that period. Importantly, much of USAID's assistance over the past several years has been used to strengthen the overall capacity of our partners to deliver health and HIV prevention services. This capacity-building focus has helped to lay the foundation for an onward strategy that will continue to expand our partners' ability to plan, manage and refine their own programs. These prior investments have also helped to prepare our partners for the daunting task of scaling up their efforts so they can reach much larger population groups.

Cambodia is in the process of institutionalizing an incipient health service. Tangible results are evident 3-4 years after completion of the initial plans, but development is still far from complete. The MOH continues to make significant progress towards the goal of accessible health services nation-wide through both its policy and current strategy of integration rather than the continued reliance upon vertical programs. However, that process will take time. Reproductive and child health, HIV/AIDS and other infectious disease interventions are urgently needed and cannot wait for full development of the health care system. At the same time, interventions cannot be delivered without such a system and will be constrained by the level and pace of system development. Thus, the various health interventions in Cambodia must be integrated in order to strengthen the nascent service delivery system, and promote the delivery of specific interventions.

USAID/Cambodia developed a new Strategic Objective “Increased Use of High Impact HIV/AIDS and Family Health Services and Appropriate Health-Seeking Behaviors” for the interim period. Four interlocking Intermediate Results support the SO. The SO and IRs were developed in close collaboration with local partners [MOH, donors, current USAID-funded CAs/NGOs] at a 2-day workshop in order to address the MOH’s current policy and strategy of integration and health systems strengthening. [See main text for further detail].

The general strategy will be a holistic focus on health services at the Provincial and Operational District (OD) levels. USAID will address the family health problems of maternal and child health, infectious diseases, birth spacing, HIV and STD prevention and treatment by strengthening the capacity of the Cambodian health system to provide a basic package of essential health services (the MOH-sanctioned “Minimum Package of Activities-Plus” or MPA+, whereby the “plus” refers to HIV/AIDS and STD prevention activities) in predominately rural areas. In this instance “health system” is defined holistically to include the planning, management and oversight systems in place in selected provinces and operational districts; OD-level service delivery facilities, plus the supervisory and referral systems to support them; cooperating NGOs (international and local); commercial and other private sector health care providers; and-key to the success of the strategy-community level organizations prepared to help educate, mobilize and serve the needs of health-seeking clients at the grassroots level.

Key provinces and Operational Districts (ODs) will be identified as part of the design phase of the strategy that will be undertaken in country once the “systems development partner(s) has been identified through a competitive procurement process. USAID/Cambodia anticipates that the new partner(s) will be selected by mid-2002. The number and location of these ODs (population between 100,000-300,000 each) will be determined by: (1) the amount of funds available to USAID for implementation of this portion of the strategy (WHO and NGO data indicate that a holistic approach to health service improvement at the OD level can be expected to cost \$700,000 -\$1,000,000 per OD per year); (2) and the application of rigorous site selection criteria to be developed with the RGC and other partners. Three general criteria -- epidemiologic-demographic-geographic – will be used along with such other criteria as population size, HIV prevalence (e.g. among sex workers and ANC women), the existence of a functioning health services infrastructure, the presence of other international donors, and the effectiveness and readiness of provincial and OD-level leadership to work constructively with USAID and its partners.

Currently, USAID and other donors in Cambodia are making substantial per capita investments in localized areas, but largely through NGOs. The distinctive aspect of USAID's onward strategy is that it would focus a significant portion of its future investment on measures to substantively improve the institutional, managerial and human capacity of the public health system in -- cooperation with its non-government partners and communities -- to provide health care services. While this approach might produce less evident quantifiable achievements in the short term, it is likely to produce a more sustainable host country delivery capacity over the medium-to-long term. It should also be noted that the USAID strategy, unlike those of other donors, will not include any salary supplements or other inducements for public sector employees.

Population coverage for the OD-based component of the strategy will be a function of the number of ODs eventually selected for inclusion in the assistance program. As noted above, each OD has a population of between 100,000 and 300,000 persons. Now that the Mission has its three-year funding levels, it is in a better position to select ODs and populations to be covered.

Population coverage of the targeted HIV/AIDS prevention component of the fully integrated strategy will be significantly greater than the coverage of USAID's current HIV/AIDS prevention program by taking to national-level scale many of the activities now focused on relatively small segments of the high-risk and at-risk populations and expanding these to other high-risk populations such as indirect sex workers, migrant workers and truck drivers and other mobile populations. At the national level, USAID will continue to support the development, with the NAA, of HIV/AIDS policies and action plans of the 12 non-health ministries that comprise the NAA. USAID will also support the operation and further refinement of the HSS and BSS so these tools can better serve policy-and-decision makers at national and provincial levels.

It is important to note that these national level HIV/AIDS prevention activities will be greatly enhanced when linked to and supported by the OD-level component of the strategy. The population focus of the HIV/AIDS prevention component is on high-risk and highly vulnerable population groups. Many of the latter are in the general population. Indeed, a fundamental purpose of the new, fully integrated strategy is to build a "back fire" to prevent the further spread of HIV into the general population where the current prevalence among women presenting for antenatal care is 2-3%.

Magnitude and Nature of Expected Change: In the focus Operational Districts, key beneficiary-level impacts by the end of three years will include increases in the contraceptive prevalence rate; a decrease in high-risk sexual behavior; an increase in the percent of children under one year of age fully immunized; and an increase in the per cent of births assisted by a trained provider.

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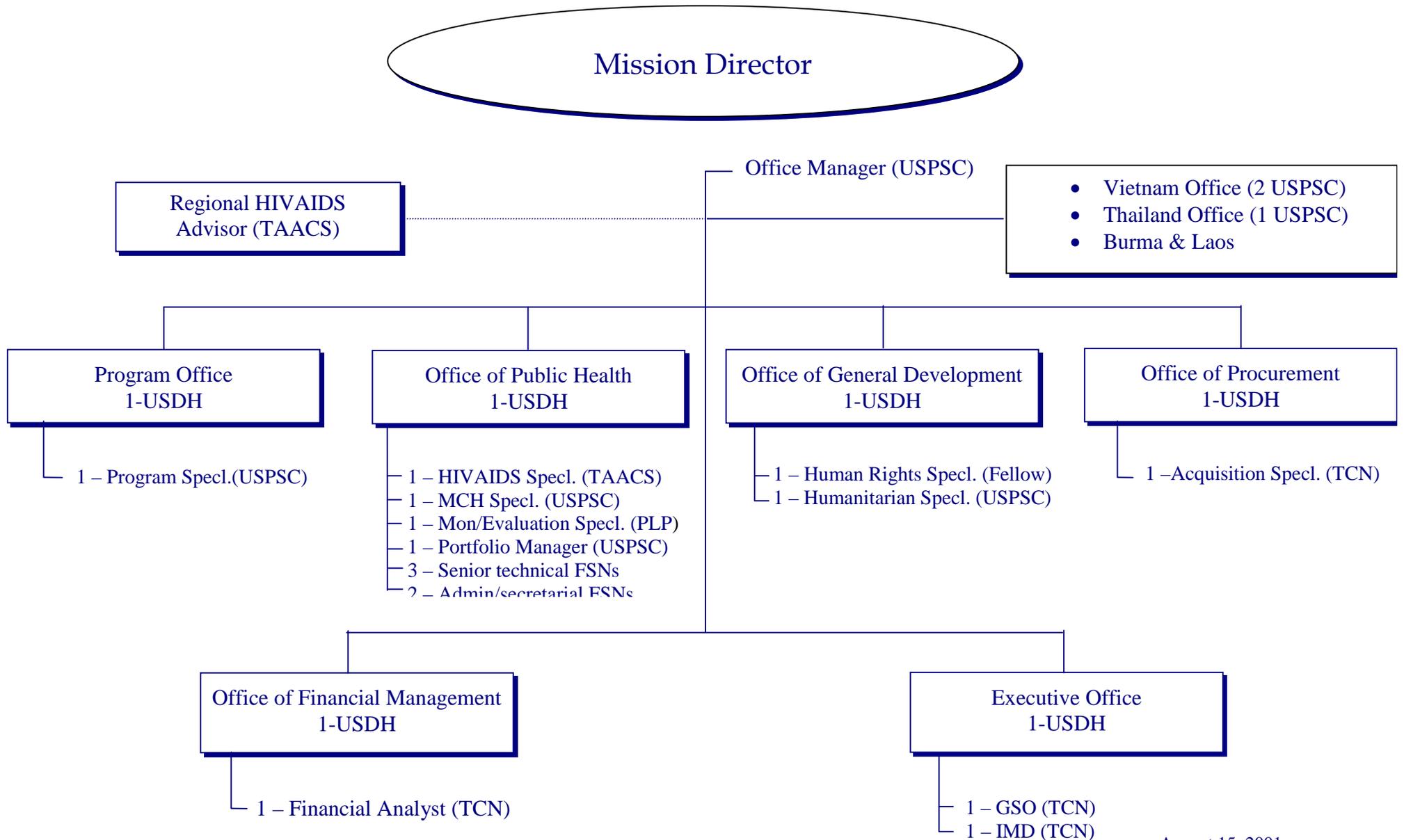
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REPORT ON THE TBCTA TEAM VISIT TO CAMBODIA

JANUARY 12 – 30, 2002



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Table of Contents

List of Acronyms	1
Executive summary	3
1. Background	6
2. Terms of Reference for the TBCTA team	7
3. Summary of activities	8
4. Summary of findings	8
4.1 The burden of Tuberculosis in Cambodia	8
4.2 The NTP of Cambodia	9
4.3 Results of case-finding and treatment	10
4.4 NTP financing and collaborating partners	11
4.5 NTP strategic plan 2001-2005	11
4.6 The size and trend of the HIV epidemic and the TB/HIV profile	12
4.7 NCHADS and NAA policy and strategy	13
4.8 NCHADS collaborating partners	15
4.9 Health Sector Development	17
4.10 Health Sector Financing	17
4.11 Collaborating Partners of the Ministry of Health	18
4.12 WHO and Health Sector Reform	18
4.13 Strategic Framework of the Health Sector, 2003 – 2007	18
4.14 USAID/Cambodia-funded partner's current TB activities	19
4.15 USAID/ANE TB assistance to Cambodia	19
4.16 USAID/Cambodia's Interim PHN Strategy: 2002-2005	20
4.17 CDC/Global AIDS Program (GAP) proposed assistance to HIV/TB activities	21
5. Summary of Conclusions	22
5.1 SWOT NTP	22
5.2 Health Sector Reform and the National Tuberculosis Program	25
5.3 NTP strategy 2001-2005	26
5.4 NTP Financing gaps	26
5.5 NTP-NCHADS collaboration	27
6. Summary of recommendations	27
6.1 Policies, Plans and Guidelines (Output 1)	28

6.2	Capacity building and Human Resource Development (Output 2)	29
6.3	Financing (Output 3)	32
6.4	Service Provision (Output 5)	33
6.5	DOTS expansion to the Health Center level (Output 6)	35
6.6	IEC and Advocacy (Output 7)	36
6.7	Partnership (Output 10)	36
6.8	Monitoring and Evaluation	37
6.9	Total Costs of the proposed USAID assistance	38
6.10	Options for CDC/GAP support to NTP and NCHADS	38
6.11	Options for ANE support to TB control in the region	38
7.	Relation of NTP Outputs with Key Intermediate Results of USAID/Cambodia Interim PHN Strategy 2002-2005	39
7.1	IR1: Increased Access to Information and Services	
7.2	IR2: Strengthened Capacity of Individuals, Families and Communities to Protect and Provide for Their Own Health	39
7.3	IR3: Improved Quality of Information and Services	39
7.4	IR4: Improved Capacity of Health Systems	41
ANNEX 1	Scope of Work	42
ANNEX 2	List of persons met	48
ANNEX 3	Itinerary	51
ANNEX 4	Summary reports of field visits	57
ANNEX 5	DOTS expansion to HC level program 2001-2003	73
ANNEX 6	NTP case-finding data 1982-2000	76
ANNEX 7	Anti-TB activities by provinces, 1999	78
ANNEX 8	Treatment results of cases treated with DOTS in 1996-1999	79
ANNEX 9	Estimated costs for DOTS expansion per OD	80
ANNEX 10	Population per province 1998 Census data	81
ANNEX 11	Map of Cambodia and population density per province	82
	List of resource documents and web sites consulted	84
	Budget	87

LIST OF ACRONYMS

ADB	Asian Development Bank
ADD	Accelerated District Development
AIDS	Acquired Immune-Deficiency Syndrome
ALA	American Lung Association
ANC	Antenatal care
ANE	Asia Near East Bureau
APASCO	Asia Pacific Council of Aids Services
ARO	Asia Regional Office
ATS	American Thoracis Society
AusAid	Australian Agency for International Development
BCC	Behavior Change Communication
CA	Cooperating Agency
CARE	Care International
CDC	Centers for Disease Control and Prevention
CDC	Communicable Disease Control Department of MoH
CDHS	Cambodia Demographic Health Survey
CENAT	National Anti TB Center
CMS	Central medical Stores
CoCom	Coordinating Committee
COPE	Client Oriented and Provider-efficient
CPA	Complementary Package of Activities
CSW	Commercial Sex Worker
DFID	Department for International Development (UK)
DHF	Dengue Hemorrhagic Fever
DHMT	District Health Management Team
DHS	Demographic and Health Survey
DOTS	Direct Observed Treatment Short-course
EPI	Expanded Program of Immunization
EPTB	Extra-Pulmonary TB
ESB	Essential Drugs Bureau
FBC	Feed Back Committee
FDH	Former District Hospital
FHI/IMPACT	Family Health International/Implementing AIDS Prevention and Care Project
GAP	Global AIDS Program (CDC)
GDP	Gross Domestic Product
GTZ	German Technical Cooperation

HC	Health Center
HCMC	Health Center Management Committee
HCP	Health Coverage Plan
HE	Health Education
HIS	Health Information System
HIV	Human Immunodeficiency Virus
HSR	Health Sector Reform
HSS	HIV/AIDS Sentinel Surveillance
ICC	Inter-agency Coordinating Committee
IDSW	In Direct Sex Worker
IR	Indirect Result
IUATLD	International Union Against Tuberculosis and Lung Disease
JATA	Japan Anti-Tuberculosis Association
JICA	Japan International Cooperation Agency
KHANA	Khmer HIV/AIDS National Alliance
KNCV	Royal Netherlands anti-TB Association
LNGO	Local Non Governmental Organization
MCH	Maternal and Child Health
MDR	Multi-Drug Resistance
MIS	Management Information System
MoH	Ministry of Health
MPA	Minimum Package of Care
MSF	Médecins Sans Frontiers
NAA	National AIDS Authority
NAMRU	Naval Medical Research Unit
NCHADS	National Center for HIV/AIDS, Dermatology and STDs
NDRS	National Drug Resistance Surveillance
NGO	Non-governmental Organization
NHS	National Health Survey
NIPH	National Institute of Public Health
NORAD	Norwegian Development Agency
NTP	National Tuberculosis Program
OD	Operational District
OPH	Office of Public Health
PAC	Provincial AIDS Committee
PAP	Priority Action Project
PCU	Project Coordinating Unit
PHC	Primary Health Care

PHD	Provincial Health Department
PHN	Population Health Nutrition
PLWHA	People Living With HIV/AIDS
PSH	Preah Sihanouk Hospital
PTS	Provincial TB Supervisor
RACHA	Reproductive and Child Health Alliance
RH	Referral Hospital
RH	Reproductive Health
RCG	Royal Government of Cambodia
RHAC	Reproductive Health Association of Cambodia
RIT	Tuberculosis Research Institute of Japan
SHCH	Sihanouk Hospital Center of HOPE
STD	Sexually Transmitted Disease
STI	Sexually Transmitted Infection
SWIM	Sector Wide Management
TA	Technical Assistance
TB	Tuberculosis
TB ERA	Tuberculosis Expanded Response and Access Project
TBA	Traditional Birth Attendant
TBCTA	Tuberculosis Coalition for Technical Assistance
TFR	Total Fertility Rate
UNAIDS	Joint United Nations Program on HIV/AIDS
UNDP	United Nations Development Program
UNFPA	United Nations Population Fund
USAID	United States Agency for International Development
USG	United States Government
VCT	Voluntary Counseling and Testing
VDC	Village Development Committee
VHV	Village Health Volunteer
WB	World Bank
WFP	World Food Program
WHO	World Health Organization
WPRO	Western Pacific Regional Office (of WHO)

Executive summary

Background

USAID/Cambodia is currently finalizing a new 3-year interim PHN strategy – 2002-2005. The mission's new Strategic Objective is *Increased Use of High Impact HIV/AIDS and Family Health Services and Appropriate Health-Seeking Behaviors*. The mission strategy will also address potential synergies in PHN activities, such as those between tuberculosis and HIV/AIDS.

At the request of USAID/Cambodia, a team from the Tuberculosis Coalition for Technical Assistance (TBCTA) visited Cambodia from January 12 – 30, 2002 to provide clear, implementable recommendations regarding the interim strategy component addressing TB and TB/HIV. Main findings and conclusions

Cambodia is among the 23 countries in the world with a high burden of TB; these countries together comprise 80% of the global TB burden. Currently the annual incidence of all forms of TB combined is estimated at 540 cases per 100,000 population and that of smear-positive pulmonary TB is 241 cases per 100,000 population. It is estimated that 64% of the population is infected with *Mycobacterium tuberculosis* and that 90 per 100,000 Cambodians die of TB annually¹. Related to the growing HIV epidemic, HIV seroprevalence among TB patients increased steadily from 2.5% in 1995 to 7.9% in 1999. Due to the HIV epidemic, the increasing population, and expanding national TB case-finding efforts, the number of TB cases will double in the next five years.

The National Tuberculosis Program (NTP) of Cambodia began implementing the WHO-recommended DOTS strategy for TB control in 1994. Political commitment supporting TB control efforts has been strong as demonstrated by the establishment in 1995 of the National TB Committee headed by the Prime Minister. The strengths of the NTP are demonstrated by the high cure rate achieved among all diagnosed cases and by the rapid expansion of DOTS. Between 1996-1999 nearly 50,000 new smear-positive cases were started on DOTS and more than 90% of these cases were cured - a level well above the WHO target of 85%. Following the implementation of the Health Coverage Plan the NTP has embarked on expansion of DOTS to Health Centers providing the Minimum Package of Activities (MPA). By the end of 2001 nearly 50% of all HC's providing MPA were providing DOTS as well. According to the NTP plan, 90% of functional HC's will provide DOTS by the end of 2002.

The shortcomings of the NTP are the moderate quality of the microscopy services in two-thirds of the centers. The proportion of patients with suspected TB with positive sputum is over 30%, well above the upper range usually observed in other DOTS programs. This high level indicates lack of awareness of the population about TB resulting in late reporting and under utilization of public health services providing DOTS.

¹ National Health Strategic Plan for Tuberculosis Control 2001-2005. National Center for Tuberculosis and Leprosy Control (CENAT). November 2001. Page 3

One main challenge to TB control in Cambodia is the need to increase access to diagnosis and treatment especially among the poor and among remote populations. Even if all functional Health Centers were able to provide DOTS, it is estimated that 50% of the population in a Health Center catchment area will live more than 10 km from the nearest health facility thus making daily attendance for supervised treatment virtually impossible. The other main challenge is to address the problem of additional cases caused by the HIV-epidemic. A joint TB/HIV working group from the NTP and NCHADS has been established to address the issues of the co-epidemics, particularly of identifying HIV-positive TB patients and of identifying and caring for PLWHA with TB or at risk for developing TB. However, joint policies and strategies of NTP and NCHADS to address TB/HIV issues yet to be fully developed and implemented. Finally the unregulated private health sector where many TB patients are diagnosed and receive care poses a risk for the development of MDR as the quality of diagnosis and treatment in this sector is generally of poor quality.

In July 2001 the NTP published the “National Health Policies and Strategies for Tuberculosis Control in the Kingdom of Cambodia 2001-2005” and in November 2001 the “National Health Strategic Plan for Tuberculosis Control 2001-2005.” Both documents, which adequately address the above mentioned problems and challenges, form the basis for the Expenditure Framework 2001-2005, which, however, is still to be developed. In May 2001 the CDC Global AIDS Program (GAP) conducted a Cambodia Country Assessment providing clear recommendations for a policy package which would provide a continuum of care to HIV-positive TB patients and PLWHA with TB and at risk for developing TB. A CDC GAP office will be established in Cambodia in early 2002.

By the end of 2002, Phase III of the Health Sector Reform of the Ministry of Health will be concluded. The MoH is currently preparing the Health Master Plan and Health Sector Strategy 2003-2007 in collaboration with the World Bank, Asian Development Bank, DFID and other stakeholders supporting the Health Sector Development such as WHO, bilateral organizations and the NGO sector. The new strategy gives priority to key public health interventions addressing TB, HIV/AIDS and malaria and stresses the need for coordinated and integrated planning of the disease programs at all levels.

Options for USAID/Cambodia, USAID/Washington, CDC/Atlanta and CDC/GAP support to TB and TB/HIV prevention and control

The team proposes that USAID and CDC provide support for the implementation of selected activities designated as outputs under the National Health Strategic Plan for TB control 2001-2005. These activities are included under 7 major plan outputs:

Output 1: Policies, Plans and Guidelines:

- To support a workshop of CENAT, NCHADS and other stakeholders to formulate a national HIV/TB strategy and plan.

Output 2: Capacity Building and Human Resource Development:

- To support the development of a planning and management course for NTP national and provincial staff and Provincial Health Department focal persons for communicable disease control.
- To support participation in the TB control courses in Hanoi; provide fellowships for MPH post graduate courses and finance participation of core NTP staff in international conferences of the Stop TB Partnership.

Output 3: Financing:

- To support, through TBCTA, a series of planning and formulation workshops to develop the Expenditure Framework 2001-2005 in collaboration with NTP and MoH with technical assistance of WHO and/or KNCV

Output 5: Service Provision

- To support, in collaboration with CDC and RIT, an operational research project to study laboratory diagnostic issues related to the high sputum smear positive rate among TB suspects and the high false positive rate of diagnostic smears.
- To support operational research on the feasibility of DOTS by private health providers in collaboration with WHO, CDC, KNCV, in country partners and local NGOs building on FHI 's work in Phnom Penh.
- To support pilot studies of community based DOTS by groups such as Village Health Volunteers, Traditional Birth Attendants, Feed Back Committee members, etc. in collaboration with WHO, CDC, USAID partners and NGOs.

Output 6: DOTS expansion to Health Center Level:

- To support DOTS expansion to HC's in ODs selected from 18 priority ODs in 9 provinces with a presence of USAID/Cambodia current partners.

Output 7: IEC and Advocacy:

- To continue support for IEC and Advocacy, through USAID partners such as FHI and PSI, focussed on community-based development of messages and materials on TB.

Output 10: Partnerships

- To support, through TBCTA, the provision of regular external technical assistance to the NTP in the framework of the Global DOTS expansion plan in collaboration with WPRO.

Highest priority for support should be given to activities listed under Output 1, Output 3 and Output 10.

The team further suggests that USAID provide funds to support the pending NTP Mid-term Evaluation planned for 2003 and to support participation of 2 international experts drawn from among TBCTA partners and 1-2 local experts in the Mid-term Evaluation. Other donors would similarly support the Mid-term Evaluation through the provision of international and local experts thereby ensuring that the Country Review Mission would be conducted by external experts and in close collaboration with WPRO.

2. Background

Health Sector Development

After the ouster of the Khmer Rouge regime in 1979, efforts began to reconstruct the completely shattered country. A large number of health workers were recruited rapidly, and they were poorly trained, often in a foreign language. They form the bulk of the present-day health workforce.

The 1993 elections brought international recognition and foreign assistance. Thus began the formidable task of creating a Ministry of Health (MOH) and a health service delivery infrastructure. This effort succeeded, in an astonishingly short period of time, in creating a Ministry with the capacity to plan and administer health services. It also produced a comprehensive "Health Coverage Plan" and "Operational Guidelines" which have been under implementation for the past 4 years, and which represent the first real modern health care system Cambodia has ever known. The task is formidable: the existing workforce, excessive in numbers, is grossly inadequate in skills; salaries are so low that there is little or no incentive to work; and parts of the country remained insecure until just 3 years ago.

The MOH is aware of all of these constraints. Active efforts are underway, with strong technical assistance from a variety of organizations, to address these constraints. Rapid progress is being made in the creation of a network of Health Centers (HC) and Referral Hospitals (RH) at the Operational District (OD) level. Management of health services has been decentralized to the level of the OD, and District Health Management Teams (DHMT) have been created and trained. The MOH welcomes NGO assistance, particularly in upgrading skills and the quality of services.

Cambodia is in the process of implementing a nascent health service system. Tangible results are evident 3-4 years after completion of the initial plans, but development of the planned system is still far from complete. However, progress will be made in stages, and it will take time. The need to deliver reproductive and child health, HIV/AIDS, TB interventions are urgent and cannot wait for full development of the health care system. At the same time, interventions cannot be delivered without such a system and will always be constrained by the level and pace of system development. TB, reproductive and child health and HIV/AIDS efforts in Cambodia must therefore proceed on two tracks simultaneously: strengthening the nascent service delivery system, and promoting the delivery of specific interventions.

In mid 2001, an in-depth review and assessment of the USAID/Cambodia Population, Health and Nutrition (PHN) portfolio was conducted in preparation for the development of a new follow on 3-year strategy. With regard to infectious diseases, the PHN Assessment Report [dated June 2001], provides the following recommendations to support Tuberculosis (TB) control efforts by the Royal Government of Cambodia (RGC):

- USAID should support the introduction of Direct Observed Treatment Shortcourse (DOTS) in Health Centers (HC's) throughout geographical areas selected for strategic focus through technical assistance, training, and on-the-job follow-up by NGOs at the level of actual service delivery.

- When and as Health Center DOTS is available, community-based Information, Education and Communication (IEC) to promote utilization of services and decrease transmission should be integrated into general community based health education efforts.
- While home delivery of DOTS to people living with HIV and AIDS (PLWHA) is certainly a need, it should not be addressed prior to implementation of DOTS in HC's and of large scale community-based and home care activities.

Based on the assessment and its findings and recommendations, USAID/Cambodia has articulated a new 3-year interim PHN strategy – 2002-2005. The mission's new Strategic Objective is *Increased Use of High Impact HIV/AIDS and Family Health Services and Appropriate Health-Seeking Behaviors*. The mission strategy will also address potential synergies in PHN activities, such as those between tuberculosis and HIV/AIDS.

Within the context of developing the new follow on strategy, USAID/Cambodia invited a team of experts from the Tuberculosis Coalition for Technical Assistance (TBCTA), to provide strategic, coordinated recommendations to USAID/Cambodia and USAID/ANE in regard to TB and TB/HIV. The recommendations would need to focus on the maximization of USG resources for TB taking into account the overall strategic framework and directions identified in the 2001 assessment and articulated in the Interim PHN Strategy 2002 - 2005.

The TBCTA, established in 1999 with support from USAID/Washington's Bureau for Global Health, is a partnership of six organizations involved in TB control. The World Health Organization (WHO), the International Union Against Tuberculosis and Lung Disease (IUATLD), the Royal Netherlands TB Association (KNCV), the Centers for Disease Control and Prevention (CDC), the American Lung Association (ALA) and the American Thoracic Society (ATS).

The report presents the findings and recommendations of the TBCTA team, which was comprised, of Dr. Maarten Bosman, KNCV, Dr. Marcus Hodge, WHO/WPRO and Dr. Charles Wells, CDC, which visited Cambodia from January 12-30, 2002.

3. Terms of Reference for the TBCTA team

Within the programmatic context of Cambodia's National TB Program (NTP) and Stop TB efforts, provide clear, implementable recommendations to USAID/Cambodia and USAID/Washington's Asia Near East Bureau (ANE) on the most strategic use of mission and ANE regional TB funds.

The Scope of Work clearly states that the objective of the mission is not to again assess or review the NTP. The focus should be on considering the NTP within the broader context of the nascent health delivery system in Cambodia and the current HIV/AIDS situation. As well as the fact that USAID has designated Cambodia as an HIV/AIDS 'Rapid Scale-Up' country (one of only four in the world, and the only one in Asia) and a priority country for TB control.

The team should further review TB-related activities currently being funded by:

- USAID/Cambodia through its partners e.g., CARE, Family Health International, and KHANA
- ANE Bureau
- TB-assistance from other donors,
- HIV/AIDS/TB activities being contemplated by the Centers for Disease Control (CDC)
- The Naval Medical Research Unit (NAMRU).

Annex 1 provides the Scope of Work.

3. Summary of activities

The team members had discussions with the Secretary of State for Health, the Director General for Health, the Secretary General of the National AIDS Authority, the Mission Director of USAID/Cambodia and USAID/OPH staff. The team members further met with representatives of FHI, CARE and KHANA to discuss current activities in Cambodia. Extensive discussions were also held with staff of CENAT and NCHADS. Team members discussed WHO support with the acting WHO representative and ADB support with the ADB representative. In Phnom Penh a member of the team visited the Sihanouk Hospital Center for Hope, the National Institute of Public Health [NIPH] and the Sihanouk Hospital.

Team members participated in an Inter Agency Coordinating Committee meeting at CENAT and in the First National Workshop on Health Strategy Development for 2003-2007, held at the Ministry of Health on 21 and 22 January 2002.

Together with USAID and CENAT staff, the team members divided into three subteams and were able to visit Bantey Meanchey, Siem Reap, Kampong Chhnang, Takeo, Kampong Som and Kampong Speu provinces. Debriefing sessions were held with NTP and USAID core staff and the State Secretary for Health, Dr. Mum Bun Heng.

Annex 2 provides a list of persons met; Annex 3 the detailed itinerary of the visit; and Annex 4 the summary reports of the three field visits.

4. Summary of findings

4.1 The burden of Tuberculosis in Cambodia

Cambodia is among the 23 countries in the world with a high burden of TB; these countries together comprise 80% of the global TB burden. Currently the annual incidence of all forms of TB combined is estimated at 540 cases per 100,000 population and that of smear-positive pulmonary TB is 241 cases per 100,000 population. It is estimated that 64% of the population is infected with *Mycobacterium tuberculosis* and that 90 per 100,000 Cambodians die of TB annually².

² National Health Strategic Plan for Tuberculosis Control 2001-2005. National Center for Tuberculosis and Leprosy Control (CENAT). November 2001. Page 3

Related to the growing HIV epidemic, HIV seroprevalence among TB patients increased steadily from 2.5% in 1995 to 7.9% in 1999. Due to the HIV epidemic, the increasing population, and expanding national TB case-finding efforts, the number of TB cases will double in the next five years.

The burden of TB in Cambodia is the highest in the region and comparable to the size of the TB problem in HIV affected sub-Saharan African countries with high TB prevalence. The TB burden has a serious impact on the socioeconomic development of Cambodia; TB predominantly affects young people in the productive years of their lives, mothers of families, and in particular the poor. As a chronic infectious disease causing high morbidity and mortality, TB is a main cause of poverty itself by incurring high expenditures on affected families.

4.2 The NTP of Cambodia

The National Tuberculosis Control Program (NTP) was established in 1980, and from 1980 to 1993, the program implemented long-term TB treatment strategies. In 1994, the government adopted the DOTS strategy and the following year the National Committee for TB control was established. The committee is headed by the Prime Minister, which clearly demonstrates the government's political commitment.

Before the implementation of the Health Coverage Plan (see below), TB diagnosis and treatment was centralized in 21 provincial hospitals and 121 district hospitals. Following the implementation of the HCP, the NTP was reorganized based on the creation of 73 Operational Districts. In 1999, the program piloted decentralization of DOTS to the health center level in 9 Health Centers (7 ODs from 3 provinces). The pilot program covered a population of 108,000.

Based on the success of the pilot program, the NTP expanded DOTS to 298 HCs in 27 ODs during the period 2000-2001, covering 47% of the 632 functional HCs in Cambodia. In 2002, the NTP plans to expand DOTS to 30 additional HCs in the initial 27 pilot ODs, as well as to 242 HCs in 24 other ODs.

When the NTP achieves its objective by the end of 2002 a total of 570 HCs in 51 ODs will be covered, i.e. 90% of the functional HCs in the country.

In addition to the table below, [Annex 5](#) shows the HC DOTS expansion plan by OD, HC and year of implementation.

	1999	2000	2001	2002 (Pending)	2003 (Pending)
# of Health Centers with DOTS	9	61	291	563	720
# of ODs with DOTS Programs	0	4	31	51	63
of Provinces with DOTS programs	0	4	14	16	20
Estimated Population covered	108,000	750,000	4,000,000	7,200,000	9,000,000

In Phnom Penh, the NTP has provided DOTS home care since 1994, which covered a population of 550,000 in 1998 (last estimate).

In Cambodia, all TB patients receive monthly food supplies (15 kg of rice, 900 grams of vegetable oil, and canned fish) from the World Food Program (WFP).

At the National level, a team of 15 staff is responsible for the implementation of the program. The central team is directly involved in the introduction of DOTS at the HC level in the ODs. At the provincial level, TB supervisors are responsible for supervision of the ODs, and OD TB supervisors supervise the HCs, that provide DOTS. The previous TB units in 66 referral hospitals and 75 former district hospitals (FDH) provide diagnosis by direct microscopy. X-ray facilities are only available in specialized hospitals in the main cities.

4.3 Results of case-finding and treatment

During the 1980's, the case-notification rate of smear-positive new and relapse cases fluctuated around 95/100,000 population. After the introduction of the DOTS strategy in 1994 the rate gradually increased from about 120/100,000 to 130/100,000 in 1999 and 126/100,000 in 2000. The notification rates of smear-positive cases per 100,000 population in 1999 varied considerably by province. One third of the provinces reported rates over 150. Kampong Speu, Svay Rieng, Kampong Chhnang, Kandal, Kampong Thom and Prey Veng provinces reported the highest rates. In one-third of the provinces the rate was 85/100,000 or lower. Pailin, Preah Vihear, Ratanakiri and Koh Kong provinces reported the lowest rates. See [Annex 7](#) for more detail.

In 1999, 4% of cases notified were smear-negative pulmonary TB and 10% were extra-pulmonary TB (EPTB). The proportion of suspects with sputum smear positive results in Cambodia was very high in 2000 at 33.6%³. Quality control of smears shows that 5.5% of smears by routine laboratories were false positive and 5.3% false negative.

During the period 1996-1999 the NTP started 49,427 new smear-positive cases on DOTS. The overall cure-rate achieved during this period was 90%, well above the WHO target of 85%. During the same period 2,681 smear-positive cases were treated with the WHO-recommended retreatment regimen; the cure-rate in this group was 88%. The fatality rate in new cases was low at 2% to 3%. The default rate was low as well at 2% to 3%. See [Annex 8](#) for more detail.

In 2000 and 2001 the first round National Drug Resistance Surveillance (NDRS) was carried out. The results have shown total resistance of 9.8% (CI 7.3-12.3) in new cases and no MDR resistance. Total resistance in previously treated cases is 16.5% (CI 10.2-22.8) and MDR is 3.1% (CI 0.7-8.9).⁴

[Annex 6](#) provides NTP case-notifications and rates during the period 1982 – 2000.

³ NTP Tuberculosis Report 2000, page 8.

⁴ Unpublished data from the JICA National TB Control Project. (Not for wider circulation till published)

4.4 NTP financing and collaborating partners

During the current plan period, the NTP received external support from the following collaborating partners.

- JICA under a five year agreement running from August 1999 through July 2004. The average annual support concerns US\$300,000 for operational costs and US\$ 250,000 for equipment, totaling some US\$2.75 million for the entire period.
- Additional JICA support for training of NTP staff in Japan and the salaries of three expatriate technical assistants.
- Other support through JICA is from RIT in Japan for research projects such as the NDRS.
- JICA has also provided funds to NGOs like KHANA, CHC, and SHARE, for smaller projects involving TB activities.
- Japanese Grant funds have been provided for the construction of the new CENAT building in Phnom Penh and three new TB units in one province and the Japanese Embassy has provided funds for the construction of TB wards in various places. The Japanese government is considering providing more funds in the future for the rehabilitation of 2 to 3 FDHs or RHs per year.
- The Japanese Foundation for AIDS prevention provided US\$42,000 for research projects in 2000-2001.
- The Japanese Ministry of Health provided the program in 2001 with US\$300,000 to support the DOTS expansion program. The funds are channeled via WPRO and the WHO country office to the NTP.
- The World Bank Disease Control and Health Development Project, which was approved in December 1996 and runs through December 2002, includes support to the NTP of US\$2.1 million (after 17.5% depreciation). The budget provides for equipment and management support to both national and provincial levels. Funds are disbursed by the PCU on request of the PUs as aggregate installments for HIV/AIDS, malaria and TB control activities. Over the last several years considerable underspending has occurred. As of December 2001 US\$1.16 million remained unspent.
- The World Food Program is a major donor to the NTP providing food aid to TB patients at the value of about US\$1.5 million per year.
- USAID has supported the NTP through FHI in developing IEC materials.
- Unquantified Government finances for salaries, infrastructure and operational costs at the service delivery level. Some 15% of the World Bank project is through government counterpart funds.

4.5 NTP strategic plan 2001-2005

During 2001, the NTP developed two important documents laying out the policies and strategies for the program for the period 2001-2005:

- National Health Policies and Strategies for Tuberculosis Control in the Kingdom of Cambodia 2001-2005. Published in July 2001.

The main purpose of this document is to provide policy and strategy directions of the MoH. The directions mainly focus on the management structure, service provision, health information

system, IEC, research, investment, drugs, financing and partnership development in line with the overall national health policies, strategies and the health sector reform. A working group was set up under the Chairmanship of the Director General of Health Services, with members from CENAT and the Communicable Diseases Control department. Technical assistance was provided by JICA, WB, WHO, Medicam and USAID.

- National Health Strategic Plan for Tuberculosis Control 2001-2005. Published in November 2001.

This strategic plan describes ten major outputs with related main strategies, objectives and activities to achieve the major objectives of the NTP. The overall objectives are to ensure equity and access to TB services and to maintain a high cure rate of more than 85% and a high case detection rate of at least 70% by the end of 2005.

The ten main outputs are:

1. Policies, Plans and Guidelines
2. Capacity Building and Human Resources Development
3. Financing
4. Drugs and Consumables
5. Service Provision
6. DOTS expansion to Health Center Level
7. IEC and Advocacy
8. Information System
9. Research
10. Partnership

4.6 The size and trend of the HIV epidemic and the TB/HIV profile

Since the identification of the first case of HIV in 1991, it is estimated that out of a population of 11 million, Cambodia currently has approximately 169,000 people living with HIV/AIDS. Although the estimated prevalence among adults aged 15-49 has shown a gradual decline from 3.9% in 1997 to 2.8% in 2001, Cambodia is still the worst affected country in the region. Among the general population, prevalence levels are about 50% higher in men than in women. The infection prevalence among pregnant women tested in ANC clinics was 2.3% in 2000. Notable perinatal or mother to child transmission has been reported and higher levels of infection are suspected. In 2000 a household survey conducted in 5 provinces found that the prevalence rate among males was 1.8% and among females 1.2%. On the whole, infection rates are much higher in urban than in rural areas. The geographical focus of the epidemic is in Phnom Penh and provinces bordering Thailand, especially in the northwestern parts of the country.

Co-infection with HIV increases the likelihood that a person with TB infection will progress to active TB disease from 5-10% over the person's lifetime to 5-10% per year. Current estimates are that nearly two-thirds of the population of Cambodia is infected with TB, and approximately 170,000 persons in the country are infected with HIV. Additionally, the HIV seroprevalence among TB patients increased from 2.5% in 1995 to 8.9% in 2000. Given the considerable

overlap of populations at risk for TB and HIV infection, the growing number of TB and HIV co-infected persons in the country will continue to increase the country's TB case burden substantially over the next 5-10 years. The NTP priorities of rapid DOTS expansion and increased TB case-finding efforts, the effects of HIV and a population growth rate of 2.5% per year, could result in more than 50,000 additional TB cases during the next 10 years above the existing case burden the NTP currently handles.

4.7 NCHADS and NAA policy and strategy

National AIDS Authority (NAA)

The Royal Cambodian Government established the NAA in 1999 to develop a broad multi-sectoral response to the growing HIV epidemic. According to the National Strategic Framework, the NAA is responsible for coordination of an expanded approach to the epidemic across all sectors, is chaired by the Minister of Health, and reports directly to the Prime Minister. It operates through a Central Committee made up of the Secretaries of State from twelve line ministries and has Provincial AIDS Committees (PACs), chaired by provincial governors, which set policy and co-ordinate the national response at the provincial level. In the *National Strategic Framework for a Comprehensive and Multi-sectoral Response to HIV/AIDS 2001-2005*, specific goals for the national response to the HIV epidemic are:

- to reduce new HIV infections
- to provide care and support to those people living with and affected by HIV/AIDS
- to alleviate the socioeconomic and human impact of AIDS on the individual, the family, community and society.

Regarding its potential role in helping to address the need for an integrated response to issues of TB/HIV, the NAA has set priorities to strengthen and expand effective actions for care and support proven to be effective and to pilot "new" interventions as part of its core strategies. The objectives for this strategy are:

- to ensure that appropriate care and support services are strengthened and available to all people living with HIV/AIDS and their families
- to ensure the strengthening and expansion of existing care and support programs (including home-based care, institutional care, and treatment for opportunistic infections such as TB)
- to ensure community support for children and adolescents affected by HIV/AIDS.

With continued support from the highest levels of government and consistent funding, the NAA could play a key role, particularly through the PACs, in coordinating and integrating services for TB and HIV/AIDS at the provincial level.

Ministry of Health (MOH)

The MOH is committed to addressing the growing issues of TB/HIV by developing an integrated approach to providing HIV/AIDS and TB prevention and care services. This commitment is demonstrated in both the HIV/AIDS and the national TB programs, respectively. The National Center for HIV/AIDS, Dermatology and STD (NCHADS) of the MOH is responsible for the

health sector's response to HIV/AIDS and has outlined the following priorities in their *Strategic Plan for HIV/AIDS and STI Prevention and Care in Cambodia, 2001-2005*:

- integrate vertical programs including HIV/AIDS and TB
- ensure that drugs for opportunistic infections (like TB) are available for HIV/AIDS care services
- disseminate national guidelines and protocols on HIV/AIDS management throughout the country (including the management of TB), and ensure that all health workers dealing with HIV/AIDS in the public sector are trained in the use of the guidelines
- support networks and associations of persons living with AIDS to improve utilization of AIDS care services
- conduct annual HIV prevalence surveillance among TB patients as part of the ongoing HIV Sentinel Surveillance (HSS) activity

Likewise, the National Tuberculosis Control Program (NTP) under the Center for Tuberculosis and Leprosy (CENAT) of the MOH outlined the following priorities in its *National Health Strategic Plan for Tuberculosis Control, 2001-2005*:

- develop, in collaboration with NCHADS, specific strategies for addressing TB/HIV issues, and to formulate and implement action plan to reflect these strategies
- determine the circumstances under which chemoprophylaxis for TB will be provided to some target groups such as people living with HIV/AIDS
- mobilize resources for the management of TB/HIV patients
- promote NGO and community involvement in certain aspects of TB control
- collaborate with NCHADS to organize the HIV seroprevalence survey among TB patients
- organize operational research such as preventive therapy for HIV infected people, clinical studies, tuberculosis mortality survey, etc.

To initiate the process of coordinating activities of the two vertical programs for TB/HIV, in 2001 the MOH formed a national working group comprised of high-level staff of NCHADS and CENAT to develop the framework and action plan. The working group currently meets on a monthly basis to exchange information and to discuss general programmatic issues related to TB/HIV and creating linkages between the two programs. Additionally, the MOH in 2001 staged a JICA-supported TB/HIV symposium with staff of both programs from the central level and with NGOs to provide information on the specific effects of the two combined epidemics. However, to date, the framework and strategic plan for an integrated approach to TB/HIV have not been developed.

Ultimately, the ability of the MOH, through the NTP and NCHADS, to address the added morbidity and mortality from TB among HIV/AIDS patients will depend strongly on integrated service delivery at the district referral hospitals, at health centers, through health center outreach to villages, and through home-based care programs. Expanding partnership with NGOs currently supporting and strengthening health services at these levels will be essential to this process.

4.8 NCHADS collaborating partners

Non-governmental Organizations (NGOs)

Currently, several NGOs are involved in health service delivery for TB patients and HIV/AIDS patients both in Phnom Penh and in distant provinces. Their activities include activities such as supporting referral hospitals with TB and HIV/AIDS services, health centers for general health care and DOTS delivery for TB treatment, and home-based care projects for AIDS patients. These NGOs would be natural partners for the NTP and NCHADS to include in the process of developing the framework and action plan for TB/HIV and for the actual process of implementation and expansion. Examples of NGOs providing TB/HIV linkages include:

1. Caritas Cambodia

Caritas Cambodia currently supports seven health centers in Siem Reap OD in Siem Reap Province. It specifically supports DOTS at three of the seven health centers including offering inpatient TB care, smear microscopy for TB diagnosis, staff training and re-training for TB, and transportation for health center staff to track patients interrupting treatment. Additionally, it supports an HIV/AIDS home care program for Siem Reap City at Po-Mean-Chey health center. Home-based DOTS for AIDS patients with TB is offered through the home care program in coordination with the TB Provincial Director. Caritas has capacity to assist with further expansion of DOTS and TB/HIV service integration in the OD.

2. CARE

CARE currently supports eleven health centers in Banthey Meanchey Province and specifically supports DOTS activities in eight of these health centers. The activities include training and retraining of health center staff on TB management and DOTS delivery, patient counseling on TB, and feedback committee training on TB issues such as compliance. CARE is also involved in supporting HIV activities in Poipet where rates of HIV transmission are high due primarily to the presence of casinos, twenty brothels, and a highly mobile population. CARE manages a home-based care program in Poipet recently inherited from MSF-Holland. Activities of this program are less focused on clinical care and more focused on social support for patients and their families and teaching families to care for patients. CARE will be working in close conjunction with FHI who will undertake more of the clinical care activities for patients in the program. All activities are closely coordinated with provincial and operational district health authorities following existing national guidelines from the MoH. CARE also supports DOTS in 11 health centers in Kampong Chhnang provinces.

3. Sihanouk Hospital Center of HOPE Hospital (SHCH)

SHCH is an NGO-supervised hospital in Phnom Penh that provides free medical and surgical care for Cambodians, primarily for the poorest of the poor. Nearly half of the presenting patients come from provinces away from Phnom Penh. SHCH began formal co-operation with the NTP in August of 2001 to solidify management of TB patients, particularly those transferring back to the provinces while still under active treatment. However, it has been caring for a large number of TB patients, particularly TB patients with HIV infection, for several years. Staff in the SHCH TB clinic received training from the NTP to begin its ambulatory and home care TB DOTS program. Home care team staff and volunteers facilitate case detection and treatment monitoring in the community with special focus on persons living with HIV/AIDS. Patients receiving TB care at SHCHs TB clinic or through its home care network have access to all medical and

surgical care services of the hospital. Additionally, patients under TB treatment in the ambulatory clinic have access to transportation to the clinic during the 2 months of intensive phase therapy, and SHCH makes foodstuffs available to TB patients through the World Food Program. SHCH would have capacity for expansion. SHCH is an ideal model of how TB/HIV services could be offered at the level of a referral hospital.

4. Khmer HIV/AIDS National Alliance (KHANA)

KHANA works as a contracting agency with 40 local NGOs across Cambodia. It directly supports several home care teams in Phnom Penh and some in other provincial areas. Each team is comprised of home health aides and part time nurses. The teams provide counseling and support for persons living with HIV/AIDS and their families, basic care, basic medical treatment of symptoms, DOTS for patients with TB, training for care givers, referral and transport for medical treatment and for HIV testing, and food and housing support on a limited basis. Each team manages approximately 80-90 patients. KHANA has had a closely coordinated working relationship with NCHADS and has been increasing its coordinated activities with CENAT and the NTP. Because of its relationship with an extensive network of local NGOs operating in Cambodia, KHANA would be an excellent partner for the MOH in addressing TB/HIV issues.

5. Family Health International (FHI)

FHI has been a working partner with the NTP and has identified TB/HIV as a key priority in its activities to support the NTP with DOTS expansion and NCHADS with expanding HIV/AIDS services. In collaboration with the NTP, NCHADS, international TB organizations, and other NGOs, it has performed cross-training for home-based DOTS and HIV home-based care teams, performed community-based sputum smear microscopy surveys of HIV-infected persons, research on health-seeking behaviors and attitudes towards TB, and IEC development for promoting DOTS. Additionally, FHI is piloting an isoniazid preventive therapy project among HIV-infected persons in Battambang province and is continuing to strengthen IEC for the NTP and to support TB care projects among HIV-infected persons. It has developed a proposal based on the availability of future funding that focuses on provinces with high HIV prevalence for TB/HIV activities. FHI would promote voluntary testing and counseling in these provinces. Among persons identified with HIV, counseling on TB would be provided, as would voluntary TB screening, DOTS for active TB, and isoniazid preventive therapy for persons with HIV and TB infection but without active TB disease.

6. Preah Sihanouk Hospital (PSH)

PSH has a 60-bed dedicated AIDS ward opened in 1997 with the support of MSF-France. It provides good treatment of opportunistic infections, but is limited by its laboratory facilities and Drug supply. PSH has good social support services and linkages with NGO community groups, including KHANA. In addition, it receives many referrals from Sihanouk Hospital Center of HOPE. A fee of 5,000 riel per day (US\$1.25) is requested for inpatient care, but 90% of patients receive care for free. There is good follow up of patients on treatment, maintenance therapy, and prophylaxis for opportunistic infections such as cryptococcal meningitis; however, the referral process for hospitalized patients with active TB, many of whom are smear-negative at the time of diagnosis or have extra-pulmonary TB, is weak. This situation brings to light inherent issues of diagnosing and managing TB in persons with HIV/AIDS in the context of the national strategy of DOTS expansion and increased detection of smear-positive TB cases. The experience of PSH

in treating AIDS and managing TB in AIDS patients would be highly valuable for the process of developing the framework and action plan for TB/HIV.

4.9 Health Sector Development

Through health sector development, the MOH aims “to improve the health of the Cambodian people and contribute to their productivity and social development through increased access and utilization of essential health services, whether the public or private sector delivers those services”.

Under organizational reform (which was started in 1997 and implemented under Project Phases I and II), the Health Coverage Plan provides the criteria used to locate public health facilities within the district-based health care system. These criteria indicate that a Health Center (HC) should be within 10km, or two hours walk, to cover an optimal population of 10,000. Each HC is under an Operational District (OD) and linked to a Referral Hospital (RH) that covers between 100,000 and 200,000 people. The service package that has been defined for HC’s is the Minimum Package of Activities (MPA) and for RHs it is the Complimentary Package of Activities (CPA).

4.10 Health Sector Financing

Under budget reform, the Government health budget expenditure has increased from US\$1.00 per capita in 1998 to US\$2.10 per capita in 2000 and it is aimed to increase this to US\$4.40 per capita by 2003. A major obstacle to the delivery of public health services is the under-funded health sector. Household spending on health care is approximately US\$29.00 per year, which is 11% of the GDP and one of the highest household contributions to health in the world. External donors contribute about US\$5.00 per capita per year to health in Cambodia.

Two budget decentralization initiatives have been introduced: the Accelerated Development District (ADD) in 1996 and the Priority Action Program (PAP) in September 2000. The ADD is a transitional cash advance system designed to give program managers in the provinces greater certainty about the level of funding available to them and greater flexibility in the use of their funds. The Priority Action Program (PAP) was introduced by the Ministry of Economy and Finance to improve the health sector’s access to government funding and increase the efficiency and effectiveness of public expenditure. The project provided support to the MOH for introduction and monitoring of PAP in 7 pilot provinces. ADD and PAP have initiated a change in the management culture at the district level with evidence of delegated authority and responsibility and the allocation of government funds has been rationalized through a budget allocation formula for the ODs.

Under financial reform, pilot studies have been set-up to assess the Contracting – Out and the New Deal strategies. Pilot studies on Contracting-Out are underway in two ODs, where the contractor has autonomy to manage OD Health Services with full control over staffing and budget. The New Deal approach is being followed in two ODs and Takeo Hospital in Takeo province. New Deal means setting-up transparent and accountable management systems with

increased control over staffing and budget. Wages are performance-based and are funded by Government, donors and revenues from user fees.

The MOH, with the cooperation of the Health Sector Reform Phase III (HSR III) Project, has developed a strategy to overcome “obstacles” to improving the delivery of public health services and outcomes. This strategy is referred to as the Boosting Strategy. Overall, this strategy focuses on (1) ensuring access to sufficient financial and human resources, (2) improving management of resources, and (3) increasing demand for and utilization of services. Reforms have also been implemented in the areas of organization, public administration, budgeting and financing and Phase IV of the Health Sector Reform Project is currently under development.

4.11 Collaborating Partners of the Ministry of Health

The MOH and many donors recognize that the health problems of Cambodia cannot be addressed successfully if all parties and programs work in isolation. Existing donor coordinating mechanisms like COCOM, which have been highly successful, concentrate on programmatic issues, but do not deal adequately with the coordination of overall strategies, policies or financial resources. As an initial measure to improve donor coordination, the MOH aims to use the Sector Wide Management (SWiM)⁵ system to promote broad government and donor agreement on and commitment to a common set of sector goals and strategies. Donors in the Health Sector Reform Project Phase III include DFID, the Dutch Government, NORAD, UNDP, UNFPA and WHO. AusAID, GTZ, ADB and Belgian Co-operation have shown interest in implementation of the Boosting Strategy in their future support to the health sector in Cambodia. UNICEF has also supported health sector strategy development.

4.12 WHO and Health Sector Reform

WHO has been one of the leading partners of the MOH in the health sector reform process and provided US\$753,000 funding from 1998 to 2001. The team leader for the Health Sector Reform project is currently located within WHO. The HSR III Project (1998 – 2001) of the MOH aimed to reduce poverty in Cambodia through the development of quality basic health services, particularly in rural areas. The project was implemented jointly with WHO and other partners following Phases I and II of the Strengthening Health Systems project. The end point of the project was the development of a Health Sector Master Plan and Medium Term Expenditure Framework as part of the MOH-led process of improving SWiM. WHO will continue to be a key partner in Phase IV of the Health Sector Reform Project.

4.13 Strategic Framework of the Health Sector, 2003 – 2007

A Draft “National Strategic Plan for Communicable Disease Control 2001 – 2005” has been developed clarifying the roles of the Communicable Disease Control (CDC) Department of the MOH, disease control programs, national institutions and ODS. A joint health sector review for the period 2001 – 2005 has also been conducted and the MOH is engaged in preparations for the design of the health sector program for 2003 – 2007. This will include a common strategy and

⁵ SwiM: “...is a new way for the Ministry of Health to manage the health sector, and for the MoH, donors and stakeholders to work together to achieve better results and better health for the Cambodian people.”

national health master plan that summarizes all government and donor inputs through a consultative process. A key component of the sector program will be a medium-term expenditure framework that indicates the cost of different plan components and their resource allocations by year.

As a part of the health sector planning process, the First National Workshop on Health Sector Strategy, 2003 – 2007 was convened by the MOH from January 21-22, 2002 to review the strategic planning options identified during the joint health sector review. At the workshop, five Working Groups were formed (and a sixth contemplated for Institutional Development). The five groups are: Health Service Delivery, Health Financing, Behavioral Change Communication, Quality Improvement, and Human Resources Development. These working groups will help guide and inform the overall strategic planning process. The MOH considers the development of a national health strategy as the key to ensuring sustainable health system development, within the framework of the SWiM philosophy.

4.14 USAID/Cambodia-funded partner's current TB activities

The prevention and control of TB is not explicitly addressed in the current USAID strategy which ends in October 2002. However, several USAID CA's are providing support to Health Centers (see field reports), some of which participated in the HC DOTS pilots, and all of which may be expected to incorporate DOTS in their range of services in the near future, with the training and TA needs this entails.

FHI/Impact has provided a small subgrant to an NGO, Servants to Asia's Poor, to pilot the home delivery of DOTS to PLWHA in Phnom Penh. KHANA has proposed similar activities through several of its partner LNGOs. In addition, CARE has included DOTS in their existing programs. FHI/Impact conducted and disseminated a study of TB health seeking behavior among the urban poor: "Ideas, Attitudes and Tuberculosis Treatment-seeking Behavior among AIDS and Tuberculosis Patients in Phnom Penh, Cambodia". FHI/Impact conducted two studies concerning traditional healers and pharmacists and TB care: "Traditional Healers and Tuberculosis Care in Phnom Penh, Cambodia" and "Pharmacists: The Front Line in Providing Tuberculosis Care in Phnom Penh, Cambodia".

4.15 USAID/ANE TB assistance to Cambodia

HIV/TB Model project to address TB and HIV co-infection among PLWHA. In Cambodia, the care objective of the ANE strategy, with ANE funding, has supported FHI/Impact to implement a pilot collaborative project with Gorgas Memorial Institute, the University of Alabama Birmingham, to address the problem of low TB case-detection in Cambodia. The Tuberculosis Expanded Response and Access Project (TB ERA) has been working with the NTP to: (1) assess the impact of TB among disadvantaged populations in Phnom Penh, including HIV-infected and chronically ill persons serviced by a home-care network (KHANA and World Vision); and (2) improve access to TB care by linking public TB services with selected groups using innovative approaches through existing community structures. In addition, the project is conducting qualitative research to develop BCC materials to be used by local leaders and NGOs to promote awareness of TB symptoms, diagnosis and treatment options in the community.

The above studies were funded by ANE through support to the FHI Asia Regional Office, Bangkok (FHI/ARO). Other components of FHI/ARO support to Cambodia are:

- HIV/AIDS surveillance strengthening in collaboration with NCHADS
- Care and support and PLWHA through the Asia Pacific Council of AIDS Services Organizations (APASCO)
- Regional capacity building strategy and program
- Cross-border STD/HIV interventions in collaboration with CARE International

The ANE Regional HIV/AIDS and Infectious Diseases program, approved in June 2000, focuses on strengthening surveillance systems and linkages between countries to respond to HIV/AIDS and infectious diseases. While the strategy seeks to phase out activities in USAID-presence countries, the strategy states that it will continue to focus on multi-country linkages and supporting and improving countries capacity to respond to epidemics. [Note: due to the on-going reorganization within USAID/W, there may be changes in this strategy and funding sources between ANE and BGH.]

4.16 USAID/Cambodia's Interim PHN Strategy: 2002-2005

USAID/Cambodia finalized the mission's follow-on 3-year Interim PHN Strategy – 2002-2005 in late 2001. The strategy, with three year funding levels, was just approved by USAID/W in January 2002. The strategy builds on past and current USAID assistance to Cambodia. The mission's new Strategic Objective is: *Increased Use of High Impact HIV/AIDS and Family Health Services and Appropriate Health-Seeking Behaviors.*

This strategic objective will be supported by four interconnected Intermediate Results:

- 1) Increased access to information and services;
- 2) Strengthened capability of individuals, families and communities to protect and provide for their own health;
- 3) Improved quality of information and services; and,
- 4) Improved capacity of health systems.

The mission strategy, as it is more fully articulated during the design process, will address potential synergies in PHN activities, such as those between tuberculosis and HIV/AIDS.

Four principles guided the development of the strategy:

- 1) Working closely with the Cambodian and other donor partners under the umbrella of RGC national policies and strategies;
- 2) Integrating HIV/AIDS and RH/MCH health education and service delivery programs wherever feasible to build upon synergies and preserve scarce resources;
- 3) Concentrating health assistance in key provinces and operational districts to achieve a critical mass and enable Cambodians to make choices that will improve their health;
- 4) Ensuring that capacity building is part of every activity that USAID supports.

The strategic framework design team for the interim strategy did not include a plan for USAID/C to address the problem of tuberculosis when they were in Cambodia in August/September 2001 since the mission had already scheduled an expert visit in early 2002. The January 2002 Tuberculosis Coalition for Technical Assistance (TBCTA) team visit, and options from this report, will be used by USAID/C, USAID/W and CDC to address the pressing TB and TB-HIV issues in Cambodia over the next few years. While USAID/C has not yet identified specific activities for funding, its strategy is likely to support the following illustrative areas: (a) strengthening surveillance of TB including drug resistant forms of the disease; (b) improving case detection of new cases of TB, especially in people also infected with HIV; (c) maintaining high treatment success rates; (d) expanding DOTS services to lower-level health facilities; and (e) strengthening collaboration with other partners such as NCHADS, communities and NGOs.

USAID/Cambodia Funding: In late CY 2000, under a new Agency-wide expanded response to the global HIV pandemic, Cambodia was identified as one of four Rapid Scale-Up countries world-wide (and the only one outside Africa). At the same time, Cambodia was also designated as a priority country for TB control. Funding for HIV/AIDS activities increased significantly, from approximately \$2.5 million in FY 00 to approximately \$8.25 million in FY 01, while the mission received TB funds (\$1.923 million) for the first time in FY 01. In terms of HIV/AIDS and other infectious diseases, the program planning levels are approximately \$10 million per year -- approximately \$7.0 million for HIV/AIDS, \$2.0 million for TB, and \$1.0 million for other infectious diseases and children affected by AIDS. New funding projections are expected soon and may replace these planning figures.

4.17 CDC/Global AIDS Program (GAP) proposed assistance to HIV/TB activities

In 2001, Cambodia was identified as one of the countries targeted for the United States Government's (USG) response to the global problem of HIV/AIDS infection. Subsequently, in May 2001, an assessment team of technical experts from CDC conducted an in-country assessment of HIV/AIDS-related activities to determine areas in which CDC could best be involved in the delivery of HIV prevention and care services in Cambodia as part of the USG effort. The report of that team assessment, which is on file with USAID/Cambodia, delineated team observations in key HIV program areas. Among others, these areas included voluntary counseling and testing, AIDS Care, laboratory services and capacity, TB, administration and management, and monitoring and evaluation. Based on the CDC assessment, the TBCTA team made initial recommendations to be undertaken by CDC's Global AIDS Program (GAP) upon in-country placement of staff. The recommendations include:

- Strengthen laboratory capacity, especially to support HIV testing for VCT, and surveillance and care of STIs and AIDS opportunistic infections (including TB)
- Support policy and program development for blood safety, VCT, AIDS care, TB/HIV, laboratory standards, etc.
- Support national capacity in monitoring and evaluation
- Support training for capacity development
- Support behavior change and stigma reduction activities with focus on youth
- Support an integrated approach within one or two provinces and/or operational districts to strengthen linkages between and build synergy within HIV/AIDS, STI, and TB services.

With these stated priorities and activities, as well as the associated resources to be made available to support them, the CDC-GAP program for Cambodia would be a highly beneficial and effective partner – along with USAID/W (ANE and BGH) and USAID/C -- for helping to support the integration of HIV/AIDS and TB services.

5. Summary of Conclusions

5.1 SWOT NTP

The success of the WHO recommended DOTS strategy depends on the implementation of a five-point package TB control policy package:

- 1) Government commitment to a National Tuberculosis Program;
- 2) Case detection through case-finding by sputum smear microscopy examination of TB suspects in general health services;
- 3) Standardized short-course chemotherapy to, at least, all smear-positive TB cases under proper case management conditions;
- 4) Regular, uninterrupted supply of all essential anti-TB Drugs;
- 5) Monitoring system for program supervision and evaluation.

The key features of the WHO recommended NTP are:

- 1) NTP has a central unit.
- 2) NTP manual available at district level.
- 3) A recording and reporting system using standardized registers.
- 4) A training program covering all aspects of the policy package.
- 5) Nation-wide network of microscopy services in close contact with PHC services and subject to regular quality control.
- 6) Treatment services within the PHC system, with priority for directly observed Short-course chemotherapy.
- 7) Regular supply of Drugs and diagnostic materials.
- 8) Plan of supervision.
- 9) A project development plan, with budget details, funding sources, and responsibilities.

A Strengths, Weaknesses, Opportunities and Threats analysis of current NTP achievements and operations in implementing the policy package and key NTP features shows the following results:

Strengths

DOTS package:

- The strong political commitment to TB control demonstrated by the adoption of the DOTS strategy in 1994 and the establishment in 1995 of the National Committee for TB control, headed by the Prime Minister.
- The Joint Health Sector Review identified that health services should give priority to key public health services.
- TB is included in the MPA at the HC level.

- A network of 142 laboratories for direct microscopy for AFB is in place in all ODs serving on average 80,000 population per laboratory.
- In 2000 and 2001 DOTS was expanded to nearly 50% of the MPA implementing HC's in the country.
- DOTS is provided to all smear-positive cases diagnosed and the cure-rate achieved is 90%, well above the WHO target of 85%.
- Anti-TB Drugs are available without interruptions in all DOTS implementing HC's and hospitals.
- A HMIS system is in place based on laboratory registers in the diagnostic units, treatment registers in the DOTS units and OD TB registers at the OD level.
- The level of primary MDR TB in Cambodia is negligible.

Program management and planning:

- The program has a Central Unit at CENAT and clear technical guidelines.
- Policies and strategies and a Strategic Plan 2001-2005 have been developed.
- A training program is being implemented. In 2000, more than 600 HC, OD, provincial and central staffs were trained in training courses at all levels and abroad.
- A program for supervision is implemented achieving 78% of the target in 2000.
- An Inter-Agency Coordinating Committee was established in 2001.

Weaknesses

DOTS package:

- The quality of direct microscopy is inadequate in one third of the laboratories and moderate in one other third. Only one third of the laboratories perform according to the required standards.
- A high false-positive rate of 5,3% of diagnostic smears is observed.
- The proportion of smear-positive suspects is well above the levels observed in other well-established DOTS programs in high TB prevalence countries.
- For various reasons a considerable proportion of patients are diagnosed in an advanced state of disease. Contributing to this is the lack of awareness about TB, current health seeking behavior practices, low priority for using public health facilities and access to health services.
- In 2000, only 55% of Cambodians had geographical access to primary level health facilities as defined in the Health Coverage Plan, meaning they live within a 10 km radius or two-hour walk of a health center. Thus, by the end of 2001, only about a quarter of the population had access to ambulatory DOTS at the HC level. The NTP has planned to increase DOTS expansion to 90% of MPA implementing HC's by the end of 2000. Nonetheless, ambulatory DOTS will still only be in reach of about 50% of Cambodians.
- The NTP and the health services lack facilities for diagnosis of smear-negative TB. So the proportion of smear-negative TB cases started on treatment is too low.

Program management and planning:

- The capacity for planning and management of NTP staff at all levels is not yet well developed.

- Financial flows for TB control activities are complicated using different systems depending on the source of funding. In particular, World Bank funds for TB activities have been difficult to access resulting in considerable underspending.
- Although a Strategic Plan has been developed, the NTP still lacks a comprehensive development plan with measurable programmatic objectives, related activities, inputs, expected outcomes, time frame and budget showing the different sources of income per collaborating partner and activity group.
- Current planning is too centralized taking insufficiently into account the opportunity to involve the PHDs in planning and implementing DOTS at the OD level. While TB activities are included in the MPA, coordinated planning of TB control as part of the OD and provincial health plans has still to be developed.
- Current external support to the NTP relies mainly on JICA and Japanese Government support. It is not yet clear how full financing of the 2001-2005 plan will be secured.
- The Joint Sector Review concluded that National programs, while mostly effective, are poorly coordinated and integrated with other MOH functions. The review recommends strengthening the involvement of national program staff and provinces in policy and strategy health planning.

Opportunities

DOTS package:

- Opportunities to improve the quality of the laboratory network exist in a thorough assessment of factors underlying the high false positive rate and high rate of smear-positive suspects. There is no need to create additional microscopy centers as the current coverage is in accordance with IUATLD and WHO recommendations.
- DOTS coverage could be extended further into the community by introducing community based DOTS delivery systems. In view of the excellent collaboration of the MOH and a range of NGOs involved in health care delivery and community based health initiatives the NTP has an opportunity to develop such approaches in close collaboration with the NGO sector.
- The existence of FBCs, that are functioning well in some 50% of the ODs offers another opportunity to decentralize DOTS further into the community.

Program management and planning:

- The new Sector Strategy of the MOH aims at strengthening coordination with the Disease Programs. The process of developing the Strategy offers an excellent opportunity to the NTP to integrate core planning and management activities for TB control into the overall Health Strategy.
- The NTP and MOH have established strong internal and external partnerships for TB control. In particular, the WPRO Stop TB Project and the TBCTA offer new opportunities for further development of the program in regard to TA, planning and management.
- The emerging collaboration with NCHADS offers an opportunity to develop and implement a policy and strategy for care and support to HIV/TB cases and PLWHAs.

Threats

- The main threat to TB control is the emerging HIV epidemic. It is estimated that until 2005, the annual number of notifications might double as a result of the influence of HIV, the increase of the population and the effect of program expansion.
- A major challenge to the NTP is to maintain a high cure rate while decentralizing DOTS as the number of cases increases.
- Sustainability of program funding for the period 2001-2005 needs to be secured as a matter of priority.
- The quality of TB diagnosis and treatment by private health providers is uncontrolled and a potential risk in view of the development of MDR
- The introduction of user fees may have a negative influence on early reporting and diagnosis of TB in particular among the poor.
- The relative capacity and skills of health staff and low wages may affect the quality of DOTS due to lack of interest and motivation.
- The need to provide some kinds of work incentive and additional funding to ODs to ensure that DOTS is well delivered.
- The missed opportunity to actively engage in the Health Sector Strategy development process.

5.2 Health Sector Reform and the National Tuberculosis Program

To date, the main approach of the NTP has been TB treatment through hospitalization. With broader health sector reforms being undertaken by the MOH, in 2000 the NTP, in collaboration with WHO and JICA, implemented a pilot study to examine the feasibility and effectiveness of decentralized DOTS delivery at the HC level. The study was conducted in 9 HC's (4 with microscopy facilities and 5 without microscopy) of 7 ODs.

During the study, more than 90% of cases from the HC catchments successfully received DOT through the HC's. It was also shown that a case detection rate of more than 70% could be achieved (current case detection is <50%) and that DOTS implementation through HC's improved the access of women and the poor to TB services. An added benefit was that community confidence in the HC's was strengthened and health service utilization was improved. A potential disadvantage was the possibility for a decline in the quality of sputum smear microscopy. After the successful results of this pilot study, the NTP has committed to nationwide implementation of DOTS through HC's. It is planned to establish model operational districts with effective technical backup from TB Units at the Referral Hospital level and to expand DOTS to more than 250 HC's in 2002.

This process will be undertaken in collaboration with NGOs. CARE has already undertaken discussions with the NTP to provide support in HC's of five provinces for DOTS training, implementation, supervision, logistics, transportation, drug control and IEC. There is wide scope for future NGO involvement in DOTS expansion at the HC level, which could be funded through USAID. In addition, some NGOs also have a comparative advantage in the provision of ambulatory DOTS for TB/HIV co-infected patients.

In the future, the work of NGOs will require close coordination with the NTP to ensure uniform DOTS coverage throughout the country and to avoid a “piecemeal” approach. This collaboration could be facilitated through national workshops of NGOs (one such meeting has already been convened by CENAT). In addition, partner agencies could also provide increased direct program support to provincial level staff for DOTS expansion.

Baseline Demand Surveys have shown that private health providers, especially private drug stores, are often the first choice for people when ill, even for the poor. Hence, there is a need to further investigate the extent and nature of tuberculosis treatment in the private sector, particularly in urban areas, and to increase the collaboration of the private sector with the NTP in accordance with NTP policies and strategies. This issue could be addressed through operational research supported by NTP partners, including USAID.

The National Health Sector Strategy, 2003 – 2007, is currently under development. It will be important for the NTP to take an active role in this planning mechanism and integrate their strategy and plans with other major health programs, including the HIV/AIDS, in the health sector development process. Capacity building in planning and management of national and provincial TB staff could be developed by setting-up training programs within Cambodia (for example, by CDC). USAID could also fund TB staff to attend the IUATLD Hanoi training course and provide scholarships for public health degrees overseas. A detailed TB program development plan should also be prepared, including specific targets, timeframes and indicators, building on the “National Health Strategic Plan for Tuberculosis Control 2001 – 2005” which has already been drafted.

5.3 NTP strategy 2001-2005

The National Health Strategic Plan for Tuberculosis Control 2001-2005 provides a strong basis for planning and management of TB control during the plan period. The Plan addresses all of the areas described under 5.1 and 5.2. The strategy, however, needs to be translated into an implementable action plan as described above. Such a plan would serve the purpose of resource mobilization among current and potential partners interested in supporting the NTP during 2001-2005.

5.4 NTP Financing gaps

The plan estimates that between US\$0.40 to 0.50 per capita per year is needed for basic needs for TB control in Cambodia. Roughly US\$30 million will be needed for the period 2001 to 2005. This amount does not include financial requirements for food supplies from WFP. It also does not include financial input for technical assistance to the program. The budget for drugs accounts for around 20% and salaries make up 14% of the total budget required. Management, capital investment and capacity building take up 21%, 16% and 14% respectively. IEC/research/advocacy and diagnosis require 12% and 4% of the overall budget, respectively.

Funding of the 5-year plan budget has not yet been secured. JICA support at the rate of about US\$500,000 per year will continue until mid-2004.

During 2002, a mission from Japan will visit the program to advise the Japanese Government about potential grant aid to purchase TB drugs at the cost of US\$600,000 per year. Negotiations with WHO, CIDA (Canada), Japan's MOH, AUSAID and USAID are underway seeking support to subcomponents of the plan.

A proposal for support to TB control in the amount of US\$8.5 million has been prepared to be included in the Health Sector Support Project which is currently being developed by ADB/WB/DFID and the RGC. The new project would cover the period 2003-2007 and the total budget would be approximately US\$100 million, of which three quarters would be on a loan basis and one quarter provided as a grant.

WFP support will run through 2003. The NTP expects that WFP will continue support to the program in the future.

5.5 NTP-NCHADS collaboration

The MOH is committed to addressing the growing issues of TB/HIV by developing an integrated approach to providing HIV/AIDS and TB prevention and care services. To initiate the process of coordinating activities of the two vertical programs for TB/HIV, in 2001 the MOH formed a national working group comprised of high-level staff of NCHADS and CENAT to develop the framework and action plan. The working group currently meets on a monthly basis to exchange information and to discuss general programmatic issues related to TB/HIV and creating linkages between the two programs. Additionally, the MOH staged a JICA-supported TB/HIV symposium in 2001 with staff of both programs at the central level and with NGOs to provide information on the specific effects of the two combined epidemics. To date, however, the framework and strategic plan for an integrated approach to TB/HIV have yet to be developed.

6. Summary of recommendations

The overall objective of the TBCTA Team visit is to provide clear implementable recommendations to USAID/Cambodia on the most strategic use of mission TB funds in the context of the NTP, health sector reform, HIV/AIDS and the fact that Cambodia has been designated by USAID as both a "Rapid Scale-Up" country for HIV/AIDS and a priority country for TB control.

The team has formulated its recommendations in the form of options while taking into account the MoH's National Health Strategic Plan for Tuberculosis Control 2001-2005, USAID/Cambodia's Interim PHN Strategy 2002-2005, and options or opportunities for ANE Bureau and CDC [TB and GAP] interventions.

- The main goal of the NTP in Cambodia is to contribute to improving the health of the Cambodian people in order to contribute to socioeconomic and poverty reduction by reducing the morbidity and mortality rates due to TB.
- The main objectives of the NTP are to ensure equity and access to TB services and, for infectious sputum smear positive TB cases, to maintain a high cure rate of more than 85% and a high case detection rate of at least 70% by the end of 2005.

- USAID/Cambodia’s 3-year follow-on health assistance strategy supports a dual approach of: (a) rapid scale up and national level expansion of successful HIV prevention activities which change behavior and reduce transmission among high risk groups; and (b) a more comprehensive health systems strengthening approach to meeting the broader reproductive, family health and infectious disease needs of Cambodia’s largely rural population.
- USAID/Cambodia’s Strategic Objective for the PHN sector is: *Increased Use of High Impact HIV/AIDS and Family Health Services and Appropriate Health-Seeking Behaviors*. This strategic objective will be supported by four interconnected Intermediate Results: Increased access to information and services (IR1) ; Strengthened capability of individuals, families and communities to protect and provide for their own health (IR2); Improved quality of information and services (IR3); and Improved capacity of health systems (IR4).

The following recommendations are grouped according to the sequence of ten “Outputs” described in the NTP strategic plan entitled “National Health Strategic Plan for Tuberculosis Control 2001 – 2005, dated November 2001 [pages 6 – 15]. The support which is suggested to USAID relates directly to activities described under the main objectives and activities related to the respective output. For each option: (1) potential collaborating partners are suggested; (2) a tentative costing provided; and (3) a funding mechanism(s) is suggested.

6.1 Policies, Plans and Guidelines (Output 1)

NTP Activity: “ *To develop, with NCHADS, specific strategies addressing TB/HIV issues and to formulate and implement action plan to reflect these strategies*”.

To assist the MoH in developing the framework and action plan for coordinating activities of the NTP and NCHADS to integrate HIV/AIDS and TB services, the team recommends, as an initial step, conducting a workshop for developing collaborative TB and HIV/AIDS program activities. The specific objectives would be:

- to promote collaborative implementation of TB and HIV/AIDS control activities between NTP and NCHADS
- to identify resources and effective partnerships (NGOs) to support the joint interventions
- to develop specific proposals and plans of work for phased implementation of collaborative TB and HIV/AIDS program activities (referral system for screening, home-based DOTS care, preventive therapy, etc.).

The expected outcomes of the workshop would be:

- documentation of rationale and evidence for implementation of TB and HIV/AIDS collaborative activities
- fostered networking and on-going communication and collaboration among the NTP and NCHADS
- identification of potential resources and partners (NGOs, CDC-GAP) to support collaborative HIV/AIDS and TB program activities
- Specific proposals and a work plan for phased implementation of collaborative TB and HIV/AIDS program activities.

Specific activities for consideration might include:

- supporting and strengthening on-going annual HIV seroprevalence surveillance among TB patients to follow trends
- development of a referral system pilot project including VCT referral for TB patients and referral for TB screening for persons with HIV identified by VCT centers
- TB education for persons living with HIV/AIDS
- provision of TB preventive therapy for persons with HIV
- home-based DOTS delivery for AIDS patients with active TB
- TB/HIV linking activities conducted by local/internat. NGOs following the workshop

Suggested participants for the workshop would include:

- staff from the policy-making level of the NAA, MoH, NTP, and NCHADS
- staff from potential NGOs with experience in providing TB and HIV/AIDS services in Cambodia, including Caritas Cambodia, CARE, Sihanouk Hospital Center of HOPE Hospital, KHANA, FHI, and Preah Sihanouk Hospital, etc.
- Relevant local/international NGOs [6.1.2]
- staff from selected provincial and operational district health departments where projects might be piloted [implemented and monitored for expansion]

Collaborating partners

Potential organizers and facilitators for the workshop would be advisors from the TBCTA including WHO-WPRO, and CDC's Division of TB Elimination, and from JATA/JICA/RIT. The workshop would be prepared and organized in close collaboration with the TB/HIV working group of the Stop TB Partnership, ProTest and UNAIDS. In addition, relevant local/international NGOs will be funded to generate TB/HIV linking activities following the workshop.

Suggested funding mechanism(s): (1) USAID/C provide Field Support funds to USAID/Washington's Interagency Agreement with CDC [6.1.1]. (2) USAID/C obligate funds into local Cooperative Agreements with relevant partners [6.1.2].

Costs

6.1.1 US\$ 50,000 in FY 2002

6.1.2 US\$ 200,000 in FY 2003 (for support to local/international NGOs for potential TB/HIV linking activities following the workshop)

6.2 Capacity building and Human Resource Development (Output 2)

NTP Activity: “ *To organize training workshops on management, data analysis and interpretation, advocacy, social mobilization etc.*”.

The proposal aims at increasing the capacity of planning and management of TB program activities at national, provincial and operational district levels. It is recommended to widen the scope of the proposed training program to HIV/AIDS managers at the three levels as well as to include general health staff responsible for health planning at the provincial and operational district level in view of further integration of disease specific program activities at these levels.

It is proposed to develop a disease control training module which would integrate general health management and disease control specific principles, in particular in regard to TB and HIV/AIDS. Ideally, the development of such modules would be contracted out to a local organization with experience in training of Cambodian staff, e.g. the NIPH, which has developed a health services management training curriculum/module for training of Cambodian staff for the PHDs and operational districts.

To ensure adequate technical content, the local organization would receive both external and local technical assistance from TB and HIV/AIDS control experts. External assistance would be provided by TBCTA, in particular through its Training Task Force. The Task Force combines the training experience of the TBCTA partners -- WHO, IUATLD, KNCV and CDC, in particular.

CDC's experience with their "Hanoi course" established a successful health management training program for provincial TB managers which could serve as a model for developing a similar program in Cambodia. CDC, in collaboration with Cambodia's National Public Health Institute and NTP, could develop a similar course/program in Cambodia.

In view of the limited skills in English it would be useful to translate into Khmer the recently revised WHO module for TB control at the district level. The module would serve the basic technical requirements for TB control which would need to be incorporated in the training curriculum of the new program to be developed by the local organization.

The training program would provide more specialized health management training abroad for selected staff, in particular for those from national and provincial levels. CDC also offers a three month training course in Atlanta as a follow up to its training program in Vietnam. Alternatively, and certainly more proximate to Cambodia, the NIPH has a close collaboration with Mahidol University in Thailand, which offers short term training courses in public health.

Collaborating partners

TBCTA Training Task Force (WPRO, IUATLD, KNCV, CDC) NIPH, NCHADS, NTP

Suggested funding mechanism(s): (1) USAID/C provide Field Support funds to KNCV/TBCTA's Cooperative Agreement [6.2.2]; (2) USAID/C provide Field Support funds through USAID/Washington's Inter-agency agreement with CDC/A [i.e., 6.2.1 and 6.2.3].

Costing

6.2.1 US\$ 25,000 for development of module in FY 2003

6.2.2 US\$ 100,000 for 2 x 3 months courses with 20 participants each per year
(Total \$300,000 for FY 2003-2005)

6.2.3. US\$ 50,000 for follow-up courses for 5 students per year to CDC Atlanta and/or Mahidol University, Thailand (Total \$150,000 for FY 2003-2005)

NTP Activity: " To send key staff for long and short term training including Masters Degree courses".

- IUATLD TB control training course in Hanoi

IUATLD offers a 3 week TB control training course in Hanoi. This course will be held once in 2002 and twice in 2003 and 2004. The course provides specialized training in microbiology, diagnosis, epidemiology and control of TB for experienced national and provincial staff involved in TB control. The NTP has sent several staff over the past years and it is expected that demand will increase in the future. The course could also serve to provide the Provincial Health Department managers with better knowledge and understanding of the epidemiology and control of TB.

It is recommended to provide funding for 5 participants per year. Participants should be well selected as sufficient skills in English are a definite requirement for attending the course.

Collaborating partners

IUATLD

Suggested funding mechanism(s): (1) USAID/C provide Field Support funds to KNCV/TBCTA's Cooperative Agreement.

Costing

6.2.4 US\$ 25,000 for 5 participants per year (Total US\$ 100,000 for FY 2002-2005)

- Master of Public Health post graduate courses

Experience from other countries and programs shows that the opportunity to attend an MPH post graduate course is a strong incentive for staff to work in a public health program. In view of the need to strengthen the NTP and other disease control programs in Cambodia with young staff a program which offers this opportunity would be attractive particularly in view of the fact that government salaries are unlikely to rise substantially in the near and medium term future. Besides strengthening the NTP, offering a career perspective and strengthening the particular program investing in this activity would be beneficial to the public health sector at large.

It is recommended that USAID consider the possibility for fellowships for one to two candidates per year recruited from the NTP and NCHADS.

Collaborating Partners

TBCTA

Suggested funding mechanism(s): (1) USAID/C provide Field Support funds through USAID/Washington's Inter-agency agreement with CDC/A. (2) USAID/C provide Field Support funds to KNCV/TBCTA's Cooperative Agreement.

Costing

6.2.5 US\$ 100,000 for two fellowships per year (Total US\$ 300,000 for FY 2003-2005)

- Participation in International Conferences of the IUATLD and meetings of the DOTS expansion working group of the Stop TB Partnership

Participation of the central level NTP staff in International and Regional Conferences of the IUATLD, meetings of the DOTS expansion working group of the Stop TB Partnership and WPRO and Global and Regional AIDS conferences would serve the purpose of international collaboration of the NTP with the global TB control initiative and the exchange of experiences of the NTP with other DOTS programs. Participation would further provide an opportunity to present results of the operational studies (see below) to the international fora of TB experts and TB managers. Participation in AIDS conference would provide insight into newly developing mechanisms for joint action with the Global AIDS community.

Collaborating partners

IUALTLD, WPRO, WHO and UNAIDS

Suggested funding mechanism(s): USAID/C provide Field Support funds to KNCV/TBCTA's Cooperative Agreement.

Costing

6.2.6 US\$ 25,000 per year (Total \$75,000 for FY 2003-2005)

Costing total to support Output 2

US\$ 950,000

6.3 Financing (Output 3)

NTP Activity: *“To develop a 5-year expenditure framework in accordance with the strategic plan with active consultation with major partners”.*

In view of the limited capacity of the NTP to develop a comprehensive development plan with measurable programmatic objectives, related activities, inputs, expected outcomes, time frame and budget showing the different sources of income per collaborating partner and activity groups, the team proposes support to the NTP in developing the framework by providing technical assistance and funding workshops.

The proposed assistance would support a project formulation process using a logical frame work approach based on a series of workshops for stakeholder analyses and identification and formulation of programmatic objectives and measurable indicators. After these workshops a writing group consisting of representatives of the MoH, NIPH, NTP and NCHADS would develop the expenditure frame work of the plan based on the outcome of the workshops. A final consensus workshop with representation of all major stakeholders and collaborating partners would complete this activity.

The process would contribute to strengthening the involvement of the NTP in policy and strategy health planning since the plan would be developed as a component of the wider Health Sector Strategy 2003-2007.

The National TB Development Plan 2001-2005 would serve as a tool for:

- planning and management of TB program implementation at the national, provincial and OD levels
- resource mobilization
- coordination of activities with NCHADS
- integration of planning and management of TB activities in the provincial and OD health development plans
- monitoring and evaluation of programmatic objectives
- monitoring and evaluation of expenditures

Collaborating Partners

TBCTA (KNCV, WPRO, CDC), MOH, NTP, NCHADS, USAID, JICA, WB, ADB, DFID and other potential donors.

Suggested funding mechanism(s): USAID/C provide Field Support funds to KNCV/TBCTA's Cooperative Agreement.

Costing

US\$ 75,000 once in FY 2003 for 3 workshops, consensus meeting and technical assistance, including contracting an organization to introduce the log frame approach and facilitate the workshops.

6.4 Service Provision (Output 5)

NTP Activity: *“To strengthen laboratory capacity at all levels and develop the quality assurance system.”*

It is proposed to invest in an operational research project/studies addressing the following areas:

- Quality assessment of the microscopy network in view of the high false positive rate observed by the current quality control system.
- A study to explore the underlying factors of the elevated level of smear-positive suspects, which is well above the level observed in other well established DOTS program in high TB burden countries.

The expected outcome of the studies would contribute to the improvement of the routine laboratory network and quality control system by identifying the causes of current poor performance. The studies would identify areas for further support, e.g. additional training of laboratory staff, training of staff in selecting and enhancing early identification of suspects etc.

Collaborating partners

CDC, NIPH, JICA, RIT

Suggested funding mechanism(s): (1) CDC/GAP; (2) USAID/C provide Field Support funds through USAID/Washington's Inter-agency agreement with CDC/A

Costing

6.4.1 US\$ 50,000 once in FY 2003

NTP Activity: *“To involve private sector, starting from pilot testing, in implementing DOTS and other TB control activities like IEC and make expansion if found to be effective”.*

It is proposed to invest in an operational research project addressing DOTS delivery through a public/private partnership in Phnom Penh; e.g., via pharmacists, drug sellers or private practitioners. The pilot would build on FHI’s work in this area in Phnom Penh. The study would provide evidence-based information about the feasibility of involving the private sector and for policy decisions on building a wider partnership with the private sector at large.

Collaborating partners

FHI, TBCTA (CDC, WPRO) (WHO/HQ working on public private partnerships for TB control)

Suggested funding mechanism(s): (1) USAID/C obligate funds into local Cooperative Agreements with relevant partners; (2) USAID/C provide Field Support funds to Population Council [HORIZONS or FRONTIERS?]; (3) USAID/C provide Field Support funds through KNCV/TBCTA’s Cooperative Agreement for WHO HQ team working on public-private partnerships.

Costing

6.4.2. US\$ 50,000 once in FY 2003

NTP Activity: *“To involve the NGO sector and the community, starting from pilot testing, in implementing DOTS, and make expansion if found to be effective”.*

It is proposed to invest in an operational research project in selected ODs studying the feasibility of DOTS delivery; e.g., via Village Health Volunteers, TBAs, FBC members, etc. The studies would provide valuable information to the NTP to design a policy for community based DOTS to extend reach beyond the HC-based DOTS delivery system in the future.

The studies are considered to very important in view of the fact that even after implementation of the Health Coverage Plan and the expansion of DOTS to all MPA providing HC’s, an estimated 50% of the population still remain out of reach of daily DOTS at the HC level.

The studies should be carried out in a number of pilot projects each studying different mechanisms for community based DOTS using different groups of DOTS supervisors as indicated above. Protocol development would be undertaken in collaboration with the WHO working group on community based TB control, which has gathered experience in a range of pilots in sub Saharan Africa. Study sites would be chosen in collaboration with PHDs, OD health departments and NGOs involved in community-based health care initiatives, such as CARE and CARITAS.

Collaborating Partners

MEDICAM, WHO, NGOs, PHDs, ODs

Suggested funding mechanism(s): (1) USAID/C obligate funds into local Cooperative Agreements with relevant partners; (2) USAID/C provide Field Support funds to Population Council [HORIZONS or FRONTIERS?]; (3) USAID/C provide Field Support funds through KNCV/TBCTA's Cooperative Agreement for WHO working group on community based TB control.

Costing

6.4.3 US\$ 150,000 once in FY 2003 for five pilots and protocol development workshop

6.5 DOTS expansion to the Health Center level (Output 6)

NTP Strategy: *“Expand the DOTS strategy to provide good quality curative care by trained staff using hospitalization, ambulatory and home care approaches, giving emphasis on the implementation of DOTS at health center level providing minimum package of activities”.*

The NTP budgets the costs for DOTS expansion in 10 ODs at US\$146,000. The list of activities carried out to implement DOTS in an OD is shown in Annex 9.

In 2002, the NTP has plans to expand to 264 HC's in 23 ODs. The total estimated costs of the expansion is approximately US\$440,000. From this total, the expansion will include 234 HC's in 18 ODs in 9 provinces where there is currently a USAID/Cambodia partner presence. If USAID/Cambodia would choose to support the expansion of DOTS in these province the total amount of funds needed would be US\$ 345,000 in 2002.

The following parameters need to be considered when deciding in which geographical areas to concentrate the support to ODs:

- Size of the population and population density (Annexes 10 and 11)
- Numbers of TB cases diagnosed and rate per 100,000 population by province (Annex 7)
- The HIV prevalence in the adult population
- Functional Health Infrastructure (Annex 5)
- Presence of USAID/Cambodia CA's providing MPA
- Numbers of HC's in OD supported by the CA

According to the NTP plan most of the expansion in 2002 will take place in the first half of the year. This plan seems ambitious, particularly in view of the fact that the NTP plans to carry out the National Tuberculosis Survey during most of 2002, which will not allow the Central Team to invest much time in the DOTS Expansion plan for most of the year. If the NTP achieves the planned DOTS expansion by 2002, 68 functional HC's will still have to be covered. Estimated costs for DOTS expansion in 2003 amount to some US\$70,000

While the team considers the DOTS expansion as a high priority for support it finds it difficult to advise on support to specific ODs in geographical areas. If USAID decides to provide funds for this activity, this decision should be based on further discussions between USAID, the NTP, MOH senior officials and USAID-funded CA's taking into account the above considerations. Tentatively the team would suggest directing support to the densely populated provinces in the South East and the provinces bordering Thailand in the Northwest.

Collaborating partners

NTP, CA's, JICA, WB, WHO country office through WPRO.

USAID/C could consider availing funds to the NTP through support to the WPRO stop TB project earmarked for DOTS expansion in Cambodia and channeled through the WHO country office.

Alternatively, USAID could provide funding through its CAs, which would coordinate with the OD health department for DOTS expansion in all HC's in the OD. The OD CoCom would serve as the forum for planning the DOTS expansion in collaboration with the PTS and NTP.

Suggested funding mechanism(s): USAID/C provide funds through USAID/Washington's WHO Umbrella Grant [as has been done by Dennis Carroll to WHO/C for malaria and dengue].

NOTE: Need to check this mechanism carefully in terms of "notwithstanding" language vis-à-vis assistance to the RGC.

Costs

US\$ 415,000 (US\$ 345,000 in FY 2003 and US\$ 70,000 in FY 2004)

6.5 IEC and Advocacy (Output 7)

NTP Activity: *"To enhance IEC activities by ways of capacity building, IEC material producing and disseminating from central level till the community".*

Creating community awareness on the symptoms of TB and the availability of DOTS at the HC level is an essential activity in view of the current late reporting of suspects.

The team proposes to continuing existing support by USAID through CA's, e.g. FHI and PSI. The focus of the support should be on the development of materials and messages geared towards the need of the communities and preferably developed with community input. It would be advisable to coordinate the development of materials and messages with the IEC department of the MOH.

Collaborating Partners

NTP, MoH IEC department, FHI, PSI

Suggested funding mechanism(s): USAID/C obligate funds into local Cooperative Agreements with relevant partners; e.g., FHI and PSI.

Costs

US\$100,000 (Total US\$ 400,000 for FY 2002-2005)

6.6 Partnership (Output 10)

NTP Activity: *"To liaise with international organizations and NGOs involved in TB control activities and identify areas of cooperation and funding for the program".*

Cambodia is one of the 22 high burden countries listed by WHO. Together, these countries account for 80% of the TB burden in the world. In 1998, the Director General of WHO launched the Stop TB Initiative to raise global awareness of the burden of TB in these countries. In March 2000, a Ministerial Delegation of Cambodia participated in the Ministerial Conference on TB and Sustainable Development in Amsterdam, The Netherlands. The Cambodia NTP is a member of the DOTS Expansion working group which is part of the Stop TB Partnership and has established close collaboration with new partners as WPRO, IUATLD and the TBCTA.

Though the NTP and its in-country partners, JICA, WB, WHO, has made considerable progress in establishing the program and DOTS expansion. However, the program still faces numerous challenges and problems. These challenges are related to providing DOTS to the majority of the population, the TB/HIV co-epidemic, improving the quality of the diagnostic network, reaching out to the poor and remote populations and the private sector. So far, the NTP has not benefited from regular external technical support to assist the program in reviewing its performance and advise on strengthening its operations.

The team proposes that USAID/C fund regular visits of a senior TB consultant to provide this service to the NTP as part of the support of the DOTS Expansion Working Group of the Stop TB Partnership to its members. This could best be effected through the TBCTA.

The technical assistance would consist of two visits per year which would provide the NTP with regular external monitoring and evaluation of ongoing program implementation. The expert would as well provide the NTP with a direct channel of communication to the WPRO Stop TB Project and the DOTS Expansion working Group.

Collaborating Partners

TBCTA, NTP, JICA

USAID could consider providing funds to TBCTA to finance the activity.

TBCTA would develop an agreement with WPRO for support to the WHO sub-regional HIV/TB office for Vietnam, Laos and Cambodia to enable the technical assistance visits.

Suggested funding mechanism(s): (1) USAID/C provide Field Support funds to KNCV/TBCTA's Cooperative Agreement; (2) USAID/C provide funds through USAID/Washington's WHO Umbrella Grant to pass to WPRO/Hanoi.

Costs

US\$ 30,000 per year for 2 technical assistance visits of 2 weeks, reporting and backstopping. [AusAID is providing salary costs for the new WPRO person in Hanoi] (Total US\$ 105,000: US\$ 15,000 in FY 2002 and US \$30,000 per year for FY 2003-2005)

6.7 Monitoring and Evaluation (Strategic Plan, page 15)

“The strategic plan implementation should be annually evaluated based on the main indicators set for the plan. Midterm evaluation should be conducted in 2003. Corrections should be made to gear forwards attaining objective by 2005. End-term evaluation should be conducted in mid 2005 prior to the formulation of the next phase plan.”

NTP Activity: “Midterm evaluation should be conducted in 2003”

The team explored the idea of an external evaluation with a variety of in-country counterparts and selected donors. As a partner in that evaluation, the team proposes that USAID fund TBCTA external experts [2 international and 1-2 Cambodian experts] to join the Midterm Review in 2003. Similarly, other donors could fund external and local experts to join the team. It is suggested that the MOH request WHO to coordinate the external review since WHO has a wide experience in carrying out Country Review Missions. For example, in 1993 and 1996 WHO provided assistance to the NTP to review the program and assisted in the development of forward 5-year plans.

Collaborating Partners

KNCV, NTP, JICA, WHO, WB

Suggested funding mechanism(s): USAID/C provide Field Support funds to KNCV/TBCTA’s Cooperative Agreement. [USAID/W, WHO, WB, etc. would pay for other international and local experts for the team.]

Costs

US\$ 50,000 once in FY 2003

6.8 Total Costs of the proposed USAID assistance

The total costs of the USAID assistance would amount to US\$ 2,295,000; i.e.:

FY 02 US\$ 190,000

FY 03 US\$ 1,375,000

FY 04 US\$ 500,000

FY 05 US\$ 430,000

6.9 Options for CDC/GAP support to NTP and NCHADS

See 4.17

6.10 Options for ANE support to TB control in the region

The team recommends continuation of ANE support to WPRO/Manila as indicated in the *Summary of Regional Infectious Disease Activities with Linkages to Cambodia*.

- USAID/ANE-supported TB Adviser at WPRO/Manila. Budget US\$359,000 for 2 years (*Appendix 4 of Summary*)
- USAID /ANE-funded activities in support of the Stop TB Special Project of WHO-Western Pacific Regional Office. Budget US\$500,000 (*Appendix 5 of Summary*)

In addition, the team suggests that ANE considers funding for TB/HIV surveillance, prevention and control activities in Vietnam, Cambodia and Laos, through the new Stop TB Medical Officer

post, to be based in WHO, Hanoi and filled in the second quarter of 2002. The new office, which will be located in Hanoi, will give priority to the establishment of a Lower Mekong TB/HIV Control and Prevention Initiative enhancing close collaboration between the respective TB and AIDS Prevention and Control Programs and their partners in Vietnam, Laos and Cambodia.

Estimated costs for establishing the Initiative through country visits, meetings and subregional conferences are US\$300,000 for 2003-2005.

Suggested funding mechanism(s): (1) ANE funding to WHO for both WPRO/Manila and Hanoi. Alternatively, USAID/C provide Field Support funds to USAID/Washington's WHO's Umbrella Grant for WPRO/Hanoi.

7. Relation of NTP Outputs with Key Intermediate Results of USAID/Cambodia Interim PHN Strategy 2002-2005

7.1 IR1: Increased Access to Information and Services

Expanded access to diagnosis and treatment of TB, through expansion of the DOTS program to the HC level, will impact on the severe TB burden through the following mechanisms: a) early diagnosis of the majority of TB cases, and b) the establishment of a high cure rate by treating patients as near as possible to their residence.

IR1 is supported by:

- NTP Output 6: DOTS expansion to the HC level
- NTP Output 5: Service provision by NGOs, communities and the private sector

Results: By the end of three years:

- NTP will have developed a strategy for community-based DOTS
- NTP will have developed a strategy for private practitioners to implement DOTS
- All HCs with a Minimum Package of Activities (MPA) will provide DOTS
- 60% of new cases will be detected in the early stage of the disease
- 90% of detected cases will be cured

Illustrative activities:

- DOTS expansion to HCs in collaboration with ODs, PHDs and NTP (see Annex 9)
- Pilot studies in selected ODs on the feasibility of DOTS provision by VHVs, TBAs, FBC members etc.
- Pilot study in Phnom Penh on feasibility of DOTS provision by private health providers.

7.2 IR2: Strengthened Capacity of Individuals, Families and Communities to Protect and Provide for Their Own Health

This IR aims to increase public awareness about the signs and symptoms of TB, the availability of DOTS at the HC level, and the fact that TB can be cured.

IR2 is supported by:

- NTP Output 7: IEC and Advocacy

Results: By the end of three years:

- Improved public KAP regarding TB as demonstrated by early self-referral of possible TB patients manifesting chronic cough
- Families will bring family members with chronic cough for examination
- Community health workers and FBC members will identify potential TB patients and promote examination at the HC
- Communities will support families with TB
- Stigma of TB reduced

Illustrative activities:

- Development of IEC messages in collaboration with ODs and FBCs
- Establishment of sensitization/stigma-reducing meetings conducted by Village Development Committees
- Integration of TB awareness education in primary schools
- Development and broadcast of media spots (TV, Radio)
- Collaboration with NCHADS and MoH IEC department

7.3 IR3: Improved Quality of Information and Services

While the results of treatment achieved by the NTP are well above the WHO target of 85%, the quality of the microscopy network is still inadequate in many centers as demonstrated by an elevated false-positive rate in diagnostic smears.

The HIV-epidemic requires a coordinated approach by NTP and NCHADS to provide consistent and sustained care for HIV-positive TB cases and PLWHA.

IR3 is supported by

- NTP Output 5: Strengthen laboratory capacity
- NTP Output 1: Develop specific strategies for addressing TB/HIV issues

Results: by the end of three years:

- The quality of the laboratory network will have improved as demonstrated by a false-positive rate of less than 0.5%
- A joint NTP/NCHADS TB/HIV strategy and action plan will have been developed and established

Illustrative Activities:

- An operational research study will be undertaken to examine the underlying factors resulting in moderate function of the laboratories, and advice on remedial action
- A joint policy formulation workshop to address HIV/TB issues will be organized by NTP and NCHADS and a broad range of stakeholders to develop an action plan for the provision of consistent and sustained care for PLWHA and HIV positive TB patients

7.4 IR4: Improved Capacity of Health Systems

Although the NTP was established in 1982 and has made commendable progress in recent years, the program still has insufficient capacity for planning and management at all levels. It needs further integration in overall planning and management and would benefit from regular external technical assistance for program monitoring and review.

IR4 is supported by

- NTP Output 2: Capacity Building and Human Resource development
- NTP Output 3: Financing
- NTP Output 10: Partnership
- NTP Monitoring and Evaluation of the Strategic Plan 2001-2005

Results: By the end of three years:

- The capacity for planning and management of TB control at the national, provincial and OD level will have improved
- TB control planning will be coordinated at the MoH level and integrated with general health planning at the PHD and OD levels
- A 5-year Expenditure Framework will have been developed and financial support will have been solicited
- A planning and management course for Infectious Disease Control will have been developed in collaboration with NIPH and NTP and general health staff will have been trained
- Selected NTP staff will have received specialized Health Planning and Management courses
- A Country Review Mission will have been held in 2003
- Regular external assistance for monitoring and evaluation will have been secured

Illustrative Activities:

- Translation in Khmer of the WHO module for TB control at the district level
- Development of a training module for CDC control and planning and management, geared towards the need of PHDs and ODs
- Development of the Expenditure Framework through workshops and stakeholder analyses, identification of objectives, formulation of measurable indicators and a consensus meeting with all stakeholders
- Development of integrated CDC plans by the PHD and OD levels
- Conduct a Country Review of the NTP, providing recommendations for further program development and financing for the period 2006-2010

ANNEX 1

SCOPE OF WORK

TBCTA TEAM ADVISORY VISIT TO CAMBODIA
February 2002

1. Objective: Within the programmatic context of Cambodia's National TB Program [NTP] and Stop TB efforts, provide clear, implementable recommendations to USAID/Cambodia and USAID/Washington's Asia Near East Bureau (ANE) on the most strategic use of mission and ANE regional TB funds.

The objective is not to again assess or review the NTP. That has been done recently.⁶ However, it will be important for the team to consider the NTP/Stop TB within the broader context of the nascent health delivery system in Cambodia, the dearth of trained staff, the current HIV/AIDS situation, and the fact that USAID has designated Cambodia as an HIV/AIDS 'Rapid Scale-Up' country [one of only four in the world, and the only one in Asia]. It is also important that the team review TB-related activities currently being funded by USAID/Cambodia (e.g., CARE, Family Health International, KHANA, etc.) and the ANE,⁷ TB-assistance from other donors, and HIV/AIDS/TB activities being contemplated by the Centers for Disease Control (CDC), and the on-going work of the Naval Medical Research Unit (NAMRU). Within this context, the team is asked to provide strategic, coordinated recommendations to USAID/Cambodia and ANE regarding the maximization of USG resources for TB.

2. Background -- Cambodia:

USAID/Cambodia is currently finalizing a new 3-year interim PHN strategy – 2002-2005. The proposed strategy builds on past and current USAID assistance to Cambodia. The mission's new Strategic Objective is *Increased Use of High Impact HIV/AIDS and Family Health Services and Appropriate Health-Seeking Behaviors*. This strategic objective will be supported by four interconnected Intermediate Results:

- 5) Increased access to information and services;
- 6) Strengthened capability of individuals, families and communities to protect and provide for their own health;
- 7) Improved quality of information and services; and,
- 8) Improved capacity of health systems.

The mission strategy will also address potential synergies in PHN activities, such as those between tuberculosis and HIV/AIDS.

Demographic situation: The 1998 population census estimated the population of Cambodia to be 11.4 million, with women accounting for 51.8% of the total. The annual population growth rate--the highest in Southeast Asia--is estimated to be 2.5%. The total fertility rate (TFR) is 4.0 children per woman, and contraceptive prevalence remains relatively low at 19%. Approximately 42.5% of the population is under the age of 15--an age structure that implies

⁶ See attached: (a) "CDC Global AIDS Program Cambodia Country Assessment", May 16-30, 2001; "Cambodia GAP Assessment Team Report—TB Care and Prevention Services," May 21-26, 2001 memo from Charles D. Wells; and (c) Leo Blanc's Cambodia report

⁷ See attached: "Summary Of Regional Infectious Disease Activities With Linkages To Cambodia", September 13, 2001.

continued high rates of population growth, even in the event of significant declines in fertility. Life expectancy at birth is 58.6 years for females and 50.3 years for males.

Health Sector: The RGC launched its ongoing health sector reform program in 1995 with the presentation of the National Health Coverage Plan (1996-2000). Key features of the plan included the creation of the Operational District (OD)--a population-based unit comprising anywhere from 100,000 to 300,000 people--as the functional focus of health reform efforts; designation of health centers (HC) as the first level of health care; and a stated intention to provide a Minimum Package of Activities (MPA) and the Complementary Package of Activities (CPA) at the health centers and referral hospitals respectively. The plan called for the establishment of 940 health centers. As of late 2001, approximately 700 health centers were in place (75% of the total) in 74 Operational Districts around the country. Of the 67 referral hospitals called for in the plan, only 15 are currently in place. The range and quality of services offered at these facilities vary widely.

The trend in RGC expenditures for health is positive. The Government's per capita budget for health in 1998 was about \$1.00, representing approximately 0.3% of GDP. This rose to \$1.70 in 1999 (0.8% of GDP), and to \$2.10 in 2000 (1% of GDP). Most observers predict that these increases are likely to continue in the years ahead.

Problem Analysis/General: Despite this encouraging budgetary trend, the health sector faces enormous and persistent challenges. With regard to safe motherhood, these include a high maternal mortality ratio (437/100,000 live births); low antenatal attendance at health centers; a low level of deliveries assisted by trained health providers; and harmful traditional practices during pregnancy, childbirth and postpartum. Child health challenges include high infant, child and neonatal mortality rates (95/1000, 125/1000 and 37/1000 live births, respectively); low use of oral rehydration salts, low EPI coverage (40%); low rates of exclusive breastfeeding (5.4%) of infants below five months of age; and indiscriminate use of antibiotics for childhood infections. With respect to birth spacing, they include low contraceptive prevalence (19%, modern methods); large unmet needs for family planning services; and a high prevalence of unsafe abortion. Prevention of HIV/AIDS and transmission of STDs is hampered by low use of condoms with intimate partners, a lack of counseling and testing services, and a paucity of information and services geared to the needs of especially vulnerable groups such as youth and internal migrant populations.

The still nascent public health system is not yet playing a major role in responding to these challenges. That system's existing workforce, while perhaps excessive in number, is grossly inadequate in skills; salaries are so low as to create little or no incentive to work; and supplies and equipment at health centers are not adequate or appropriate for many health care situations. Not surprisingly, most Cambodians look to other, non-government outlets (pharmacies, traditional healers, and Drug sellers) as their preferred sources of services for most health problems, including delivery assistance, birth spacing methods, STD Drugs and abortion. A number of studies have suggested, however, that very few of the personnel at these outlets are familiar with common symptoms of reproductive health problems, correct Drug dosage or potential side effects, or correct management procedures for many of the health problems they

treat. In consequence, most Cambodians are receiving very poor quality of care, and little value for their money, at either public or private sources of health services.

Problem Analysis/Specific:

HIV/AIDS: The HIV/AIDS epidemic in Cambodia threatens to undermine successes that could be achieved through other development efforts in economic growth and the reduction of morbidity and mortality. While there has been an apparent stabilization of seroprevalence in certain target groups, rates are too high in antenatal women (over 4% in several provinces), and there may be a movement of the virus into the general population. An estimated 169,000 adults are currently living with HIV/AIDS. An estimated 13,000 children have lost one or both parents to AIDS. Pediatric AIDS is not yet a major killer of children, but is likely to increase, particularly in the absence of any efforts to prevent mother-to-child transmission. Behavior change has occurred; again, in some target groups, but in general, high-risk sexual behavior remains unacceptably high.

Constraints to addressing the HIV/AIDS problem in Cambodia include the lack of condoms, especially in rural areas; continued and widespread risky sexual behavior; limited public sector diagnosis and treatment of STDs and inadequate and often ineffective private sector treatment; disempowerment of women; continuing vertical orientation of the health sector; lack of trained health workers, supervisors and managers; low salary levels of health workers; a virtual absence of voluntary counseling and testing centers; no active program for the prevention of mother-to-child transmission; limited capacity of the curative sector to effectively diagnose and treat symptoms of AIDS; a lack of resources and capability to provide social services for persons living with HIV/AIDS; and the stigma associated with HIV.

Since 1993, USAID has been an active and important partner in the battle against HIV/AIDS. USAID's support with other donors of policy change, national information campaigns, targeted interventions with high risk populations and critical surveillance and behavioral studies have contributed to heightened HIV awareness, behavior change and reduced prevalence among key populations and good use of resources. There are good models of successful interventions with high-risk populations that can be scaled up. While awareness of HIV/AIDS is high and concern is increasing, the social environment is still one of the most permissive, wherein there is a very active sex trade and many participate in high-risk behavior. A quarter of men engaging in commercial sex still do not always use condoms. Moreover, men who have unprotected sex outside of marriage with commercial sex workers and "sweethearts" put their own wives at risk of HIV infection as well. Current condom social marketing programs do not reach into the rural areas where 80% of Cambodia's population live. There is a considerable turnover among sex workers, and little is known about what happens to them once they leave brothels.

Infectious Diseases: Malaria, dengue hemorrhagic fever (DHF), and tuberculosis (TB) continue to be leading causes of morbidity and mortality. The emergence of Drug-resistant malaria strains has been confounded by extensive national and cross-border mobility. There has been increasingly large DHF epidemics every two to three years, the largest and most recent occurring in 1998. Even though case fatality rates due to DHF can be maintained below 0.5% with proper case management (as in Thailand), rates in Cambodia can be as high as 15-20% in certain

locations. In recent years, transmission has spread from the urban centers of Phnom Penh and Battambang to smaller towns and villages.

Capacity Building: The bulk of Cambodia's public health system staff was recruited and trained quickly during the Vietnamese occupation of 1979-89. Many of the skills these new personnel learned were/are not adequate to respond to the country's burden of disease. Moreover, the planning, management and supervisory systems and skills needed to support the health care delivery system are similarly weak. Local and international NGOs are helping to fill this gap in many important ways; but such heavy reliance on external assistance should not delay the strengthening of the public health system's own capacity to meet citizens' basic health care needs.

3. USAID/Cambodia Funding: In late CY 2000, under a new Agency-wide expanded response to the global HIV pandemic, Cambodia was identified as one of four Rapid Scale-Up countries worldwide (and the only one outside Africa). At the same time, Cambodia was also designated as a priority country for TB control. Funding for HIV/AIDS activities increased significantly, from approximately \$2.5 million in FY 00 to approximately \$8.25 million in FY 01, while the mission received TB funds (\$1.923 million) for the first time in FY 01. In terms of HIV/AIDS and other infectious diseases, the program planning levels are approximately \$10 million per year -- approximately \$7.0 million for HIV/AIDS, \$2.0 million for TB, and \$1.0 million for other IDs and children affected by AIDS.

Other Royal Government of Cambodia (RGC) and other donors are also providing funding to the NTP. The TBCTA team should review all funding to the NTB when providing recommendations to USAID.

4. ANE Funding: See attached: "Summary Of Regional Infectious Disease Activities With Linkages To Cambodia", September 13, 2001.

Purpose: Within the programmatic context of Cambodia's National TB Program [NTP] and Stop TB efforts, provide clear, implementable recommendations to USAID/Cambodia and USAID/Washington's Asia Near East Bureau (ANE) on the most strategic use of mission and ANE regional TB funds.

Deliverables:

1. Upon arrival, the team will be briefed by USAID and CDC officials. At that time the SOW will be reviewed and modified, as necessary.
2. A comprehensive report ⁸ that Draws upon previous assessments and documents of Cambodia's NTP and Stop TB efforts. The report should address the following points: (1) the nature of the TB problem and where it most serious – within Cambodia and its immediate neighbors; (2) institutional and donor resources currently available for TB, as well as future projections of funding requirements; and (3) USAID's comparative advantage in supporting Cambodia's TB program vis-à-vis other donors. The report

⁸ The report must be in English and in a format acceptable to USAID – i.e., MS Word and Excel.

should provide clear, implementable recommendations to USAID/Cambodia and the Asia Near East Bureau on the most strategic use of mission and ANE regional TB funds over the next 3-5 year period. Based on the recommendations, USAID/Cambodia will incorporate these recommendations into its new 3-year interim strategy – 2002-2005.

The report should provide USAID/Cambodia with the information necessary to proceed with the design of future activities and the selection of appropriate partners for the interim strategy. In addition, the team should identify appropriate technical assistance required by the MoH and other local partners to implement and monitor the activities.

Specifically, the report should include:

- An executive summary and a list of acronyms and persons interviewed;
 - Recommendations regarding administrative/health system level and geographical focus of the USAID/CDC supported elements of the program;
 - Opportunities for capacity building of Cambodian institutions and organizations (organizationally, programmatically, and human resources);
 - An estimate of the quantities and organizational/funding source for Drugs, equipment and other supplies;
 - As estimate of the resources needed to accomplish USAID/CDC objectives (within the context of the overall NTP);
 - Recommendations regarding further technical assistance and/or the use of USAID-supported local Cooperating Agencies and NGOs.
 - Recommendations for a monitoring plan, including universally accepted indicators and results, and source and quality of information.
3. Prior to departure, the team will debrief USAID and CDC officials.
 4. The Team Leader is responsible for all deliverables, and is expected to leave the final Draft of the report with USAID prior to departure from Cambodia.

Team Composition:

As agreed between USAID/Cambodia and the TBCTA's Board of Directors at the BoD meeting in The Hague, August 27 - 28, 2001, the team will consist of the following TB experts:

- Dr. Maarten Bosman, KNCV, Team Leader
- Dr. Charles Wells, CDC/Atlanta
- Dr. Marcus Hodge, WPRO/WHO

Level of Effort: The level of effort is planned for approximately 2-3 weeks starting on/about February 4, 2002. Additional days will be allowed for team members to review background materials (maximum of 2 days) prior to arrival in country as well as completion of the final report (maximum of 3 days).

The Team Leader will be responsible for completing the final product. He will be responsible for any/all final revisions, editing and formatting of the Draft report and will leave the final Draft

with USAID/Cambodia prior to his departure. USAID/Cambodia will be responsible for sharing the report with USAID/W and CDC. Unless discussed and agreed further, the report will be for internal distribution only with USAID/Cambodia.

Methodology:

The above tasks will be completed through the following means: (1) review of recent NTP assessments and other documents; (2) meetings with USAID/Cambodia, CDC and NAMRU officials, the National TB Program (CENAT) director and staff; appropriate MoH officials; RGC's National Laboratories; other donors; USAID/C-supported Cooperating Agencies currently involved in TB activities – e.g., CARE, Family Health International, KHANA, etc.; and other potential local partners – e.g., Sihanouk Hospital Center of Hope, etc.; and (3) field visits, as appropriate.

ANNEX 2**List of persons met****Ministry of Health**

- Dr. Mam Bun Heng, Secretary of State for Health
- Professor Eng Huot, Director General for Health
- Dr. Lo Veasna Kiry, acting Director, Department of Planning and Health Information

National AIDS Authority

- Dr. Tia Phalla, Secretary General

National center for Tuberculosis and Leprosy control (CENAT) and National Tuberculosis Program (NTP)

- Dr. Mao Tan Eang, Director
- Dr. Touch Sareth, vice Director
- Dr. Tieng Sivanna, Chief of Statistics Planning and IEC
- Dr. Khun Kim Eam, vice Chief of Statistics
- Mrs. Ton Chhavivann, Chief Laboratory Department

National center for HIV/AIDS, Dermatology and Syphilis (NCHADS)

- Dr. Hor Bun Leng, Deputy Director
- Dr. Seng Sut Wantha, Deputy Director

USAID/CAMBODIA

- Lisa Chiles, Mission Director for USAID/Cambodia and mainland Southeast Asia
- David Piet, acting Director, Office of Public Health, USAID Cambodia and mainland Southeast Asia
- Daniel Levitt, Health/Population Specialist, Office of Public Health
- Ngudup Paljor, MCH Advisor, Office of Public Health
- Dr. Chantha Chak, Development Assistance Specialist, Office of Public Health

WHO

- Dr. Henk Bekedam, acting WHO Representative & team leader, Health Sector Reform project, Cambodia

Japan International Cooperation Agency (JICA), Phnom Penh

- Dr. Ikushi Onazaki, JICA TB advisor

World Bank

- Dr. Pratap P. Jayavanth, Tuberculosis Program Coordinator, PCU / World Bank

Asian Development Bank

- Dr. Peter Godwin, Regional Adviser

International HIV/AIDS Alliance

- Mr. Andy Bauman, consultant
- Mr. Peter Gordon, consultant in sexual health, HIV and development

CARE Cambodia

- Ms. Jesse Rattan, health sector coordinator

Family Health International

- Dr. Chawalit Natpratan, Country Director
- Pratin Dharmarak, program manager, Cambodia

KHANA

- Ms. Pok Panhanvichetr, executive Director

Medecins Sans Frontieres, MSF Holland – Belgium, Phnom Penh

- Dr. Wim van Damme, Medical Coordinator

Field trip of Dr. Marcus Hodge (WHO), Mr. David Piet (USAID), and Dr. Ikushi Onazaki (JICA)

Kampong Speu province**Reproductive Health Association of Cambodia (RHAC)**

- Dr. Var Chivorn, associate executive Director Sam Oeun, chief, Trapaing Krleing Health Center

National Institute of Public Health

- Dr. Sam An Ung, Activity Director

Naval Medical Research Unit 2 (NAMRU-2)

- Dr. Jim Olson, Epidemiologist/Lab Manager

Kampong Som Province (Sihanoukville)

- Dr. Kiv Bun Sany, Director, Provincial Health Service and deputy Chairman, Provincial aids Committee, Sihanoukville
- Dr. Khem Saron, vice Director, Provincial Health Service
- Dr. Long Ngeth, Provincial TB Supervisor, Sihanoukville
- Dr. Ouk Saram, Director, Sihanoukville Provincial Hospital TB unit
- Dr. Yang Vissot, Chief, Veal Rinh Health Center

Field trip of Dr. Charles Wells (CDC), Mr. Chantha Chak, USAID**Siem Reap Province**

- Mr. Borithy Lun, advisor, logistics unit, Reproductive and Child Health Alliance (RACHA)
- Kong Saith, deputy Director, Soth Nikum Operational District
- Mr. Seng Sophy, Samrong Health Center, Dam Daek commune
- Ms. Bernadette Glisse, coordinator, CARITAS Cambodia

Bantey Meanchey Province

- Dr. Chhum Vannarith, Director, Bantey Meanchey Provincial Health Department
- Mr. Muon Sopha, Provincial Coordinator, CARE Cambodia
- Dr. Lydia Ettema, HIV/AIDS advisor, CARE Cambodia

Field trip of Dr. Maarten Bosman, Dr. Mao Tan Ieng, Mr. Ngudup Paljor**Kampong Chhnang Province**

- Dr. Tek Saroeun, Director PHD
- Dr. Prak Vonn, Director Kampong Tralach OD
- Mr. Ieng Siv Ngeng, Director Kampong Chhnang OD
- Mr. Keo Samon, PTS
- Mr. Lim Leang Ngoun, PAC
- Mr. Sam Hing, MCH Assistant CARE

Field trip of Dr. Maarten Bosman, Dr. Khun Kim Eam, Mr. Ngudup Paljor**Takeo Province**

- Dr. Om Sok Khon, Director PHD
- Mr. Bun Kompheak Jeudi, Chief TB program PHD

AMDA

- Dr. Akhlakur Rahman Sowdagor, Project Officer
- Mr. Bamba Kenichi, Project Manager

Ang Roka OD

- Mr. Hean Chim, TB supervisor OD
- Dr. Iao Phea, Chief of TB RH
- Mr. Prak Saotola, Liaison officer for TB and Leprosy

Prey Kabas OD

- Mr. Hing Samith, TB supervisor OD
- Dr. Pho Thol, Chief OD
- Mr. Chea Ang, Chief TB RH

ANNEX 3 Itinerary

SCHEDULE FOR TBCTA TEAM
January 13- 30, 2002

Date	Time	Activities	Accompanying USAID Staff	Location	Confirmation
Saturday and Sunday 01/12-13/02	Arrival time and date (please see above)	Team arrival	Pick up by USAID Expediter		
Monday 01/14/02	8:00 a.m.	Meeting with USAID/OPH to review SOW and Plan for Activities	OPH Team	USAID small conference room	Confirmed
	11:00 a.m.	Briefing with Ms. Lisa Chiles Mission Director		USAID small conference room	Confirmed
	1:30 p.m.	Review SOW and Planning (cont.) PowerPoint presentation by OPH, Interim PHN Strategy (2002-2005)	OPH Team	In David's Office	Confirmed
	3:30 p.m.	Dr. Eng Huot, Director General for Health, MoH		MoH	Confirmed
Tuesday 01/15/02	8:00 a.m.	Security briefing with RSO		USAID small conference room	Confirmed
	9:00 a.m.	Dr. Mao Tan Eang, Director CENAT Dr. Ikushi Onazaki, Chief Advisor CENAT/JICA Dr. Pratap Jay Avanth, WB Advisor for CENAT	David/Chantha	TB Center	Confirmed
	2:00 p.m.	Dr. Peter Godwin, WB		NCHADS Office	Confirmed
	3:30 p.m.	Dr. Mean Chhi Vun, Director NCHADS Dr. Seng Sut Wantha, Deputy	David/Chantha	NCHADS Office	Confirmed
	4:45 p.m.	Dr. Henk Bekedam, Acting WHO Representative		WHO	Confirmed

Date	Time	Activities	Accompanying USAID Staff	Location	Confirmation
Wednesday 01/16/02	8:00 a.m.	Dr. Chawalit Natpratan, Country Director, FHI Ms. Pok Panhavichetr, Executive Director, KHANA Ms. Jesse Rattan, Health Sector Coordinator, CARE	OPH team	USAID Small Conference room	Confirmed
	10:30 a.m.	H.E. Dr. Mam Bun Heng, Secretary of State	David/Chantha	MoH	Confirmed
	2:30 p.m.	Participate in Inter –Agency Coordinating Committee at CENAT		CENAT	Confirmed
	5:30 p.m. Charles and Chantha depart via Siem Reap Airway for Siem Reap				

Note:**Arrival and departure date for TBCTA Team:****Arrival/ Departure**

1. Dr. Maarten Bosman (KNCV): TG 698 on 01/13/02 at 18:45 p.m. TG 699 on 01/30/02 19:45 p.m.
2. Dr. Charles Wells (CDC): TG 696 on 01/12/02 at 9:25 a.m. TG 697 on 01/27/02 10:20 a.m.
3. Dr. Marcus Hodge (WHO/WPRO): TG 698 on 01/13/02 at 18:45 p.m. TG 697 on 01/23/02 10:20 a.m.

Date	Time	Activities	Accompanying USAID Staff	Location	Confirmation
Thursday 01/17/02	<u>Field Visit</u>				
	Charles, Chantha, Bo Rithy, Dr. Kruey Chheang Tay, CENAT Representative in Siem Reap				
	7:30 a.m.	Meeting with Mr. Bo Rithy, RACHA, Logistic Coordinator TB and essential drug logistic and overall RACHA program in Siem Reap	Chantha		Confirmed
	10:00 a.m.	Visit a health center in Soth Nikum OD, DOTS piloting, supported by MSF	Chantha		TBC
	2:00 p.m.	Meeting with Dr. Dy Bun Chem Provincial Health Department Director (and TB Control Unit)?	Chantha		TBC
4:00 p.m.	Meeting with CARITAS, NGO, implementing linkages between DOTS and community	Chantha		TBC	
Friday 01/18/02	In Bantey Meanchey				
	7:00 a.m.	Departure for Bantey Meanchey	Chantha		
	9:00 a.m.	Meeting with Provincial Health Department Director and Provincial DOTS Program Manager, and Visit DOTS program at provincial hospital	Chantha		TBC
	12:00 p.m.	Lunch at Sisophon	Chantha		
	1:00 p.m.	Meeting with Health Center Feedback Committee and Management Committee at Snoul Meanchey Health Center			
	2:00 p.m.	Meeting with OD Preah Neth Preah and DOTS program	Chantha		TBC
	4:00 p.m.	Return to Siem Reap	Chantha		TBC

Date	Time	Activities	Accompanying USAID Staff	Location	Confirmation
Thursday 01/17/02	<u>Field Visit</u>				
	Marcus, David, Chivorn and Ikushi in Sihanouk Ville				
	7:00 a.m.	Pick up David and Marcus at MICASA	Motorpool		
	7:15 a.m.	Meeting Dr. ONOZAKI at CENAT			
	7:30 a.m.	Pick up Dr. Chivorn at RHAC office, House # 6, St. 150 (Depo Market)			
	10:00 a.m.	DOTS at Health Center at Prey Nop District	David		Confirmed
	12:00 p.m.	Lunch			
	1:30 p.m.	Visit Health Development Program of RHAC	David		Confirmed
3:30 p.m.	Arriving at Sihanouk Ville, Visit port construction site and other sites	David		Confirmed	
Friday 01/18/02					
	8:30 a.m.	Meeting with Dr. Kiv Bun Sany, Provincial Health Department Director and Deputy Chairman of Provincial AIDS Committees.	David		Confirmed
	9:30 a.m.	Visit Provincial Hospital, DOTS, STD Clinic, Reproductive Health Clinic.	David		Confirmed
	10:30 a.m.	Visit 100% Condom Use Site	David		Confirmed
	12:00 p.m.	Lunch			
2:30 p.m.	Visit RHAC Reproductive Clinic and Reproductive Health Activities among youth	David		Confirmed	

SECOND WEEK
(From 01/21-25/2002)

Date	Time	Activities	Accompanying USAID Staff	Location	Confirmation
Monday 01/21/02		Work at MiCasa Hotel			
Tuesday 01/22/02	8:00 a.m.	TBD	OPH Team		
	10:00 a.m.	Dr. Tia Phalla, Secretary General NAA		NAA	Confirmed
Wednesday 01/23/02	8:00 a.m.	Visit HOPE Center	Chantha/Charles	Hope Center	Confirmed
	3:00 p.m.	Dr. Sam An Ung, Acting Director NIPH	Chantha/Charles	NIPH	Confirmed
	4:15 p.m.	Dr. James Olson, Epidemiologist Laboratory Manager, NAMRU-2	David/Chantha/Charles	NIPH	Confirmed
Thursday 01/24/02	8:00 a.m.	Visit Sihanouk Hospital (Kampuchea- Soviet Hospital)	Chantha/Charles	Sihanouk Hospital	Confirmed
		COCOM Meeting	David/Maarten	MoH	Confirmed
	10:30 a.m.	Dr. Seng Sut Wantha, NCHADS & Dr. Khun Kim Eam, CENAT Representative	David/Chantha Maarten/Charles	NCHADS Office	confirmed
Friday 01/25/02	TBD	Debrief with CENAT			

THIRD WEEK
(From 01/28-30/2002)

Date	Time	Activities	Accompanying USAID Staff	Location	Confirmation
Monday 01/28/02		Work at MiCasa Hotel			
Tuesday 01/29/02		Work at MiCasa Hotel		MiCasa Hotel	
Wednesday 01/30/02	9:00 AM	Dr. Mam Bum Heng - Debriefing	David, Paljor	MoH	Confirmed
	10:30 AM	Dr. Ung Sam An, NIPH	Paljor	NIPH	
	2:00 PM	Final Document Debriefing	OPH Team	USAID	Confirmed

Annex 4

Summary reports of field visits

Summary of Field Trip to Kampong Som and Kampong Speu Provinces

by Dr. Marcus Hodge, WHO; Dr. David Piet, USAID; and Dr. Ikushi Onazaki; JICA.

Sihanoukville, the capital of Kg. Som province, is the second largest city in Cambodia and a major coastal port and beach resort. It has a permanent population of about 150,000 people. The administrative boundary of Kg. Som province also represents a single operational district (OD). Major factors influencing health and TB control in Kg. Som province relate to the large mobile population people. People from all provinces of the country work temporarily in fishing, the port, manufacturing, and commercial sex industry; there is an associated high rate of HIV/AIDS: the HIV prevalence was 3.9 per 100,000 in antenatal clinic screening in 2000.

Upgrading of port facilities in 2002 will result a considerable influx of additional workers and their families, resulting in major further challenges for the health system. The mobility of the population creates difficulties for the continuity of treatment (especially for tuberculosis). Although a new clinic will be built with the development of the port, it will not serve the families of port workers. Provision of health care and housing to these new arrivals will be a major challenge to local authorities in the coming months.

Kg. Som and Kg. Speu provinces have received direct support from the Embassy of Japan through the “Grass Roots Program” for construction of TB Units (in several districts and at the Provincial Hospital, Sihanoukville). In Kg. Speu province, the TB Unit was constructed in a former district hospital. Japanese Government support is also received locally for operational costs and transportation (motorbikes). These facilities and equipment stand alongside health centers and hospitals that are not as well equipped and of much lower construction standards and maintenance. The TB Units in these provinces receive regular supervision from the central level because of the unique geographical location of Sihanoukville with relatively access by a quality national highway. Excessively high sputum–smear–positive case detection has now improved with closer supervision and monitoring.

The Provincial Health Service of Kg. Som has 313 personnel and most health centers are staffed by a doctor. Unlike more remote areas, staffing capacity is not a problem. The Director of the Provincial Health Service has established an innovative program for monitoring the health status of workers in the city’s 76 brothels, and for supporting 100% condom use. Sex workers are registered both in the brothel area and at the STD clinic of the provincial hospital. At each visit to the clinic, sex workers are given a supply of 25 condoms and brothels may purchase additional supplies at a nominal charge. Most brothels apparently adhere to a “no condom - no sex policy”. A VCT service for HIV is available in a separate clinic at the provincial hospital. There is potential for CDC involvement in the project in the future since current funding by external partners (including the European Union) will end in 2002. Public health staff from throughout Cambodia visit the program, as it has become a model for the rest of the country.

Kg. Som is one of seven target provinces of “The Reproductive Health Association of Cambodia” (RHAC), which implements a community based program for education on reproductive health and HIV/AIDS. USAID has been the major funding source for RHAC (about USD 1 million in 2000), however, in recent years RHAC has received an increasing

proportion of funding from other donors, including UNFPA. The community outreach work is backed by a well-equipped clinic in Sihanoukville providing a range of family planning, counseling and adolescent reproductive health services. RHAC aims to coordinate its work through quarterly meetings and referral systems with seven other NGOs, but there is still scope for coordination with other partners.

There is potential to add TB messages and advocacy to the community based work of RHAC to increase active detection of tuberculosis cases. Most villages would only expect one or two tuberculosis cases, on average, per year. We observed a male educator teaching effectively to a largely female audience in a minority Cham Muslim community. Adding information on TB to pre-existing HIV/AIDS community outreach would be an efficient approach to educating communities on tuberculosis and increasing case finding.

In conclusion, we observed a community undergoing major socioeconomic change associated with future development of the Sihanoukville port. Kg. Som province has a large mobile population and is facing the challenge of a rising incidence of HIV/AIDS. Innovative and multisectoral approaches have been developed to address the health needs of sex workers and NGOs are active at the community level in the field of HIV/AIDS and reproductive health. There is scope for greater coordination of the activities of NGOs, and issues related to tuberculosis could be supplemented to their community outreach work. The tuberculosis program receives strong support at the local level in the provinces visited from the Government of Japan, and DOTS is administered independently from Health Centers in these areas.

Visit to Siem Reap Province, 17 January 2002

Activities

- A. Briefing by Borithy Lun, Advisor, Logistics Unit, Reproductive and Child Health Alliance (RACHA)
- B. Meeting with Kong Saith, Deputy Director, Soth Nikum Operational District (OD)
- C. Visit to Samrong Health Center, Dam Daek commune, (Mr. Seng Sophy, director)
- D. Meeting with Bernadette Glisse, Coordinator, Community Health and Community development Programs and AIDS Home Care Program, CARITAS Cambodia
- E. Visit to Kamtreang Health Center, Siem Reap Operational District

Findings

Briefing with RACHA

1. Reviewed national Drug procurement and management system
 - a. The MOH procurement unit is responsible for Drug procurement with input from the finance committee. The unit meets formally twice a year and procures annually.
 - b. Essential Drugs Bureau (ESB) determines what the needs are to maintain the essential drug list for the MPA; ESB maintains a parallel management system for TB Drugs. ESB provides feedback and Drug supply needs information to the procurement unit.
 - c. All Drug supplies that procured by MOH are housed and managed by the central medical stores (CMS). CMS distributes drugs directly to the operational districts.
 - d. In the past, drug procurement has been based on case numbers, not by consumption. RACHA's projects, funded by USAID primarily with some funding by the Packard Foundation, are focused on better drug supply balancing among ODs within provinces. With the training and management system put into place, ODs are able to avoid overstocking and Drug supply shortfalls by moving Drugs between ODs. This approach of moving Drugs among ODs saves transport costs by avoiding moving supplies to and from CMS.
2. Project funded by USAID (and Packard Foundation) to improve Drug supply management and distribution
 - a. Training MoH personnel on drug supply logistics management (6 workshops – 208 trained)
 - procedures on drug management
 - trained government people at central level to be trainers
 - calculation of monthly stock and correct formulas to order stock
 - correct storage guidelines
 - b. Facility supervision in 3 provinces (7 operational districts)
 - c. Incentive scheme to motivate ODs - motorbike
 - ODs fully managed by computerized system - saves significant time on Drug supply report generation (hours versus days)
 - all health centers in 3 provinces closely supervised and stock level balanced

Soth Nikum OD

1. Soth Nikum is 1 of 3 ODs in Siem Reap Province
2. Population:227,696
3. OD TB system structure
 - a. 17 health centers divided into 2 administrative zones and 1 TB unit referral hospital
 - b. 2 sites with smear microscopy capabilities – 1 at TB unit referral hospital and 1 in health center at former district hospital
 - c. TB patients can be hospitalized at these same 2 sites

4. DOTS implementation began in early 2001
 - a. All health centers operational with DOTS
 - b. Delay on sputum smear results, 2-5 days
 - c. ~400 smear positive TB cases annually
 - d. Cure/completion rate: 89%
 - e. Training for DOTS implementation coordinated at provincial level with CENAT/JICA support
5. Problems with DOTS implementation
 - a. having good follow up for those patients who are at risk for default
 - b. laboratory delays
 - c. transportation for staff to supervise health center activities
6. NGO support for DOTS program
 - a. World Food Program – food supplements for TB patients
 - b. Medecins Sans Frontieres – infrastructure renovations
 - c. JICA – support CENAT training activities in the OD

Visit to Samrong Health Center, Soth Nikum OD

1. Health Center is approximately 10 km from OD center and 40 km from Siem Reap town; population – 12,700
2. Staff
 - a. 2 secondary nurses (3 years formal training)
 - b. 2 secondary midwives
 - c. 1 primary nurse (1 year formal training)
 - d. 1 primary midwife
3. TB situation and DOTS
 - a. 70-80 TB suspects evaluated / year
 - b. ~25 smear positive cases / year
 - c. < 5 smear-negative/extra-pulmonary cases/ year
 - d. ~4 patients / year sent to referral hospital
 - e. Patients come early in morning for dosing; 2 staff trained to perform DOT
 - f. Drugs delivered by OD monthly
 - g. Poor case finding among persons from outer areas of catchment of health center (zone C); only 2-3 cases per year detected. Opportunity costs for patients from these areas are too high to come for evaluation and treatment.
 - h. Less stigmatization from TB diagnosis now; still residual beliefs of disease being hereditary
 - i. Limited knowledge on HIV situation
4. Feedback Committee (FBC)
 - a. Consists of 1 man and 1 woman from each village of catchment area; usually literate, highly respected village members
 - b. Meets on monthly basis; members provide their own transportation
 - c. Assist with health messages to their respective communities and provide staff with feedback on problems and concerns as reported by the communities
 - d. FC members receive free services from HC and referral hospital (as do members of health center management committee)
5. User fees
 - a. first arrival for evaluation-1000 real
 - b. consultation-500 real
 - c. wound Dressings-500 real
 - d. ANC-1000 real; 2nd ANC-500 real

- e. birth spacing-1500 real for 3 mos., 1000 real for 1 mo.
- f. suturing-5000 real
- g. emergency care-5000 real
- h. normal delivery-15000 real
- i. malaria blood testing-1500 real
- j. referral/transport to referral hospital-20000 real
- k. EPI and TB services free, including transport of TB patients to TB referral hospital

Visit to CARITAS Cambodia, Siem Reap (SR) office

1. Overview of CARITAS
 - a. Began assistance with MoH health sector reform efforts in SR by supporting establishment of health centers according to “District Health Coverage Plan”
 - b. Currently supports 7 health centers in Siem Reap OD
 - c. Supports DOTS at 3 of the 7 health centers; each DOTS supported center with inpatient facilities and smear microscopy capabilities
 - d. Supports HIV/AIDS home care program for Siem Reap City at Po-Mean-Chey health center; provide DOTS through home care program in coordination with the TB Provincial Director
 - e. Supports comprehensive community development program to improve health of the population – water and sanitation, irrigation and sustainable agriculture, school construction, credits, infrastructure development (road crossings, animal husbandry, community organizations)
2. Specific TB activities
 - a. All activities closely coordinated with provincial health authorities and SR OD TB program, as well as CENAT
 - b. Renovation and construction of 40-50 bed TB provincial referral hospital (\$5000)
 - c. Construction of 2 in-patient facilities of 16 beds each at 2 health centers at request of provincial health department. These health centers diagnose ~10 new cases per month; hospitalize patients too sick to travel or those who live too far away from health center for DOT
 - d. Supplied full smear microscopy needs (microscope, sinks, cupboards, etc) at 3 health centers
 - e. Supplied motorcycles for health center staff to track patients interrupting treatment
 - f. Sponsor health center staff (per diems) for microscopy training
 - g. Sponsor “bonus according to performance” for DOTS staff as part of “New Deal”; averages ~\$35 per month per staff member based on performance (in conjunction with other health center targets). For DOTS activities, certain detection rate of smear positive cases must be met for bonus
 - h. Willing to assist with further expansion throughout OD

Visit to Kantreang health center, Siem Reap OD, sponsored by CARITAS

1. Situated just off highway 6, approximately 20km from Siem Reap town
2. DOTS started in May 2000
3. TB burden, 2001:
 - a. averaged 11 new cases per month
 - b. 134 patients under treatment, 46 (34%) under full ambulatory DOTS
 - c. outcomes: 48 patients completed treatment, 4 deaths, 1 patient default
 - d. 7 TB patients with AIDS on home-based DOTS
 - e. 30-40 suspects examined monthly; for initial smear negative suspects, 15 days amoxicillin given before repeating smears

Visit to Banteay Meanchey Province, 18 January 2002**I. Activities**

- A. Meeting with Dr. Chhum Vannarith, Director, Banteay Meanchey (BM) Provincial Health Department
- B. Site visit to Makak health center
- C. Meeting with Muon Sopha, BM Provincial Coordinator, and Lydia Ettema, HIV/AIDS Advisor, CARE Cambodia in Poipet on Cambodia-Thailand border
- D. Site visit to Chono Beanchey health center for meeting with feedback committee
- E. Site visit to provincial referral TB unit hospital

II. Findings**Briefing BM Provincial Health Department (PHD)**

1. Province with 51 health centers divided into 3 ODs
 - a. 23 health centers with DOTS presently
 - b. 10 additional health centers have received initial DOTS training
 - c. Each health center with 8,000-12,000 persons per catchment area
 - d. Poipet district in NW BM is under-served – 70,000 official population, but true population >100,000 secondary to casino/gambling industry. HIV seroprevalence growing rapidly. Currently only 2 health centers serving over 100,000 persons.
2. TB profile
 - a. Approximately 40-50 TB cases per year for each health center
 - b. Cases have increased by 20% with DOTS expansion thus far
 - c. Currently 7 smear microscopy sites in BM; plans for 2 more to be added
 - d. CARE providing DOTS support in 8 health centers
 - e. TB Drugs delivered directly from Central Medical Stores to the 3 ODs; Provincial health department supervises OD Drug supplies and shifts as needed among ODs
 - f. TB case reporting goes health center to OD to PHD to central level as part of the national health information system; additional TB data collected, but core data reported to central level must be identical
3. Problems with DOTS implementation
 - a. Have started thus far in health centers with local commitment of leaders and support of community; some health centers with DOTS have seen commitment decrease
 - b. Transportation for staff is critical issue
 - staff have to use their own transport to track patients who interrupt treatment
 - need transportation as incentive to support program
 - case detection in outer catchment areas of health centers is very difficult
 - c. HIV
 - province with mobile population contributing to growing HIV epidemic
 - PHD working closely with NCHADS to implement full 10 strategies plan for intervention
 - PHD working closely with NGOs (CARE, MSF, CIDO); beginning planning and coordination exercises

Site visit to Makak health center, Bun Thei commune, BM Province

1. Health center approximately 10km NW of Serei Sophorn Town
2. Population: 6,900
3. No NGO support for health center
 - ~300 consultations / month
 - staff – 2 secondary nurses, 1 secondary midwife, and 1 primary nurse
4. DOTS implemented in 3rd quarter 2001
 - staff received 2 training session – first was more general training on TB and DOTS principles; second was specific roles activities for staff performing DOTS responsibilities
 - slide sputum smear preparation monitored by OD laboratory supervisor
 - slides for TB suspects go to PHD/OD TB referral center; delays of ~3 days for results
 - have not yet made patient referrals for inpatient care
 - thus far, ~8 TB suspects identified each month with 1-2 confirmed cases
 - transportation during rainy season very problematic
5. Feedback committee – meets monthly; have been providing feedback on suspect cases from the community

Meeting with CARE Cambodia, BM Province staff in Poipet

1. Supporting DOTS in 8 health centers
 - a. refresher training
 - b. IEC – counseling on TB
 - c. Feedback committee training on TB issues such as compliance
2. 2002 plan
 - a. Planning with PHD on DOTS expansion support
 - b. DOTS training for health centers newly implementing DOTS
 - c. Training feedback committees on case-finding
 - d. IEC on TB with villages
3. HIV activities – Poipet with special focus due to casinos and presence of 20 brothels
 - a. condom social marketing
 - b. general prevention activities for high risk populations (military, police, brothels, casinos)
 - c. children in distress (abandoned, orphaned)
 - d. home-based care program (inherited from MSF-Holland) in Poipet
 - teaching families to care for patients
 - social only, not medical home care
 - FHI to undertake more SDI training and clinical care activities
 - e. No VCT available as of yet; private clinics “performing” testing but quality poor and results highly suspect
 - f. HIV survey in 2000 among direct sex workers showed seroprevalence of 37.3%, down from 50.7% in 1999.

Site visit to Chono Beachay Health Center with Feedback Committee (FC)

1. Health center approximately 15km from Serei Sophorn Town with 12 villages in catchment area; established in 1996
2. Population: 6,127 persons
3. DOTS not yet started; all patients referred for diagnosis and treatment. Since 1/1/2002, 15 TB suspects identified with 8 cases confirmed.
4. Feedback Committee profile

- a. meets every other month
- b. members receive free health services
- c. feedback received by the health center director
 - clients don't feel welcome
 - wait too long for service
 - providers impolite
 - user fee causes problems; barrier to access
 - rumors of side-effects of contraceptives
 - more transparency in operations desired by community
5. Health center management committee
 - a. "Board of Trustees" and "business affairs" committee for health center
 - b. Promotes access
 - c. Sets user fees - ~50% shared among staff; ~50% covers running costs
 - d. Addressing needs such as establishing accommodations when patients coming from farther away in the catchment area

Site visit to BM OD TB unit referral center

1. 12 health centers in OD
2. OD population: 122,648
3. 5 health centers with DOTS implemented
4. Facility profile: 60 TB beds; 30 staff; 3-4 suspect TB cases evaluated / week
5. Provide training and evaluation to health centers on DOTS; monitor health centers monthly
6. Reported cases have increased substantially since DOTS implemented
7. Plans for DOTS expansion to additional 4 health centers during 2002; await NTP direction

Report on field visit to Kampong Chhnang province on 17 January 2002

Visiting team:

Dr. Mao Tang Eang, Director CENAT
 Mr. Ngudup Paljor, MCH Advisor, OPH, USAID
 Dr. Maarten Bosman, Senior TB Consultant, KNCV

Places visited:

1. Prey Khmer Health Center
2. Kampong Chhnang Provincial Health Department
3. Kampong Chhnang Operational District Office
4. Care Office of the Jivit Thmey Project in Kampong Chhnang Operational District

1. Prey Khmer Health Center

Prey Khmer Health Center was rebuilt and reopened in December 2000. The center with 11 staff provides the MPA to a population of 17,000 in 3 communes. The center is one of the 7 health centers in the Rulia Phaiar OD.

The center operates on MoH funds and user fees and receives support from CENAT for TB activities. CARE assisted in the establishment of the Feedback Committee (FBC) and in increasing staff capacity through the COPE project.

The HC charges user fees as indicated below:

Intervention	Cost in Riel
Registration for 6 consultations	300
Consultation	500
Birth Spacing	1,500
Tetanus Toxoid for ANC attenders	500
Vaccinations other than EPI package	500
Minor surgery	5,000
Wound Dressing	500
BS for malaria	2,000
IV fluids	7,000
Delivery	15,000
EPI and TB	Free of charge

The costs of the interventions are presented on a board clearly positioned in the waiting area of the HC. On average, the health center sees 20 patients daily. The average daily income of the HC from user fees varies from 10,000 to 20,000 Riel. About 30% of patients are exempted from the fees. The additional income per staff per month from user fees income is 10,000-15,000 Riel (about 3-5 US\$).

HC outreach covers EPI, birth spacing and ANC. It was unclear to what extent IEC on TB and patient identification with a chronic cough had been introduced as part of the outreach work.

The HC started DOTS in November 2001. 2 staff were trained, one of them being responsible for transporting sputum to the TB unit 4 km from the HC. The TB HIS comprised a chronic cough register and the HC TB patient book. During the course of November and December 2001, 18 suspected cases had been examined, of which 2 (11%) were smear-positive. The HC kept sufficient stocks of anti-TB Drugs. However, the rifampicin/isoniazid combination tablets in stock had expired by 12 January 2002.

In 1999, the HC Management Committee (MC) was established. The MC has 11 members elected by the commune committees of the 3 communes. The head of the HC is one of the chiefs of the communes on a rotational basis. The Chief and vice-Chief represent each HC. The MC further has representatives of the pagodas, monks and laymen, the women's association, and representatives of the commune populations. In 2001, the MC met 11 times in combined meetings with the Feedback Committee (FBC). The FBC has 53 members, of which 44 are from the 22 villages of the 3 communes.

The meetings discuss the monthly activity report, epidemic diseases, special patients, chronic patients, IEC issues concerning diarrhea, malaria, HIV/AIDS, and dengue fever. It was unclear if the meetings had discussed TB.

Conclusions

- Overall performance of the HC seems adequate and was graded as average by the team. The FBC and MC seem to function well, though it was decided to decrease the frequency of the meetings to once every two months instead of monthly.
- Attendance rates are low in view of the population in the catchment area, reflecting the general low utilization of public health services in Cambodia.
- Though DOTS is within access to part of the population, some patients had refused to attend daily due to the distance to the HC. The question was raised as to whether such patients could be given drugs for self-administration. The potential use of FBC members as DOTS supervisors was discussed as an option for providing DOTS at the village level.

2. Kampong Chhnang Provincial Health Department

At the PHD, the team discussed provincial health issues with the provincial health director, the health directors of the two operational districts, the chief of the provincial AIDS program, and the Provincial TB Supervisor (PTS).

Kampong Chhnang Province has an estimated population of 420,000 people. The province is divided into two operational districts. Kampong Chhnang OD with 23 HCs covering a population of 277,000, and Kampong Trialach OD with 11 HCs covering a population of 143,000. All HCs have provided the MPA since 2001. Thirty HCs were built or renovated with the support of the ADB and DFID. All HCs have FBCs, of which some 50% were functioning well, i.e. were meeting regularly with sufficient members attending. The province is one of the 7 provinces where the Priority Action Project (PAP) is piloted.

CARE supports the province in two administrative districts in selected HCs. CARE provides TA and assisted in mapping the HC catchment areas and establishment of the FBCs. Currently CARE provides direct support to 4 HCs for MCH and training of TBAs and

midwives. CARE focus is on remote populations and IEC. CARE collaborates closely with the PMT and PHD and participates in planning meetings of the PHD.

Other NGOs supporting the province are CESVI (Italy), World Vision International and LWS (Lutheran World Services). All NGOs participate in the monthly Pro CoCom meetings.

Provincial TB Supervisor

The PTS started as TB supervisor of the province in 1980. He is assisted by one assistant supervisor, two laboratory staff and one statistician. The team has two motorcycles. All HCs in the two ODs provide DOTS since 2001. Both ODs have a TB supervisor. Kampong Chhnang OD has 6 microscopy centers for AFB and Kampong Trialach has one microscopy center for AFB.

Each OD has an OD TB register in which all cases diagnosed by the respective HCs are registered. Each HC has a HC TB book for registration and monitoring of treatment intake. The registers were introduced in 2001. Before 2001, registration was based at the 7 TB units with microscopy services. It is the duty of the OD TB supervisor to update the OD TB register to include all cases diagnosed by the microscopy centers.

The activities of the PTS are based on a monthly activity plan. The two main activities are supervisory visits to HCs and microscopy centers, and home visits to patients. The PTS visits each health center bi-monthly and each microscopy center monthly. The PTS visits two to three patients to verify their status in each center. For 2002 the PTS plans to survey households for examination of contacts of known cases of TB and to provide IEC to village health volunteers (VHV) in collaboration with the FBCs.

The majority of cases are currently receiving DOTS at the HC level. Severe patients are admitted in one of the TB units with bed capacity (formal district hospitals). Some patients on HC DOTS had to build shelters near the HC to be able to attend daily for DOTS. All patients (admitted or ambulatory) receive food support monthly through the World Food Program (WFP), i.e. 15 kg rice, 900 gram vegetable oil and canned fish. In 2001 the total number of new smear-positive cases started on DOTS in the province is 670.

Provincial AIDS Coordinator

The Provincial AIDS Coordinator (PAC) started working in the province in 1994 when the National AIDS program was established. The program is supported by NCHADS as regards special activities as surveillance and training. Operating costs are funded by the World Bank (WB) through the Provincial Project Unit (PPU) which receives funds for TB, malaria and AIDS control from the WB Program Coordinating Unit (PCU) in Phnom Penh. Through this channel the Provincial AIDS program received 14,000 US\$ which was used for training, outreach work, supervision, STI services, social mobilization, establishment of peer groups and World AIDS day. When WB funds are not available the province provides per diem. During 2001 the Provincial TB Program received 1,000 US\$ from the PPU.

During 2001, 85 new AIDS cases had been registered, of which 60 had already died. HIV-prevalence in Kampong Chhnang is one of the highest in Cambodia. 42% of the commercial sex workers (CSW) are tested positive and 13% of the indirect sex workers (ISW). HIV

prevalence in ANC attendees is 3.3% in 2001. In view of this reported HIV prevalence of one percent in TB cases seems to be too low.

Current collaboration between the two programs is mainly in the areas of surveillance and case-management.

Operational District Health Directors

The team discussed overall challenges of the ODs and the perceived strengths and challenges of TB control.

Overall challenges mentioned were:

- Human resources. Moderate capacity of staff, low salaries of staff, “floating staff”, i.e. staff trained in the past, but not recognized by the government system as true health staff, staffing of remote areas.
- Reduction of the prevalence of infectious diseases
- Implementation of MPA as staff is not sufficiently skilled, in particular with regard to health management.

Perceived strengths of the NTP:

- Improved access to DOTS following expansion to the HC level
- Increased awareness of the population through dissemination of IEC via the FBCs
- Provision of clear guidelines
- Promotion of outreach work to identify suspects
- TB treatment free of charge
- Training of staff with JICA support
- Transport of sputum
- Support to supervision

Challenges to TB control:

- Diagnosis of smear-negative TB in the absence of X-ray facilities
- Side effects of treatment, though uncommon
- The problem of defaulters
- The problem of patients living too far away from HCs to be able to get ambulatory DOTS.

Conclusions

- The HC based DOTS program is well established in the province
- There is need to address the problem of TB patients living too far from HCs
- The PHD recognizes the support of the NTP to the program, however it seems that WB funds for TB play a limited role in developing the program further.
- The NTP and AIDS program operate largely separately at the provincial level.
- There is need to increase the planning and management capacity for TB control at provincial level.

3. CARE Jivit Thmey Project

CARE Jivit Thmey (New Life) Project is a USAID/CARE International funded project, which was initiated in July 1995. The project started in 11 districts in three provinces. In Kampong Chhnang the project covers Boribo and Rolea Phiear districts.

Overall in 2001 the project covered 33 health centers serving 61 communes with 505 villages with an estimated total population of 380,000.

The project focuses on improving the technical performance skills of health center staff through training in the topics of: birth spacing, ante/post-natal care, safe delivery, treatment of childhood diarrheal diseases and acute respiratory infections, immunization, basic curative care; providing training for selected traditional birth attendants (TBA), private health workers, private pharmacists and Drug sellers. CARE has also supported health education and promotion activities, basic equipment and establishing/strengthening outreach services. Other components include nutrition education and diagnosis and treatment of sexually transmitted infections (STI).

In Boribo and Rolea Phiear CARE provide direct support to 4 HCs and indirect support to another 7 HCs. The total population in the area is 127,000 in 176 villages. The TBA training program aims to improve the skills of 150 TBAs, that provide assist in home deliveries. The potential role of TBAs as DOTS supervisors at the community level was discussed with the MCH assistant at the CARE office in Kampong Chhnang town.

Conclusions

- CARE has played an important role in developing the health services in the area it covers
- CARE is fully supporting TB control work in the area
- CARE recognizes the potential role of TBAs as community based DOTS supervisors.

Report on field visit to Takeo province on 18 January 2002

Visiting team:

Dr. Kehn Kim Eam, CENAT supervisor
Mr. Ngudup Paljor, MCH Advisor, OPH, USAID
Dr. Maarten Bosman, Senior TB Consultant, KNCV

Places visited:

1. Takeo Provincial Health Department
2. Ang Roka District Health Project
3. Prey Kabas Operational District

1. Takeo Provincial Health Department

Takeo province has an estimated population of 850,000 and is divided in 10 administrative districts with 100 communes and 1,117 villages.

The health services are provided by 5 operational districts with 70 health centers, 5 referral hospitals and 9 TB units with microscopy services. The total bed capacity for TB patients is 165. At the start of 2002 all ODs are supposed to register TB cases in the OD TB register.

With WB and ADB funds 63 new health centers had been constructed to reestablish the health infrastructure planned in the Health Coverage Plan. Beside government funding the health sector receives support by a range of NGOs, i.e. Helen Keller International (HKI) providing eye health services and support to PHC, LWS providing health education, RACH, the Asian Medical Doctors Association (AMDA), Rachana, a local NGO involved in rural development, the Swiss Red Cross, Caritas, JOCS (Japan) and Enfants et Developpement (EED).

The TB program is has not yet introduced HC based DOTS, though in two ODs initial workshops have been organized. The process of introducing DOTS at HC level in an OD has the following steps:

- Preparation visit to do a situational analysis
- Sensitizing workshop
- Training program
- Preparatory meeting before the start of implementation
- Supportive supervision
- Evaluation visit.

The duration of the process is 6 months.

Conclusions

- The NTP in Takeo is just starting DOTS expansion to HC level in two ODs. Currently all TB cases are admitted in one of the 9 TB units during the intensive phase of treatment. During the continuation phase patients report monthly to the TB units to collect Drugs and for follow up smear examinations

2. Ang Roka District Health Project

Health service provision in Ang Roka Operational District is contracted out to AMDA on a 4 year contract of 1.9 million US\$ which runs through end 2002. AMDA contracted near 100% of actual government health staff to provide MPA at 9 HCs and CPA at one referral hospital. AMDA introduced user fees in November 2001. Following the introduction of the fees utilization rates at HC level has declined steeply. AMDA has started decentralizing provision of continuation TB treatment to 3 HCs.

The team visited the Ang Roka district hospital and its departments. The hospital is not able to provide the full CPA as it lacks an operating theatre and an X-ray facility.

Before the introduction of user fees the majority of patients (80-85%) were referred by one of the HCs. After the introduction of user fees the majority of patients attending the hospital bypassed the HC level and the bed occupancy rate had declined considerably. The hospital itself is an upgraded health center with new hospital wards. The hospital is well maintained and managed. The hospital has 25 staff including 4 doctors and 2 medical assistants.

The team visited the TB ward and interviewed a number of TB patients. Patients were well managed and all received WFP support. Patients were well informed about the duration of treatment. The laboratory was well organized. AMDA had initially bought its own supply of anti-TB Drugs in Phnom Penh, but would in the future use the NTP Drugs.

Conclusions

- AMDA follows the NTP guidelines for diagnosis and treatment
- AMDA is proactive in decentralizing DOTS to the HC level
- Ang Roka district is one of the two ODs where DOTS at HC level will be introduced during 2002
- User fees have had a negative effect on health service utilization and hospital admissions in a well managed system offering services free of charge
- Per capita expenditure of about US\$ 4 through contracting out are well above the national average. However, services provided are of good quality.

3. Prey Kabas Operational District

Prey Kabas OD, which borders Vietnam, covers a population of 140,000. The OD has 13 HCs and 2 TB microscopy centers. All except one HCs provide MPA. The referral provides CPA but lack an operating theatre and X-ray equipment. User fees were introduced in 2001. As yet no HCs provide DOTS and all TB patients are hospitalized during the intensive phase of treatment. It has been planned to start DOTS at Prey Kabas HC in March 2002.

The visit to Prey Kabas was used to examine the quality of direct microscopy and case-finding by the center in view of findings related to the quality as observed during the NDRS which was held in the district from October 2000 till March 2001. From the laboratory registers covering the period 1998-2001 the following information was collected (see table below).

Period	Suspects	Positive	Rate	% population examined
1998	328	215	66%	0.36%
1999	367	260	71%	0.41%
NDRS 10-10-2000 till 06-03-2001	149	42	28%	0.40% (extrapolated)
02-07-2001 till 31-12-2001	223	110	49%	0.59% (extrapolated)

The table shows a very high smear-positive rate in 1998 and 1999. During the NDRS the rate dropped to 28%, but thereafter again increased to 49%. The findings were discussed with the staff and the JICA adviser to the NTP.

Conclusion:

It is apparent that the microscopy center in Prey Kabas is dysfunctional at the moment. Reasons for this could not be explored in the frame of this visit.

ANNEX 5 DOTS expansion to HC level program 2001-2003

N	Kandal Province (5RH + 6FDH + 88 HC)	HC	2001	2002	2003
1	Takmao	14	14		
2	Saang	12			12
3	Koh Thom	12			12
4	Kean Svay	17		17	
5	Ksach Kandal	9	9		
6	Ang Snuol	8			8
7	Ponhea Leu	10			10
8	Muk kam Poul	6		6	
	Kampong Cham Province (10RH + 3FDH + 128 HC)				
9	Kampong Cham – Kampong Siem	22	12		10
10	Prey Chhor – Kang Meas	15	15		
11	Cheung Prey – Batheay	13		13	
12	Chamcar Leu – stung Trang	13		10	
13	Kroch Chhmar – stung Trang	9			9
14	Tbong Khum – Kroch Chhmar	13		11	2
15	Ponhea Krek – Dam Be	14			14
16	O Reang Ov – Koh Sotin	8			8
17	Memut	8	8		
18	Srey Santhor – Kang Meas	13			13
	Kampong Chhnang Province (2RH + FDH + 34 HC)				
19	Kampong Chhnang	23	23		
20	Kampong tralach	11	11		
	Kampong Speu Province (3RH + 3FDH + 50 HC)				
21	Kampong Speu	22		13	9
22	Oudong	9			9
23	Kong Pisey	19		12	7
	Kampong Thom Province (3RH + 5FDH + 50 HC)				
24	Kampong Thom	21	12		9
25	Stong	10			10
26	Baray - Santuk	19	11		8
	Kampot Province (4RH + 3FDH + 47 HC)				
27	Kampot	10	7		3
28	Chhouk	15	10		5
29	Kampong Trach	12	6		6
30	Angor Chey	10	6		4
	Kep Ville Province (4 HC)				
31	Kep Ville	4			4
	Koh Kong Province (2RH + 12 HC)				
32	Smach Mean Chey	6			6
33	Sre Ambel	6			6
	Kratie Province (2RH + 3FDH + 22 HC)				
34	Kratie	12		12	
35	Chhlong	10			10

N	Takeo Province (5RH + 5FDH + 70 HC)	HC	2001	2002	2003
36	Don Keo	15		15	
37	Kirivong	20		10	10
38	Bati	13		13	
39	Ang Roka	9			9
40	Prey Kabas	13		13	
	Battambang Province (4RH + 5FDH + 67 HC)				
41	Svay Por	34	11	20	3
42	Tomakol	16	16		
43	Mong Russey	11	4		7
44	Sampov Iuon	6	2		4
	Bantey Meanchey Province (3RH + 4FDH + 54 HC)				
45	Mongkol Borei	29	9	5	15
46	Thmar Puok	13	6	3	4
47	Preah Net Preah	12	5	2	5
	Pailin Ville Province (3 HC)				
48	Pailin Ville	3			3
	Prey Vieng Province (7RH + 7FDH + 90 HC)				
49	Prey Veng	17		6	11
50	Neak Loeung	17		7	10
51	Peareang	15	14		1
52	Kampong Trabek	11	7		4
53	Pheah Sdach	9		9	
54	Kamchay Mear	11	6		5
55	Mesang	10		10	
	Preah Vihear Province (12 HC)				
56	Preah Vihear	12			12
	Pursat Province (2RH + 3FDH + 30 HC)				
57	Sampov Meas	20	18		2
58	Bakan	10	10		
	Sihanouk Ville Province (11 HC)				
59	Sihanouk Ville	11	9		2
	Phnom Penh Province (37 HC)				
60	Kandal	10	2		8
61	Cheung	8	3		5
62	Lech	10	4		6
63	Tbong	9	4		5

	Mondolkiri Province (6 HC)	HC	2001	2002	2003
64	Sen Monorom	6			6
	Rattanakiri Province (10 HC)				
65	Rattanakiri	10			10
	Stung Treng Province (10 HC)				
66	Stung Treng	10			10
	Siem Reap Province (3RH + 4FDH + 53 HC)				
67	Siem Reap	29		29	
68	Soth Nikum	17	17		
69	Kralanh	7			7
	Odar Mean Chey Province (4 HC)				
70	Samrong	4			4
	Svay Rieng Province (3RH + 5FDH + 37 HC)				
71	Svay Rieng	20		20	
72	Romeas Hek	9		9	
73	Chi Phu	8		7	1
	Total	929	291	264	374
	Percentage	100	31	28	40
	Percentage of 632 functional HCs		46	42	10

ANNEX 6 NTP case-finding data 1982-2000

Table 1. Number of TB Cases Registered under NTP from 1982 to 2000

Year	Smear (+)			Smear (-)	Extra PTB	Total
	New	Relapse	Sub-total			
1982			5,579	2,663	233	8,475
1983			5,316	1,823	833	7,572
1984			5,507	316	2,007	7,830
1985			5,235	3,891	1,019	10,145
1986			8,715	1,295	271	10,281
1987			7,173	1,406	1,027	9,606
1988			8,246	1,714	731	10,691
1989			6,740	2,251	965	9,956
1990			5,132	163	672	5,967
1991			8,507	990	1,406	10,903
1992			12,685	2,491	972	16,148
1993	9,560	200	9,760	2,417	912	13,089
1994	11,058	540	11,598	2,195	1,319	15,112
1995	11,150	605	11,755	1,575	1,501	14,831
1996	12,065	607	12,672	708	1,477	14,857
1997	12,686	634	13,320	721	1,588	15,629
1998	13,865	705	14,570	705	1,671	16,946
1999	15,744	792	16,536	725	2,005	19,266
2000	14,826	814	15,640	1,108	2,144	18,892

(Source: CENAT)

Table 2. Case Registration Rate under NTP from 1982 to 2000

Year	Population x 1,000	New Smear (+) and Relapse Cases	New Smear (+) and Relapse/10 ⁵ Population	All New Cases	All New Cases/10 ⁵ Population
1982	5,900	5,579	94.6	8,475	143.6
1983	6,150	5,316	86.4	7,572	123.1
1984	6,400	5,507	86.0	7,830	122.3
1985	6,700	5,235	78.1	10,145	151.4
1986	7,000	8,715	124.5	10,281	146.9
1987	7,300	7,173	98.3	9,606	131.6
1988	7,600	8,246	108.5	10,691	140.7
1989	7,900	6,740	85.3	3,890	492
1990	8,200	5,132	62.6	5,967	728
1991	8,500	8,507	100.1	10,903	128.3
1992	8,800	12,685	144.1	16,148	183.5
1993	9,250	9,760	105.5	13,089	141.5
1994	9,700	11,598	119.6	15,112	155.8
1995	9,950	11,755	118.1	14,831	149.1
1996	10,200	12,672	124.2	14,857	145.7
1997	10,700	13,320	124.5	15,629	146.1
1998	11,426	14,570	127.5	17,093	149.6
1999	12,112	16,536	130.2	18,503	152.8
2000	12,414	15,640	126.0	18,892	152.2

(Source: CENAT)

ANNEX 7 Anti-TB activities by provinces, 1999

Province	New smear-positive cases	Total number of cases	New smear-positive cases per 100,000 population	Total cases per 100,000 Population
Kandal	1,825	2,167	177	197
Svay Rieng	844	1,028	185	210
Phnom Penh	845	1,322	87	128
Pursat	404	460	112	124
Battambang	686	1,108	85	131
Pailin	4	12	18	53
Banteay Meanchey	796	992	139	167
Siem Reap	1,458	1,701	198	216
Kampong Thom	954	1,249	170	214
Takeo	1,044	1,312	143	162
Kampong Speu	1,451	1,551	240	253
Kampot	473	586	85	103
Kep	24	25	84	84
Kampong Som	246	374	165	233
Koh Kong	70	88	55	64
Prey Veng	1,568	1,720	170	177
Kampong Chhnang	749	868	183	203
Kratie	267	367	103	136
Kampong Cham	1,786	2,076	114	125
Stung Treng	105	132	128	157
Preah Vihear	55	96	46	78
Mondulkiri	43	56	133	166
Ratanakiri	47	81	49	84
Total	15,744	19,371	155	181

ANNEX 8 Treatment results of cases treated with DOTS in 1996-1999

Year/Cat	Evaluated	Cured (%)	Completed (%)	Failure (%)	Died (%)	Default (%)	Tr. Out (%)
1996 Cat.1*	New: 9,111	8,139 89%	403 5%	63 1%	217 3%	227 3%	63 1%
Cat.2	Relapse: 625	548 88%	26 4%	4 1%	23 4%	21 3%	3 0%
	Others: 338	168 50%	110 33%	7 2%	24 7%	18 5%	13 4%
Cat.3	798		741 93%	0 0%	31 4%	12 2%	14 2%
1997 Cat.1	New: 11,329	10,088 89%	534 4.7%	48 0.4%	258 2.3%	292 2.6%	87 0.8%
Cat.2	Relapse: 589	520 88%	28 5%	8 1%	19 1%	12 2%	2 0%
	Others: 147	98 67%	18 12%	10 7%	10 7%	6 4%	6 4%
Cat3	917		864 94%	0 0%	31 3%	14 2%	8 1%
1998 Cat.1	New: 13,287	12,166 92%	402 3%	49 0%	311 2%	290 2%	72 1%
Cat.2	Relapse: 689	613 89%	19 3%	8 1%	27 4%	24 3%	0 0%
	Others: 133	111 83%	11 8%	6 5%	11 8%	6 5%	1 1%
Cat.3	893		853 96%	0 0%	19 2%	8 1%	13 1%
1999 Cat.1	New: 15,700	14,236 90.70%	433 2.76%	64 0.40%	411 2.62%	469 3%	83 0.52%
Cat.2	Relapse: 778	685 88%	25 3%	9 1%	29 4%	22 3%	8 1%
	Other: 85	66 78%	3 4%	0 0%	8 9%	7 8%	1 1%
Cat.3	768		739 96.22%	1 0.13%	17 2.21%	9 1.17%	2 0.26%

(Source: CENAT)

*

Cat 1 = New smear-positive cases

Cat 2 = Previously treated smear-positive cases

Cat 3 = New smear-negative and extra-pulmonary cases

ANNEX 9 Estimated costs for DOTS expansion per OD

Activity	N staff x N days	Costs in US\$
Central Team		
4 preparatory visits, including initial training and workshops	3 x 16	1,300
1 st supervisory visit	3 x 4	300
Quick review and quarterly meeting	3 x 4	300
6 months evaluation	5 x 5	700
First year review	4 x 4	400
Provincial Level		
Consensus workshop with PHD, OD, supervisors and TB unit staff		400
Extra supervision to OD	2 x 30	1,000
Operational District Level		
Workshop of one day at OD		400
HC Staff Training 2 courses of 3 days for 3 staff/HC		1,500
DOTS Implementation. Small ceremony at each center with community representatives		500
Quarterly meeting		1,200
Refresher Training: 2 courses of 2 days		1,200
Extra supervision to HCs 50 days		500
Laboratory and TB unit management		600
Motorbike by JICA		1,500
Health Center Level		
Health center costs for slide and sputum transportation and outreach work	20 US\$ x 15 HCs x 12 months	3,600
Total costs		15,400

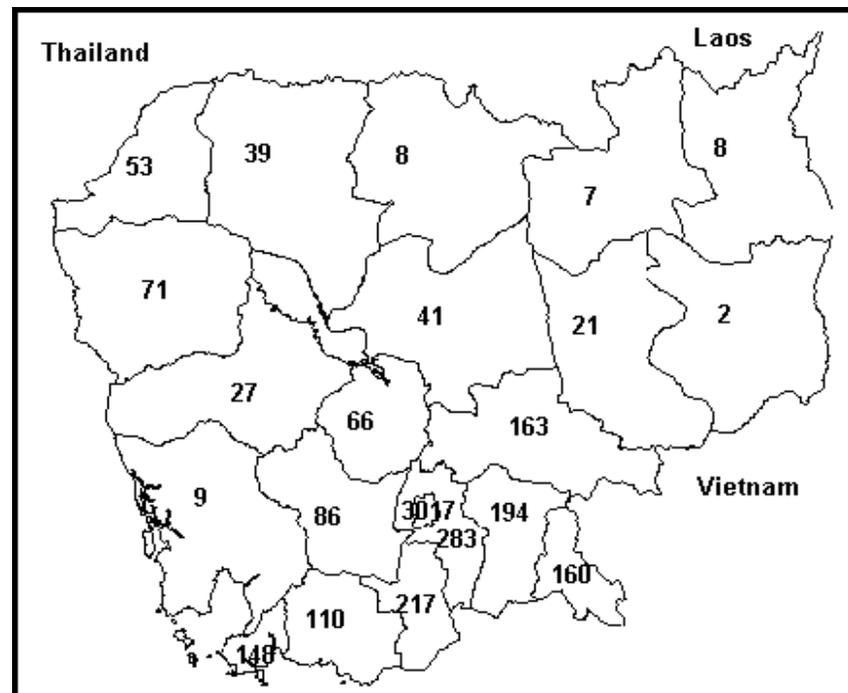
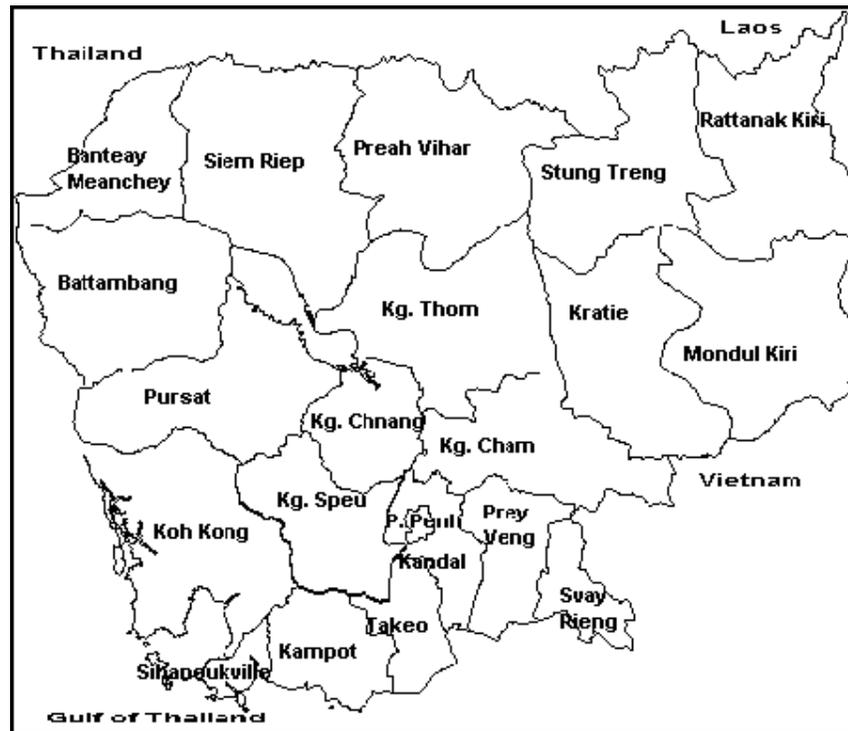
(Note: According to actual expenditures: Annual budget for DOTS expansion in 10 ODs: US\$ 146,000)

ANNEX 10 Population per province 1998 Census data

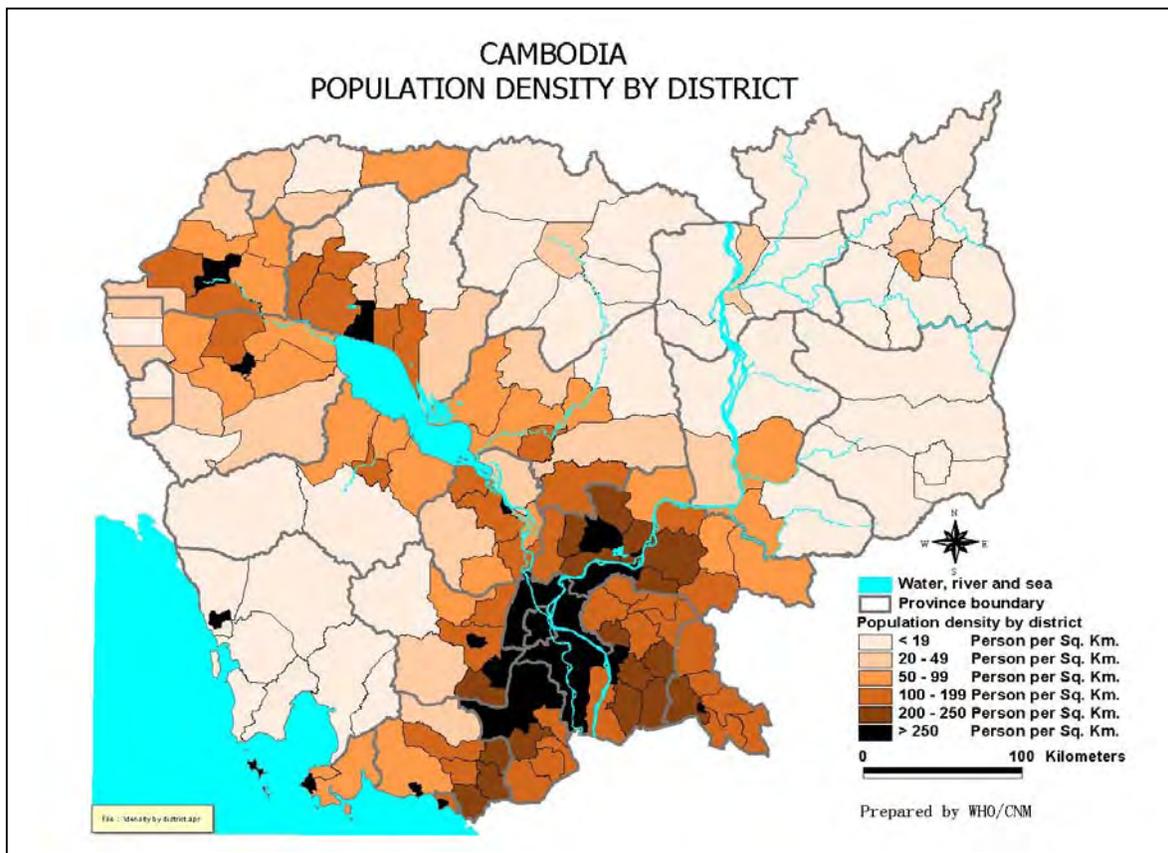
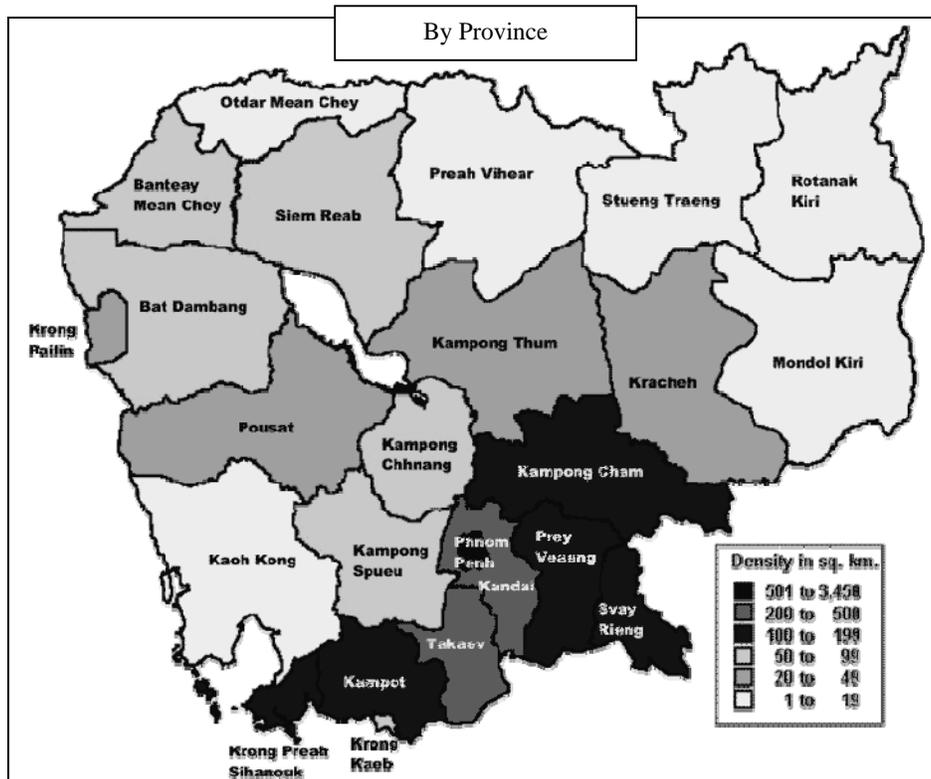
Code	Province	Area (km ²)	Density/km ²	Population	#Districts	#Communes	#Villages
1	Stey Rieng	2,968	181	478,099	7	80	899
2	Prey Veng	4,883	194	945,129	12	116	1,139
3	Kendal	3,588	381	1,073,588	11	147	1,080
4	Pinom Penh	280	3,441	957,998	7	78	498
5	Kampong Chhn	9,799	184	1,807,913	18	193	1,713
6	Kampong Chhnang	5,521	78	418,999	8	85	539
7	Kampong Speu	1,017	85	88,901	8	87	1,200
8	Taeko	3,583	222	793,710	10	98	1,114
9	Kampot	4,873	188	927,804	10	95	478
10	Svay Rieng	868	179	153,378	3	21	82
11	Koh Kong	11,180	12	133,912	7	30	119
12	Pursat	12,892	28	360,291	5	44	448
13	Battambang	11,702	88	799,888	12	88	811
14	Banteay Meanchey	8,679	88	577,300	9	82	599
15	Siem Reap	18,289	88	885,485	14	108	921
16	Kampong Thum	13,814	41	568,454	8	81	77
17	Preah Vihear	13,788	9	119,180	7	45	197
18	Kratie	11,091	24	262,945	5	45	249
19	Stung Treng	11,082	7	80,978	5	34	129
20	Mondul Kiri	14,288	2	22,382	5	21	87
21	Ratanak Kiri	18,782	9	54,188	9	50	249
22	Kep Vong	338	85	28,877	2	5	15
23	Odder Meanchey	8,158	11	88,838	0	0	0
24	Pailin Vong	803	28	22,844	2	8	53
Total :		181,835	84	11,428,223	182	1,888	13,818

Source : General Census of Cambodia 1998, Department of Statistics, Ministry of Planning

ANNEX 11 Map of Cambodia and population density per province



Population density based on 1998 census data



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USAID/TBCTA Summary of Costs for Recommended Plans of Action

Document Locator	NTP Output #	NTP Activity	Deliverable	Cost (US\$)				
				FY 02	FY 03	FY 04	FY 05	Total
6.1	Output 1	To develop, with NCHADS, specific strategies addressing TB/HIV issues and to formulate and implement an action plan to reflect these strategies	6.1.1	\$50,000				\$50,000
		To enable local and international NGOs to implement TB/HIV linking activities	6.1.2	\$200,000				\$200,000
6.2	Output 2	To organize training workshops on management, data analysis and interpretation, advocacy, social mobilization, etc.	6.2.1		\$25,000			\$25,000
			6.2.2		\$100,000	\$100,000	\$100,000	\$300,000
			6.2.3		\$50,000	\$50,000	\$50,000	\$150,000
		To send key staff for long and short term training including Masters Degree courses	6.2.4	\$25,000	\$25,000	\$25,000	\$25,000	\$100,000
			6.2.5		\$100,000	\$100,000	\$100,000	\$300,000
			6.2.6		\$25,000	\$25,000	\$25,000	\$75,000
6.3	Output 3	To develop a 5-year expenditure framework in accordance with the strategic plan with active consultation with major partners	6.3		\$75,000		\$75,000	
6.4	Output 5	To strengthen laboratory capacity at all levels and develop the quality assurance system	6.4.1		\$50,000			\$50,000
		To involve private sector, starting from pilot testing, in implementing DOTS and other TB control activities like IEC and make expansion if found to be effective	6.4.2		\$50,000			\$50,000
		To involve the NGO sector and the community, starting from pilot testing, in implementing DOTS, and make expansion if found to be effective	6.4.3		\$150,000			\$150,000
6.5	Output 6	Expand the DOTS strategy to provide good quality curative care by trained staff using hospitalization, ambulatory and home care approaches, giving emphasis on the implementation of DOTS at health center level providing minimum package of activities	6.5		\$345,000	\$70,000	\$415,000	
6.6	Output 7	To enhance IEC activities by ways of capacity building, IEC material producing and disseminating from central level till the community	6.6	\$100,000	\$100,000	\$100,000	\$100,000	\$400,000
6.7	Output 8	To liaise with international organizations and NGOs involved in TB control activities and identify areas of cooperation and funding for the program	6.7	\$15,000	\$30,000	\$30,000	\$30,000	\$105,000
6.8	Strategic Plan	Midterm evaluation should be conducted in 2003	6.8		\$50,000			\$50,000
Total				\$390,000	\$1,175,000	\$500,000	\$430,000	\$2,495,000

- ANE Funding:**
- **Continued** USAID/ANE-supported TB Adviser at WPRO/Manila. Budget US\$359,000 for 2 years
 - **Continued** USAID /ANE-funded activities in support of the Stop TB Special Project of WHO-Western Pacific Regional Office. Budget US\$500,000
 - **NEW** USAID/ANE-supported Mekong TB Medical Officer at WHO/Hanoi - Position to be filled in the second quarter of 2002. Budget US\$300,000 for 2003-2005

- Comments:**
- 6.1.1 to develop strategies/plans with NCHADS - **Suggested funding mechanism(s):** USAID/C Field Support to USAID/Washington's Interagency Agreement with CDC
- 6.1.2 To enable local and international NGOs to implement TB/HIV linking activities
- 6.2.1 for development of module in FY '03
- 6.2.2 for 2 x 3 months courses with 20 participants each per year
- 6.2.3 for follow-up courses for 5 students per year to CDC Atlanta and/or Mahidol University, Thailand
- 6.2.4 for 5 participants per year to IUATLD TB control training course in Hanoi - **Sug. funding mechanism(s):** (1) USAID/C provide Field Support funds to KNCV/TBCTA's Cooperative Agreement.
- 6.2.5 for two fellowships per year
- 6.2.6 for participation in International Conferences of the IUATLD and meetings of the DOTS expansion working group of the Stop TB Partnership
- 6.3 for 3 workshops, consensus meeting and technical assistance, including contracting organization to introduce log frame approach and facilitate workshops
- 6.4.1 for operational research project/studies
- 6.4.2 for operational research project/studies
- 6.4.3 for five pilots and protocol development workshop
- 6.5 for DOTS expansion
- 6.6 for capacity building, IEC material, and disseminating from central level to community - **Sug. mechanism(s):** USAID/C obligate funds for Cooperative Agreements with partners; e.g., FHI or PSI
- 6.7 for 2 tech, assistants for 2 weeks, reporting/backstopping - **Sug. mechanism(s):** (1) USAID/C Field Sup. to KNCV/TBCTA's CA; (2) USAID/C fund USAID/W's WHO Umb. Grant for WPRO/Hanoi
- 6.8 for an external evaluation

USAID/CAMBODIA

Basic Education Assessment for Cambodia Interim Strategic Plan 2002-2005

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TABLE OF CONTENTS

I.	INTRODUCTION	1
II.	BACKGROUND TO USAID INVOLVEMENT IN THE EDUCATION SECTOR	1
III.	CAMBODIA EDUCATION SECTOR OVERVIEW	2
IV.	CHALLENGES	2
V.	EDUCATION REFORM	4
	CURRICULUM REFORM	4
	POLICY REFORM ISSUES: FINANCE	5
	IMPLEMENTATION OF ESSP AND PAP	5
VI.	GENDER	5
VII.	POTENTIAL USAID PROGRAM	6
	CURRICULUM DEVELOPMENT	6
	TEACHER TRAINING	7
	PROGRAM ELEMENTS	8
	FUNDING SCENARIOS	9
VIII.	DONOR COORDINATION	10
IX.	PLANNING AND MONITORING	11
X.	PROCUREMENT MECHANISMS	11
	BIBLIOGRAPHY	13
	ANNEX A: ONGOING USAID-FUNDED EDUCATION PROJECTS UNDER TAF	15
	ANNEX B: KEY DONORS/IMPLEMENTING AGENCIES	16
	ANNEX C: PERSONS INTERVIEWED	17
	ANNEX D: ADDITIONAL STATISTICS	19

LIST OF ACRONYMS

ADB	Asian Development Bank
ANE	Asia Near East Bureau (of USAID)
CAPE	Cambodia Assistance to Primary Education
CARE	CARE International
CIHR	Cambodian Institute of Human Rights
DFID	Department for International Development (UK)
EMIS	Education Management Information System
EQIP	Education Quality Improvement Project
ESP	Education Strategic Plan
ESSP	Education Sector Support Program
ESWG	Education Sector Working Group
EU	European Union
GTZ	German Technical Cooperation
IBSM	Information-based school management
IPM	Integrated pest management
JICA	Japanese International Cooperation Agency
KAPE	Kampuchean Action for Primary Education
MOEYS	Ministry of Education, Youth, and Sport
MOSALVY	Ministry of Social Affairs, Labor, Vocational Training, and Youth Rehabilitation
NEP	NGO Education Partnership
NGO	Non-governmental organization
PAP	Priority action program
RCG	Royal Cambodian Government
SO	Strategic objective
SpO	Special objective
SWAp	Sector-wide approach
TA	Technical Assistance
UN	United Nations
UNICEF	United Nations Children's Fund
UNDP	United Nations Development Program
UNTAC	United Nations Transitional Authority for Cambodia
USAID	United States Agency for International Development
WB	World Bank
WFP	World Food Program

I. Introduction

In January 2002, Congress authorized USAID to work with the Royal Cambodian Government (RCG) in basic education. This authorization, coupled with the compelling need for basic education, as well as the remarkable education reform currently underway in Cambodia, has created a ready environment for USAID re-engagement in the education sector in Cambodia. In order to determine how USAID might effectively contribute to improving the Cambodian basic education system under the new authorization, a preliminary assessment was conducted in Cambodia by a USAID education team, with the support of the USAID/Cambodia Mission. This document outlines the state of education in Cambodia and suggests an approach for US support. The proposed framework for USAID programmatic intervention is aimed at assisting the RCG to reform the primary education system.

II. Background to USAID involvement in the education sector

After the reopening of the USAID Mission in Cambodia in 1993, USAID undertook its first involvement in the primary education sector in 1994 through support of a unified, nationwide initiative called Cambodian Assistance to Primary Education (CAPE). CAPE sought to improve the quality of primary education through teacher training, cluster school development¹, policy-related technical assistance, and support for data and project management and evaluation. Although the project was suspended in July 1997 due to the internal political conflict and the strain in bilateral relations, CAPE made significant progress in reorienting primary education to a more community-based structure through the school cluster structure still used today.

After USAID suspended its education program, a local NGO called Kampuchean Action for Primary Education (KAPE) emerged, which along with other NGOs and the World Bank, continued the cluster school development work. Cluster school development has increased dramatically since then; in 2000/01, only about 5% of the total, or 270 primary schools, did not belong to a cluster.²

Through a grant to The Asia Foundation, USAID has continued to fund several education programs: KAPE's girls scholarship program in Kampong Cham (2000-2002); World Education's Integrated Pest Management (IPM) in Schools (2000-2002); the Cambodian Institute of Human Rights' development of a curriculum related to human rights (1996-2002); along with a few other small grants to organizations such as SIPAR, Save Cambodia's Wildlife, and Books for Asia (for additional information about these projects please refer to Appendix A).

¹ The cluster school approach was introduced in Cambodia during the UNTAC period through the support of UNICEF and Save the Children, Norway (Redd Barna).

² There are 729 cluster core schools and 4,469 satellite schools. A cluster is one core school, generally the strongest academically, or largest, with 6-10 satellite schools administratively grouped together within a 5-10 kilometer distance.

III. Cambodia Education Sector Overview

Cambodia's socioeconomic development was stunted by the devastation the Khmer Rouge regime inflicted on the Cambodian people, and the civil war that continued after their overthrow. In addition to the loss of millions of lives, which included over 75% of the teaching force, was the related loss of educational opportunities and the decades of political instability that followed. This among other things resulted in an education crisis in Cambodia.

The current educational system has gone through numerous changes since then. The National Constitution provides for free primary and lower secondary education in public schools. In 1996 there was an extension of primary education from 5 to 6 years with the introduction of the 6+3+3 (primary-lower secondary-upper secondary) system to increase the number of learning hours for every grade³. In addition, in 1997 the RCG authorized the provision of free textbooks for Grades 1-9, and enrollment fees for students were removed in September 2001. Concomitant with increasing involvement and support of the government, these changes have been complemented by various forms of training and upgrading for approximately 60,000 teachers -- which has greatly improved the quality of instruction. Enrollments have increased dramatically from 1.3 million students in 1990 to the present 2.8 million enrolled in basic education; net enrollments are also impressive and indicate relatively equal access for boys and girls: 83.8 % for boys and 80.7% for girls (MoEYS, 2001). An additional 500-600 schools are being constructed or extended to accommodate high enrollments (MoEYS, May 2001), and remediation classes and automatic promotion schemes in select provinces and districts has been implemented.

IV. Challenges

Although considerable progress has been made in basic education, there are several areas of concern:

Lack of skilled staff and capacity building. The lack of human and technical capacity is evident throughout the educational system, in teachers, national, provincial and district officials, as well as the commune leaders and principals. This issue is receiving increasing attention given the recent decentralization of the education management and financial system, the success of which is dependent on technical capacity.

Lack of basic infrastructure. The government and donor communities have been unable to meet the upsurge of school enrollments. This was compounded by the 2000 floods which affected over 1,000 school buildings and 6,000 classrooms, most of which are still in a state of disrepair. In addition, at least 50% of Cambodian primary schools do not offer Grade 6. Responding to the physical lack of schools, 57% of Cambodian schools have two-shift

³ Before 1975, Cambodia adopted a French-based education system that required 13 years of education (6+4+2+1) with 4 or 5 major examinations. After 1979, the MoEYS introduced a 10-year system (4+3+3) and later expanded it to an 11-year system from 1986-1996.

schedules, with three-shift teaching in certain areas⁴. Sixty-seven percent of schools are without water and 62% are without toilets (MoEYS, 2001).

High repetition and low retention rates. Proxy indicators of quality and effectiveness are not encouraging. For example, in 1998 the survival rate of the age cohort reaching grade 5 (grade 6 was only introduced in 1996) was only 45% (EFA Assessment 2000). In addition, although grade repetition in higher grades has recently declined, repetition in lower grades has remained at very high levels with a 30% repetition rate for children in Grade 1 alone (Bredenburg 2000) and tends to be higher for boys than for girls. It has been shown that given high repetition rates, it takes 19 pupil years of primary education to produce each Grade 6 primary school graduate (MoEYS 1999).

Inequalities of access and high dropout rates. Half a million children of primary school-going age are out of school, the majority of them the poor living in the outlying rural areas. Additionally, census data estimates that only 60% of nine-year olds attend schools regularly. Instructional relevance to daily life is low; low enrollments and dropout rates reflect dissatisfaction among parents and students about the value and relevance of primary education, especially for girls and for children in rural areas. When the content of school classes is seen as impractical by parents and students the opportunity cost of sending children to school is too high. Parents also need children's (especially girls') labor at home for farm labor, child minding, and other work. Dropout rates in 1997/98 ranged between 10% and 16%. There were also significant variations in overall dropout rates between urban and rural areas: urban 9%, rural 15% and remote 26.2% (please refer to Annex D for additional statistics).

Lack of trained teachers. The under-qualification of teachers and problems of motivation due to abysmally low salaries and poor working conditions affect the low quality of education. Teacher absence is high due to work outside the classroom in order to earn enough money to feed their families. Teaching salaries are low and often not paid on time; outside of Phnom Penh, teacher salaries are often more than eight months overdue. The projected need for primary teachers is an additional 11,500 over the next five years. This is an intake of 2,500 trainees per year. The increased number of teachers are needed because of the target population growth of 80,000, new policies to increase promotion rates through remedial classes, addition of Grade 6 for the 50% of primary schools that are incomplete, provision of 474 schools where there are none, elimination of triple shift-schools (108 schools) and schools with more than 60 students per class. The official instructional hours over primary grades 1-6 are 635 hours, around 30% below international norms. A recent MoEYS study (McLaughlin, 1998) suggested that the real teaching time could be as low as 350 hours per annum.

Lack of minimum learning standards. The MoEYS has not set minimum learning standards for primary education and nationally set grade-referenced achievement tests are not in place. Consequently it is difficult to reliably assess the quality and effectiveness of primary education⁵.

⁴ A 2- shift system typically works in such a way that one class of students attend morning sessions, with a second class of students attending afternoon sessions at the same school. Time slots alternate on a monthly basis, with students end up attending school for one month in the morning the next in the afternoon and vice versa.

⁵ One proxy for the quality and effectiveness of primary education is the progression rate from grade 4 based on teacher-made and marked tests. The overall trend is slightly upwards where in 1996/7, 70% passed these tests

V. Education Reform

The Ministry of Education, Youth and Sports (MoEYS) has spearheaded an education reform process, characterized by increased consultation with other Government ministries, donors and NGOs, in an effort to move to a sector-wide approach to education commonly expressed as a move from “donorship to partnership.” A key focus of the education reform program has been the preparation of a Strategic Analysis (February 2001), an Education Strategic Plan (ESP) 2001-2005 (May 2001), and an Education Sector Support Program (ESSP) for 2001-2005 (June 2001).

Key ESSP priorities are aimed at addressing disparities in access, low quality and efficiency within the context of underdeveloped infrastructure, limited resources, and civil service and administrative reforms. Medium to long term ESSP priorities are to provide universal, inclusive, quality basic education to Grade 9 for all children by 2010. The collaborative work-plan sets out a variety of priority capacity-building requirements to gradually enable adoption of a sector-wide approach (SWAP) modality. Main ESSP priorities include:

- An administrative reform program within MoEYS including performance and efficiency based incentives;
- A selected number of efficiency and quality improvement programs (e.g., teacher training and development, increased primary grade progression);
- Increased access, especially through facilities development and targeted scholarships;
- Systemic capacity building for central, provincial, district, cluster, school and community levels with increased decentralization to the 24 provinces; and
- Capacity building to facilitate priority program management and implementation and improve education governance based on better legislation/regulation and public information and accountability systems.

Within the ESSP the Ministry has organized its Priority Action Program (PAP), which is a program-based, output-oriented budgeting modality set up by the Ministry of Economy and Finance in 2000, initially in four sector Ministries (Education, Health, Rural Development and Agriculture, Forestry and Fisheries). The objective of the PAP mechanism is to guarantee disbursement of funds to agreed priority programs and to allow flexible management at decentralized levels. The PAP is set up to release funds quarterly to designated Budget Management Centers which have been established nationwide at the district level to implement the PAP Basic Education, thus decentralizing responsibilities for resource management to district education offices, whilst requiring enhanced monitoring from provincial and central levels.

Curriculum Reform

Curriculum development has been a key component of the policy reform process. A new curriculum has been developed over the past four years spanning Grades 1-12 with emphasis on Grades 1-6. This curriculum has been piloted over the past school year; based on feedback from the pilot, the MoEYS is currently revising the curriculum. The main purposes of curriculum

compared to 72% in 1997. There are some urban/rural variations. In 1998, urban school pass rates were 78% compared to 65% in rural areas.

reform are: 1) to improve students' achievement by increasing their knowledge of the surrounding environment; 2) to adapt the current education system so that it is relevant to the realities of a citizen's life; and 3) to cut down wastage within the education system, especially repetition and drop-outs. The new curriculum, which is still in the process of being refined, includes a life-skills component which incorporates civic education, health and nutrition messages, and agricultural techniques.

Policy Reform Issues: Finance

The RGC's renewed commitment to education, especially over the past few years, is evidenced by the share of discretionary recurrent spending on education, which has increased from 9% in 1994 to 18.5 % this year, and is anticipated to go to 20.5% in 2004. The focal point of education expenditure is basic education⁶, which accounts for 70% of government expenditure in education.

In 2002 the MoEYS spent approximately \$80 million on education, with donors putting in a maximum of \$30 million. Five years ago, there was a 2-to-1 donor-to-government support ratio. Now there is a 3-to-1 government-to-donor support ratio.

Implementation of ESSP and PAP

Disbursements in 2000 were incomplete and irregular and provided only for the Ministry of Education. Disbursements to education in 2001 improved considerably, but there are still critical cash flow and accountability issues associated with disbursement, and it remains slow. The February 2002 commune elections, in which all new commune council members were elected in 1621 communes, gave elected commune leaders access to educational funding for their communities.

VI. Gender

A recent EQIP survey of male and female enrollments spanning 1998-2001 shows escalating enrollments, with girls enrolling in higher numbers than boys throughout the country (EQIP 2002). Net enrollment ratios indicate that primary school enrollments (Grades 1-6) are marginally higher for boys. Repetition rates are higher for boys than for girls throughout Cambodia (Bredenburg 1999); on the other hand, especially in rural areas, dropouts from basic education seem to be higher for girls than for boys. Gender disparities in both repetition and dropout rates are not significant enough to warrant a policy that specifically targets either one of the sexes in a programmatic intervention. When looking at progression rates from Grade 4 based on teacher-made and marked tests, a striking feature is that in 1998, male/female pass rates were equal at around 72% compared to a 10% difference in favor of males in 1997. Having said this, caution is necessary over the interpretation of these figures.

Significant gender disparities exist in terms of teaching personnel which is comprised of 66% men and 34% women (Cambodia CEDAW 2002: 26); specific provisions need to be made to

⁶ The Cambodian constitution defines basic education as schooling spanning Grades 1-9 (primary plus lower secondary).

incorporate training and recruitment techniques that favor female teachers. Functional literacy rates⁷ are at 37.1% (47.6% men and 29.2% women) (MoEYS, 2000).

VII. Potential USAID program

As outlined above, although there is a firm MoEYS and donor commitment to basic education in Cambodia, several significant challenges continue to impede the effective provision of basic education. Specifically, two key areas of reform have been identified that are fundamental to an effective system, that lack sufficient donor support, and in which USAID could utilize its comparative advantage to achieve critical results: **curriculum development** and **teacher training**. Support of reform in these two areas fits the comparative advantage of USAID because:

- It would build on prior successful USAID education approaches in Cambodia, which were critical in building a foundation for the current primary education system.
- Achieving these goals will greatly lessen disparities of access, quality, equity, and efficiency in education.
- It would provide an opportunity for USAID to assist the MoEYS in its decentralization efforts in key areas of unmet need.
- It represents an opportunity for USAID to participate in the governance of schools, practice of democratic processes, and increases the acquisition of critical thinking skills for students.
- It represents areas where the greatest impact per dollar of investment in education could be realized.

By targeting efforts at the curriculum and in teacher training, USAID can effect change at the fundamental level of the education system. This increases the scope and sustainability of the program's impact in that all schools will use the revised curriculum and all future teachers finishing teacher training colleges will learn the USAID-taught methods. At the same time, this does not require a long-term commitment by USAID, since operation and management of the system into which the USAID improvements will be incorporated is the responsibility of the MoEYS and has the support of other donors as well. USAID investment would speed the transformation.

Curriculum development

The lack of relevance of the curriculum to daily life has played a key role in explaining low enrollments and high primary school dropout rates, especially in rural areas. There is general dissatisfaction among parents and students about the value and relevance of primary education, especially when the content of school classes is seen as impractical. To address the issue of relevance, the MoEYS has introduced a Life Skills Program, comprising three components: agriculture, health and civic education, as a part of the primary school education. With

⁷ This comprises the population over 15 years old who have acquired the essential knowledge and skills to effectively function in their community and whose attainments in reading, writing and arithmetic can be used in everyday life and assists in the development of their community.

additional funding, USAID could expand small activities it currently supports to have a wider scale with greater impact in this endeavor.

For the past three years an IPM program has been carried out by World Education, financed by USAID funding to The Asia Foundation. The IPM in Schools program teaches the principles of managing crop production by limiting the number of pests that prey on crops through environmentally sound control, use of green fertilizers, and study of soils, insects, weather, growing cycles, and measurement of yield against cost. In the process, students use team-work, leadership, presentational skills, data collection, research, record keeping and a variety of other skills that are academically rich and foster both critical thinking and democratic processes in the context of food production.

The IPM program and the practical nature of its curriculum have been pilot tested successfully and subsequently identified by the MoEYS to be adopted as the agriculture component of the Life Skills curriculum to be used in basic education. The task of developing this curriculum has fallen on the Pedagogical Research Department (PRD) in MoEYS. Unfortunately, this unit has low capacity and poorly or untrained staff who are not familiar with competency or skill-based education. USAID funding would provide technical assistance to the PRD to enable it to develop the agriculture component of the Life Skills Program and incorporate it into the formal schooling system.

This model could also be adapted to assist with the civic education component of the Life Skills Program as well. Civic education has largely been a prerogative of the cluster school training at local levels. While at the national level a curriculum featuring civic education materials such as those developed by the Center for Human Rights is available, these materials have never become available at the village or commune levels. USAID funding could make it happen.

In the context of civic participation, the democratic principles taught in the classroom could be strengthened by increasing the capacity of both cluster school committees and village commune structures to accommodate greater local participation including that of students. These practical experiences would be intended to build from first grade onward, an informed and active group of citizens.

Teacher Training

It has become increasingly clear that the lack of trained qualified teachers is a serious impediment to the successful decentralization of the education management and financial system. The shortage of trained teachers to absorb increases in primary student enrollment coupled with the high numbers of under-qualified teachers highlights the critical need for assistance in both pre-service and in-service teacher training. Added to this is the additional teachers needed to increase instructional hours of 635 hours for Grades 1-6, which are around 30% below international norms.⁸ USAID funding could be used to provide pre-service training in the Life Skills curriculum at the Provincial Teacher Training Colleges responsible for educating

⁸ A recent MoEYS study (McLaughlin, 1998) suggested that the real teaching time could be as low as 350 hours per annum.

primary school teachers and to introduce the same curriculum into cluster schools as part of the regular in-service training.

Program Elements

Illustrative elements of a program USAID might support include:

Support to the Pedagogical Research Department of MoEYS for development of:

- A three-part Life Skills Competency Based Curriculum and syllabi for grades one through six. The curriculum would stress child-centered, activity-based learning. Competencies would be specified in subject content, math, language, and process skills. Critical values by subject and grade would be specified.
- An accompanying three-part, competency-based pre- and in-service teacher training curriculum and syllabi.
- Pre-service and in-service materials development: draft activity guidelines that will result in each teacher compiling their own teaching guide reference for use in the classroom.

Elements of such a Life Skills Curriculum and teacher training materials are in place:

1. The Environmental Education course prepared under the Environmental Technical Advisory Project and an Inter-ministerial Committee as well as the Integrated Pest Management Program piloted over the past 5 years in several provinces and teacher training colleges.
2. Health materials already developed by other adopt and refine to fit new Life Skills program, especially for HIV/AIDS, and Mine Awareness
3. Civic Participation materials from manuals that govern cluster schools as well as those developed by the Cambodian Institute of Human Rights.

Education of trainers to conduct the Life Skills training at Teacher Training Colleges and in selected cluster schools, including:

- Trial and incorporation of the Life Skills curriculum and syllabi into the regular teacher training program at as many of the 18 Provincial Teacher Training Colleges responsible for educating primary school teachers as funding will allow.
- Trial and incorporation of the Life skills curriculum and syllabi into the regular pre-and in-service training program at as many of 200 cluster schools as funding will allow.

As a result of the program supported by USAID, teachers will be able to use a variety of activities to help students accomplish appropriate grade-level competencies demonstrated through actions such as these examples:

Agriculture

- In daily life, uses appropriate conservation techniques to promote pollution free soil, water and air.
- Understands and can suggest ways to preserve local plant and animal life.
- Has participated in group-activities such as IPM or clubs that promote understanding and care of the environment at local levels.
- Understands environmentally appropriate ways to dispose of waste and trash.
- Has worked to implement one community-based project to improve the environment.

Civic Education

- Participates in school discussion groups, improvement activities, and problem-solving groups.
- Can chair or participate in meetings according to standard rules
- Can keep or correct minutes, present and analyze data, tell fact from fiction, ask for clarification.
- Can make a presentation before peers, authorities or adults from the community.
- Can identify and discuss different points of view about sensitive topics.
- Has routinely used different voting procedures in groups in order to arrive at a consensus.
- Participates in community or cluster or school meetings as an observer, reporter or member.
- Helps train others in areas of knowledge.
- Leads teams of peers or becomes a member of a team in order to accomplish something agreed upon.

Health

- Uses knowledge of the body and how it works to stay healthy. Values good physical development for both girls and boys.
- Practices interpersonal skills that demonstrate acceptance of diversity and respect for girls and boys, differing ethnic groups and ages.
- Can make positive personal choices regarding health, attitudes, goals and personal relationships.
- Can positively solve interpersonal conflict
- Knows and applies the principles of good nutrition, hygiene, and disease prevention
- Knows and uses information about prevention of HIV/AIDS and Mine Awareness
- Has participated in group activities or clubs that promote good mental and physical health in the home, school or community.

Funding Scenarios

The team was given two possible funding scenarios for which program and implementation options should be provided:

Scenario A: \$5 million in FY02, followed by a level of \$1-2 million in FY03 and FY04

Scenario B: A one-time infusion of \$5 million in FY02

For both scenarios the program elements are the same. In both scenarios, curriculum development will be supported. The difference will be in numbers of institutions where both the pre-service and in-service training will be supported.

VIII. Donor Coordination

The donor community has played a key role in financing and guiding programmatic directions in basic education. Major donor and implementing organizations are as follows:

Multilaterals: ADB, UN (UNICEF, UNDP, UNFPA and UNESCO), World Food Program, World Bank, European Union (through PASEC)

Bilaterals: Australia AID, JICA (Japan International Cooperation Agency), GTZ-Don Bosco

NGOs: Save the Children, Norway (Redd Barna), Care International (USA-Australia), JSRC/JIVC (Japan), ASAC (Japan), SIPAR, The Asia Foundation

The process of involving all stakeholders in the reform of the education sector has been described as a model for moving from donorship to partnership. There is general consensus that the aim of donor assistance is to achieve a sector-wide approach to the development of education, with the RGC playing the lead and coordinating role. Concerted efforts have been made to develop formal mechanisms that institutionalize their leadership and ensure their representation at all stages in planning and implementation of educational strategies. The following activities are illustrative of such efforts:

ESP, ESSP and PAP documents were appraised by a team of local and international education specialists brought together at an Education Round Table in June 2001, coordinated by the Minister of MoEYS and addressed by the Prime Minister. This exercise was aimed at reviewing the current donor partnership arrangements and identifying ways of making the policies operational for NGOs. This joint appraisal process ensured that the long- and medium-term policy goals and objectives are consistent with the priorities of the international donor community. The donor community generally endorsed the contents of the reform process outlined in the ESP and ESSP, but also raised concerns, which were reviewed by the MoEYS, and a revised version of the ESSP was prepared and endorsed by all parties in September 2001.

A second annual joint performance review by donors and NGOs will take place in March 2002. Findings will assist in donor-government coordination in the education sector. The MoEYS will host an ESSP review in May 2002 that will involve donors and government representatives in a stock-taking exercise.

A variety of groups have been formed to actuate this collaborative partnership and ensure effective coordination of educational reform efforts and initiatives:

Edu-Cam. Edu-Cam, founded prior to 1992, is an information-sharing and networking group that meets monthly and is open to NGO, donor, multilateral, and bilateral organizations working on education issues in Cambodia.

Education Sector Working Group (ESWG). Formed in 2001, ESWG is a sub-group of the Social Sector Working Group that operates under the Consultative Group framework.

Comprised of donors and multilateral organizations, with one representative seat for NGOs, the ESWG meets on a regular basis with the purpose of information sharing and dissemination.

NGO Education Partnership (NEP). NEP was created by the NGO community to serve as a formal mechanism through which NGOs are represented in the education reform planning and implementation process.

IX. Planning and Monitoring

Another component of government accountability and dialogue has been the introduction of a nationwide Education Management Information System (EMIS). EMIS was developed over the past decade, funded primarily by Sida and implemented by UNICEF. The results are timely, reliable education statistics for improved planning, performance monitoring and decision-making in the education sector. Data is disaggregated by gender and geographical areas at sub-national levels to support policy and program formulation and to monitor progress toward improved access and wastage.

The Information Based School Management (IBSM) program for school principals is an outgrowth of EMIS and addresses the use of data in training of school principals.

X. Procurement Mechanisms

Several procurement mechanisms can be utilized to implement the components of this program. Part of the program could be implemented through a cooperative agreement with a single NGO or a consortium of NGOs under an umbrella arrangement, with one NGO acting as the lead organization. Capacity building and technical assistance components could be implemented through a Project Implementation Unit (PIU) established within the MoEYS.

This approach is recommended for several reasons. First, there are a sufficient number of NGOs in Cambodia that have an in-country and field-level presence, technical expertise in education, and experience working with the Ministry of Education, making them well-placed to implement the teacher training components of the project.

Second, USAID/Cambodia has limited technical and management capacity for effective implementation and oversight of an education intervention. Under the proposed mechanism, management duties would be delegated to the implementing NGO consortium.

Third, it is feasible to work with the MoEYS. The current education environment is characterized by strong leadership by MoEYS and overall readiness and willingness of all stakeholders to engage in policy dialogue. This situation presents a major opportunity for effective USAID re-engagement in the field of education. The RGC's commitment to education is real, as evidenced by the increases in share of discretionary recurrent spending on education from 9% in 1994 to 18.5 % this year. In addition, within the ESSP, the MoEYS has implemented its Priority Action Program (PAP), which is a program-based, output-oriented budgeting modality set up by the Ministry of Economy and Finance to see that finances get to the schools quickly and efficiently.

Provisional implementation options and existing mechanisms:

Basic Education and Policy Support contract (Creative Associates as prime contractor)

MOBIS, through which USAID/Cambodia could access such firms as American Institute of Research, DevTech Systems, Inc., Research Triangle Institute, Development Associates, Chemonics, the University of Pittsburgh.

Global Workforce in Transition mechanism (to be approved this week).

SEGIR/GBTI mechanism for access to PwC, or access PwC through MOBIS.

PACT civil society cooperative leader grant

AED civil society cooperative leader grant

General education IQC held by Mitchell Group (may have time limit and severe funding ceiling)

General education IQC held by LT Associates (may have time limit and severe funding ceiling)

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Annex A: Ongoing USAID-funded education projects under TAF

KAPE FY00-02	Village-based remedial education program for boys and girls in grades 4, 5, and 6; a curriculum enhancement program for girls in grades 5 and 6 and a scholarship program for girls in grade 7	Total: 236,808 Contact: Kurt Bredenburg
World Education / Cambodia FY00-02	Integrated Pest Management in Schools aimed at raise quality of curriculum content and relevance for children in rural areas.	Total: \$370,846 Contact: Richard Geeves
Cambodian Institute of Human Rights (CIHR) FY96-02	Human Rights Teaching Methodology program that deploys master trainers to train teachers at the primary, middle, and secondary school levels to convey basic human rights concepts to their students. Has trained approximately 45,000 teachers since inception. Has been implemented with the concurrence of the Ministry of Education (Nikki needs to visit this organization)	Total: \$1,818.848 Contact: John Lowrie

Annex B: Key donors/implementing agencies

UNICEF/Sida: In late 2001, Sida, the Swedish International Development Agency, approved funding for a joint UNICEF/MoEYS proposal for a 2002-2005 Expanded Basic Education Program. The Expanded Basic Education Program will provide MoEYs will technical assistance and capacity building in the areas of policy development, sector-wide management and monitoring, information-based school management and the Education Management Information System, teacher remuneration and training opportunities, coordination with education sector partners, decentralized planning, Education for All implementation, child-friendly schools, literacy training, and resource mobilization. The program will be funded at a level of \$13 million over 4 years. UNICEF is also working with the Asia Foundation and KAPE to expand a model girls' scholarship program.

World Bank: Through a Learning and Innovation Loan of \$5 million, the WB is currently funding an Education Quality Improvement Project (EQIP) aimed at developing a demonstration model through the school cluster system of a participatory approach to school quality improvement and performance-based resource management. The project will be implemented over four years, from 1999 to 2003. [The World Bank is also currently developing a higher education project.]

Asian Development Bank: The ADB has recently completed a \$38 million loan agreement with the Royal Government of Cambodia/MoEYS for support to the ESSP process. Of the \$38 million, \$20 million is for budget support for implementation of the PAPs, and \$18 million will be used for project support for the development of education facilities and infrastructure.

Save the Children-Norway (Redd Barna): STC-Norway's primary education program focuses on improving the Education Information Management System, promoting access for vulnerable children through early identification and support at the community level, classroom management, education management and supervision, life skills policy development, curriculum reform, and in-service training at Teacher Training Colleges.

Japan Fund for Poverty Reduction: JFPR is providing a \$3 million grant to the RCG through the Asian Development Bank for the development of an incentive program to improve access to basic education (grades 1-9) for disadvantaged girls and ethnic minorities. Under the initial approach, incentives were to be linked to a social credit program, through which credit was to be provided to the parents of the selected children to establish income generating activities, from which a minimum percentage of the profit would be used for education expenses. However, for reasons of complexity and risk, the social credit provision was removed. [add about becoming national program]

ANNEX C: PERSONS INTERVIEWED

ADB

Anthony Jude, Deputy Resident Representative
Chamroen Ouch, Social Sector/Poverty Specialist
Mike Ratcliff, ADB Institutional Capacity Building Advisor to MoEYS

CARE

Sue Gollifer

CIHR

John Lowrie, Senior Program Advisor
Andrew Little, Consultant/Advisor

Edu-Cam

Dr. Luise Ahrens, Royal University of Phnom Penh

KAPE

Kurt Bredenberg, Founder
Estelle Day, Girls' Education Advisor
Visit to KAPE project in Kampong Cham, Prey Tot Eung Primary School

Ministry of Education, Youth, and Sport

HE Im Sethy, Secretary of State
HE Pok Than, Secretary of State
Koeu Nay Leang, Director General of General Education
Sam Sereyrath, Director, Planning Department
Sar Nak, Deputy Director, Planning Department
Kuy Phala, Deputy Director, Planning Department, Director of EMIS
Nath Bun Ruen, Director, Teacher Training Department
Chorn Chheang Ly, Deputy Director, Primary and Pre-school Department

Save the Children-Norway (Redd Barna)

Beng Simeth, Program Director

The Asia Foundation

Jon L. Summers, Resident Representative
Nancy Hopkins, Assistant Representative

UNESCO

Supote Prasertsri, Education Program Specialist

UNICEF

Desiree Jongsma, Head of Education Section

USAID/Cambodia

Lisa Chiles, Mission Director

Lois Bradshaw, Program Officer

Scott Harding, Program Development Specialist

US Embassy

Kent Wiedemann, Ambassador

World Bank

Vin McNamara, Chief Technical Advisor, Education Quality Improvement Project

Ou Eng, Project Implementation Unit Director, Education Quality Improvement Project

World Education

Richard Geeves, also Chair of NGO Education Partnership

World Food Program

Bob McLaughlin, Education Consultant

Maha Ahmed, Program Advisor

ANNEX D: ADDITIONAL STATISTICS

- The number of students who enroll in grade 1 and go on to complete grade 5 or 6 is low:

<i>Survival rates to Grade 5 (%)</i>						
School Year	Urban			Rural		
	Total	Boys	Girls	Total	Boys	Girls
1996/97	62.7	66.4	58.8	46.8	49.4	43.8
1997/98	60.3	62.1	58.4	40.7	43.3	37.8

Source : EFA Assessment (2000)

- Repetition is High

Primary School Grade Range and Repetition Rates, 2000

Source : MoEYS Internal Discussion Paper (January 2001)

Highest Grade (HG)	No. School	% Schools	% Enrol	Pupil: Teach Ratio	Pupil: Class Ratio	Class: Croom Ratio	Pr G1	Pr G2	Pr G3	Pr G4
1	348	7%	1%	50.7	44.9	0.9	-	-	-	-
2	702	13%	3%	55.1	41.0	1.1	47.4	-	-	-
3	548	10%	4%	60.7	42.4	1.2	47.8	63.2	-	-
4	470	9%	5%	57.9	41.6	1.3	49.6	64.2	69.8	-
5	403	8%	6%	56.0	41.8	1.4	49.0	63.0	68.6	72.3
6	2803	53%	81%	48.7	43.8	1.5	54.6	66.1	71.1	74.9
Total	5274	100%	100%	50	43.4	1.4	51.0	63.5	69.5	73.9

Cambodia Economic Growth Assessment

February 19, 2002

Overview

As a post-conflict country, Cambodia seems to be performing satisfactorily in the economic arena. During the January 16, 2002 Post-CG Meeting in Phnom Penh, the Royal Government of Cambodia (RGC) was congratulated for broadly meeting its overall targets for revenue, expenditure, and domestic financing. Economic growth for 2001 was in the range of 5%, with low inflation and a stable exchange rate. Budgetary allocations for social sectors are slated to increase as those for defense and security decrease. A number of pro-business regulations have been drafted and government-private sector forums have been formed. The trade regime has opened up -- the number of tariff rates have been reduced from 12 to 4, with the highest rate of 120% now down to 35%. Cambodia is a member of ASEAN and is being fast-tracked to join the WTO. The visiting Director-General of the WTO recently expressed optimism for WTO accession within the next year.

However, these promising indicators mask some underlying deficiencies. Per capita income in Cambodia (\$238 in 2000) is the lowest in Southeast Asia. Economic growth is mainly concentrated around only two sectors: garments and tourism. Moreover, these industries are concentrated in only two cities: Phnom Penh (garments) and Siem Reap (tourism). The garment sector, which accounts for the lion's share of GDP growth, greatly benefits from garment quotas to the US. With the impending abolishment of the quota system globally in 2005 Cambodia faces the real danger of losing market share to lower-cost producer countries. Though posting strong, steady growth, tourism is starting from a low base and is not large enough to carry the economy. Other contributors to growth include the telecommunications and construction sectors and exports of rubber, rice and fish. There is a moratorium on logging and currently this sector does not figure prominently in official government revenue.

While the garment and tourism sectors account for approximately one third of GNP, they employ no more than a tenth of the labor force. With the labor force growing at about 5% (population growth is 2.5%), these two main sectors are unable to absorb these new entrants. Migration to urban centers due to lack of economic opportunities in rural areas is occurring at a rapid pace. Urban wages are significantly higher. However, a recent survey conducted in Phnom Penh shows that more than 70% of workers categorized as vulnerable experienced a decline in daily wages compared to the previous year (CDRI, November 2001). This is attributed to the growing number of migrant workers competing for the same jobs.

Due to the destruction of the economic/financial institutions during the conflict years, and the subsequent influx of aid/donor activities, the US dollar is in parallel circulation with the local currency (the Riel), especially in the larger cities. All large commercial transactions tend to be conducted in US dollars. While the effective dollarization of the economy helped Cambodia cope with the Asian financial crisis and protects it from risks associated with exchange rate fluctuations, it prevents the RGC from adjusting to shocks and using monetary policy as a tool

for managing the economy. In the medium to long term, flexibility in this area would probably be desirable.

Cambodia is highly dependent on donors. Foreign aid donations average \$500 million a year, representing 17% of nominal GDP, or twice the domestic budget revenue. Most of the foreign aid is spent on infrastructure and social sector development. The RGC seems to have the assurance that donors are in for the long haul -- an assumption bolstered by the more than \$600 million pledged during the June 2001 CG meeting in Tokyo.

Donors at the CG Meeting highlighted a 10-point set of priorities for Cambodia at the CG meeting. They are: 1) Adoption of an anti-corruption law; 2) Functionalizing the National Audit Authority and reorganizing customs administration; 3) passage of a new forestry law and reform of logging concessions; 4) military demobilization; 5) public administrative reform; 6) reform of government procurement policy; 7) judiciary and legal reform; 8) passage of the new investment law; 9) passage of the new land law; and 10) prioritizing government funding for education and social sectors. In subsequent meetings with the RGC the donors have expressed disappointment in the lack of progress in all areas except demobilization and the land law. The investment law has also been modified with stakeholder participation.

A recent agreement between various donors and RGC under the Technical Cooperation Assistance Project (TCAP) is slated to provide TA for the strengthening of tax and customs administration. The RGC also requests TA in the areas of allocation of resources to priority sectors, strengthening statistics and economic data, improving public sector governance, accountability and adherence to the rule of law.

The Government Action Plan (GAP) delineates numerous areas of concentration (e.g. public accounting and auditing, anti-corruption, and reforms in civil service and public administration) that are consistent with attempting to achieve sustained economic and social development. However, drafting of this document was mainly a donor driven effort with very little ownership from the RGC. Much legislation aimed at reform has been drafted but the political will to push through with implementation of these laws is clearly lacking. Realistically, no significant economic reforms can be expected to be enacted until the national elections in 2003, with the only possible exception being measures toward WTO accession.

In summary, increasing opportunities for the private sector remain critical for continued economic growth in Cambodia. This includes expanding the scope of activities of the existing players and creating new opportunities – especially for those in the rural areas. To improve the business environment for local and foreign investors, it is necessary to reduce direct (transport, communications) and indirect (bribes, etc.) costs. Attention has to be placed on improving the legal framework and on the consistent application of the law. Also important are reforms in the financial sector. At the macroeconomic level, reforms that promote increased revenue mobilization (tax, customs fees), together with a strengthened budget process and further reallocation of resources to the social sectors is necessary. Finally, trade reforms focusing on WTO accession and reduction in domestic and external trade barriers have to be implemented for sustained economic growth.

Possible Areas for USAID Involvement

The following recommendations take into account current US government restrictions against working directly with the RGC. The only exception is TA for anti-corruption measures that entail working with RGC watchdog institutions. This specific TA is important for economic governance and is consistent with democracy and governance objectives, and as such is viewed as a possible candidate for exception to the regulations governing US-RGC working relationships.

1. WTO Accession

Cambodia is well on its way towards WTO membership and optimistically expects to accede in one to two years. It is one of three pilot Integrated Framework (IF) countries where donors focus trade related technical assistance to integrate least developed countries into the global marketplace. The urgency for Cambodia's WTO accession stems from the fact that the global quota system for garments is scheduled to be abolished in 2005 and market shares will likely be lost to lower cost producers like China and Vietnam. The negative ramifications on income and employment are enormous. Furthermore, accession would provide relatively free market access to all the WTO countries (142 or more), rather than relying solely on the US and EU markets.

In a different vein, WTO accession would provide Cambodia with membership in an internationally recognized "club". This would add credence to the Cambodian government's legitimacy in the eyes of the world – at least in the area of trade and economic growth. Thus, there seems to be a high degree of government buy-in toward pushing this agenda forward. The Minister and Secretary of State at the Ministry of Commerce are spearheading this effort and Cambodia now has a WTO representative in Geneva. Such reforms by the RGC would not be inconsistent with US objectives of bringing Cambodia within the folds of an internationally regulated body and providing a neutral forum through which issues of contention may be raised and negotiated.

Along with WTO accession come numerous compliance issues, some of which are already being addressed under the US-Cambodia bilateral trade agreement signed in 1996. Some WTO related legislation has been passed and more is in the process of being drafted. For instance, a new trademark law has been passed, a new patent law is on the floor at parliament, and a copyright law is being drafted. Currently, there are about 40 WTO-related bills awaiting passage by parliament. Many factors account for this backlog, not the least of which is the difficulty translating WTO concepts into Khmer. Enforcing these laws will require scrutiny, as the judicial system is weak and rife with corruption. While voicing optimism that Cambodia would gain accession within the next year, WTO Director-General Mike Moor also pointed out; "... it's especially difficult when there is vacuum (in Cambodia) of public administration and public laws".

The diagnostic study prepared under the IF (January 2002) highlights a number of areas for TA. They include legislative framework, valuation procedures, trade policy evaluation and reporting, and assessing the impact of trade protection. A number of bilateral donors (e.g. Japan, France, Canada, and Singapore) and regional programs (ASEAN) are providing TA. An obligation Cambodia will have as a WTO member is to participate regularly in the WTO Trade Policy

Review mechanism. To be successful in this regulatory body domestic review of the relevant issues will be necessary. What is important is for Cambodia is to have the capacity to evaluate WTO and other trade policies on their merits as they relate to the specific interests of Cambodia.

USAID Technical Assistance would be helpful in:

- Building local capacity to evaluate and understand the issues and publicize the findings in appropriate fora in order to build consensus. TA could be provided to build new private institutions and to boost the capacity of existing ones to conduct such analyses. The information generated could also assist in the advocacy for improved rule of law.
- Another possible area of TA would be in the development of an Investor Road Map that would provide potential investors with information on what is required to engage in Cambodia.
- Related to this is the possible expansion of the competitiveness benchmarking study already completed for USAID by an independent contractor.

2. Investment Environment

Foreign Direct Investment (FDI) into Cambodia is relatively low. As an illustration, Cambodian FDI in 1999 was \$126 million, compared to \$573 million and \$1 billion for fellow ASEAN members the Philippines and Vietnam respectively. Furthermore, the volume of FDI flow into Cambodia continued to contract in 2000 and 2001. Poor transport infrastructure and high utility costs were the physical constraints, while high unofficial transaction costs at ports, customs, and various line ministries in the form of service-fees, permits etc. were institutional constraints. Local investment too is restricted by the above-mentioned costs and by the scarcity of available credit – especially for newly established SMEs that don't have influential connections. Overall, direct investment in 2001 (as measured by the companies registered by the Commerce Ministry) fell by 13% to 704 companies, 334 of them foreign. During this assessment it seemed that, in general, not many in the private sector would be adamantly against the current investment rules and regulations as they are in the book. It is the uneven, selective, and preferential application of these regulations that causes the private sector to feel they are operating in an inhospitable environment.

USAID Technical Assistance (working with the RGC):

- Could be provided to the Ministry of Parliamentary Relations & Inspections for measures toward anti-corruption and to the newly formed National Audit Authority. Such TA would provide the skills and tools necessary for detection of irregularities. Armed with such capacity, these institutions (given that there is political will at the top) may have the teeth to enforce and deter exorbitant unofficial “transaction” costs facing investors.

3. The Garment Sector

Despite the global slowdown, garment exports rose to \$1.1 billion in 2001, an increase of \$127 million over the previous year. Garments accounted for 86% of exports. In 2000, US imported 76% of the garments and the EU 23%. Post September 11 developments seem to have benefited the garment sector here, as international buyers have diverted orders from Pakistan, Bangladesh, Indonesia, etc. in favor of the relative stability of countries like Cambodia. This sector employs

200,000 workers in about 200 factories mostly centered around Phnom Penh. Most of the investment here comes from Hong Kong, China, Taiwan, Singapore, South Korea and the US.

Due to favorable exemptions under the Investment Law, the garment sector does not contribute significantly towards the government's coffers through taxes. However, the garment industry does purchase permits when the government auctions off its quota, and in theory this is included in the state's revenue. A recent study estimates that these payments together with other unofficial payments along the chain, dubbed "bureaucratic costs", account for 7% (\$70 million) of factory operating costs (CDRI, 2001).

The garment sector has benefited greatly from preferential access granted by the US. In 1997, Cambodia was granted MFN status and received quotas for accessing the otherwise highly restrictive US markets. Half of Cambodia's garment exports to the US are not restricted by quotas and pay an average of 17% MFN duty. For the remaining half of exports - items that Cambodia happens to specialize in (woven trousers, knitted shorts) - quota restrictions were reduced by 6% per year, and a further 9% (out of a possible 14%), as a reward for labor compliance. These reductions applied to All quotas and restrictions applying to the garment sector are to be phased out globally in 2005. Cambodia will lose its concessional position and will have to compete with China (now a WTO member), Vietnam (bilateral trade agreement with the US), and other low cost producers for access into US markets.

For Cambodia's garment sector to maintain growth past 2005 it must be competitive and specialized. To be competitive costs will have to be brought down. This includes the "bureaucratic costs" as well as those for infrastructure, power, etc. Labor costs here are higher than in China, about the same as in Vietnam, and lower than in Thailand or the Philippines. Cambodia could use negative public perception of companies allowing sweatshop conditions to exist in their factories as a selling point to create a niche for itself. By focusing on adherence to labor standards Cambodia could become recognized as a country that harbors a labor friendly environment, consisting of fair wages, good working conditions and the right to organize. Cambodia already has made some inroads in this area and was rewarded with an increase in US quota levels. While adherence to improved labor standards may increase costs, currently existing labor regulations (e.g. compulsory double time for night workers) could be modified to mitigate costs. Incidentally, there is concern that labor rights will be sidestepped in the newly proposed Export Promotion Zones which will be located on the border with Thailand.

USAID Technical Assistance (taking into account the role of US Dept. of Labor):

- Could be provided to help the garment industry achieve this niche status. Support could be provided for institutions (e.g. American Center for International Labor Solidarity) that work with garment factory management to understand and comply with labor standards.
- TA could also be provided to reduce conflicting and cost-increasing labor laws that are implemented by the various government ministries – a frequent complaint of the garment sector.

4. Credit & the Banking Sector

The financial sector of Cambodia is at an infancy stage, with limited transactions and low public confidence. The financial sector comprises banks, insurance companies, currency exchange bureaus, and micro-finance institutions. Banking intermediation is among the lowest in the world as illustrated by the GDP share of bank loans (8%) and deposits (12%). Only 10% of the population (mostly in urban areas) have access to financial services.

Following banking legislation passed in 1999, non-viable banks were liquidated, and the re-licensed existing banks were required to have paid-in capital of at least \$13 million. However, it is not clear if all existing banks have fully met this licensing requirement. Furthermore, it is rumored that some of the banks may have simply borrowed this amount from the government and repaid it after meeting the requirement. Finally, there is concern that some of these banks may possibly be involved in money-laundering activities.

Currently there are 17 commercial banks, six of which are wholly foreign, while the 11 locally incorporated banks have a significant percentage of foreign shareholders with non-banking backgrounds. Thus, only about five of the local banks function as true commercial banks. The foreign banks tend to restrict lending to foreign investors. As a consequence, excluding the garment sector and those with connections, there is very little lending to local investors. The lending that is done tends to be for working capital and trade financing, and not for investments.

Among the host of factors contributing to Cambodia's weak financial sector, some that require mention include: non-functioning commercial law pertaining to accounting, negotiable instruments, secured transactions, bankruptcy, contracts, and commercial credit; lack of common accounting and audit standards; and absence of contract-based credit culture due to non-implementation of the rule of law. Due to the lack of financial information available to prospective borrowers and weak capacity to analyze such information, banks tend to lend against physical collateral and historical earnings, rather than conducting cash-flow analysis. This prevents new and innovative potential entrants from entering the market. Although a land law – which was drafted with broad stakeholder participation – was recently passed, repossession of land used as collateral has been difficult. This combination of factors has led to curtailed lending by the banks. Although much money is held outside the banking system the banks do hold a significant amount of funds.

The ADB and the RGC have drafted the *Financial Sector Blueprint for 2001-2010*, which aims to address many of the salient issues. The ADB is providing TA to the National Bank of Cambodia (NBC) to further these goals.

USAID Technical Assistance could be provided for:

- Strengthening the banking legislation related to re-registering of banks. Related to this, TA could help with the drafting and implementing of regulatory measures to ensure a secure financial sector and to expose money laundering and other illegal activities.
- Strengthening the capacity of local private banks in cash-flow evaluation, standardization of accounting practices and other relevant areas.

- Training could be provided to banking sector officials and the public on the workings of a robust financial system. Training of banking officials would have great residual benefits, as it is such individuals who tend to make connections and eventually branch-out into the private sector. Being informed clearly facilitates the use of available financial instruments.

5. Agriculture

80% of the labor force is engaged in agriculture and poverty is highest for families whose household head is involved in agriculture. Thus, for Cambodia to achieve sustained, broad-based economic growth, this sector will have to figure prominently. Rice is the major crop cultivated and Cambodia has moved from being a net rice importer to a net rice exporter over the last decade. However, pockets of chronic food-insecurity exist – clearly due in part to high transportation costs. The economic returns to labor from rice cultivation is less than half than that of other viable crops. Furthermore, the rice produced is of relatively low quality and is processed in mostly inefficient milling facilities. Transport costs (caused by poor roads, expensive fuel, and “facilitation fees” at checkpoints, etc.) are major impediments for marketing agricultural produce.

At the local marketplace it is common to see vegetables and fruit from Thailand and Vietnam. Technical production knowledge, market information, and means for bypassing the “facilitation fees” at the transport checkpoints should help local producers of these higher value agricultural products to displace the imports. Other factors hindering agricultural productivity include lack of agricultural credit, irrigation facilities and market access. There is potential for crop diversification away from rice into other crops such as soybean, corn, other beans, horticultural products and livestock. Very little agro-processing and value added activities are presently ongoing. Here, lack of credit and high import tariffs on machinery are among the limiting factors.

AusAID funded AQIP, in collaboration with CARDI (which is affiliated with IRRI) has a project that has begun working in the area of commercializing rice seed multiplication in four provinces. They have established seed-grower associations and are training them to be financially viable. AQIP also intends to be involved in the areas of post-harvest technology and marketing of fruits and vegetables. Some credit is also being offered through a micro-finance institute for millers. The ADB has made a line of credit available through the Rural Development Bank to be disbursed by NGOs. However, to date this program has not been successful meeting its objectives. The World Bank’s \$27 million Agriculture Productivity Improvement Project supports the RGC Ministry of Agriculture in a wide array of activities.

USAID Technical Assistance could be provided in the areas of:

- **Agricultural Credit.** Virtually no credit geared to suit the agricultural cycle is provided by the government Rural Development Bank or the private banks (of which ACLEDA has by far the greatest rural reach). Loans by the ACLEDA bank tend to be for 4-6 months, at 25-30% per annum and require monthly repayments. This is unsuitable for agricultural borrowers who have a business cycle of 8-12 months and are only able to repay a lump sum at end of an agricultural cycle. USAID could work with ACLEDA in making available affordable credit suitable for agriculture.

- Technical Training and Inputs through international development partners. Cambodian farmers would greatly benefit from technical knowledge in the areas of: water harvesting and irrigation management, use of high yielding technology, crop diversification, establishing marketing linkages, etc. USAID could support the expansion of ongoing AQIP and CARDI activities (inputs, extension, farm management), help farmer association formation such as those organized by Enterprise Development Cambodia (EDC), and establish cooperative agreements with USDA and US universities for the transfer of technical knowledge.

6. Government-Private Sector Working Groups

Responding to the need for a forum in which the government and private sector could interact, the RGC has established seven Sectoral Working Groups for Dialogue with the Private Sector. The working groups are: Agriculture and Agro-Industry; Tourism; Manufacturing and Distribution; Legislation, Taxation and Governance; Banking and Finance; Energy and Infrastructure; and Processing for Exports. The working groups meet periodically. The substance and effectiveness has varied from group to group. An example of tangible results was the repeal of the original RGC proposed (with IMF & World Bank backing) Investment Law that sought to reduce investment incentives in order to generate government revenue. Through this forum, the private sector was able to lobby the government by voicing their grievances, and a compromise has been reached. The private sectors represented in these working groups are mostly larger, better-established institutions, which tend to push agendas that are in their self-interest. What lacks is a forum in which the smaller business interests and associations (e.g. the rice millers association) are represented in dialog with the government.

USAID Assistance

- Could be provided to EDC (an NGO that focuses on private sector association formation) or other such NGOs engaged in small/medium private sector association formation to begin engagement with these working groups.
- TA could also be provided to conduct studies that would provide empirical analysis supporting some of the points of contention at the government-private sector working groups.

7. Association Formation

USAID funding through the Asia Foundation has contributed toward supporting EDC with its work on private sector development. Other donors include UNDP, MPDF and UNESCAP. EDC works in eight provinces and has been instrumental in the formation of the Rice Millers Association, the Brick & Tile Manufactures Association, and is in the process of helping independent power suppliers organize. Prior to this, no functional private sector associations were in existence. Through EDC, these associations were exposed to the principals of organizational behavior and have sent select association members and local government officials to neighboring ASEAN countries to observe, learn, and bring back knowledge for dissemination within their circles. A small revolving credit facility (through AusAID) is being contemplated.

NGOs such as EDC that emphasize private sector capacity building, particularly in the rural regions, play an important role in providing small entrepreneurs with a voice. Currently, such associations are engaged in endeavors that improve their productivity and profitability, with

some useful social externalities. For example, the Rice Millers Association is providing improved seed and extension services to farmers so that it can procure better quality grain that fetch higher prices in the market. However, very little interaction is taking place between these associations and the government that results in influence on policy. For instance, the presence of these associations is conspicuously absent in the government-private sector working groups.

USAID Technical Assistance:

- Could be provided to strengthen the position of these smaller associations as it relates to lobbying the government. TA would help bring the SME associations to the table at the government-private sector working groups.
- Another area of potential assistance would be the support of a joint venture between EDC and KIAAsia in Bangkok. KIAAsia has experience in business service development in Thailand and such collaboration would impart useful lessons for the Cambodian small business sector.

8. Global Development Alliance (GDA)

The recent ICT Assessment (June 2001) identified strong demand for ICT, despite various policy and infrastructure constraints. One recommendation from the study was the establishment of Pilot Community Access Points (CAPs). Consistent with this objective, there is the potential for a GDA relationship in Cambodia. TFI-Holdings, an U.S. company, has just received licensing rights from the government to be an Internet Service Provider (ISP). TFI is the only US company of the four ISP license holders in Cambodia. TFI has an agreement with the Ministry of Tourism to establish Information Centers in the various provinces that would provide banking, tourist information, and a means for lodging complaints to the police. TFI claims to have the technology that could provide connectivity without phone lines at a fraction of the cost charged by current service providers. Added features include voice and video transmission capability. TFI is proposing to establish CAPs in the rural areas, where a host of activities could be accomplished through ICT. They include: dissemination of educational material and market information on health, agriculture, and other relevant rural activities; collection of information to track user life-style practices; banking and savings functions; and provision of a secure, monitorable medium through which the central government can distribute funds to the communes with minimal seepage.

The World Bank has expressed interest in supporting some of these functions and other donors may follow suit. Regent College in Cambodia has proposed providing educational content for such CAPs. A number of NGOs and at least one US university have ICT related endeavors in rural areas. With such a diverse group of partners promoting the same objective it is recommended that USAID investigate the possibilities of engaging in a GDA program. It is expected that USAID/Washington will provide the necessary TA.

9. Development Credit Authority (DCA)

The commercial banking sector in Cambodia is reluctant to lend outside traditional sectors, such as garments or to those with personal connections. Poorly prepared cash-flow plans submitted by potential borrowers and the lack of capacity at the banks to evaluate such opportunities are limiting factors. Non-viable banks were liquidated following the recent banking regulations and

the existing 17 re-licensed private banks are in theory financially more stable. Initial inquiries with the President of the Banking Association elicited interest in DCA, and for the exposure and capacity building that comes with it. This is an area that warrants further investigation. Issues for consideration are the maturity of the local banks to partner with DCA, extent of possible money-laundering activities, and the management capacity for such a program at the Mission.

Conclusion

With the impending abolishment of the garment quota system in 2005, there is urgency for Cambodia to accede to the WTO if it is to maintain any hope of relying on its garment sector to provide economic growth. Quantitative analysis that evaluates the costs/benefits and winners/losers relating to economic policy changes is necessary to strengthen the hand of pro-WTO reformers in the government and private sector. It is only with such information that is based on facts, real numbers, and sound economic analysis that a compelling case for economic reform can be made. This would go a long way towards increasing government and public understanding of the ramifications of WTO accession, financial sector reform, labor standards, ASEAN membership, etc.

Cambodia's entry into the global arena is of US national interest as standards in trade, human rights, democracy, etc. can be promoted through these international fora without exerting direct pressure. In addition, a viable garment sector in Cambodia provides alternatives to China's domination in this area. To this end, USAID is encouraged to consider support for local, regional, international and US institutions and think tanks that would conduct ongoing analysis and be contracted to conduct specific studies. US national interests would also be served by USAID support for banking sector reform that would help root-out rogue banking elements and contribute towards stemming the flow of funds towards terrorism, etc.

The private sector is beginning to exert its influence – albeit at a limited level – in lobbying the government, as exemplified by modifications to the proposed investment law. However, representation here is skewed towards the larger, established institutions. USAID assistance for association formation would help to bring the smaller, under-represented players to the table and strengthen the hand of the overall private sector in dialog with the government. Such assistance is consistent with the objectives of the Democracy and Governance Strategic Objective, and would help build a strong, vibrant private sector. An obvious area that would provide a big development bang for the buck is the provision of targeted TA in the agriculture sector. With a majority of the labor force in agriculture, this would generate multiplier effects that would ratchet-up rural economic growth.

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BUILDING NATIONAL COMPETITIVENESS IN CAMBODIA

COMPETITIVENESS BENCHMARKING

Prepared for: U.S. Agency for International Development
Prepared by: J.E. Austin Associates, Inc.
Sponsored by: U.S. Agency for International Development

September 2001

TABLE OF CONTENTS

Competitiveness Benchmarking Data Summary Sheet 2-3

Competitiveness Benchmarking 4-12

COMPETITIVENESS BENCHMARKING DATA SUMMARY SHEET: CAMBODIA

Sector	Year	Source	Absolute Score	Rank	Total in Sample	Percentage Rank
<i>Economic Performance</i>						
GDP per Capita (PPP adjusted), (current int'l \$)	1999	WB, 2001	\$1,361.00	131	155	85
GDP Growth, (%)	1999	WB, 2001	4.50%	46	168	27
GDP average growth 1997-1999, (PPP adjusted, current intl \$)	1999	WB, 2001	2.81%	96	155	62
GDP average growth 1990-1999, (PPP adjusted, current intl \$)	1999	WB, 2001	6.59%	25	149	17
Gross Domestic Product (GDP) Growth, per capita 1990-1999, (%)	1999	WB, 2001	3.7%	48	149	32
Gross Domestic Product (GDP) Growth, per capita 1997-1999, (%)	1999	WB, 2001	2.8%	96	150	64
GINI Coefficient	2001	Various	41.5	75	97	77
					AVERAGE	52
<i>Export Competitiveness and Tourism</i>						
Exports, (US\$ Millions)	1998	WB, 2001	\$815.00	109	140	78
Exports, (% of GDP)	1998	WB, 2001	34.10%	60	130	46
Merchandise Exports per capita, (US\$)	1999	WB, 2001	N/A	N/A	157	N/A
Growth of Merchandise Exports per Capita 1990-1999, (%)	1999	WB, 2001	N/A	N/A	137	N/A
Tourism Receipts per capita, (US\$)	1999	WB, 2001	\$16.16	84	110	76
Service Exports, (US\$ Millions)	1999	WB, 2001	\$129.00	109	126	87
					AVERAGE	72
<i>Investment Competitiveness</i>						
Gross Capital Formation, 1999, (% of GDP)	1999	WB, 2001	N/A	N/A	147	N/A
Private Fixed Investment (% of GDP)	1998	WB, 2001	11.45%	41	56	73
Gross Domestic Investment Growth (1990-1998), (%)	1999	WB, 2001	N/A	N/A	N/A	N/A
Net FDI, (US\$ Millions)	1999	WB, 2001	\$125.00	62	112	55
Foreign Direct Investment (FDI), net inflows (% of GDP)	1999	WB, 2001	4.03%	47	152	31
FDI per capita, net inflows (US \$)	1999	WB, 2001	\$10.67	107	164	65
					AVERAGE	56
<i>Financial Sector</i>						
Money and Quasi Money (M2), (% of GDP)	1999	WB, 2001	11.26%	139	147	95
Domestic Credit from Banking Sector, (% of GDP)	1999	WB, 2001	7.38%	136	147	93
Credit to Private Sector, (% of GDP)	1999	WB, 2001	6.34%	131	147	89
ICRG Risk Rating	2000	ICGR	N/A	N/A	127	N/A
Gross Domestic Savings Average, 1997-1999, (% of GDP)	1999	WB, 2001	2.87%	130	147	88
					AVERAGE	91
<i>Macro Policy Environment</i>						
Inflation, (GDP Deflator, annual %)	1999	WB, 2001	5.56%	105	168	63
Overall Budget Deficit, (% of GDP)	1999	WB, 2001	N/A	N/A	61	N/A
Total Trade, (% of GDP)	1999	WB, 2001	86.70%	58	149	39
Import Duties, (% of imports)	1999	WB, 2001	N/A	N/A	55	N/A
Proceeds from Privatization, (US\$ Millions)	1999	WB, 2001	N/A	N/A	51	N/A
					AVERAGE	N/A

Business Environment Regulations						
Starting new business	2000	WEF, 2000	N/A	N/A	60	N/A
Dealing with administrative regulations	2000	WEF, 2000	N/A	N/A	60	N/A
2001 Corruption Perceptions Index	2001	TI, 2001	N/A	N/A	91	N/A
Intellectual Property Protection	2000	WEF, 2000	N/A	N/A	60	N/A
Dealing with government bureaucracy	2000	WEF, 2000	N/A	N/A	60	N/A
Hidden Economic Activity	2000	WEF, 2000	N/A	N/A	60	N/A
Heritage Index of Economic Freedom	2001	HF 2001	2.85	59	155	38
					AVERAGE	N/A
Science and Technology Competitiveness						
High Technology Exports, (US\$ Millions)	1999	WB, 2001	N/A	N/A	91	N/A
High Technology Exports (% of Exports)	1999	WB, 2001	N/A	N/A	91	N/A
Scientists and Engineers in R&D (per million people)	1999	WB, 2001	N/A	N/A	88	N/A
Expenditures for R&D (% of GNP)	1998	WB, 2001	N/A	N/A	76	N/A
Technological Sophistication	2000	WEF, 2000	N/A	N/A	60	N/A
					AVERAGE	N/A
Information and Communication Technology						
Personal Computers per 1000 people, 1999	2001	WB, 2001	1.19	143	151	95
Internet Hosts per 10,000 people, 1999	2001	WB, 2001	0.12	150	205	73
Domestic Telephone Call Cost, 1999, (US\$ per 3 min)	2001	WB, 2001	0.03	42	140	30
International Telephone Call Cost to the US (US\$ per 3 min), 1999	2001	WB, 2001	\$6.06(**)	45	52	87
Internet Users, 1999, (thousands)	2001	WB, 2001	4	151	192	79
EIU e-business readiness rankings	2001	EIU	N/A	N/A	60	N/A
					AVERAGE	73
Infrastructure						
Paved Roads, (% of total)	1996	WB, 2001	7.5%	150	159	94
Paved Roads per Person, (km sq)	1996	WB, 2001	N/A	N/A	148	N/A
Telephone Density, (Mainlines per 1,000 people)	1999	WB, 2001	2.5	175	178	98
Mobile Telephone Density, (Lines per 1,000 people)	1999	WB, 2001	8	118	180	66
Electricity Consumption/Capita, (kWh per person)	1998	WB, 2001	N/A	N/A	118	N/A
					AVERAGE	86
Human Resource and Workforce Competitiveness						
Overall Productivity (GDP, PPP adjusted per person employed)	1999	WB, 2001	N/A	N/A	N/A	N/A
UN Human Development Index	1999	UNDP, 1999	0.541	121	162	75
Female Labor Force, (% of total)	1999	WB, 2001	51.80%	1	170	1
Illiteracy Rate, (% of people aged 15 and above)	1999	WB, 2001	61.35%	126	133	95
Unenrolled, Secondary School, (% of secondary-age children)	1998	WB, 2001	61.2%	76	103	74
Brain Drain	2000	WEF, 2000	N/A	N/A	60	N/A
					AVERAGE	61
					TOTAL AVERAGE	70

Source: (**): The Ministry of Post and Telecommunications of Cambodia.

COMPETITIVENESS BENCHMARKING FOR CAMBODIA
September, 2001

SUMMARY

Cambodia scores relatively low on many benchmarks and faces significant challenges in its efforts to build prosperity. It is hoped that these benchmarks will provide good data at the start of the 21st Century that will encourage Cambodians focus on building upon this base.

I. Objectives and Methodology

The Government of Cambodia (GOC) is pursuing an economic growth strategy based on the development of the private sector. One of the notable steps is the establishment of the Private Sector Forum “to institutionalize a mechanism whereby those in the private sector, both local and foreign, have a vehicle for ongoing dialogue with the government that is designed to solve problems, make markets more efficient, and enhance economic growth and development”¹. Private and public leaders have expressed an interest in building the competitiveness of Cambodia.

The objective of this study is to provide a competitiveness benchmarking as of September 2001 of Cambodia versus all other countries in the world. It seeks to identify the strengths and weaknesses of the country, and to measure progress in the coming years, for the purpose of more effective and sustainable development in the future. The aim is to provide a descriptive document for others, not to suggest a particular set of policies. It is hoped that this report will be useful to wide variety of stakeholders seeking to contribute to the economic growth of Cambodia.

1. What is Competitiveness?

Competitiveness can be defined as sustainable increases in productivity resulting in the improvement of the standard of living of the average citizen of a country. Benchmarking is the ability to measure one’s performance relative to a particular reference group and normally relative to those who are doing the best job in a particular industry or area of endeavor. The Competitiveness Benchmarking for Cambodia compiled by J.E. Austin Associates, ranks Cambodia relative to other relevant countries in Asia and the world for which data are available in areas that are generally considered to be closely correlated to competitiveness.

2. Why is Competitiveness Benchmarking Useful to Cambodia?

Encourages private-public partnership in policy making. Annual competitiveness benchmarking can encourage reflection and discussion on issues related to the speed and effectiveness of Cambodia’s transition as a competitive economy. The exercise focuses

¹ Source: Phnom Penh Post, 2/16/01, page 3

attention on strengths and weaknesses, improvements and deterioration, and thus helps private and public leaders set priorities.

Competitiveness Benchmarking provides objective data. Effective dialogue and policy reform requires the use of good data rather than anecdotal evidence. It requires the ability to relate this data to a broader context of the performance of other similar countries. By presenting many sets of data about Cambodia relative to other countries in the Asian region and in the world, one provides a more comprehensive picture of the countries, and therefore a better basis for the Government of Cambodia, the private sector and researchers to make rational policy analysis and recommendations.

For the Government of Cambodia, Competitiveness Benchmarking serves as a powerful tool to measure progress and set priorities for policy and institutional reform. Ireland uses annual competitiveness reports to benchmark its performance and *rate* of progress against the leading countries of the world in a given area. The Governments of USA, the EU, Ireland, Singapore and others have identified specific targets and benchmarks against which they measure future progress. In the case of Cambodia this exercise can be useful in assisting the Government of Cambodia to assess the country's competitiveness in relation to other countries in the Asia and the rest of the world, in order to formulate appropriate policy to improve its macroeconomic environment and institutional framework, to compete better in the world market, and to capture the full benefits of regional as well as world trade agreements. Competitiveness Benchmarking, therefore, can have an indirect, positive long-term impact on Cambodia's increased exports, foreign investment, employment generation, as well as poverty alleviation.

For economic faculties, business schools, technology institutes and think tanks, Competitiveness Benchmarking provides a comprehensive source of data for their analysis. Those who do research on IT-readiness, export performance, investment, economic results, human capacity, infrastructure and other areas will find in this exercise a rich and reliable source of data that can well complement their research, and assist them in supporting the national policy making.

Finally, the publication of Competitiveness Benchmarking and its use by the economic press encourage national awareness and discussion on Cambodia's competitiveness. It is important that the average citizen understand what is at stake for Cambodia's future. The Government of Cambodia will have to mobilize popular support behind initiatives that will be required to improve Cambodia's competitiveness in a global environment.

3. What is the Methodology?

Informed by competitiveness theories and methodologies used by the Harvard University, the World Economic Forum (WEF) and the Institute for Management Development (IMD), along with its own experience in 80 countries during the past 15 years, J.E. Austin selects about 60 indicators related to ten categories, which are generally regarded to be either causes or consequences of competitiveness. These categories include: economic performance, exports, investment, financial sector, human resources, science, technology and R&D, information and communication technology, infrastructure, macro policy environment and business

environment regulations. They are not dissimilar from those used by the WEF and IMD. However, J.E. Austin does not ascribe weights to any category or suggest specific causality.

The rankings are based on secondary sources and efforts were made to select the most internationally qualified source institution for each data set, such as the World Bank, the United Nations, World Economic Forum, US Department of Commerce, and the Economist Intelligence Unit (EIU). The data were then entered into J.E. Austin Associates' databases and rankings were ascribed to all countries of the world for which comparable data were available². Data for each indicator are provided for the country along with its position relative to other countries.

Competitiveness rankings are based on data for 1999, generally the most recent year that comparable global data were available at the time of preparation of this report. However, in order to give an indication of recent changes and trends in the countries under analysis, efforts have been made to include 2000 data, whenever possible.

Under the South East Asia Competitiveness Initiative, analysis is done for Cambodia in relation to other countries in the Asian region and the world. The exercise is descriptive and is not meant to propose any particular ideology or set of policy prescriptions. It is not intended to make judgments regarding the effectiveness or ineffectiveness of previous or current policies. Rather, its aim is to provide the Government of Cambodia, businesses and researchers with access to a reliable source of data that they can make use of in ways they see fit.

4. Uses and Limitations of the Study

JAA has normally relied on studies and data made available in 2001. The primary limitation of this benchmarking study is that most data for competitiveness ranking is about two years old, referring to 1999. While the data may not accurately reflect the current situation and the impact of all policy measures implemented to date, this is the most recent data one can get *for all countries of the world as of 2001*.

Nonetheless, the study allows Cambodia to identify its position and achievements relative to the world's most competitive countries, and to set goals and targets that are realistic and based not only on Cambodia's economic capabilities but also on the achievements of other countries over a sustained period of time. It provides an objective source of data upon which to rest policy analysis and conclusions. The data can be verified by going to the sources cited. It is hoped that this study will encourage productive dialogue leading to policy action that supports the improvement of competitiveness in Cambodia, and therefore the enhancement of its living standards in the immediate as well as long-term future.

² Country performance on each indicator was ranked from the highest to lowest performance, and Cambodia's rankings were highlighted relative to the number of countries in the data set. Since the data are available for a varying number of countries depending on the indicator, a percentile score from 1st to 99th was assigned to Cambodia in the attached summary data sheet, where 99th is the highest possible score and 1st is the lowest possible score. Thus for each indicator the value is given followed by the ranking (e.g. 25th out of 100) and the percentile (e.g. 75th percentile).

II. Summary of Findings³

Cambodia's economic growth (PPP- adjusted) in the 1990s was relatively good at 6.59%. However, the country achieved relatively poor rankings for almost all aspects of its performance during the past decade. For its general economic performance Cambodia demonstrated an uneven pattern of growth and was ranked averagely compared to the rest of the world. In terms of economic prosperity, it was among the poorest 15% of countries. Exports were weak, and tourism potential has not been fully exploited. Cambodia also ranked poorly in the areas of investment competitiveness, financial sector, information and communication technology, infrastructure, and overall human resources. There is inadequate data to analyze further all aspects of competitiveness benchmarking, particularly, the effectiveness of government regulations, science, technology and R&D.

1. Economic Performance

Cambodia was the 64th most populous country in the world in 2000 with a population of 12.2 million⁴. Taking the decade as a whole, PPP-adjusted annual average GDP growth was fairly good at 6.59%, ranking Cambodia 25th among 167 countries.

In 1999, Cambodia's GDP was US\$3.1 billion, representing a real year-on-year growth rate of 4.5%, ranking 46th out of 168 countries. However, this is a major improvement over the country's economic performance in the previous two years, which was severely effected by the regional crisis and domestic political uncertainty. During the 1997-99 period, Cambodia's GDP growth, adjusted for power purchasing parity (PPP), averaged just 2.81%, placing the country 96th out of 155 countries.

Table 1 below provides historical data on Cambodia's economic performance over the decade. A ten-year perspective on Cambodia's economic performance reveals a very uneven pattern of economic growth, indicating the need for Cambodia to sustain a moderate but consistent rate of growth over an extended period.

Table 1: Gross Domestic Products

Cambodia	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Real GDP growth (%)	1.16	7.59	7.02	4.10	3.97	7.61	7.01	1.03	1.00	4.50
(PPP-adjusted) GDP growth (%)	---	9.72	11.23	6.07	5.96	11.44	8.39	1.46	-0.98	6.75

Source: World Development Indicators 2001, The World Bank

Cambodia starts from a low benchmark for GDP per capita (PPP adjusted) at \$1,361. This ranked it 131st out of 155 countries, or among the poorest 15% of countries in the world. Cambodia's GINI Coefficient was 41.5⁵, ranking it 75th out of 97 countries in terms of income distribution. The low starting base makes it all the more urgent to identify the appropriate ways to boost Cambodia's living standards.

³ Note: Data used in this benchmarking exercise are from JAA's database, unless otherwise indicated.

⁴ Source: US Census Bureau, International Database, 2000

⁵ Source: The World Bank: East Asia Update, March 2001

2. Export Competitiveness and Tourism

Cambodia has had an overall weak export performance, not only in terms of volume of exports, but also in terms of export growth.

In 1998, Cambodia's total export value was US\$815 million, ranking it 109th out of 140 countries, and among the lowest in both the region and the world. Total exports accounted for about 34% of GDP, placing Cambodia 60th out of 129 countries in the world, - above average in the world, but below most ASEAN countries. The average proportion of exports in GDP for ASEAN countries was 67.6%.

Cambodia's service exports are also low at US\$129 million for 1999, ranking the country 109th out of 126, and among the lowest 20% in the world.

Rankings for Cambodia's merchandise exports per capita, and average merchandise export growth for the entire 1990-99 period are not available. However, as can be seen from Table 2, Cambodia experienced an uneven pattern in growth rates of these indicators up until 1998.

Table 2: Exports

Cambodia	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Export growth	---	184	59.7	-15.8	99.2	76.2	-12.4	21.4	0.05	9.25
Merchandise export growth	---	147.7	24.4	0.0	-9.4	42.5	-12.3	10.0	-3.0	---
Merchandise export/capita growth	---	140.0	20.6	-3.1	-12.2	38.1	-14.5	7.4	-5.2	---

Source: World Development Indicators 2001, the World Bank; Figure for 1999 export growth rate is from IMF Country Report No. 01/35, February 2001

It is important to note that, as can be seen from Table 3, garments and logs & sawn timbers have been major export items, accounting for about two-thirds of Cambodia's manufactured exports in 1999. While the share of logs and sawn timbers, though still important, has declined, garments over the years have become increasingly significant, making up over half of the country's manufactured exports. Cambodia has taken advantage of its low cost labor and the current quota regime to boost its apparel exports. However, this quota system will be phased out by 2005, leading to new challenges even if Cambodia meets international labor standards.

Table 3: Major Components of Manufactured Exports (in Percentage)

Years	1995	1996	1997	1998	1999
Garments/ manufactured exports	3.5%	16.5%	35.5%	45.9%	57.4%
Logs and sawn timbers/ manufactured exports	23.2%	23.9%	28.5%	20.8%	11.3%

Source: Cambodia: Statistical Appendix, IMF Staff Country Report No. 00/134, October 2000

Regarding tourism, while Cambodia is endowed with many historical and cultural attractions, the country's tourism resources do not seem to have been fully exploited yet. In 1999 international tourism receipts averaged just US\$16 per capita, ranking the country 84th out of 110 countries, and in the bottom 25% in the world in terms of per capita tourism receipts.

Table 4: Tourism

Cambodia	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
International tourism receipts (current US\$ million)	---	---	50	48	88	100	118	103	166	190
Annual growth rate (%)	---	---	---	4.0	83.3	13.6	18.0	-12.7	61.2	14.5
Percentage of GDP (%)	---	---	2.5	2.4	3.7	3.4	3.8	3.3	5.8	6.1

Source: *The World Development Indicators 2001*

3. Investment

Data is not available for Cambodia's gross capital formation (GCF) in 1999. However, it can be seen from Table 5 that Cambodia increased its capital formation as a percentage of GDP in the mid-90s, although it decreased in 1998. The average gross capital formation rate for ASEAN countries was 23.95% in 1999.

Table 5: Gross Capital Formation

Cambodia	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Gross capital formation (% of GDP)	8.2	9.4	9.8	14.3	18.5	21.8	25.9	19.0	15.0	---

Source: *The World Development Indicators 2001*

Cambodia received US\$125 million⁶ in net FDI inflows in 1999, which ranked it 62nd out of 111 countries. This net inflow represented 4.03% of GDP, placing Cambodia 47th out of 152 countries and among the top 31% of FDI recipients in proportion to GDP. However, FDI per capita was relatively low at \$10.67, placing Cambodia 107th out of 164 countries, and among the lowest for ASEAN countries. In other words, FDI is relatively high as a percentage of GDP, but still low in absolute terms.

4. Financial Sector

Table 6: Gross Domestic Savings

Cambodia	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Gross domestic savings (% of GDP)	1.6	7.8	6.9	5.5	4.4	9.9	10.4	5.5	1.7	6.4

Source: *The World Development Indicators 2001*; Figures for 1998 and 1999 are from the World Bank, *Cambodia at a Glance*, 08/29/00

Benchmarks for Cambodia's domestic financial sector indicate lack of development. Money circulation is weak with M2 accounting for about 11% of GDP in 1999, ranking Cambodia 139th out of 147 countries, and in the bottom 5% in the world. Domestic credit provided by the banking sector accounted for 7.38% of GDP in 1999, ranking Cambodia 136th out of 147 countries, and among the lowest 7% in the world. In addition, credit to the private sector accounted for only about 6.43% of GDP in 1999, ranking Cambodia 131st out of 147 countries.

Cambodia's savings rate is also among the world's lowest. Gross domestic savings averaged only 2.87% of GDP between 1997-999, thus ranking the country 130th out of 147 countries,

⁶ JAA calculation based on World Development Indicators for 2001: Net FDI inflow = GDP * (Net FDI inflow/GDP) = US\$3.1 billion * 4.03% = US\$125 million.

and among the bottom 12% in the world. In 1999, its savings level increased to 6.9% of GDP, but this is still extremely low compared to the rest of the world, and actually the 2nd lowest among 147 countries.

There was no ranking available for Cambodia from International Country Credit Risk (ICCR).

5. Macro Policy Environment

Cambodia's inflation rate for 1999 was 5.66%, ranking it 105th out of 168 countries. The Government of Cambodia was able to combat hyperinflation in early 1990s, and has held the inflation rates to single-digit figures in recent years. (See Table 7)

Table 7: Inflation

Cambodia	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Inflation, GDP deflator (annual %)	76.62	19.02	145.63	107.44	75.42	107.36	8.92	9.14	7.09	9.17	16.96	5.66

Source: *The World Development Indicators, 2001*

Total trade accounted for 86.7% of GDP⁷ in 1999, ranking 58th out of 149 countries, indicating that Cambodia was a relatively open-trade economy. Figures for budget deficits and import duty data are not available.

6. Business Environment Regulations

The 2001 Heritage Index of Economic Freedom ranked Cambodia 59th out of 149 countries. This compared rather favorably with many countries in the region. However, there is no data available on other aspects of business environment regulations, such as starting new businesses, dealing with administrative regulations and government bureaucracy, and intellectual property protection. Also, a Corruption Perceptions Index for Cambodia is not available from Transparency International.

7. Science, Technology, and R&D

There is no data available on the number of scientists and engineers in R&D, on R&D spending, or on high-tech exports, to analyze Cambodia's science and technology competitiveness. Cambodia is still building its human resource capacity from the severe problems inflicted on the educated population by the Khmer Rouge in the 1970s.

8. Information and Communications Technology (ICT)

Cambodia has very poor ICT infrastructure. The country ranks very low in terms of personal computers per thousand people, and the number of internet users. These two indicators were among the lowest for ASEAN countries and the EAP Region. In 1999, there were only 1.19 computers for every 1,000 people, which placed Cambodia 143rd out of 151 countries, and in the bottom 5% in the world on this measurement. In terms of internet diffusion, there were

⁷ Source: The World Bank: Cambodia at a Glance, 8/29/00

only 4,000 internet users in 1999, which ranked Cambodia 151st out of 192 countries, or in the bottom 21% in the world. EIU e-business readiness rankings are not available for Cambodia.

In Cambodia, international communication costs are very high. For example, the average cost of a call to the US was one of the highest in the world, at \$6.09⁸ per 3 minutes in 1999. This ranked Cambodia 45th out of 52 countries for which data was available.

9. Infrastructure

Cambodia scored poorly on the condition of its infrastructure. Telephone density was the fourth lowest in the world at 2.6 lines per 1,000 people (175th /178 countries) for 1999. Its average of 8 mobile phones per 1,000 people (118th/180 countries) was also among the lowest in the region. In addition, Cambodia was also in the bottom 6% of countries in terms of paved roads as a proportion of total roads. No data was available on electricity consumption.

10. Human Resources

Cambodia was tied to the first place in the world in terms of the percentage of primary school-age children enrolled in schools. However, according to the UN assessment, the country's overall Human Development Index was in the bottom 25% in the world.

Cambodia's adult illiteracy rate was still high at 61.35% in 1999. The country's illiteracy improvement rate of 11.52% over 1990-99 was also among the slowest 6% in the world. In addition, the proportion of secondary school-age children unable to enroll in school was as high as 61.2%, which placed Cambodia in the bottom 26% of countries worldwide.

The female labor force participation rate is 52%, placing Cambodia first in the world on this measurement. Substantial female participation in the labor force can be interpreted positively with regard to gender equality, and the wealth contribution of women to society. However, in the case of Cambodia, this situation could raise concerns about the lifestyle trade-offs made by Cambodian women between working and their social / family function.

There is no data available on overall productivity in and brain drain from Cambodia.

⁸ Source: The Ministry of Posts and Telecommunications of Cambodia: Calls to countries in other continents apart from Asia cost US\$2.03 per minute until reductions to US\$1.80 per minute from March 1, 2001.

Cambodia: ICT Assessment

14-29 June 2001

Cambodia: ICT Assessment

Management Summary

This ICT assessment has been undertaken at the request of the USAID Mission for Cambodia, located in Phnom Penh. The assessment is being undertaken in support of USAID's Asia and Near East Bureau's Information and Communication Technology program.

This Assessment has been built around the Asia and Near East (ANE) Bureau's framework of four "Ps": 1) **Policy**—opening doors through policy reform to permit the introduction and growth of Information and Communication Technologies (ICTs), reducing barriers to open connectivity, and ensuring that global electronic commerce can take place in an open and transparent fashion, 2) **Pipes**—demonstrating the effectiveness of appropriate hardware and software by utilizing the latest in technology such as wireless, high speed data transfer, secure transaction capability, extending the Internet to underserved areas, and working with private sector Internet service providers (ISPs) to offer a range of services to clients; 3) **Private Sector**—ensuring the private sector "can do what it needs to do to be successful." This entails combining "policy" reform and "pipes" improvement with ensuring there are sufficient, well trained technicians to support the build-out of ICT industries, and 4) **People**—Implementing new approaches to sustainable social and economic development through ICT tools. It is critical to the success of the program that USAID's partners use the Internet and other ICTs as tools for development.

The on-the-ground ICT assessment activities were carried out between 14-29 June 2001. The Team included individuals provided through SETA Corporation and Academy for Educational Development (AED), with assistance from USAID/Cambodia technical personnel. In addition, this ICT assessment coordinated closely with the World Bank and the Government of Japan in an effort to identify and coordinate opportunities for partnering and/or to undertake collaborative and supporting activities.

The following provides a very brief overview of the findings and recommendations contained in this ICT assessment. The ICT assessment has been constructed with two sets of recommendations—one set contained within this report and for broad dissemination, and a second smaller subset that is directed toward the USAID/Cambodia Mission and is reflected in a separate document.

- **Policy**—The Royal Government of Cambodia (RGC), through its Ministry of Post and Telecommunications (MPTC), has moved increasingly toward opening up the sector to the private sector. A draft Telecommunications Law has been prepared and is under refinement and review, as has a draft E-Commerce Law been prepared to deal with electronic/digital signature, certification, and security-related issues. While Intellectual Property Rights (IPR) Laws are on the books, these are not up to international standards nor are the adherence to these existing laws adequate. Current dynamics are taking place to separate the telecommunications policy/regulatory functions from the telecommunications and Internet operations within the MPTC. A new National Information Communications Technology Development Authority

(NIDA) was formed in August 2000, and is currently in the process of developing an IT Master Strategy for Cambodia. A public seminar is scheduled for September 2001 to receive comments. Recommendations are consistent with the direction currently being undertaken, with the focus being on speeding up the process and ensuring an open and transparent regulatory process that provides the needed consistency and predictability that is essential for growth. The Ministry of Commerce is also actively engaged in this arena with work being undertaken in conjunction with the eASEAN Task Force.

- **Pipes**—The growth of mobile cellular telephony within Cambodia has been significant within the past two years. At present over 75 percent of the country's telephony is provided via wireless technologies, with expansion continuing into a growing number of Provincial cities and neighboring rural areas. Internet use is primarily limited to E-mail, and here too there is expansion being provided via broadband wireless services in selected locations within Cambodia. While access is expanding, costs for this access is amongst the highest in the world. Recommendations with regard to Pipes are primarily in the Policy arena (e.g., creating the enabling environment for the private sector to invest in the pipes) and in expanding access to more rural areas of Cambodia where approximately 85 percent of the nation's population live.¹
- **Private Sector**—With the growing availability of telecommunications and the Internet, its use by the private sector is becoming more common. Where in recent years this growth has primarily been limited to international and larger businesses, expanded use of ICTs is now taking place in small and medium sized enterprises (SMEs). More recent growth has been even occurring at the individual level where mobile cellular is becoming more and more common by those living in urban areas. Recommendations focus on expanding the educational quality of technical resources within Cambodia's universities, and high-tech SMEs providing technical services, and in expanding the use of ICTs/Internet by the local and small tourist-related firms.
- **People**—The focus of the ICT assessment with respect to People was predominantly the current development portfolio for USAID/Cambodia. As a general rule, most international NGOs supporting USAID make use of the Internet as do a number of the local NGOs with offices in Phnom Penh. This use is primarily for communications via e-mail, though there are some local NGOs starting to develop websites in order to expand their services. Outside of Phnom Penh, however, the use of e-mail predominates and even here the use drops off significantly with regard to communicating with activities located in the provinces and rural areas. The recommendations here focus on expanded awareness and education as to the use of ICTs/Internet and in improving access to more rural locations via shared Community Access Points (CAPs) that can be established and supported by the NGO community working in these areas.

¹ World Bank Group. Cambodia Data Profile and Cambodia at Glance. 1999 data.

The ICT assessment team wishes to thank the USAID/Cambodia Mission for the opportunity to work with them during the course of this Assessment and for their support throughout the two weeks in country. In addition, the team wishes to thank those within the various RGC ministries, donor organizations, universities, NGOs and private sector firms who were so generous with their time and patience during the course of our conversations. We trust this combined effort will lead toward some meaningful ICT-related activities that will bring about substantive improvements within Cambodia.

Cambodia: ICT Assessment

Table of Contents

Management Summary	i
Table of Contents	iii
Abbreviations and Acronyms	iv
I. Background	1
II. Policy	4
III. Pipes	10
IV. Private Sector	18
V. People	24
Appendices	
A. G-8 Okinawa Summit Summary	28
B. Digital Economy 2000 Report Summary	30
C. Summary of ANE Bureau's ICT Program	32
D. Networked Readiness of Cambodia	34
E. Paths for Telecommunications Liberalizing	43
F. 1999 ITU Telecommunications Statistics	51
G. Bibliography	66
H. Key Contacts	71
I. USAID-Specific Recommendations (under separate cover)	

Cambodia: ICT Assessment

Abbreviations and Acronyms

ADB	Asian Development Bank
ACLEDA	Association of Cambodian Local Economic Development Agencies
AED	Academy for Educational Development
ANE	Asia Near East (regional bureau of USAID/Washington)
APEC	Asia Pacific Economic Cooperation
ASEAN	Association of Southeast Asian Nations
ATM	Asynchronous Transport Mode
B2B	Business to Business (electronic commerce)
B2C	Business to Consumer (electronic commerce)
BLS	Bureau of Labor Statistics (U.S. Department of Commerce)
BTA	Basic Telecommunications Agreement (WTO)
CAGR	Compound Annual Growth Rate
CAP	Community Access Point
CHA	Cambodian Handicraft Association (CHA) for Landmine and Polio
CIC	Community Information Center
CMM	Capability Maturity Model (Software Engineering Institute)
CRS	Catholic Relief Services
CSPO	Cambodian School of Prosthetics and Orthotics
DAC	Disability Action Council
DBMS	Data Base Management System
DCOF	Displaced Children and Orphans Funds
DOC	U.S. Department of Commerce
DOT Force	Digital Opportunity Task Force
EDA	U.S. Department of Commerce's Economic Development Administration
EDI	Electronic Data Interchange
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
GNP	Gross National Product

GOJ	Government of Japan
GPS	Global Positioning Systems
GSM	Global System for Mobile Communications
HI	Handicap International
HEV	Health and Education Volunteers
IAS	International Accounting Standards
ICT	Information and Communications Technologies
IED	Internet for Economic Development
IEEE	Institute for Electronics and Electrical Engineers
IESC	International Executive Service Corps
IFC	International Finance Corporation (WB)
IMF	International Monetary Fund
IPR	Intellectual Property Rights
ISDN	Integrated Services Digital Network
ISA	Industrial Sector Analysis (ISA)
ISO	International Standards Organization (e.g., ISO 9000)
ISP	Internet Service Provider
IT	Information Technology
ITA	Information Technology Agreement (WTO)
ITAA	Information Technology Association of America
ITG	Information Technology Group at Center for International Development at Harvard University
ITU	International Telecommunications Union (UN)
JICA	Japan International Cooperation Agency
KR	Khmer Rouge
LAN	Local Area Network
Mbps	Mega bytes per second
MOH	Ministry of Health
MHz	Mega (million) Hertz (cycles/second)
MPDF	Mekong Project Development Facility (IFC)
MPTC	Ministry of Post and Telecommunications of Cambodia
MRD	Ministry of Rural Development
NCDP	National Centre of Disabled Person

NIDA	National Information Communications Technology Development Agency (RGC)
NTCA	National Telephone Cooperative Association
NGO	Non-Government Organization
NPRD	National Programme to Rehabilitate and Develop Cambodia
PDK	Party of Democratic Kampuchea (Khmer Rouge)
RACHA	Reproductive and Child Alliance
RGC	Royal Government of Cambodia
SME	Small and Medium Enterprise
SO	Strategic Objective (USAID)
TAF	The Asian Foundation
TRIPS	Trade Related Intellectual Property System (WTO)
UCCDF	United Cambodia Community Development Foundation
UNCTAD	United Nations Commission on Trade and Development
UNICEF	United Nations Children's Fund
UNDP	United Nations Development Program
US	United States
USAID	U.S. Agency for International Development
USDA	U.S. Department of Agriculture
USDOC	U.S. Department of Commerce
USG	U.S. Government
VoIP	Voice over Internet Protocol
VVAF/VI	Vietnam Veterans of America Foundation or Veterans International
VSAT	Very Small Aperture Terminal
WB	World Bank
WCDO	World Concern Development Organization
WFP	World Food Program
WHO	World Health Organization
WIPO	World Intellectual Property Organization
WTO	World Trade Organization
WVI	World Vision International

Cambodia: ICT Assessment

I. Background

During the past several years USAID has increased its focus on leveraging Information and Communications Technologies (ICTs) within its development activities. ICT-focused initiatives undertaken by USAID have included the Leland Initiative, the Internet for Economic Development (IED) Initiative, AfricaLink, etc. In addition, a number of USAID Missions, with the support of their regional bureaus, are actively examining their country and development portfolios from an ICT perspective. Cambodia is such an example.

USAID's focus on placing increased attention on leveraging ICTs for international development was reinforced at the G-8 Summit that took place in July 2000 at Okinawa, Japan. While the Summit addressed several issues, the issue of the growing "digital divide" resulted in the development of the Okinawa Charter on Global Information Society. The Charter launched a Digital Opportunity Task Force (DOT Force) as a first step toward the goal of achieving digital access and education for all by the year 2010. A brief summary of the Charter and the global call to action is reflected as Appendix A.

In large part this increased global focus is predicated on the growing awareness of the impact that ICTs have had on the U.S. economy over this past decade. This impact has been captured and documented in a series of annual reports prepared by the U.S. Department of Commerce, most recently in its June 2000 report, "Digital Economy 2000." A brief summary of this report is reflected as Appendix B.

Asia and Near East ICT Program

This ICT Assessment for Cambodia has been undertaken in support of USAID's Asia and Near East (ANE) Bureau's Information and Communication Technology program. A copy of a two-page summary is reflected as Appendix C. As reflected in the Bureau's recent program description:

"Across Asia and the Near East region, Internet and E-Commerce is an emerging reality, but there are a number of key impediments to make it an everyday business practice. As the US Government recognizes the critical need for its partner countries to be engaged in the Internet and E-Commerce development, the ANE Bureau has adopted a 4 "P" approach to successful Internet Deployment: (1) Policy, (2) Pipes, (3) Private Sector, and (4) People."

Each of these four "P" is future articulated in the Bureau's Information and Communication Technology program with the following:

1. **"Policy"** – *Opening doors through policy reform to permit the introduction and growth of information and communications technologies, reducing barriers to open connectivity, and ensuring that global electronic commerce can take place in an open and transparent fashion.*

2. **“Pipes”** – *Demonstrating the effectiveness of appropriate hardware and software by utilizing the latest technology such as wireless, high speed data transfer, secure transaction capability, extending the Internet to underserved areas, and working with private sector Internet Service Providers to offer a range of services to clients.*
3. **“Private Sector”** – *Ensuring the private sector “can do what it needs to do to be successful.” This entails combining “Policy” reforms and “Pipes” improvement with ensuring there are sufficient, well trained technicians to support the build-out of ICT industries.*
4. **“People”** – *Implementing new approaches to sustainable social and economic development through Information and Communication Technology tools. It is critical to the success of the program that USAID’s partners use the Internet and other ICTs as tools for development.*

The goal of this new ICT program is as follows:

“The goal of the Asia and Near East Information and Communications Technology program is to have all ANE Missions promoting one or more of the “4-Ps” within their development portfolio.”

ICT Assessment for Cambodia

This ICT Assessment has been undertaken in direct support of the ANE Bureau’s ICT program and in direct consultation with USAID/Cambodia Mission personnel. The Assessment was carried out between 14-29 June 2001. While the primary focus was placed on USAID/Cambodia’s portfolio, efforts were made to coordinate with the World Bank and the Government of Japan (GOJ), as both have ICT-related activities underway or planned for Cambodia.

In addition to relying on ANE’s “4-P” framework, two other ICT-related assessment approaches have been taken into account:

- 1) a recently updated readiness assessment covering several countries issued by McConnell International²; and
- 2) a Readiness for the Networked World approach recently put forth by the Information Technology Group (ITG) at the Center for International Development at Harvard University³.

Appendix D reflects additional information regarding both of these Readiness tools, including a preliminary assessment based on the ITG Readiness Guide.

This ICT Assessment has put forward two sets of recommendations. The first set of recommendations reflects broad publicly oriented recommendations that the ICT assessment

² <http://www.mcconnellinternational.com>

³ <http://www.readinessguide.org>

team felt should be considered by the Royal Government of Cambodia (ROG) and/or donors, including USAID. These recommendations are incorporated within this assessment report. The second set of recommendations are reflected in a separate Appendix to the main Assessment report, and are oriented specifically toward the development portfolio of USAID/Cambodia. These have been put forward to the Mission staff in a preliminary form toward the conclusion of the ICT assessment for review and comments, with Mission input included in the final version of the assessment. It is anticipated that this discussion and dialog will continue—with the result being further detailing, designing, and implementation of those thought to best fit and contribute toward USAID/Cambodia program priorities.

A first critical component included in this ICT assessment consists of the RGC's position relative to ICTs. Specifically this focused on two key areas:

- 1) The RGC's policy and legal framework in the area of telecommunications, especially with respect to expanding the role of the private sector and ensuring a fair, open, competitive, and predictable marketplace; and
- 2) The RGC's policy and legal framework in the area of E-Commerce related specifically to issues that facilitate leveraging the Internet for conducting commercial and business transactions.

Summary/Analysis

In recent years the RGC has undertaken actions leading toward a more liberalized telecommunications environment. This got underway in 1996 with support from the United Nations Development Program (UNDP) and the International Telecommunications Union (ITU). This initiative provided support with respect to the organizational structure of the Ministry of Post and Telecommunications for Cambodia (MPTC) and in providing assistance for developing a national phone numbering plan. Subsequent support has been provided from Germany, via a KFW study, that recommended the separation of policy and operations within the MPTC. While delayed, this overall direction is the path upon which the MPTC is proceeding even now.

More recently the World Bank (WB) has provided support in a number of key areas, including the drafting of a new Telecommunications Law. This work has been undertaken through support by David Butcher and Associates. The current draft dates back to 1999 with work continuing to present. The most current activities underway include

Findings: Policy

- **Considerable ambiguity and uncertainty in telecom policy environment at this time**
- **Draft Telecom Law under review**
- **World Bank providing Policy and Regulatory TA**
- **Ministry of Post and Telecommunications (MPTC) moving toward separating policy from operations (no Independent Regulator at this time)**
- **Voice over Internet illegal but not currently being enforced (though talk of this is taking place)**
- **Draft E-Commerce Law under review—primarily addressing digital signature and security-related issues**
- **Increasing focus on e-commerce by Ministry of Commerce (MOC)**
- **E-ASEAN Initiative likely to provide direction on ICTs in Cambodia, including e-commerce**
- **Intellectual Property Rights (IPR) on the books but not enforced**
- **New National Information Communications Technology Development Authority (NIDA) formed and developing national ICT Master Strategy**
- **Internet DNS & licensing of ISPs restrictive and cumbersome**
- **Lack of standard Khmer fonts impeding local content development, but being addressed by NIDA**

continued support from the World Bank via a PPIAF grant

that will address some of the legal and institutional aspects of the reform, such as interconnection regulation and process, tariff regulation and rebalancing, and the application of competition law to the regulation of the sector. In addition, there will be assistance on network and accounting separation, which will increase the transparency of the accounts, and encourage competition. These measures are also expected to strengthen local regulatory capacity, enabling the MPTC to settle disputes among operators and face the challenges of a competitive-multi-operator environment.

Current plans by the MPTC are to move forward with the separation of policy and operations within the next 3-4 months, with the actual new Telecommunications Law likely to take 1-2 years to be completed and passed by the Assembly. Current delegations of authority allow the MPTC to move forward in this manner as legislation works its way through the Parliament.

Concurrent with moving forward with a new Telecommunications Law, the MPTC has been active in promoting the expansion of telecommunications via allowing the private sector to become increasingly engaged. This has primarily been via licensing of wireless mobile operators to enter the Cambodian market, but has also included fixed lines, fixed wireless, Internet Access Providers (IAPs), Internet Service Providers (ISPs), and International gateways. As reflected in more detail under “Pipes,” the current policy environment does allow for heavy private sector engagement, however, there are a number of ambiguities and uncertainties within Cambodia’s present telecommunications environment that simply need to be addressed. In many situations this ambiguity is brought about by the gulf between the law/decreed and actual practice. For example, while the use of Voice Over the Internet is illegal, in fact it is a common practice within Cambodia with local cyber cafés even publicly advertising the availability of these services. Another situation exists whereby at present Telestra/Big Pond has been granted a monopoly license as an Internet Service Provider (ISP) through February 2002, when in fact the MPTC provides similar ISP services and has since 1997—launching its own service via CamNet one month prior to Big Pond launching their services. A new ISP recently launched their services (MobiTel/TeleSurf) as has Camintel, a fixed wireless operator, though neither are legally permitted to promote/advertise their services in Phnom Penh.

As early as 1998, Cambodia had in place an “Electronic Transaction Act (ETA) that was put into effect 10 July 1998. This law was aimed at facilitating e-commerce by eliminating barriers resulting from uncertainties over electronic signatures. It served to promote the development of the legal and business environment to support electronic transactions. Part IV of the ETA includes several sections that address key elements of electronic transactions. Section 11 addresses the formation and validity; Section 12 addresses the effectiveness between parties; Section 13 address arbitration of disputes; Section 14 addresses evidence for acknowledging receipt; and Section 15 addresses the time and place of dispatch and receipt of electronic transactions.

In recent weeks the MPTC has also made available via their public website, a draft E-Commerce Law addressing digital signature, certificates, and other security-related issues (<http://www.mptc.gov.kh>). There also appears to be some similar E-Commerce related activities being undertaken by the Ministry of Commerce. Another promising development has been the

establishment in August 2000 of a new National Information Communications Technology Development Authority (NIDA), headed by the Prime Minister. This Authority is currently developing an IT Master Strategy for Cambodia, and is scheduled to hold a public seminar to discuss the contents on September 11, 12, and 13, 2001. Ideally this will result in an agreed upon RGC strategic direction covering a wide-array of ICT related elements.

With respect to trade-related policy direction, including e-commerce, Cambodia's direction will almost certainly be shaped in part by the Association of Southeast Asian Nations (ASEAN) and their current e-ASEAN Initiative. This framework is far reaching, and has the potential of creating a more unified and normalized set of trade-related policies, strategies, and regulations for the 10 member countries (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Viet Nam).⁴ The e-ASEAN Task Force⁵ has approved a number of pilot projects in the ICT arena, with Cambodia likely to benefit directly from such shared resource-based initiatives, and regional cooperation and collaboration.

Regarding Intellectual Property Rights (IPR), Cambodia is not a member of the World Trade Organization (WTO) and it's IRP falls short—primarily based on 1992 UNTAC Criminal Code. Cambodia is a member of the World Intellectual Property Organization (WIPO), becoming a member in 1995, and acceded to the Paris Convention in September of 1998. Cambodia has also indicated it plans to join the Bern and UPOV Conventions, and the Patented Cooperation Treaty. Work continues on developing IPR legislation, including drafting trademark, copyright, and patent laws with assistance from WIPO.⁶

Another issue, while perhaps short of “policy,” is that of Cambodian Internet Domain registration. This is carried out by the MPTC, with minimal support staff. In fact, the Open Forum of Cambodia, an NGO, provides the technical support for name registration, while the MPTC retains all the revenue from this activity. Current practices are again, somewhat arbitrary and fees are substantially higher than normally observed in other countries.

One policy related issue is the lack of enforcement of a decree making Voice Over Internet Protocol (VoIP) illegal. The issue here has largely to do with loss of revenue by the MPTC telecommunications operations. While illegal, the practice is very widespread within Cambodia, with cyber cafés publicly advertising these services on their storefronts. During our assessment there was discussion underway within MPTC to move aggressively to stop this practice, however, experiences of other countries show this is very difficult. The approach under discussion is to have MPTC offer these services to the public at a lower price than current international circuit switched connections, and then move to eliminate other's use of similar technologies by stricter enforcement.

Yet another policy related issue that involves a technology solution is the need for a common font for the Khmer language. At present there are a variety of international efforts

⁴ <http://www.aseansec.org/>

⁵ <http://www.e-aseantf.org>

⁶ Country Commercial Guide, Cambodia 2000. U.S. Embassy (Prepared by the Economic/Commercial Section of the U.S. Embassy in Phnom Penh, Cambodia. Pages 27-29).

underway, and a number of technical solutions in place. This is an arena in which it appears the RGC is just becoming actively engaged, whereas in the past these standardization efforts have been undertaken by non-Cambodians. There are several individuals within Cambodia engaged independently in this arena, and in discussions with NIDA this topic is on a priority list for resolution.

Donor-related activities that are currently engaged in the area of Policy and will have an impact on Cambodia’s strategic and policy direction, in addition to ASEAN (including ASEAN+3, the three being China, Japan, and South Korea, include: a) the World Bank who is currently providing TA for telecommunications policy reform, and b) South Korea with a loan for e-government.

Policy – General Recommendations

There are a number of vitally important policy-oriented elements within Cambodia that simply need to be addressed as soon as possible. This is especially important when considering the importance of the “digital divide” of Cambodia compared to other countries, and within the country itself. A number of efforts in several areas are currently underway, however, many of these have been underway for some time. It is important, especially in the telecommunications arena, that these receive a heightened level of attention and priority, and that long-standing issues be resolved as quickly as possible. The current level of uncertainty should be resolved such that the private sector can move forward with a stable policy and regulatory framework as a foundation.

General Recommendations: Policy
<ul style="list-style-type: none"> • Support the Development of the National IT Master Strategy • Finalize and implement new Telecommunications Law and implement • Separate Policy/Regulation from Operations within MPTC • Loosen restrictions/practices regarding Internet • Expand awareness, education, & skill-building for ICT-related topics in Cambodia (public and private sectors) • Establish common UNICODE for Khmer language

1. **Support development of the National IT Master Strategy**—As ICTs become increasingly important for supporting economic as well as a number of socially-critical services such as health, education, etc., it is important that Cambodia develop an overarching strategic and tactical plan. While the G-8 countries are focusing on the digital divide issue of developed/developing countries, it is also essential that the developing countries themselves establish locally oriented strategies and plans for action. While telecommunications is a big component of such a plan, the National IT Master Strategy will go well beyond this and encompass education, e-commerce/e-business, e-health, etc. The NIDA is currently working on this draft, with a public seminar currently scheduled to take place on September 11, 12, and 13. Ultimately this Master Strategy will set Cambodia’s direction for key ICT-related elements, with the Prime Minister signing the Strategy. This presents an excellent opportunity for not only USAID, but also other multilateral and bilateral donor organizations to focus their support in the ICT arena.

2. **Finalize and implement new Telecommunications Law**—For several years now the RGC has been engaged in developing a new Telecommunications Law. With the growing importance of telecommunications and the increasing number of private-sector players engaged in Cambodia, it is essential that this process be completed and that the process for finalizing the Law and developing supporting regulations be open and transparent; that the result be a stable, fair, and predictable telecommunications environment. Key areas needing resolution include interconnection (including timely dispute resolution procedures), Universal Service/Access provisions, and a more open Internet environment in Cambodia. Efforts underway by the World Bank should proceed as quickly as feasible in bringing closure to setting the foundation, and adding requisite details with regard to implementing regulations and processes.
3. **Separate policy/regulation from operations within MPTC**—It is understood that part of the planned direction for restructuring telecommunications within Cambodia is to separate out the policy/regulatory functions from the operations activities within the MPTC. This should be carried out as quickly as possible so as to allow the operations to be “corporatized” with its own management. In carrying out this separation it is imperative that a level playing field be established such that there is no regulatory preference provided to the telecommunications and ISP services being provided by MPTC, and that administrative procedures be such that any conflicts that arise between MPTC’s operations and those of other carriers and ISPs be resolved in an open and timely manner.
4. **Loosen restrictions/practices regarding Internet**—At present there appears to be a preference towards limiting the number of firms that can provide Internet-related services (specifically those thought of as ISPs). However, this restriction has not been consistent, nor have the processes been very open and transparent. Many of them are also unnecessary and result in retarding the growth of the Internet within Cambodia. While it is understandable to restrict the number of licenses for providing telecommunications services, there is no strong rationale for restricting ISPs within Cambodia. The free market should dictate private sector engagement in this arena based on the customer demand and the quality of services being provided. Pricing for registering domains should be lowered (they are very high compared to international pricing) and the procedures should be streamlined. Restrictions on services (e.g., who can provide Web hosting for example) should simply be abolished.
5. **Expand awareness, education, & skill building for ICT-related topics in Cambodia (public and private sectors)**—The introduction of Internet-related services within Cambodia is relatively recent, with E-mail being the most dominant use at present. In part this is due to the above-referenced artificial restrictions, but also it is due to limited access and high cost. With the importance of the ICTs, specifically telecommunications and the Internet growing in virtually all sectors, there is the need to undertake an aggressive program of awareness, education, and skill building across the board. Clearly there is the need for a strong focus on policy and regulatory related awareness and training for the public sector. But with the strong engagement of the private sector, there is also the need to have a shared level of understanding between the public and private sectors. A comprehensive

awareness, education, and targeted skill-building initiative would rapidly advance the incorporation of ICTs into Cambodia's public and private sectors.

6. **Establish common UNICODE for Khmer language**—One of the key restrictions that limited the use of ICTs, specifically the Internet in Cambodia is the lack of an international standard for the Khmer language. At present there are various solutions to this issue, but unless the individual sender/receiver, or provider/user agree on using a common solution (out of several alternatives available in the marketplace), it is impossible to communicate in the Khmer language. This simply needs to be solved, and solved at the national level. As it is now, other parties, outside of Cambodia are pressing for resolution of this issue, and until just recently, with little direct engagement from the RGC itself. Recent engagements with a Japan initiative by the Open Forum of Cambodia hold much promise, but this needs national support to resolve and bring to a conclusion as quickly as possible. In recent months there has been RGC engagement in this arena via the Minister of Commerce in association with the eASEAN initiative and the NIDA efforts. This puts the issue at the highest level of the government and should result in resolving this issue in the not-too-distant future.

Cambodia: ICT Assessment

III. Pipes

One of the underlying components increasingly recognized as critical to development is the telecommunications infrastructure. In recent years this has become even more critical as globalization expands and increasingly relies on ICTs as a fundamental component of this global expansion (e.g., e-commerce, e-business, and e-government).

This section of the ICT assessment examines the in-country telecommunications environment from several perspectives and levels, including such topics as: a brief overview of the telecommunications environment in Cambodia, public telephone access, mobile wireless, Internet services, international connectivity, personal computers, and observations from International Telecommunications Union (ITU) statistical data

Summary/Analysis

The telecommunications situation in Cambodia can be described by four dominant themes: 1) very low telecommunications access—especially in rural areas, 2) a MPTC providing both telecommunications direction setting, land line telecommunications, and ISP operations; 3) a rapidly expanding wireless mobile telephony market dominated by MobiTel with approximately 80 percent of the mobile market and rapidly expanding its network and services, including wireless Internet and ISP, but with other niche fixed wireless players; and 4) high costs for telephony and Internet due in large part to the continued reliance on satellite/VSAT for international connectivity (current fiber is of limited use due to its high failure rate).

Findings: Pipes

- **MPTC provides telecommunications and Internet services, competing with the private sector**
- **Several private sector telephony companies in place with market dominated by MobiTel with 80 plus % of the market**
- **National teledensity (number of lines per 100 population) of land-lines was placed at 0.25 by ITU (1999), one of the lowest in the region**
- **High growth rates in recent years in cellular mobile—teledensity placed at a 0.81 by the ITU (1999)**
- **Total teledensity currently estimated at 2.28 with mobile phones potentially as high as 90% of total in Cambodia**
- **Estimated total number of phones in Cambodia placed at less than 250,000-300,000**
- **Low availability of public phones (1 percent by ITU for 1999) is low and does not to compensate for low teledensity**
- **Estimated total number of Internet accounts is placed at approximately 7,000 (representing approximately 30,000 total users; estimated number of PCs is placed at 15,000)**
- **Estimated 50-80 public “Cyber-Cafés” in Cambodia providing public access to the Internet**
- **Significant urban and rural “digital divide”**
- **Domestic pricing for telephony and Internet is highest in region (due in part by high % reliance on mobile)**
- **International access is dominated by reliance on costly satellite/VSAT connectivity, also high cost**

The ITU's most recent report (Asia-Pacific) places the population of Cambodia at 10.95 million in 1999, and the

number of number of main telephone lines (fixed lines) in Cambodia at 27,700 for a teledensity (main lines per 100 population) of 0.25. This is by far one of the lowest teledensities in the Asia-Pacific region; for that matter, in the world. The average for the lower-income countries is 5.33. Developed countries teledensity average is 55.10. When one thinks of a “digital divide,” Cambodia surfaces as a poster country in the region.

Paradoxically, Cambodia also stands out as having possibly the highest penetration of cellular phones relative to fixed lines anywhere in the world, although this may simply represent a rational response to market failure. The same ITU report places the wireless mobile teledensity of 0.81 and the actual number of mobile wireless phones in Cambodia in 1999 at 89,100. This reflects that 76.3 percent of the phones in Cambodia during 1999 were mobile wireless. The average for lower-income countries is 25.1 percent; developed countries average is 43.8 percent. This percentage has only grown since 1999 as the current estimate of mobile wireless is placed at between 120,000-150,000, and this does not take into account the fixed-wireless. Installation of main lines (land-lines) has proceeded at a relatively slow pace and continues at a very high cost by comparison.

In spite of this rapid growth in the mobile cellular market, the fact remains that Cambodia remains a very unconnected country. This is especially the situation in rural Cambodia, where 85 percent of the population lives. The ITU Asia-Pacific report reflects that the teledensity in the largest city in Cambodia (Phnom Penh) has nearly 60 percent of the main lines, whereas it has only 9.5 percent of Cambodia’s population. While fixed wireless and mobile cellular have been more active in non-urban areas, and as a result has mitigated this disparity to some degree, the “digital divide” within Cambodia, raises its head.

Regarding Internet, the local market in Cambodia is primarily constrained by access speeds and pricing. Interestingly, while the growth in mobile cellular is very significant, it doesn’t do much to help access to the Internet, except at very low speeds and very high costs. The limited number of main lines and the costs primarily restrict Internet use to e-mail and urban areas. Wireless access to the Internet has recently been introduced by MobiTel/TeleSurf, with expansion already starting to take place outside of Phnom Penh.

In addition to limited physical access being an issue with regard to the use of telecommunications, limited use due to pricing is yet another significant issue. Pricing in Cambodia is one of the highest in the Asia-Pacific region. Interestingly, the use of public phones has not taken hold in Cambodia to offset these limitations but this is likely due to the high mobile phone density. The percent of public phones to main lines is only 1.09 percent in Cambodia; average for lower-income countries is over twice this number at 2.61 percent (1999 ITU data). With regard to pricing, Cambodia is simply off the map compared to other countries, most likely correlating with its much higher reliance on mobile cellular and it’s high costs for satellite-based international connectivity. Telephone subscription pricing as a percent of GDP per capita is 74.7 percent based on 1998 data! By comparison, the average for lower-income countries is 9.2 percent. This makes the cost for telephony access in Cambodia perhaps the highest of any country in the world. Again, it is an issue relative to the “digital divide” and naturally carries forward in terms of high costs for Internet access as well.

Several articles have been written on Cambodia in recent years, one providing a current view of activities in Cambodia appeared in the November 1999 issue of Wired magazine.⁷ More recent series of ICT-related articles for the region appeared in the AsiaWeek publication dated June 29, 2001.⁸

Wireless Telephony

Wireless mobile telephony dominates the telecommunications sector in Cambodia with likely well over 80 percent of the country's telephony provided by wireless technologies. There are several players currently engaged in this sector, including the following:

- **Camintel**—Camintel is a fixed wireless operator with services being provided in approximately 25 cities. Interconnection is via a number of means including microwave and fiber, but the dominant interconnection is provided via satellite. The firm is 51 percent owned by the RGC and 49 percent owned by IndoSat. Camintel has approximately 5,500 subscribers.
- **MobiTel**—MobiTel is by far the dominant wireless operator in Cambodia with an estimated 80 percent of the market. Interconnection within its system is provided via some fiber, but mostly via interconnecting their cellular towers via microwave. MobiTel is a joint venture between a Cambodian company called Royal Group (38.5 percent) and Milicom Group (61.5 percent) of Luxembourg. It is thought to have approximately 100,000-120,000 subscribers in 15 provinces.
- **Camtel**—Camtel was the original provider of wireless telephony in Cambodia and still relies on analog technology for its connectivity. While it may well upgrade to digital, recent data shows it is losing significant market share, with an estimated customer base of approximately 1,500. Camtel is owned by the Charoen Pokphand Group of Thailand.
- **CASACOM**—CASACOM Thai-Malaysian is a joint venture with 51 percent owned by Telekom Malaysia and 49 percent owned by SMART of Thailand. It has an estimated customer base of 28,000-48,000 subscribers and relies on GSM technologies.
- **Camshin**—Camshin is a subsidiary owned 100 percent by Shinawatra from Thailand with an estimated customer base of less than 30,000 customers, though some estimates place it as high as 37,000. Camshin relies on Shin satellite for its domestic interconnection.

Internet Services

- **E-Mail Services**—The dominant e-mail only service provider in Cambodia is the Open Forum of Cambodia. They provide e-mail, including listserv to approximately 800

⁷ <http://www.wired.com/wired/archive/7.11/cambodia.html>

⁸ http://64.4.8.250/cgi-bin/linkrd?lang=EN&lah=cef275ff0871418d36e049a0ffd47e10&lat=993704476&hm_action=http%3a%2f%2fwww%2easiaweek%2ecom%2fasiaweek%2ftechnology%2farticle%2f0%2c8707%2c132691%2c00%2ehtml

subscribers at a cost of US\$ 8.00 per month. While virtually all subscribers rely on dialup landline services, the Open Forum does provide e-mail via mobile cellular as well. The Open Forum is a major tool for NGOs/PVOs operating in Cambodia in that it provides low cost, high quality service—even though it is restricted only to e-mail. Interestingly, the Open Forum was the first to introduce e-mail into Cambodia in 1994, was the original domain registration for Cambodia, has worked closely throughout with the MPTC, and even today provides the technical support for the MPTC domain registration. Yet, the MPTC restricts it to providing e-mail only, and not broader web-based services.

- **Internet Service Providers**—The situation in Cambodia is a bit confused with regard to who provides ISP services. The Internet was introduced into Cambodia via support from the IDRC of Canada in May of 1997 through CamNet. In June of 1997, just a month later, Big Pond went online, and in theory, has a monopoly license until February 2002. However, in the interim other firms provide ISP services including MobiTel/TeleSurf, and Camintel. Yet at the same time, firms such as KIDS and Open Forum, appear to play by the rules and are not allowed to provide expanded services typically thought of as those provided by an ISP.

Costs for Internet access within Cambodia are perhaps some of the highest in the world. Part of this is due to the cost of satellite-based access, but that certainly cannot account for the entire cost structure. The following provides sample cost structures for two leading ISPs.

- **Telstra/Big Pond** Internet services have a start up fee of US\$ 30, require a deposit of anywhere between US\$ 50 and US\$ 500, and have a monthly fee of US\$ 20 for 3 hours of use/month, or US\$ 110 for 35 hours of use/month. Depending on the plan chosen, additional use is between US\$ 1.90 and US\$ 3.50 per hour. Domain Naming Services (DNS) are US\$ 100 per year.
- **MobiTel/TeleSurf** broadband (delivered over wireless technologies) have an installation fee of between US\$ 40 for 64Kbps service to US\$ 250 for 1Mbps service. Monthly fees run between US\$ 30 for 64Kbps, US\$ 150 for 128Kbps and on up to US\$ 3,000 for 1Mbps service. In addition to the monthly fees, MobiTel/TeleSurf charges for data transfer over the network (e.g., it is a metered service) at US\$ 20 per month for 100MB, US\$ 50 per month for 300MB, and up to US\$ 100 for 1GB.
- **Cyber Cafés/Community Information Centers**—A growth industry, especially in Phnom Penh, has been the establishment of cyber cafés. It is estimated that there are somewhere between 30 and 50 in Phnom Penh alone, and anywhere between 50 and 80 Cambodia-wide. These cyber cafés provide walk-in access to the Internet for those who cannot afford an Internet connection at home or business, or who simply don't have enough demand to warrant such a cost. The current going rate throughout Phnom Penh is in the order of US\$ 2/hour of use, but as one can imagine, the actual speed of the connection varies considerably even though the price may be fairly constant. In addition

to providing Internet access, many of the cyber cafés also provide additional services such as e-mail, website development, and training.

As would be expected, most all of these cyber cafés are located in urban areas. Seldom do such facilities exist in rural settings where there may be needed, but where there are lower income levels and perhaps no connectivity (or even electricity). Various community-based models for providing such services in these more marginal areas exist, and increasingly are being supported through international development activities—especially those with a focus on narrowing the “digital divide.” Ideas for such efforts are reflected in a recent study undertaken by the National Telephone Cooperative Association (NTCA).⁹

Remote Telephony and Internet Access

MPTC has some minimal landlines outside of Phnom Penh proper, however, by and large, remote telephony is being provided via mobile cellular providers such as MobiTel or via fixed wireless provisioning by Camintel. Both provide in-country long distance via a combination of fiber, microwave, and satellite. Satellite is the dominant use by Camintel, due in part to the fact that 49 percent of its ownership is by IndoSat (a satellite company providing regional services).

With regard to Internet access beyond Phnom Penh, for the most part this is either low-speed Internet supporting only e-mail. Some limited access is available via wireless. In recent months, however, MobiTel/TeleSurf has started to extend higher-speed Internet services into selected provincial cities via its Internet wireless solutions. This is expected to grow significantly in the future as they add Internet services on top of their mobile wireless infrastructure (e.g., towers and interconnecting microwave).

International Connectivity

At present international connectivity is provided almost exclusively via satellite communications, though there is some fiber between Cambodia and Thailand and Viet Nam. The international connectivity is provided via two providers, Telstra/Big Pond and more recently, MobiTel/TeleSurf. Current plans by the MPTC appear to be oriented toward maintaining this duopoly. Both rely heavily on satellite as the current fiber infrastructure between Thailand, Cambodia and Viet Nam is unreliable. This is due in part to poor initial installation of the fiber, which buried the fiber shallow with as many as 15-17 cuts/week taking place, forcing continued reliance on the more expensive satellite solutions. The Asia Development Bank (ADB) is undertaking a study to establish a fiber ring in the region, connecting Cambodia, Viet Nam, Thailand, and Lao P.R.D.. However, the study will likely take a year and any resulting solutions an additional 3-4 years.

⁹ **Role of the Private Sector in Sustainability of Community Information Centers.** National Telephone Cooperative Association. June 2000

ITU Telecommunications Information

In December 2000, the ITU published an Asia-Pacific Telecommunication Indicators 2000 report¹⁰ with updated 1999 connectivity data. This report stated Cambodia's 1999 population at 10.95 million. These were mid-year estimates from the United Nations (UN). The ITU report also states Cambodia's Gross Domestic Product (GDP) for 1998 as US\$ 2.1 billion, with a calculated per capita GDP of US\$ 196 for 1998. ITU's source for this information is from the International Monetary Fund (IMF) and the Organization for Economic Co-operation and Development (OECD). This places Cambodia into what is considered a "lower-income" country; lower-income being defined as those countries with a Gross National Product (GNP) per capita of US\$ 290 in 1999. To ensure consistency and normalization for comparisons within the ITU report, these population and GDP numbers are used for purposes of the following.

A series of tables with data extracted from the December 2000 ITU Asia-Pacific report is reflected in Appendix F. For this analysis, Cambodia's data was compared to the statistical data from the neighboring countries of Lao P.D.R., Thailand, and Viet Nam. In addition, Cambodia's data was compared to the averages for other lower-income, upper-income, and developed countries in the Asia-Pacific region (including an Asia-Pacific regional average). A number of key comparisons have been included in the above summary. For detailed data and more detailed analysis of this data, refer to Appendix F.

Donor Activities

At this time only the ADB is providing direct assistance to Cambodia in the area of improving connectivity. Two efforts are underway: a) re-laying fiber on the road between Sihanoukville and Phnom Penh, and b) a feasibility study for establishing a fiber-ring between Cambodia, Laos, Viet Nam, and Thailand. This latter activity is just getting underway with completion of the study likely to be a year away.

Pipes – General

Recommendations

The telecommunications environment within Cambodia is becoming increasingly driven by the private sector, as they seek to expand their markets. This is especially the situation in the wireless mobile arena where growth has been quite remarkable in recent years. While this expansion includes movement into

areas outside of Phnom Penh, it is being driven by economics/profit potential. Without some intervention by the RGC, the result will be an expanding "digital divide" within Cambodia as the large rural populations are overlooked in preference to the urban areas. Public policy is needed to encourage the build-out of telecommunications in rural areas, and typically this is

General Recommendations: Pipes

- **Develop a Rural Telecommunications Access Plan**
- **Privatize MPTC's Telecommunications and ISP operations**
- **Expand awareness, education, & skill-building for ICT-related topics in Cambodia (public and private sectors)**
- **Expand fiber for in-country and international communications**
- **License 2.5G and 3G wireless**

¹⁰ **Asia-Pacific Telecommunication Indicators 2000**. ITU. Geneva, Switzerland. 3 December 2000.

accomplished via Universal Service/Access Obligations being placed on the part of the telecommunications operators. However, other measures are also needed in order to expand access to telephony and the Internet throughout Cambodia.

7. **Develop a Rural Telecommunications Access Plan**—It was recommended under Policy that country of Cambodia develop a broadly based National ICT Strategic and Tactical Plan. This would encompass not only telecommunications but other ICT-related topics. It would most likely also incorporate a special focus on rural connectivity in an effort to address the “digital divide” issue. At present the issue of rural connectivity is primarily left up to the private-sector firms engaged in building out infrastructure. And even though the RGC owns 51 percent of Camintel, which has focused attention in areas outside of Phnom Penh, more attention is needed to building out telecommunications in rural areas. Ideally a comprehensive telecommunications law would also address the issues of Universal Service/Access in the rural underserved areas. However, it is recommended that to kick start a focus on providing rural access, that the RGC along with the private sector telecommunication providers come together and develop a shared approach to reaching the rural communities within Cambodia. This should be incorporated into the larger National IT Master Strategy, however in an effort to move fast, it is recommended a focused initiative by those engaged in providing infrastructure, be undertaken as an interim measure.
8. **Privatize MPTC’s telecommunications and ISP operations**—At present the MPTC operations provide the bulk of the landlines within Cambodia. The other licensed carriers are focusing on the cellular market, predominantly the mobile cellular license. It is recommended that as soon as possible, that not only the MPTC telecommunications and ISP operations (e.g., CamNet) be separated from the policy/regulatory activities, but that ultimately these be completely privatized. It is feared that as long as they remain within the MPTC they will not have sufficient funds or financing to expand their reach and enhance their services—both being much needed. With regard to the ISP, this should be a very simple undertaking, with the potential that if CamNet isn’t sold off reasonably quick, it may simply cease to be a viable entity given current market pressures. The long-term operations of a government-owned telecommunications carrier in a market that is otherwise being supplied by the private sector simply creates a situation that of no value to the RGC or the country.
9. **Expand awareness, education, and skill-building for ICT-related topics in Cambodia (public and private sectors)**—As reflected in the Policy recommendations, this is a critical component to growing and maturing the provisioning and expanded use of ICTs across Cambodia. This awareness, education, and skill building should extend to both the public and private sectors.
10. **Expand fiber for in-country and international communications**—While there is currently limited access to fiber within Cambodia, and between Cambodia, Thailand and Viet Nam, this current infrastructure is very limited with regard to coverage and performance. As a result, firms providing connectivity are required to invest in their own fiber or build microwave links. For international communications there is near

total dependency on satellite communications. This is perhaps the most costly form of international communications available and lacks capacity to support anticipated growth. At present the ADB is engaged in two activities associated with fiber—one being the reburying of an existing fiber within country, and the other is a feasibility study for a joint fiber project linking Laos, Thailand, Cambodia, and Viet Nam. This study is just getting underway, with the ADB providing US\$ 1.8 million for the initiative. With the study likely to take at least a year, any remedy coming out of this will be several years away. Any joint RGC and private sector efforts to speedup the establishment of critical fiber infrastructure to expand in-country as well as international connectivity should be examined.

11. **License 2.5G and 3G Wireless**—At present the bulk of the licensing for mobile cellular is in the 800 MHz and 1.8 GHz frequency range. While this licensing has allowed for very rapid growth of mobile cellular services, the technologies relying on these frequencies have minimal data carrying capacities. To an extent this is being addressed by MobiTel/TeleSurf in their recent introduction of wireless Internet relying on 3.5 GHz frequencies. Another alternative underway in a growing number of countries is to expand wireless licensing to what is referred to as 2.5 generation (or General Packet Radio System-GPRS) and even 3rd generation technologies with substantially higher data-carrying capabilities. Such an action on the part of the RGC would enable current and possibly new-entrants to expand their wireless provisioning in such a way as to concurrently enable greater Internet access (through pricing could limit its potential). Other options to consider are licensing MMDS and LDMS frequencies.

Cambodia: ICT Assessment

IV. Private Sector

It is the private sector that must generate the business activity that establishes and maintains economic growth and improves the living standards of the citizens. This third area within the ICT assessment framework focuses on two key areas relative to leveraging ICTs in Cambodia:

- 1) determining the strength and potential of the ICT-related sector itself relative to supporting the domestic and international markets,
- 2) and the reliance on ICTs by local non-ICT businesses in an effort to improve the effectiveness and efficiencies of their operations and where appropriate, to potentially become more competitive in the global marketplace.

Summary/Analysis

GNP – Composition by Sector		
•	Agriculture	39.6 percent
•	Services	41.6 percent
•	Industry	18.8 percent

The Gross National Product (GNP) of Cambodia is placed at US\$ 3.1 billion for 1999. The private sector within Cambodia to a significant degree is largely agriculturally based, accounting for 39.6 percent of the country's GDP, and approximately 75

percent of the national employment (1999 data). Industry accounted for 18.8 percent of the economy and Service accounted for 41.6 percent. Regarding employment, agriculture employs 76.5 percent, services 17.1 percent, and Industry 6.4 percent (based on employed population – aged 10 and above and using 1999 figures). With this composition of the country's economy, the role of and use of ICTs are relatively limited.

Within this context, the ICT businesses can perhaps best be described simply as embryonic. There are a few Small and Medium Enterprises (SMEs) beginning to emerge that provide ICT-related sales and services to large as well as SMEs who are increasingly adopting ICT within their operations. This is typically in the form of personal computers (PCs), some Local Area Networks (LANs) and in some cases, Management Information Systems (MISs), though it appears this is quite small. Internet is just now coming online with

Findings: Private Sector

- **There are several private sector telecommunications firms engaged in Cambodia, along with the MPTC**
- **There is not what may be considered an ICT sector in Cambodia beyond SMEs supporting the increased use of ICTs by the business community itself (PCs, LANs, MISs, etc.)**
- **There are some uses of B2C starting to take place within Cambodia, primarily in the tourism-related activities and some local products**
- **Local universities are providing ICT-trained graduates, but frequently without adequate hands-on experience on newer tools/products and networking hardware/software**
- **Universities have limited or no Internet access for faculty and students**
- **There are a few international colleges and universities starting to deliver ICT programs that have internationally-recognized certifications and degrees**
- **Most use of Internet in Cambodia by SMEs is limited to E-mail**
- **Locally-issued credit cards have been**

respect to being viewed as a business tool. This is largely due to high costs and a general lack of awareness as to the potential value of having an Internet connection and doing business online.

By far the most intensive ICT-related businesses are the various private sector telecommunications firms as reflected earlier in the Pipes discussion (including telecommunications companies, ISPs, cyber cafés, etc.). A few early-adopting firms are beginning to go beyond the use of Internet e-mail, and are starting to use the Internet to sell products/services. This seems to be taking place at an expanding rate in the tourism sector (Services) where the Internet is a valuable tool used by consumers for booking travel, hotel reservations, etc.

It is increasingly becoming understood that e-commerce/e-business holds potential for developed and developing countries alike. Primarily this is due to the characteristic of lowering friction in carrying out economic transactions (e.g., either reaching more customers for less cost or simply lowering transaction costs). However, it is essential that a realistic understanding of this potential be grasped before launching any expansive e-business initiatives. First, in the U.S., where e-business is more advanced than most any other country, e-business transactions account for only approximately 1 percent of total commerce. Of this, approximately 80 percent is B2B and 20 percent B2C. This would indicate there's a lot more "hype" than substance when it comes to this arena. And even with these numbers, no one is making the case that e-business is new or additive, but most likely is simply an alternative form of carrying out economic transactions.

Key factors in the local/national success of e-commerce are: a) the purchasing power of the target customer base, b) the availability/use of credit by the target customer base, and c) the level of access to the Internet for carrying out these electronic transactions. When these three critical success factors are examined even at a cursory level within Cambodia, it is clear that e-commerce/e-business is not going to be a big domestic phenomenon with Cambodia any time soon.

However, that is not to say there are not e-commerce opportunities for pursuit within Cambodia, but rather any approach undertaken must be clearly targeted. The following are potential target opportunities. First, the Cambodian diaspora outside of Cambodia country has a built-in focus/orientation toward Cambodia and likely greater purchasing power and access to the Internet (at least in many countries). A possible way to reach this diaspora is in selling over the Internet local goods and services for delivery within the country. Several countries have private sector-led initiatives whereby a virtual mall is established for the sole purpose of selling to an overseas market, sometimes targeted to deliver to relatives and friends living in-country (Armenia, Sri Lanka, Morocco, Ethiopia, Eritrea, etc.). An example of a successful cyber mall is PEOPLink, a non-profit organization helping artisans from developing countries market their products directly to buyers on the Internet. The site received 14,000 hits and \$30,000 in sales by the end of 1998 with sales ranging from US\$50 - 500 per day and up to 90% of the sale going to the artisan(s).¹¹

¹¹UNCTAD, Creating a Development Dynamic. <http://www.opt-init.org/framework/pages/appendix2.html>

A second area with promising potential is tourism. Tourism represents one of the largest sectors of e-commerce over the Internet - reaching those with greater purchasing power. Revenues for Internet-based travel agencies are expected to rise from \$5bn in 1999 to \$30bn in 2001.¹² Cambodia with its rich history and cultural monuments could easily benefit from this boom.

Another possibility with promise is Business-to-Business (B2B) as this is where the bulk of transactions take place and local connectivity limitations can be more readily overcome (e.g., via dedicated lines between businesses such as garment factors, exporters, transcription /data entry services, etc.). An example of how B2B can improve transactional efficiencies is a new utilities exchange in Africa, called utilitiesafrique.com. It supports e-trading between African utilities in power, water, gas and telecommunications and their suppliers. The portal is expected to decrease sales costs by 80% and processing costs by at least 50%.¹³ Within in the context of Cambodia where agriculture is a dominant proportion of the country's GNP, it is perhaps also relevant to mention the possibility of rural trading networks. In this instance producer-supplier linkages are strengthened and made more efficient through the Internet. Chineros, a small rural village in Peru, set up an Internet-based partnership with a national export company to sell its produce in overseas markets. The village income is now in five-times its prior income to US\$1,500 per month.¹⁴

The local universities have added computer-related courses to their curriculum, and in several cases have developed and offer computer science degrees. It appears those graduating from these programs are reasonably successful in finding ICT-related employment within Cambodia either in those firms specializing in providing ICT-related services or directly with companies that are making use of ICTs within their business activities. In addition to full degree programs, there is a growing demand for non-degreed ICT-related training and this demand is being met by various private sector firms that frequently provide English language training as well as a wide variety of computer-related training.

One area where there is a lack of local ICT-related support is in the various certification programs. Most vendors provide and support certification programs whereby there are standard, objective testing of computer specialists to ensure high quality in the workforce. Firm such as Microsoft, CISCO, Sun Microsystems, Oracle, as well as others support such programs. No such independent certifying authorities are operating in Cambodia, with students and technical staff needed to go either to Singapore or Bangkok in order to obtain such certification. Reluctance to entry are likely due to high costs and the issue of software piracy which is prevalent in Cambodia.

Another issue emerging in the private sector relates to the availability of higher-priced software in the country, and even software than can be purchased from Cambodia. It appears

¹² Economist Intelligence Unit. Best Practice. December 5, 2000.

http://www.ebusinessforum.com/index.asp?layout=rich_story&channelid=3&categoryid=8&title=Ctrip%2Ecom%3A+Internet%2Dbased+travel+service+thrives&doc_id=1697

¹³ <http://www.opt-init.org/framework/pages/appendix2.html>

¹⁴ *ibid.*

that the level of software piracy in Cambodia is such that some companies (Microsoft noted as one), will not sell software into Cambodia from Bangkok as they fear it will be copied and resold or provided free of charge. This relates back to the issue of Intellectual Property Rights (IPR) covered under the Policy discussion.

One of the important donor organizations active in promoting SMEs in Cambodia, and with at least a focus on ICTs is the Mekong Project Development Facility (MPDF). The MPDF is sponsored by the World Bank Group through the IFC and has been instrumental in providing support in several key areas including activities with an ICT flavor. These include support for a Cambodian-based rice millers association in setting up PCs and LANs, and moving them forward in providing key information via the Internet to their members. The other is in providing valuable Internet-related training to sector specific groups, such as small travel and tourism-related businesses, with impressive results.

Private Sector – General Recommendations

Ultimately it is the private sector within Cambodia that must become the engine for economic growth. And as part of this growth there is the potential leveraging of ICTs to improve their internal operations and possibly expand their markets. At present ICTs are showing up in increasing number of large and SMEs, but for the most part it

remains at a very early stage of ICT adoption. Potential initiatives here are aimed at increasing the awareness of business managers and increasing the skill-sets of the technologists within Cambodia. Clearly with the dominance of agriculture and tourism-related services, these should be two key areas of focus. In addition, while there are a number of local universities with computer science programs, Internet access remains very restrictive, with professors and students have having inadequate access to these valuable resources.

General Recommendations: Private Sector

- Undertake a series of awareness-building and educational seminars for local SMEs
- Enhance Internet connectivity at Cambodian universities
- Establish in-country ICT certification programs
- Support increased use of the Internet to support Cambodian SMEs engaged in tourism

12. **Undertake a series of awareness-building and educational seminars to local SMEs**—With the Internet just beginning to become available on a broad basis within Cambodia, there is an opportunity to accelerate its adoption by establishing a series of awareness and educational seminars for the private sector. Similar awareness, educational, and technical support is needed for public and private sector participants focusing on the policy/regulatory and infrastructure topics. Here the focus is on the application of the technologies and how to adopt ICTs and the Internet into private sector business related activities. Topics such as e-commerce and e-business provide the orientation for local business managers to gain the advantage of the early adopters in other countries—avoiding the wasteful pitfalls experienced by many. Providers of such seminars should be drawn from a wide-range of sources in an effort to provide as broad of input and experience base as possible. Focus is also needed on creating a solid understanding of just what is required to be successful, and realistic expectations to be achieved in entering into the use of more sophisticated ICTs.

13. **Establish Internet connectivity at Cambodian universities**—At present even universities with degree programs in computer science have no or very limited access to the Internet to support research by their professors, let alone by their students. While costly by local standards, and certainly above the normal international rates, in fact this is not outside the reach of many donor organizations. Yet it currently is a critical missing component to developing the workforce of Cambodia's future—be it the office worker, the manager, or the technical support staff. Ultimately each local university will need to be examined with regard to establishing high-payoff targets, and on implementing access in such a manner as to ensure the investment is directed toward these targeted area. Ideally agreements can be established for bulk access, possibly even via a shared international link, whereby the universities pool their resources and establish a university network for gaining access to the Internet. It is anticipated that in some situations, this access must also be supported with additional technical staff at the universities (part of the requirement satisfied by students themselves). In addition, it is likely that in some situations there will be the need to provide updated/current personal computers and Local Area Networks for consolidating access to the Internet.
14. **Establish in-country ICT certification programs**—With the growing reliance on ICTs within Cambodia, there is the need for increased focus on developing a strong technical skill base. A number of universities are providing degreed technical training programs, as are a growing number of local SMEs. The latter not only provide targeted skill development, but also frequently are themselves firms delivering technical support to the growing use of PCs, LANs, office software and even MISs and databases within large and SMEs. However at present there are no internationally recognized certification programs in Cambodia where students or technicians can acquire formal certification from firms such as Microsoft, CISCO, Oracle, etc. The establishment of such a facility within Cambodia is much needed and would be an important step in upgrading the knowledge/skills of the technical workforce. This seem especially absent in the area of skilled network technicians where there is no substitute for hands-on training and experience, and where a high level of technical competencies are essential.
15. **Support increased use of the Internet by Cambodian SMEs engaged in tourism**—One of the most rapidly growing sectors within Cambodia is tourism. Tourism is also a sector in which B2B and Business-to-Consumer (B2C) transactions are prevalent over the Internet. While clearly the international businesses make use of the Internet, typically the small independent hoteliers or guesthouses, local guides, etc., do not have such awareness and opportunity. The MPDF has in recent months undertaken an awareness/training activity in this sector with very encouraging results from those becoming engaged in this arena. This recommendation is aimed at taking this one step further by not only expanding this awareness and training, but by supporting the establishment of a consolidated Website and services aimed primarily at supporting the small local independent tour operators, hotels, guides, etc., such that they can expand their markets to reach overseas more effectively and efficiently. This proposal may also best be linked with the establishment or strengthening of a local small operator tourism association, with this being one of the key services being

provided to its members. Another potential option is to link with regional initiatives such as a planned e-ASEAN pilot for e-tourism.

Cambodia: ICT Assessment

V. People

The three prior sections address pipes, policy and the private sector. This section focuses on the people. Specifically, this section analyzes and makes recommendations on utilization of ICT technologies: a) internally at USAID/Cambodia; b) generally across Cambodian society; and c) within USAID programs across all Strategic Objectives. To some extent, this section also serves to integrate the findings and analyses of the policies, pipes, and private sector sections with USAID's current development portfolio such that there is a foundation laid with respect to putting forth a series of ICT-related recommendations

Summary/Analysis

ICTs, especially the Internet, hold the potential for being leveraged to contribute significantly across virtually all USAID programs, be it HIV/AIDS, Democracy and Governance, Education, Economic Growth, Agriculture, etc. The ANE Bureau's program to support ICT-related activities in the Missions recognizes this potential, and is the backdrop for this ICT Assessment.

Within Cambodia, actual use is currently at a nascent stage. To date, use of ICT is based on a "champion" or "advocate" approach whereby some managers (either at USAID or within one of the NGOs with which USAID works) have a personal interest in the Internet and seek to incorporate ICT within their activities and programs.

While Internet e-mail is becoming an essential tool for communicating with NGOs in country, the region, and even their headquarters offices the U.S., at present the primary electronic means for the mission and NGOs to communicate with its local partners is via telephone or e-mail. This is typically one-to-one, though e-mail distribution lists are used for broadcasting messages where needed. The Open Forum of Cambodia provides a valuable low cost E-mail and ListServ function to the NGO community in Cambodia, but is prevented by the MPTC from providing more expanded Internet Services such as Web-based calendaring, shared calendars, etc. This artificial restriction is simply unwarranted and should be addressed.

Findings: People

- **Considerable use of Internet e-mail by NGOs residing in Phnom Penh, but there is a lack of Internet connectivity outside of Phnom Penh, though this is improving somewhat**
- **No USAID focal point for program use of ICT**
- **Open Forum of Cambodia provides critical and low cost e-mail/networking for NGO community in Cambodia**
- **Some NGOs starting to build Internet websites and even marketing products to improve sustainability**
- **Some cyber cafés opening outside of Phnom Penh, but opportunity to support Community Access Points (CAPs) for shared access by USAID-funded NGOs in rural areas**
- **Need for general and sector-specific Internet related training**
- **Cell phones becoming common tool for use by NGOs including expanding use in provinces and in some cases for low-speed e-mail**

Adding more sophisticated services to the NGO community would be a major improvement. However, there is still the issue of access once outside Phnom Penh. The telecom providers are moving into the provinces and this will provide the backbone for extending at least e-mail into at least some of the outlying areas. However, even with the telecommunications access, there are the other issues relating to gaining physical access and making use of the tool (e.g., computer, Internet connection, costs, and training). One possible solution is to launch a small, but collective initiative to establish small provincial and rural Community Access Points (CAPs) whereby the NGOs with which USAID (and others) partner can gain access to ICTs on a shared cost-basis. These CAPs can also become a valuable resource to the local community much like cyber cafés provide shared access in the urban areas.

Being new there is also the need to provide some basic awareness, education, and technical training to USAID/Phnom Penh staff as well as the NGO community with which it works so closely. Examples of how the Internet is being used as a research tool, by specific development sectors, etc., would be invaluable. A number of options are available for providing these services to the international development community in Cambodia.

USAID/Cambodia Development Portfolio

This ICT Assessment was carried out as part of an overarching ANE Bureau focus on ICTs. However, it has taken into account the local USAID/Cambodia development portfolio. This has significantly shaped the dialog, focus on the interviews within country, and the recommendations developed as part of the Assessment effort. The USAID/ Cambodia program contains the following Strategic Objectives (SOs):

- SO 442-001: Strengthen Democratic Processes and Respect for Human Rights
- SO 442-002: Improving Reproductive and Child Health
- SO 442-004: Enhance Assistance for War and Mine Victims
- SO 442-005: Reduced Transmission of Sexually Transmitted (STI) and HIV/AIDS in High-Risk Populations
- SO: 442-007: Expanded Access to Sustainable Financial Services

People – General Recommendations

At present the NGO community relies increasingly on E-mail and telephony for improving their communications amongst themselves and to each other. This is especially the case within Phnom Penh where many of the NGOs have their Cambodian

General Recommendations: People
<ul style="list-style-type: none"> • Pilot Community Access Points (CAPs) for supporting NGO-related activities in Provincial cities • Expand ICT-related awareness, knowledge, and skill base within NGO community • Enhance Internet-based services being provided to NGO community beyond E-mail • Pilot cyber-mall for NGOs seeking to market products and services to improve their financial sustainability • Provide targeted ICT-related support within the context of existing and planned NGO-related activities

offices. With respect to communicating between these offices and those operations in the provincial cities, this becomes increasingly problematic. The focus on the recommendations here is to focus attention on enhancing these capabilities via a shared approach such that even

the smallest local NGO located in rural areas have increased access to the Internet, and that this is done such as to become economically sustainable.

- 16. Pilot Community Access Points (CAPs) for supporting NGO-related activities in provincial cities**—In a growing number of countries the reliance on shared access via a local community-level Telecenter or Community Access Point (CAP) in rural areas is the only form of affordable telephony or Internet access. Typically these are put in place within the context of an existing development activity (e.g., education, agriculture, health center, etc.), but with expanded access to the community at large. This allows the services to be provided on a for-fee basis and also serve additional development activities. This recommendation puts forward the establishment of a series of such CAPs in selected locations as pilot projects to determine their viability in Cambodia. The most logical location for establishing these CAPs would be with NGOs working in targeted areas where there is telecommunications access via one of the current private sector firms, and there is a local presence for building the requisite technical support. The target result would be to provide needed ICT/Internet support to as wide a range of development activities as possible, and to do so in such a manner that these provide the CAP with income, that, along with income from private/individual use, allows the CAP to become financially sustainable as quickly as possible.
- 17. Expand ICT-related awareness, knowledge, and skill base within NGO community**—Whereas the international development organizations (NGOs/PVOs) make use of ICTs and the Internet in conducting their business, this use is very limited by the local NGOs/PVOs beyond E-mail, and even here, frequently limited to offices located in urban centers. With the piloting of CAPs in provincial cities and even rural villages, there is the need to develop a broader awareness, knowledge, and skill base within the local NGO/PVO community on how these ICTs/Internet can become an integrated part of carrying out their development activities. Where a CAP is established, this would most logically be carried out in conjunction with the CAP or through the CAP itself. In other areas the awareness, knowledge and skill base training would be carried out through other means—most logically through a local NGO dedicated to providing ICT-related services or via a contract to a local firm.
- 18. Enhance Internet-based services being provided to NGO community beyond E-mail**—As the Internet becomes more available, including non-urban centers via CAPs (see earlier recommendation/s), it will be possible to not only extend the use of the Internet to additional locations, but also to provide enhanced services. Efforts need to be undertaken to gain agreement with the MPTC to allow the development community to expand use of the Internet beyond the current use of E-mail. This current restriction (something for example Open Forum for Cambodia must live with), is simply unwarranted and without rationale. Whereas such services could readily be provided through one of a limited number of ISPs in Cambodia, or even “off-shore” by hosting in the U.S. or a neighboring country, in both situations the costs would be considerably higher than offering locally by an NGO. Services could be extended beyond the E-mail and ListServs and include expanded information sharing, collaboration tools, etc.

- 19. Pilot Cyber-Mall for NGOs seeking to market products and services for improving their financial sustainability**—A growing number of NGOs are starting to make use of the Internet for marketing products and services over the Internet. This is oriented toward expanding the awareness of their services and becoming more self-sustaining. In comparison to individual sites, a cyber mall reduces costs and increases the potential for reaching a larger market. A collective effort should be undertaken whereby one of the value-added services provided to the NGO community working in Cambodia is the development and hosting of Websites and the development of a cyber-mall to support those NGOs seeking to carryout commercial transactions. This may well lead to the establishment of mirrored Websites in target countries (e.g. the U.S.) in an effort to achieve high performance of the Website and to eliminate any e-commerce/e-business restrictions that may currently exist. It may also require the establishment of small inventories of products in the U.S. to facilitate quick and low-cost delivery to customers. The Website should also be used for donation-oriented fund-raising similar to what is taking place in the U.S. and other developed countries. A key target market for such an effort would naturally be the Cambodian diaspora living abroad.
- 20. Provide targeted ICT-related support within the context of existing and planned NGO-related activities**—During the course of this ICT Assessment, a limited number of NGOs were visited and in several locations, opportunities identified where the use of ICTs/Internet could be a valuable addition to the current development activities. Part of the awareness and education needed is on the part of the professional development staff in the various donor organizations whereby they are made aware of the potential for adding ICTs/Internet into their program/activity design. This will naturally be undertaken on a case-by-case basis. One of the key focuses here should be not only on the potential use, but where possible, on leveraging this use such that it becomes a demand for shared services provided in rural communities via Community Access Points (CAPs). In this way, the donor community and their development activities create a demand-oriented situation whereby this demand is satisfied collectively via a locally operated and owned CAP, providing an income source for the CAP rather than building the ICTs/Internet access with the confines of the NGO and development activity itself.

Cambodia: ICT Assessment

Appendix A – G-8 Okinawa Summit Summary

As recently as July 2000, the leaders of the world's most power nations met at the G-8 Summit in Okinawa, Japan, and as part of their agenda addressed the concerns of the global digital divide. The result was the development of the Okinawa Charter on Global Information Society, and the launching of Digital Opportunity Task Force (dubbed the "DOT" Force).¹⁵ The DOT Force will mobilize resources and coordinate the efforts of governments, the private sector, foundations, multilaterals, and international institutions and others to bridge the international digital divide and create digital opportunities.

This Okinawa Charter and the DOT Force were undertaken in recognition that the developing countries are not fully participating in the information revolution. It was acknowledged that the following situation exists:

- Of the estimated 332 million people online as of March 2000, less than 1 percent (2.77 million) live in Africa (Nua Internet Survey, March 2000);
- Less than 5 percent of the computers that are connected to the Internet are in developing countries; and
- The developed world has 49.5 phone lines per 100 people, compared to 1.4 phones in low-income countries (International Telecommunications Union, 1999).

The global call to action coming out to the G-8 Summit called upon companies, foundations, and non-government organizations to help create digital opportunities for the people of developing nations to take concrete steps in five strategic areas:

- **Fostering Policy, Regulatory, and Network Readiness:** Help developing countries adopt practices, and regulatory frameworks that will encourage private sector investment but also reap the full economic, social, and cultural benefits of the widespread diffusion of the Internet, e-commerce, and other information and communications technologies;
- **Expanding Basic Connectivity to People Everywhere:** Support the expansion of community access points or other forms of shared connectivity so that the Internet and telecommunications services are within walking distance for everyone on the planet. Invest in R&D that will lead to products and services tailored to the needs of developing countries and poor communities everywhere, such as low-cost, low-power, wireless devices;
- **Building Human Capacity in Education and Training:** Increase significantly the number of people in developing nations with the technology skills and know-how needed to build, manage, and effectively use the information infrastructure of the 21st century. Equip more people in developing nations become "technologically literate" through the

¹⁵ <http://www.ecommerce.gov/ecomnews/pr0725001.html>.

appropriate use of educational technology in schools, universities, communities, and the workplace;

- Enhance Healthcare and Quality of Life Using Information Technology: Promote applications of the Internet and information technology--such as e-health, distance learning, natural resource management, and preservation of cultural heritage, that have particular relevance to improving the quality of life for the people of the developing world; and
- Create New Opportunities for Small and Medium-sized Enterprises through e-commerce and e-business: Encourage the development of micro-enterprises and small businesses that harness the power of new information and communications technologies. In all societies, develop venture-financing sources that can drive innovation.

With regard to the United States, then President Clinton, in partnership with corporate and non-profit leaders, announced several new steps to bring digital opportunities to developing countries.¹⁶ This included expanding the number of countries participating in the Internet for Economic Development (IED) Initiative. In addition, President Clinton announced several new ICT-related initiatives involving the Ex-Im Bank, the Overseas Private Investment Corporation (OPIC), as well as several additional public-private, multilateral, and foundation-sponsored activities aimed at narrowing the digital divide gap.

This ICT Assessment is predicated in large part on the recognition of the very same dynamics as reflected in the G-8 Summit's "Call to Action." Further, this Assessment puts forward an integrated set of proposed activities that hold substantial promise for bringing about a catalytic change for bringing about fundamental changes within the Cambodian economy.

¹⁶ <http://www.ecommerce.gov/ecomnews/pr0725002.html>.

Cambodia: ICT Assessment

Appendix B – Digital Economy 2000

On 5 June 2000, the U.S. Department of Commerce (DOC) issued the third annual report on the information technology revolution and its impact on the U.S. economy, titled "Digital Economy 2000."¹⁷ This series of reports has been critical to providing a more comprehensive understanding on the direct and indirect role/impact of the ICT sector within the U.S. In introducing the report, then Vice President Gore presented several key highlights from the report:

- IT accounts for half or more of the improvements in productivity since 1995. With 2.8 percent productivity growth from 1995 to 1999--double the 1.4 percent rate of 1973 to 1995. The U.S. has a new economy. Improved productivity has lowered inflation and raised real wages;
- IT is lowering inflation. Falling IT prices have directly pulled down average inflation by 0.5 percentage points a year. In addition, by raising productivity, IT is lowering inflation of other industries; and
- The IT sector is rapidly creating jobs at high wages. IT jobs average \$58,000 a year, 85 percent higher than the average for the private sector. Between 1994 and 1998, employment in IT industries expanded by 30 percent, from 4.0 million to 5.2 million jobs. IT occupations that pay the best and require the most education have been growing most rapidly.

-

William M. Daly, then Secretary of Commerce, writes in the Report's preface:¹⁸

"What we can see clearly are expanding opportunities. To meet these opportunities, we will have to ensure a stable and conducive economic and legal environment for continuing innovation in information technology and e-commerce. We need to encourage the building of a broadband infrastructure that allows all Americans to have access to the advanced services that support the Internet, and take the steps necessary with respect to privacy, consumer protection, security, reliability, and intellectual property rights that will inspire confidence in the Internet. To realize the full potential of this digital economy, every person and every business must be able to participate fully and make their own unique contribution to its development."

The Executive Summary of the Report provides a strong message with regard to the impact on ICTs within the U.S. economy. In addition to the above highlights, these include:

- The Internet in particular is helping to level the playing field among large and small firms in business-to-business e-commerce;

¹⁷ <http://www.ecommerce.gov/ecomnews/pr060500.html>.

¹⁸ <http://www.doc.gov>.

- There is growing evidence that firms are moving their supply networks and sales channels online, and participating in the new online marketplaces;
- Advances in information technologies and the spread of the Internet are also providing significant benefits to individuals;
- The vitality of the digital economy is grounded in the IT-producing industries--the firms that supply the goods and services that support IT-enabled business processes, the Internet, and e-commerce;
- Although IT industries still account for a relatively small share of the economy's total output--an estimated 8.3 percent in 2000--they contributed nearly a third of real U.S. economic growth between 1995 and 1999;
- IT industries have also been a major source of new R&D investments;
- New investments in IT are helping to generate higher rates of U.S. labor productivity growth;
- Growth in the IT workforce accelerated in the mid-1990s, with the most rapid increases coming in industries and job categories associated with the development and use of IT applications;
- Analysis of the computer and communications industries in particular suggest that the pace of technological innovation and rapidly falling prices should continue well into the future; and
- Businesses outside the IT sector almost daily announce IT-based organizational and operating changes that reflect their solid confidence in the benefit of further substantial investments in IT goods and services.

While the above reflects current dynamics taking place in the U.S. economy relative to the ICT sector and its broader impact on the economy, it also reflects the potential value of ICTs in other economies--including developing and transitioning economies. Clearly, the potential leveraging capabilities of ICTs within Cambodia are considerable with regard to assisting USAID/Cambodia in meeting its objectives, and in bringing about fundamental benefits to the Cambodian economy and its people.

Cambodia: ICT Assessment

Appendix C – Summary of ANE Bureau’s ICT Program

Developing the Internet across Asia and the Near East The U.S.A.I.D. Global Information Infrastructure Project

Purpose: Information and Communication Technologies (ICTs) are powerful tools for stimulating economic growth and social change. The quality of, and access to, information are critical to the successful application and adoption of ICTs by society. ICTs cut across all USAID traditional sectors: health, community development, governance, economic growth and education. They enable groups working on common issues to benefit from each other’s experiences and share best practices. They can:

- Provide access to improved education and health in remote or inaccessible areas through distance learning, telemedicine, and interactive training;
- Improve services to citizens by providing on-line access to government/public services; enable individuals and communities to make informed choices in the decision making process; and
- Reduce business costs while opening access to new markets through electronic commerce.

Program Description: Across Asia and the Near East region, Internet and e-commerce is an emerging reality, but there are a number of key impediments to make it an everyday business practice. As the U.S. government recognizes the critical need for its partner countries to be engaged in Internet and e-commerce development, the ANE Bureau has adopted the 4 “P” approach to successful Internet development: (1) Policy, (2) Pipes, (3) Private Sector, and (4) People.

- 1. “Policy”** - Opening doors through policy reform to permit the introduction and growth of information and communication technologies, reducing barriers to open connectivity, and ensuring that global electronic commerce can take place in an open and transparent fashion.
- 2. “Pipes”** - Demonstrating the effectiveness of appropriate hardware and software by utilizing the latest in technology such as wireless, high speed data transfer, secure transaction capability, extending the Internet to underserved areas, and working with private sector Internet Service Providers to offer a range of services to clients.
- 3. “Private Sector”** - Ensuring the private sector “can do what it needs to do to be successful.” This entails combining “Policy” reform and “Pipes” improvement with ensuring there are sufficient, well trained technicians to support the build-out of ICT industries.
- 4. “People”** - Implementing new approaches to sustainable social and economic development through Information and Communication Technology tools. It is critical to the success of the program that USAID’s partners use the Internet and other ICTs as tools for development.

Project Goal: The goal of the Asia and Near East Information and Communication Technology program is to have all ANE Missions promoting one or more of the “4-P’s” within their development portfolio.

Project Countries: Algeria, Bangladesh, Cambodia, Egypt, India, Indonesia, Jordan, Lebanon, Mongolia, Morocco, Nepal, Palestinian Authority, Philippines, Sri Lanka, and Tunisia.

Project Countries Activities at a Glance (As of June 2001):

COUNTRIES	ASSESSMENT	POLICIES	PIPES	PRIVATE SECTOR	PEOPLE
Algeria	Jan '01	✓		✓	
Bangladesh	Sept '00	✓		☑	✓
Cambodia	June '01				✓
Egypt	Aug '00	☑	☑	☑	☑
Gaza/WBank	Aug '00	☑	☑	☑	☑
India	March '00	✓			☑
Indonesia	Jan '01	✓		✓	✓
Jordan	Sept '99	☑	☑	☑	☑
Lebanon	March '01				☑
Mongolia	July '00			☑	
Morocco	Sept '99	☑	☑		☑
Nepal	April '01	✓			✓
Philippines	Dec '00	☑		☑	☑
Sri Lanka	Dec '99	✓		✓	
Thailand	Nov '01			✓	✓
Tunisia	Oct '00		✓	✓	
Vietnam	Sept '01			✓	✓

✓ = Proposed/ Planning Stage

☑ = Engaged in

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www.usaid.gov/regions/ane/ict/internet.htm

Cambodia: ICT Assessment

Appendix D – Networked Readiness of Cambodia

During this last year, several independent initiatives have surfaced in an effort to evaluate either the “e-readiness” or “networked readiness” of a given country. Two of these tools are one from McConnell International and Harvard University. Both of these are considered valuable tools and are included in brief here due to their contribution in rounding out the assessment of Cambodia.

McConnell International’s Global E-Readiness Report August 2000

In August 2000, McConnell International issued their first E-Readiness Report.¹⁹ This report assessed the current e-readiness of 42 critical national economies including Cambodia. The report provides an independent public assessment of one of the most important economic question of the early 21st century: “Who is poised to prosper in the networked economy.”

“E-readiness” measures the capacity of nations to participate in the digital economy. E-readiness is the source of national economic growth in the networked century and the prerequisite for successful e-business.

The report looks at 5 E-Readiness attributes:

- **Connectivity** – Are networks easy and affordable to access and to use?
 - Availability of wireline and wireless communication services, community access centers (free and paid), and networked computers in businesses, schools, and homes.
 - Affordability and reliability of network access, including the cost of service, downtime, and the prevalence of sharing access among individuals.
 - Reliability of electrical supply for business-critical computer operations; and the ease of importing and exporting goods and of transporting them within a country.
- **E-Leadership** – Is e-readiness a national priority?
 - Priority given by government to promoting the development of an e-society on a national level.
 - Extent of demonstrated progress on e-government, including efforts to automate governmental processes.
 - Quality of partnerships between industry leaders and government to improve E-Readiness.
 - Level of effort to promote access for all citizens.
- **Information Security** – Can the processing and storage of networked information be trusted?
 - Strength of legal protections and progress in protecting intellectual property rights, especially software.

¹⁹ <http://www.mcconnellinternational.com>.

- Extent of efforts to protect privacy.
- Strength and effectiveness of the legal framework to address and prosecute computer crimes, authorize digital signature, and enable public key infrastructures.
- **Human Capital** – Are the right people available to support e-business and to build a knowledge-based society?
 - Quality of and participation levels in the education system, with an emphasis on efforts to create and support a knowledge-based society.
 - Culture of local creativity and information sharing within the society.
 - Skills and efficiency of the workforce.
- **E-Business Climate** – How easy is it to do e-business today?
 - Existence of effective competition among communication and information services providers.
 - Transparency and predictability of regulatory implementation, openness of government, rule of law, and general business risk (political stability, financial soundness).
 - Openness to financial and personal participation by foreign investors in ICT businesses.
 - Ability of the financial system to support electronic transactions.

The E-Readiness Report uses a red, amber, and blue rating system for assessing countries in each of these five areas:

- **Blue** – indicates the majority of conditions are suitable to the conduct of e-business and e-government
- **Amber** – indicates improvement needed in the conditions necessary to support e-business and e-government
- **Red** – indicates substantial improvement needed in the conditions necessary to support e-businesses and e-government

Neither the August 2000, nor the more recent May 2001 report from McConnell International included data on Cambodia. However the May 2001 report does have information regarding neighboring Thailand and Viet Nam. Both countries were rated red in connectivity, information security, human capital, and e-business climate, and rated amber in e-leadership). It is anticipated that an assessment of Cambodia would likely be consistent with these two countries. However this position is *not* based on any structured analysis of hard data undertaken by McConnell International, but rather based on the discussions and information gathered as part of this USAID-led ICT assessment.

For more information on the details of this report, refer to their website at <http://www.mcconnellinternational.com> or Roslyn Docktor (Vice President) at docktor@mcconnellinternational.com.

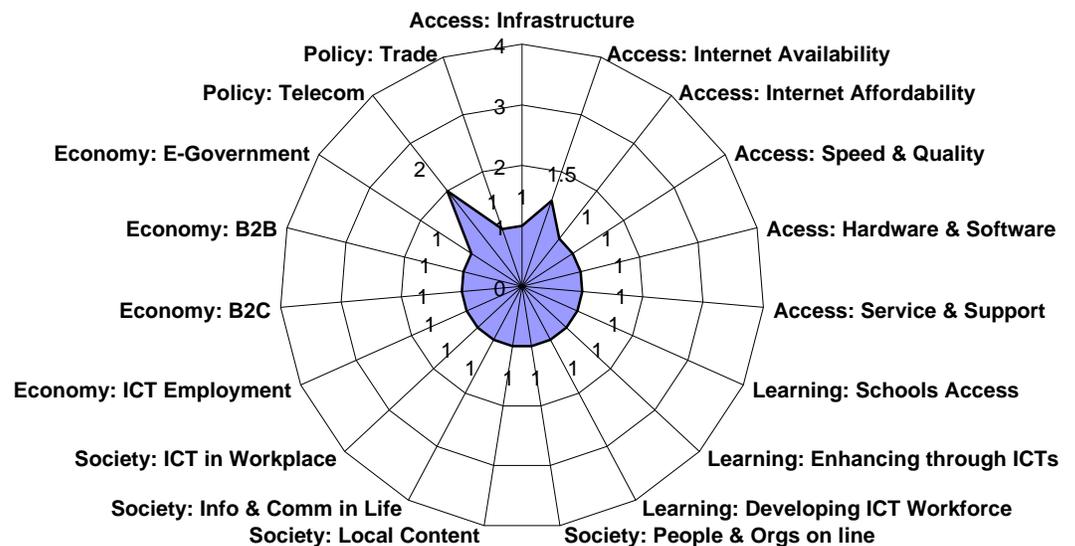
Harvard's Readiness for the Networked World: A Guide for Developing Countries

The Information Technologies Group (ITG) at the Center for International Development at Harvard University²⁰ has not as yet evaluated individual countries, but instead has created a "Readiness for the Networked World: A Guide for Developing Countries." As stated in the Guide, "This Guide is an instrument that systematically organizes the assessment of numerous factors that determine the Networked Readiness of a community in the developing world."

The following assessment has been prepared relying on the published by the Information Technologies Group (ITG) at the Center for International Development at Harvard University. It is included here as part of this ICT Assessment in an effort to gain familiarity with the guide, to test its validity, and to determine its potential value in similar such efforts in the future.

The following provides a graphic representation of the values determined for each category. The following pages provide a description of each of the five groups (e.g., Access, Learning, Society, Economy, and Policy) and each category (e.g., Infrastructure, Internet Access, ...) that has been extracted from the guide. Refer to the Readiness Guide itself for complete instructions, descriptions of each category, and the descriptions of each of the 4 stages (1-4) for the categories.

Networked Readiness: Cambodia



²⁰ <http://www.readinessguide.org>.

Harvard's Readiness Guide: Groups and Categories Descriptions

Network Access

What are the availability, cost, and quality of ICT networks, services, and equipment?

The minimum necessary condition for readiness is access to adequate network infrastructure. Without access to global communications networks, no community can participate in the networked world. Access is determined by a combination of the availability and affordability of use of the network itself, as well as of the hardware and software needed for network interface. The quality and speed of the network are also important in determining how the network is used. The customer service orientation of access providers is a major factor in network application adoption and usability.

Because of the growing importance and unique character of the Internet, which provides a global platform for both data and (increasingly) voice services, the assessment of network access should be carried out in the context of Internet access, rather than access to either voice or data. The significance of the Internet will only continue to grow in terms of global trade and communications.

- **Information Infrastructure**—For most communities in the developing world, a lack of access to voice and data services remains a significant impediment to Networked Readiness. Communications infrastructure is deployed with widely varying local and regional rates of penetration, depending on factors such as geography and/or income levels. Local network access may be provided by any one of a number of media that makes up the communications network (including twisted pair copper wires, coaxial cable, wireless local loop, satellite, and fiber optics). While in the future, mobile wireless technologies will undoubtedly provide an attractive option for data access, as will cable networks and perhaps even the electrical grid, currently most Internet access in the developing world is provided through the traditional telecommunications network.
- **Internet Availability**—Internet access is enhanced by competition among Internet Service Providers (ISPs) that operate locally. The range of services offered, number of dial-up lines (which helps determine ISP capacity) and transmission capacity all influence an ISP's usefulness. The availability of leased lines is particularly important in making the Internet available to the business community. Finally, in many communities in the developing world, public access is essential to making the Internet available to greater numbers of individuals and firms. Telecenters, Internet cafes, and community information centers assume great importance in making the Internet available to those who do not have personal access to home, school, work, or elsewhere.
- **Internet Affordability**—The prices, which businesses and individual consumers pay for the Internet access, are in most cases determined by a combination of fees for basic telephony and ISP services. In communities where the sum of ISP and telephony fees is prohibitively high, a disincentive to network usage exists, and access is curtailed. Pricing packages can be structured in ways that are conducive to Internet use—per minute or hourly pricing (unlike flat rate pricing) for both Internet and telephone service can limit

users' time online and therefore inhibit the use of the network for many activities such as electronic commerce (e-commerce). The provision of tiered pricing packages can improve the affordability for many subscribers by allowing them to purchase only what they need.

- **Network Speed and Quality**—The available bandwidth, both for individuals' local access and for a community's connection to the Internet backbone, determines the number of users and types of online activities the network can support. Bandwidth-intensive activities, such as large file transfers or video streaming, may be unavailable to communities with constrained access to the network. The quality of the network, including servers, also determines its usage. High numbers of mainline faults, poor connections, dropped connections, and packet loss can render any network useless or operationally sub-optimal, thus discouraging use of and investment in new technologies.
- **Hardware and Software**—A vibrant market with numerous hardware and software options can encourage more specialized usage of the network, including ICT solutions that are tailored to local needs. More widespread retail and wholesale distribution channels for both hardware and software increases opportunities to use the network within the community. The prices of hardware and software are particularly important in the developing country context, where generally low-income levels cannot support high-priced consumer items.
- **Service and Support**—A strong customer service orientation is important in determining the success of network deployment. Long waiting periods for installation and repair and a lack of support services by telephone companies and Internet providers pose major obstacles to Readiness. The quality and number of technical support professionals are essential in maintaining the network and providing service.

Networked Learning

Does the educational system integrate ICTs into its processes to improve learning? Are there technical training programs in the community that can train and prepare an ICT workforce?

Without an educated, ICT-savvy populace, no community can fully participate in the networked world. To foster this resource, ICTs must be incorporated into the learning system. Lamentably, although the use of ICTs in education is one of the most powerful catalysts to networked readiness, it is an opportunity that is often squandered, misunderstood, or underestimated.

- **Schools Access to ICTs**—Schools must integrate ICT tools into their learning processes if they are to be part of the networked world. Programs that give students access to ICTs in the classroom provide an important step to improving readiness. A school's Readiness in terms of access can be broken down into six broad areas: number of computers, physical access to the technology, types of computers, diffusion of the network, access to and organization of electronic content, and quality and speed of connectivity in the school. In general, the diffusion of ICTs is driven by unit cost per pupil. Computers tend to be adopted first at the university level, then by the secondary school system, and finally by the primary schools.

- **Enhancing Education with ICTs**—While putting ICTs into schools is an important first step to readiness, the technologies need to be properly harnessed to improve the learning process. Teachers must be trained to use the Internet and computers as tools for the students' benefit; this training is central to readiness. Curricula must be redesigned to encourage the use of ICTs in the pursuit of problem solving, group learning, and research. Students should be taught from the earliest age possible to use ICTs to enhance and improve their learning experiences. Full integration of ICTs into the learning process is optimal, and collaborative, project-based learning can make up a solid pedagogical strategy for ICT-enhanced education.
- **Developing and ICT Workforce**—It is essential that there exist opportunities within the community to offer future ICT workers both first-time and continuing training in essential skills such as software programming, hardware engineering and World Wide Web design. These opportunities are fundamental to creating a sustainable ICT industry and support the integration of ICTs into the local economy.

Networked Society

To what extent are individuals using information and communications technologies at work and in their personal lives? Are there significant opportunities available for those with ICT skills?

Readiness depends upon the community's incorporation of ICTs into the fabric of its activities in order to maximize the gains of joining in the Networked World. In society-at-large, ICTs can have a profound effect upon people's professional and personal lives by providing easier access to information, more efficient ways to communicate, and powerful organizational tools. To understand how a community is using ICTs, it is important to assess not only how many members of the community have access to the technologies, but also how they are using them.

- **People and Organizations Online**—One of the hardest indicators to track is the actual number of online users. Particularly in the developing world, where multiple users share many electronic mail (e-mail) accounts and other online tools, there are few reliable indicators that accurately map how many people are online. The exponential growth in online usage also makes tracking current use difficult. This nevertheless an important indicator. As more people access the Internet regularly, and networks of users grow, there is grater demand and opportunity for online interaction, as well as better meshing with the networked world at-large. As more organizations gain an online presence, it becomes more likely that the community will use ICTs to augment or carry out its activities and needs. One of the most important drivers of online growth is awareness—people must first know and understand what the Internet is in order to participate. Particular attention should be paid to the demographics of Internet users in the community. Particularly at lower stages in readiness, groups such as women, the physically disabled, and racial and ethnic minorities often do not participate in the online environment. A community is more ready when there are not large discrepancies in online presence among different groups.

- **Locally Relevant Content**—Community members find the Internet medium more useful and relevant to their own lives when online content reflects their own interests and needs. Locally relevant content is a major driver of growth of Internet usage. Interactions such as chat rooms, online interest groups, special interest software, bulletin boards, listservs, and Web sites all drive the community to use ICTs more widely in their lives. English language dominance on the Internet remains a serious impediment to the world's non-English speaking communities. While the preponderance of English is waning, and other world languages are gaining, most of the world does not speak a language that is strongly represented either in software or on the World Wide Web.
- **ICTs in Everyday Life**—Communities participate more directly in the networked world when information devices such as radios, faxes, televisions, telephones, pagers and computers are culturally accepted and widely incorporated into daily life. It is important to examine both the penetration of ICT devices into community and their applications. In communities where either income levels or the network infrastructure cannot support high levels of individual access, public shared facilities provide a needed alternative. Such venues may include telecenters, cyber cafés and community information centers. Strategies for drawing people in to use these facilities is essential.
- **ICTs in the Workplace**—The more that businesses and government offices are already using ICTs, the better prepared they are to participate in the global networked economy. In order to realize important efficiency gains from ICTs, businesses and governments need to not only make technologies available to their employees, but also effectively incorporate them into their core processes.

Networked Economy

How are businesses and governments using information and communications technologies to interact with the public and with each other?

Businesses and governments that are able to effectively employ ICTs find more sophisticated and efficient ways to managing their external relationships and communications. This growing ICT usage helps form the critical mass of electronic transactions which supports a networked economy, both in terms of the network size and the demand for associated goods, services, labor, and policy reform.

- **ICT Employment Opportunities**—A thriving job market for ICT professionals provides added incentive for growth of ICT adoption, training programs and overall use of ICTs within the economy. The retention of technical workers becomes an important competitiveness issue for the community.
- **Business-to-Consumer (B2C) E-Commerce**—Online retail options enhance consumer choice and access to products. They also allow businesses to reduce costs associated with physical infrastructure and to augment their marketing outreach and public relations via a dynamic communications channel.
- **Business-to-Business (B2B) E-Commerce**—When businesses move their dealings with other businesses online, they can often communicate more easily at lower costs, hold smaller inventories, and process billings and payments more quickly, among other

advantages. Moreover, networked businesses are likely to explore new business models, including dynamic business partnerships and radical market restructuring.

- **E-Government**—Governments can take advantage of ICTs to improve connections with their constituents, including using the Internet to post information online and to offer interactive services for the public. Governments can also lead by example and become a catalyst for the networked economy by investing in ICTs for their internal use, leading to more efficient operations and the creation of a local market for ICT equipment and services. Relationships with government contractors and procurement mechanisms can be streamlined by putting them online. ICTs can make government activities more transparent to citizens and other observers.

Network Policy

To what extent does the policy environment promote to hinder the growth of ICT adoption and use?

Public policy can be help or a hindrance to the networked economy. The favorable climate that public policy can create for Internet use and e-commerce encourages communities, organizations, and individuals to invest in and use ICTs. Important aspects of networked readiness dealt with elsewhere in the guide (such as Internet availability and affordability, hardware and software availability and affordability, ICTs in school, and electronic commerce) are all influenced by public policy. For a community to become ready for the networked world, the appropriate policy-makers must realize the implications of their decisions upon ICT adoption and use.

- **Telecommunications Regulation**—Effective regulation should promote competition, ensure affordable pricing for consumers and maximize telecommunications access in the community. Liberalization within the telecommunications sector should establish a regulatory framework that encourages multiple carriers to operate competitively. As more operators enter and compete in the marketplace, service offerings become more accessible and affordable, are deployed more rapidly and reach higher levels of quality. At the same time, regulation should encourage universal access to telecommunications services.
- **ICT Trade Policy**—ICTs become more available and affordable when there are low barriers to trade, including tariffs on ICT equipment and software, and electronically ordered or delivered goods and services

Cambodia: ICT Assessment

Appendix E – Telecom: Paths Towards Liberalization

One of the current dynamics in telecommunications is a broad-based movement on the part of countries to liberalize their telecommunications sector. Frequently the starting point is a wholly owned government monopoly—most often in the form of a combined Postal, Telegraph, and Telephone (PTT) Ministry. Within the PTT there is typically a Public Telecommunications Operator (PTO) that is responsible for day-to-day operations of all domestic and international, voice and data, telecommunications. In the most restrictive environments there is no private-sector engagement with the possible exception of some private networks for transnational firms with offices located in the country.

The above situation is most often characterized by a telecommunications structure that is frequently inadequate to support the nation's growing requirements. Typically there is inadequate investment to expand the infrastructure, poor quality of service, long waiting lines for basic telephony services, low teledensity (ratio of phones per population) operational inefficiencies and ineffectiveness, artificially-inflated long-distance and international rates, and subsidized local services.

As the importance of telecommunications has become increasingly recognized as being a critical component for supporting social and economic improvements, an increasing number of countries have embarked on programs to improve their current default conditions. This typically includes a series of orchestrated steps that progressively decreases the government's operational role, increases their direction/regulatory engagement, and increases the role of the private sector for operations.

Naturally each country's approach toward liberalizing their telecommunications sector is unique and based on their local political, economic, and technical realities. Typically this liberalization is undertaken in a series of steps—each building on prior actions, and each laying a foundation for subsequent initiatives. While the individual paths and sequence of activities vary considerably country-to-country, increasing the telecommunications coverage, lowering costs/prices, and securing private sector financing and participation, are increasingly commonly-shared characteristics.

The following represents a somewhat “idealized” approach for architecting a country's telecommunications liberalization activities. This is presented as a general sequencing of steps that can be considered near optimal, again recognizing that local conditions will ultimately dictate the sequence, aggressiveness, as well as the timeline ultimately undertaken by any country.

Firm and Broad Political Commitment—It is not uncommon for the PTO to have ardent national supporters for maintaining the status quo, especially by those that likely will lose some level of political power. In addition, there is frequently considerable lobbying support by the workers that may involve strong union support to protect the workers (at times too many workers). It's also likely that the PTO represents a certain focal point for generating local

“nationalism” that can be leveraged by the unions and those not wanting any change. It is critical that an initial step be establishing broad and unwavering political support for embarking on what will likely entail a multiyear set of interrelated actions that will at times require strong commitment to “stay the course.” These will ultimately bring about the changes associated with liberalizing the country’s telecommunications sector—moving it from a government monopoly to a competitive private-sector sector.

New/Updated Telecommunications Law—The first critical expression of this political commitment is the drafting, lobbying, and passage of a new or updated telecommunications law. This will ultimately become the cornerstone, the reference point for all subsequent actions and it is essential that this be well thought out, comprehensive, articulate, and with as few ambiguities as possible. Salient characteristics of this law should address the establishment, role, scope, authority, power, and independence of a telecommunications regulator. In addition, it should lay the foundation for developing more detailed and subsequent rulemaking, regulations, administrative procedures, dispute resolution authorities, etc. In addition, the law should establish the parameters for the future of the PTO and possibly the future stages for introducing competition into the sector. Care should be taken to use the Law to establish the framework and authorities, with limited implementing details such that a regulator does not need to secure changes or even implementation via subsequent legislation. Also, to the extent possible, the authorities granted to the regulator should be articulated such as to maximize the resolution of conflict via their internal processes—limiting the need for conflict resolution to escalate to the court system.

Establishing an Independent Regulatory Function & Commission—Using the new telecommunications law as a foundation, a new independent Regulatory Commission (RC) should be separated out of the PTT or created from scratch. Issues here will be the level of actual independence the RC has and who it reports to. Also, it is critically important to establish a performing organization and the actually commissioners with as minimal political compromise as possible. For many smaller countries, the telecommunications regulatory function/commission is typically melded into a single organization that handles other utilities such as water, electricity, and wastewater treatment. To the extent possible, this new entity should join with existing regional regulatory associates in an effort to promote some level of commonality and parity/normalization with neighboring countries. Also, the regulatory body most often becomes the official national representative on multilateral bodies such as the ITU, WTO, etc. Staffing the new regulator entity is also a critical component as there is the need for those with independence of the operations and the need for a wide-array of knowledge/skills to include legal, technical, engineering, management, and administration.

Establishing a strong regulator (along with subsequent rules and regulations) is an absolutely essential component for ultimately enticing private sector investments into the country—be it selling off all or part of the PTO, or selling licenses for mobile telephony or Internet. Investors must be assured early that the process is in place and transparent, that there is openness and fairness, that it is well managed and thought out. These elements are essential for ensuring that future investors will not be at risk. Time spent here in establishing a strong regulator along with an open and transparent process, will yield tremendous dividends when later new licenses are

issued for new entrants and the government-owned telecommunications are later sold to private investors (all or partial).

Separating the Telecommunications Operations from Postal—By definition, the typical PTT combines both postal and telecommunications into a single organization. One of the initial moves toward liberalization, besides setting up an independent regulator, is to organizationally separate out the PTO from the consolidated Ministry. Frequently, this is undertaken to “corporatize” the PTO whereby it has an orientation that begins to operate on a near-privatized mode even through it remains a government-owned and operated monopoly. It is an interim step towards creating a situation where it has more parity with a private operator—a valuable situation when later the incumbent’s operations are wholly or partially privatized. This separation is also be aimed at improving the operational efficiencies and effectiveness with regard to establishing a more business-like cost structure, managing investments, developing human capacity, etc.—elements that will add value of the operational entity such that when it is privatized (all or in part), a higher price can be realized.

Introducing Multiple Private Mobile Wireless Operators—Typically one of the key issues facing most developing countries is the lack of telephony access. It’s not uncommon for teledensity (number of phones per 100 inhabitants) to be in the range of 10-15:100, but at times can be as low as 1-10:100. Most developed countries are on the order of 50-70:100, not taking into account mobile wireless. Mobile wireless telephony frequently becomes a substitute for landlines and has a number of inherent advantages that include such characteristics as: a) more rapid build-out, b) lower cost of build-out, c) relatively simply interconnection, d) high demand, and e) excellent solution for low-density rural areas. Typically, the incumbent PTO is grandfathered with a mobile wireless license and in many cases they have already entered this market. Ideally at least one additional license will be granted, perhaps more—depending on the potential market. This is frequently the country’s initial experience with introducing multiple private-sector players into the local telecommunications market. It is an ideal first step due to the characteristics outlined early. In addition, even when only one new entrant is allowed into the local market (in addition to the incumbent) it places competitive pressures on the PTO as the speed of build-out can quickly erode the landline backlog (e.g., potential customers and thus income).

The key regulatory issues needing attention with the introduction of mobile wireless operators primarily revolve around interconnection-related issues such as location of interconnection points, performance of establishing interconnection, establishing related costs structures, tariff setting, and revenue sharing. Other key issues that are addressed include frequency allocations, technology standards (e.g., GSM, TDMA, CDMA, 3G), and dispute resolution procedures (they must be transparent, fair and fast). Considering the ultimate number of complexities associated with managing a telecommunications environment with multiple private players in the local market, this is a relatively small list of issues and comparatively simply (though perhaps not easy). There are also literally hundreds of models and examples to follow that allow for quick resolution—providing the foundation, as outlined earlier, has been established. Experience has shown that in many countries the number of phones put into service by these mobile wireless new entrants can quickly exceed the number of landlines serviced by the incumbent.

Strengthening the Regulator—With a new telecommunications law in place that makes provision for an independent regulator, there is the need to develop the new organization and the knowledge/skill levels of those hired into the new entity. This requires a comprehensive approach that must include a wide number of knowledge/skills as well as deriving this education and training from a variety of sources. Knowledge and skills are primarily needed in telecommunications-related legal, technical, and economics. Sources for acquiring the knowledge/skills are considerable and include such sources as university degree program in all three areas, and a wide-range of organizations supporting the telecommunications sector. A few of the potential sources for obtaining short-term and long-term support for telecommunications regulators are as follows:

- United States' Federal Communications Commission (FCC) for short-term, educational missions, and at times, some longer-term training. They are also in the process of developing on-line/CD-ROM based training
- United States Technology Transfer Institute (USTTI) is a non-profit organization supported by U.S. high tech companies with USAID support. Typically the courses are short (2-3 weeks) and are company/technology specific. USAID funds the travel, per diem and the firms fund the actual training.
- National Association of Regulatory Utility Commissioners (NARUC) is a US-based association of state Public Utility Commissions (PUCs) that have an international program and can be relied on for longer-term mentoring and on-the-ground support.
- International Telecommunications Union (ITU) located in Geneva, Switzerland is another source of published materials as well as seminars and workshops that support regulatory (as well as other topics) knowledge/skill building
- Regional regulatory organizations are also of value in exchanging information, experiences, approaches, etc., that have special value in harmonizing approaches between neighboring countries.
- Commercial consultants also provide specialized support in the area of telecommunications regulation. These exist in virtually every country and typically require multiple sources even here as the breadth of coverage is so large.

The key in relying on any of these sources is that there be very specifically targeted needs identified within the new regulatory organization and that a comprehensive plan be developed. Because developing this human capacity will take several years, ideally this should be linked directly with the priority of the issues needed to be addressed by the regulator (e.g., interconnection, tariff setting, cost-based pricing, national numbering, universal service/access policy and implementation, Internet, etc.). As mentioned earlier, this is one of the considerations in introducing new mobile wireless into a country with a new regulator as there are a limited number of variables needing to be addressed in order to move forward on a very critical piece—expanded telephony coverage.

One area within the regulator's purview that needs special attention is the need for establishing a high-quality spectrum management capability. With wireless technologies becoming so critical for obtaining rapid build-out of both telephony and data/Internet, the frequencies must be managed. Typically a Spectrum Management Authority (SMA) is put into place or strengthened—including new monitoring stations, databases, application review/licensing

procedures, knowledge and skill building. In that spectrum licensing can be a source of revenue, this is well worth additional focus.

Developing Rules, Regulations, Administrative Processes—Typically the telecommunications law provides but a framework, general direction, and requisite authorities. It is the skeleton upon which a lot of meat and flesh need to be hung. If one were to look at the ratio of law relative to rules, regulations, and supporting administrative procedures (e.g., vetting of new rules/regulation proposals, licensing, dispute resolutions), the ratio of text is likely to be 1:100 or most often much greater. There is a misconception that “de-regulation” actually means less regulation. In fact, the opposite is usually the case and the word is a misnomer. Under the default condition of a government owned and operated PTT there is typically no regulation to speak of. And with the introduction of the private sector and multiple players into the telecommunications sector, more, not less regulation is required! While the goal is certainly to have a more open, transparent, and competitive environment, in fact this must be a managed environment. The environment becomes more complex with more players and added services introduced into the country’s environment, and the rules, regulations, and administrative procedures are essential for establishing this order early, and maintaining it over time. It is not uncommon for the RA to gain transparency of their activities by developing a rich Internet website and keeping those interested in this topic well informed of their activities. This can even progress to the point of soliciting public comment on drafts and applying for telecommunications licensing (especially frequency-related licensing).

Introducing Multiple Private Data/Internet Operators—With the growing importance of the Internet this area is another service that frequently receives early attention with regard to opening up access and introducing private sector participation. In many ways it is a strong corollary to mobile wireless in that it is in high demand, adds significant value-added services into the country, and the complexity of the regulatory issues needing to be addressed are relatively simple. There are a several approaches that are used with regard to the extent to which the private sector becomes (or is allowed to become) engaged in this Internet arena. First: The typical default is that the PTT handles everything including the role of the Internet Service Provider (ISP) with no private sector engagement. Second: More typical is the situation where the PTT handles the international access (via landline, optical fiber, or satellite/VSATs) and resells Internet access to commercial private sector ISPs who invest in hardware and software in order to provide value-added services to a growing customer base. The PTT also leases the requisite lines to/from the ISPs and the Internet access as well as lines needed to support local customer access through the local phone distribution system. Third: A more ideal scenario is where the private sector is allowed (via supporting law and regulation) to obtain their own Internet access via whatever route is available (but typically via satellite/VSAT) rather than being beholden to the PTT. The ISP must still lease their lines from the PTT for customer access through the local phone system, but for high-volume commercial customers the ISP is allowed to obtain frequency licenses for delivering access without this infrastructure. In a more fully open environment the ISPs are also allowed to achieve customer access via cable systems as well as the local phone system.

It should be noted that when the PTT retains the only access point for international Internet access, with private sector ISPs providing the value-added services, there are typically a number

of problems that surface and retard growth of the Internet. These problems typically work against the private sector ISPs and to the advantage of the PTT. Some of the typical problems are: a) the PTT setting up its own ISP and competing directly with the private sector—only on a somewhat favored basis (e.g., providing ISPs and customers with more dialup lines, enabling toll-free access from any location in the country, providing quicker and higher-quality services, and even offering lower pricing or free ISP access), b) content filtering/censorship, c) providing more capacity to their own ISP when there is a shortage of Internet capacity out of the country, d) near absolute power to add a premium price for use of phone lines used by the ISPs over normal telephony, with no recourse on the part of the ISPs, and e) absolute power in establishing the pricing for Internet access out of the country, again without any recourse or alternative on the part of the ISPs.

Full or Partial Privatization of the Government-Owned PTO—One of the common approaches for obtaining private sector participation in the telecommunications sector is the selling off of a portion of the Public Telephone Operations (PTO). It is not uncommon for this to be accomplished in a series of public tenders where the initial sale is a 25-35 percent equity position—at times with an option for more if additional equity is sold in the future (e.g., Sri Lanka and Japan’s NTT). There are some situations in which the percentage bought is in the range of 35 percent but with a provision that the buyer obtains a majority voting right (51 percent). OTE did this in Romania. In other situations a majority position is actually bought (e.g., 90 percent of ArmenTel bought by OTE). Typically the purchase is linked directly to a provision that the firm be allowed to enter into any future telecommunications-related value-added service in the future. Also, that they be allowed to maintain a monopoly on identified services for a prescribed set of years—barring new entrants from eroding their potential market for a period of 5-15 years. At times the entire PTO is sold to a private firm (as it was in Jamaica to Cable and Wireless—with a 25-year monopoly provision and an option for another 25 years).

It is not uncommon for the partial or total selling off of the PTO to be driven by the need for the country’s need to obtain foreign currency, with little relationship to telecommunications issues. Another driver is typically the need to obtain investments (typically foreign) to provide broader telecommunications coverage in country. While the issue of granting an extended monopoly as part of the condition of sale is typically the major issue, another key issue is establishing the level and timing of investment commitments for expansion of the national network and interconnection issues where other operators already exist or will be allowed to operate in country. With regard to the monopoly issue, it’s not simply a matter of whether or not it is allowed to exist and for how long. The more important issue is “what does it cover?” If it is limited to the domestic landline network, then the potential damage is actually quite limited. If it includes international voice access, then it is not so benign but may be needed as a financial incentive. But if the monopoly pertains to mobile and fixed wireless and international Internet access, then simply put, the costs is likely too high, no matter what commitments are made for network expansion. Competition in these sub-sectors is essential for rapid build-out and to keep competitive pressures on the incumbent landline provider.

Allowing Multiple Entrants for Local Telephony Distribution—Yet another phase in the telecommunications sector liberalization is the introduction of alternative telephony distribution systems and private sector participants. This is typically one of the later phases of market

liberalization undertaken. The incumbent telephony provider remains a dominant position and frequently still retains a monopoly on the international voice such that all the new entrants still must go through the incumbent for switching services between the various providers and for accessing international voice services. Technologies that can be used to provide local telephony (besides the incumbent provider's landlines) include cable operators, mobile wireless (discussed above), fixed wireless, and small new-entrant landline providers (typically small rural community or regional systems allowed to operate in areas where the incumbent is not currently providing services). In the U.S. non-facilities based new entrants in theory can provide telephony services over plant owned and operated by the incumbent, but this is not likely to take off even in the U.S. market, let alone in developing countries—at least not in the foreseeable future.

This stage of liberalization raises a wide range of complex issues that require a strong and highly competent regulatory body. In addition to setting the direction, the regulator must be well prepared to deal with cost-based pricing, tariff rebalancing, interconnection issues, a national numbering plan and enforcement, number transfer, a number of technology standards related topics, quality of service standards and monitoring, etc. This requires a very mature regulator and private sector firms in the market.

One of the more important components that must be addressed prior to allowing new entrants into the domestic telephony market is the issue of tariffs. It is most common when a single monopoly provider (public or private) provides domestic local, domestic long-distance, and international services, that the tariff structure is such that there is considerable cross subsidization taking place. Typically long-distance and international calls are priced substantially higher than actual costs and local calls are frequently priced below actual costs. A similar situation can occur between business and residential customers—businesses paying higher prices than comparable residential use. Obviously if it costs more to provide the local service than the rate structure will support, no investor is going to enter the market. On the other hand, if new entrants are allowed to service only business and long-distance domestic and international, they can quickly erode the revenue stream of the incumbent such that this cross-subsidization can no longer occur. This tariff rebalancing of cost/pricing must be addressed and normalized by the incumbent before the market can be opened up for multiple private sector players. As a result, this rebalancing can at times delay the introduction of competition in the domestic telephony market and rate rebalancing frequently takes place over several years. As a side note: this issue is very similar to the concern incumbents have for Voice over IP (VoIP), where it can erode the high-margin long-distance and international voice traffic leaving the incumbent with lower margins and the requirement to provide local service where they actually lose money.

Introducing Multiple Players in the International Telephony—One of the last bastions of telecommunications market liberalization is that of international voice. As mentioned above, it is possible (and ideal) to separate international voice and data and allow data/Internet access early in the liberalization process. Some countries have taken this route, including Romania, Sri Lanka, Morocco, and others. Where in the past international voice has been a real “cash cow” for the PTOs, in recent years this has eroded considerably based in part on pressure by the FCC in their international tariff negotiations. However, as mentioned above, it's still major source of

revenue with high margins for most countries—margins used in many situations to off-set losses in delivering local services.

As a default, typically the PTO has made arrangements through a single international provider and anyone seeking international access simply passes through the national infrastructure to the monopoly's international access point. When competition is introduced into the domestic market (wireless, cable, or landline) this infrastructure arrangement remains and the new entrants must rely on the national gateway/access point owned and operated by the incumbent. Technologically moving from this default situation to one with multiple providers is relatively straight forward—where a more open national access point is established with multiple firms being allowed to provide access to the national infrastructure and customers allowed to choose their international carrier. As can be imagined, however, there are a number of regulatory and implementing details required to support this expansion.

Another approach used in some countries is to include in the licensing of new entrants (e.g., mobile wireless) a provision that for a set number of years they must rely on the incumbent for their international access. But after 2-3 years they are free to establish their own international connectivity. This approach places competitive pressure on the incumbent to rebalance their tariffs to a cost-based approach and provides a significant incentive for those bidding on the mobile wireless license such that the price they're willing to pay will likely be higher as their future revenues will also be higher. This was the approach taken in Morocco where the nation wide GSM license went for US\$ 1.2 billion.

NOTE: Refer to the Bibliography reflected as Appendix G for detailed reference materials associated with liberalizing telecommunication environments.

Cambodia: ICT Assessment

Appendix F – 1999 ITU Statistics

Each year the International Telecommunications Union (ITU) publishes a World Telecommunications Development Report²¹ that provides statistical data for all countries. Its most recent comprehensive report issued on 10 October 1999 included an expanded set of data that for the first time included data on mobile cellular. In addition to this worldwide report, on December 2000 the ITU published an Asia-Pacific Telecommunication Indicators 2000²² report that concentrated only on the Asia-Pacific region and reflected updated data (1999 statistics).

This report provided an excellent source of base data for examining the “pipes” portion of our analysis—upon which addition and updated information was collected and included into the analysis of the telecommunications infrastructure in Cambodia. This region-specific report included data on Asia-Pacific countries as grouped into the following categories:

- **Lower-Income countries:** Bangladesh, Cambodia, China, Fiji, India, Indonesia, Kiribati, Lao P.D.R., Malaysia, Maldives, Nepal, Pakistan, Papua New Guinea, Philippines, Samoa, Solomon Island, Sri Lanka, Thailand, Tonga, Vanuatu, and Viet Nam;
- **Upper-Income countries:** Brunei Darussalem, French Polynesia, Guam, Hong Kong SAR, Korea (Republic), Macau, New Caledonia, Singapore, and Taiwan-China
- **Developed Countries;** Australia, Japan, and New Zealand.

For purposes of this analysis, Cambodia data has been extracted from the recent ITU Asia-Pacific report and compared to: a) the neighboring countries of Lao P.D.R., Thailand, and Viet Nam, b) the country averages in each of the three country income categories used by the ITU, and c) the average for all Asia-Pacific countries. The following tables provide more details of the situation in Cambodia. Following each table are keynotes clarifying some of the data on the tables, as well as short comments with respect to what one may conclude from the data, regarding Cambodia.

While these averages provide a benchmark for comparing Cambodia with countries in the Asia-Pacific region, it is important to recognize that this data includes the countries of China (with a population placed at 1,266.84 million) and India (with a population of 998.06 million). These two countries alone account for over 70 percent of the regional population and nearly 60 percent of its regional GDP as reported by ITU. Also included in this data is Indonesia with its population of 209.25 million, which is also large enough to impact regional data (3rd largest population in the Asia-Pacific and 4th largest populated country in the world). Cambodia with its population of just 11 million is small even in comparison to neighboring Thailand and Viet Nam with populations of nearly 61 million and 79 million respectively.

²¹ World Telecommunications Development Report—1999. Mobile and World Telecommunications Indicators. ITU. Geneva, Switzerland. 10 October 1999.

²² Asia-Pacific Telecommunications Indicators 2000. ITU. Geneva, Switzerland. 3 December 2000

Basic Indicators

Country	Population - 1999		GDP – 1998		Main Phone Lines	
	Total (Millions)	Density (per km)	Total (US\$ B)	Per Capita (US\$)	Totals (000s)	Teledensity
Cambodia	10.95	60	2.1	196	27.7	0.25
Lao P.D.R.	5.30	22	1.3	250	34.5	0.65
Thailand	60.86	118	112.1	1,859	5,215.6	8.57
Viet Nam	78.71	239	26.0	335	2,105.9	2.68
Lower-Income Total/Avg.	3,196.34	139	2,380.7	755	170,435.7	5.33
Upper-Income Tot/Avg.	80.93	489	856.0	10,672	38,742.7	47.89
Developed Tot/Avg.	149.30	18	4,216.4	28,292	82,263.9	55.10
Asia-Pacific Tot/Avg.	3,426.57	109	7,453.1	2,204	291,442.3	8.81

NOTES:

1. Calculations for GDP vary considerably based on source and calculations used. However, here it is presented by ITU's methodology and normalized across all countries in a consistent manner and therefore retained for comparison purposes.
2. Teledensity is the number of phones per 100 inhabitants

Observations:

- Cambodia has a significantly higher population density than Lao P.D.R. (60 per square kilometer compared to 22) however it has a significantly lower population density than neighboring Thailand and Viet Nam (118 and 239 respectively) as well as the other lower-income countries in the region (population of 60 per square kilometer for Cambodia compared to a lower-income country average of 139);
- Cambodia's calculated Per Capital GDP (of US\$ 196) is significantly below neighboring countries of Lao P.D.R (US\$ 250), Thailand (US\$ 1,859, and Viet Nam (US\$335), and as well as other lower-income countries in the region (with Cambodia's per capita GDP for 1998 placed at US\$ 196 as compared to an average for the lower-income countries in the Asia-Pacific region of US\$ 755);
- Cambodia's teledensity of 0.25 (telephone lines per 100 inhabitants) is significantly below the average for both its neighboring countries of Lao P.R.D (at 0.65), Thailand (at 8.57) and Viet Nam (at 2.68) as well as the averages for the lower-income countries in the Asia-Pacific region (at 5.33); and
- It should be noted that with China's population of 1,266.84 million and a reported teledensity of 8.58, the lower-income average for teledensity average for the region is somewhat inflated due to China alone. Factoring China out of the lower-income teledensity average, the teledensity average is closer to 3.20—which still places Cambodia's teledensity substantially below the regional average for lower-income countries.

Main Telephone Lines

Country	Main Telephone Lines			Teledensity		
	1995 (000)	1999 (000)	CAGR % 1995-1999	1995	1999	CAGR % 1995-1999
Cambodia	8.5	27.7	34.3	0.08	0.25	32.1
Lao P.D.R.	16.6	34.5	20.1	0.36	0.65	16.0
Thailand	3,482.0	5,215.6	10.6	5.86	8.57	10.0
Viet Nam	775.0	2,105.9	28.4	1.05	2.68	26.3
Lower-Income	74,19.9	170,435.7	23.1	2.45	5.33	21.4
Upper-Income	32,864.5	38,742.7	4.2	42.53	47.87	3.0
Developed	71,724.8	82,283.9	3.5	42.53	47.87	3.0
Asia-Pacific	178909.2	291,442.3	13.0	5.49	8.51	11.5

NOTES:

1. CAGR = Compound Annual Growth Rate

Observations:

- Between 1995 and 1999, Cambodia’s growth in main telephone lines has been rapid and at a compound annual growth rate (CAGR) of 34.3, it outpaced the rate of its neighboring countries (Lao P.D.R, being 20.1%; Thailand being 10.6%; and Viet Nam being 28.4%). This growth rate is also above the lower-income country average for the region (with a of 16.6 percent compare to a lower-income country average for the Asia-Pacific region of 23.1 percent). However it must be acknowledged that the base upon which this rapid growth rate is taking place is very low (only 8,500 main lines in Cambodia in 1995);
- Viewed from a teledensity perspective, Cambodia’s growth in main lines is slightly less as a percent of real growth (32.1% versus 34.3 percent), but still this growth is substantial and outpaces that of both neighboring countries and the lower-income countries in the Asia Pacific region (32.1% compared to 21.4%);
- Clearly there is some “catching up” taking place within Cambodia and the other lower-income countries relative to the upper-income and developing countries in this region (CAGR for lower-income countries being 21.4 percent and only 3 percent for upper-income and developed countries. But there’s a long way to go (note: growth rates typically do start to drop off when a country reaches a teledensity level of 30-40. Also the growth in deployment of mobile wireless telephony frequently serves as a substitute for main telephone lines and therefore must be factored in); and
- China and India again have a significant impact on the averages for the lower-income countries in the Asia-Pacific region as between the two of them, the number of their main telephone lines account for 71 percent and 79 percent of the number of lines in the Asia-Pacific region for 1995 and 1999 respectively.

Local Telephone Network

Country	Main Telephone Lines - 1999				Faults per 100 Main Lines/year 1999
	Capacity Used (%)	Automatic	Digital (%)	Residential (%)	
Cambodia	99.7	100.0	100.0	---	35.1
Lao P.D.R.	81.3	---	99.5	80.3	---
Thailand	68.4	100.0	100.0	67.0	178
Viet Nam	75.4	100.0	100.0	50.0	---
Lower-Income	72.0	99.9	97.8	78.9	103.5
Upper-Income	81.6	100.0	85.2	72.8	1.5
Developed	---	100.0	100.0	69.6	46.0
Asia-Pacific	73.6	100.0	96.7	75.2	63.7

NOTES:

Observations:

- Cambodia's build-out of infrastructure is such that there is virtually no expansion capacity to support more growth in the number of lines (with 99.7 percent of the capacity used as of 1999). This can become a serious limitation to expansion even in mobile expansion where the market supports several mobile operators that must rely on the switching of the dominant land line carrier for interconnections;
- Cambodia's telephone system is 100 % digital; and
- With respect to faults per line per year, Cambodia's numbers ranks amongst the better in the entire Asia-Pacific (with 35.1 faults per 100 main lines per year compared to 103.5 for lower-income countries);

Teleaccessibility - 1999

Country	Residential Main Lines		Public Telephones		
	Total (000s)	Per 100 Households	Total (000s)	Per 1000 Inhabitants	As % of Main lines
Cambodia	---	---	0.30	0.03	1.09
Lao P.D.R.	22.9	2.9	0.23	0.04	0.81
Thailand	3,496.6	22.4	139.25	2.29	2.67
Viet Nam	593.2	3.9	0.95	0.01	0.08
Lower-Income	107,041.9	22.5	4,053.21	1.32	2.61
Upper-Income	28,047.5	112.1	745.06	9.23	1.93
Developed	51,667.0	97.5	820.47	5.50	1.00
Asia-Pacific	186,756.3	33.8	5,618.74	1.70	2.03

Observations:

- Unfortunately the ITU data is not available with regard to the number of main lines for residential use (ac compared to business and public telephones; and
- Cambodia has one of the lowest public telephone access of all the countries across the Asia Pacific region. Not only is the teledensity low in general (e.g., per person or per household), but this appears not to be compensated by the reliance on publicly available telephone (only 1.09 percent of the total main lines compared to 2.61 percent for lower-income countries in the region).

Largest City Main Lines - 1999

Country	Largest City			Teledensity	Rest Of Country	Overall County Teledensity
	Population as % of Total	Main Lines				
		(000s)	% of Total			
Cambodia	9.5	16.5	59.4	1.59	0.11	0.25
Lao P.D.R.	8.0	---	---	---	---	---
Thailand	11.4	2,587.1	49.6	37.13	4.88	8.57
Viet Nam	4.8	497.6	23.6	13.27	2.15	2.68
Lower-Income	3.3	16,116.1	11.1	16.23	4.27	4.65
Upper-Income	29.6	13,505.8	35.9	56.23	43.85	47.61
Developed	9.1	9,921.5	11.2	72.31	53.75	55.34
Asia-Pacific	4.1	38,643.4	14.7	28.46	7.00	7.87

NOTES:

Observations:

- The ITU data reflects the predominance of Cambodians living in smaller towns and rural areas (with only 9.5 percent living in the largest city). While this percent reflects substantially more than the average for lower-income countries in the Asia-Pacific region (9.5 percent as compared to 3.3 percent), this is due in large part to the data being skewed by the large populations of China and India where the percent of urban population is considerably less than Cambodia (China being 1.2 percent living in large cities and 1.7 for India);
- Cambodia's teledensity data is not only extremely low, it reflects a gulf between the number of main lines available to those living in the largest city of Phnom Penh (with a teledensity of 1.59) as compared to those living in the rural areas (where the teledensity is 0.11). This translates into approximately 16 phones for every 1,000 living in the larger cities, and only 1 phone for every 1,000 people living in smaller cities and rural areas; and
- This city/rural difference in Cambodia is more pronounced than in all the neighboring countries as well as the other lower-income countries in the Asia-Pacific region.

Telephone Tariffs - 1999

Country	Residential (US\$)		Business (US\$)		Local Calls US\$	% GDP per Capita
	Connection	Monthly Subscription	Connection	Monthly Subscription		
Cambodia	120	13.0	120	13.0	0.03	74.7
Lao P.D.R.	91	1.5	91	1.5	---	7.3
Thailand	89	2.6	89	2.6	0.08	1.6
Viet Nam	129	4.4	129	4.4	0.08	17.5
Lower-Income	104	4.2	111	6.1	0.06	9.2
Upper-Income	70	9.3	73	16.2	0.08	0.7
Developed	261	14.1	261	23.6	0.08	0.9
Asia-Pacific	109	6.4	114	10.1	0.07	6.4

NOTES:

- The % GDP per capita column is the subscription cost as a percent of GDP per capita and is calculated based on 1998 GDP and population data.

Observations:

- Cambodia’s connection and monthly subscription pricing (US\$ 120 and US\$13) for both residential and business is significantly well above the neighboring countries of Lao P.D.R (US\$ 91 and US\$ 1.50), Thailand (US\$ 89 and US\$2.60), but slightly lower than the connection costs of Viet Nam (at US\$120) but still above Viet Nam’s monthly subscription rate (US\$ 4.40). It is well above the other lower-income countries in the region (with an average connection fee of US\$ 104 and a monthly subscription of US\$ 4.20).
- Cambodia’s local call rates of US\$ 0.03 are well below the neighboring countries that are US\$ 0.08 and the lower-income country after for the Asia-Pacific regional countries (at US\$ 0.06).
- As a percent GDP per capita Cambodia’s telephone tariffs appear to be completely out of line with any other country—neighboring, regional, or global. As defined by the ITU report, “*the subscription as a percent of GDP per capital shows cost of an annual residential telephone subscription as a percent of the Gross Domestic Product per capita.*” This figure for Cambodia is placed at 74.7 percent—meaning that nearly 75 percent of a an individual’s income (calculated on a per capita GDP basis) would need to be committed to owning and operating a telephone. The average for a lower-income country in the region is placed at 9.2 percent; and
- These numbers indicate that there may be some reason to suspect the pricing for making local calls could be well below actual costs and there is the need for some tariff cross-subsidization and the need for some rebalancing to take place (needs further detailed analysis).

Cellular Subscribers

Country	Cellular Mobile Subscribers					As % of Total Telephone
	Subscribers (000s)		CAGR % 1995-1999	Teledensity 1999	% Digital 1999	
	1995	1999				
Cambodia	14.1	89.1	58.6	0.81	71.3	76.3
Lao P.D.R.	1.5	9.0	55.7	0.17	100.0	20.8
Thailand	1,297.8	2,339.4	15.9	3.84	44.1	31.0
Viet Nam	23.5	328.7	93.4	0.42	78.4	13.5
Lower-Income	6,872.4	57,119.9	69.8	1.79	84.4	25.1
Upper-Income	3,596.5	41,111.7	83.9	50.80	98.9	51.5
Developed	14,319.1	64,227.6	45.5	43.02	97.9	43.8
Asia-Pacific	24,788.0	162,459.1	60.0	4.74	93.4	35.8

Observations:

- Cambodia's growth in Cellular subscribers between 1995 and 1999, while slightly lower than other lower-income countries in the Asia-Pacific region (CAGR of 58.6 percent compared to 69.8 percent), is higher than neighboring Lao P.D.R with a CAGR of 55.7 percent and Thailand with a GAGR of 15.9 percent. It is however lower than Viet Nam's CAGR for this same period of 93.5 percent;
- Several of Cambodia's mobile cellular operators are relying on analog rather than digital technology, with a percent digital use being off slightly from the Asia-Pacific averages (71.3 percent compared to 84.4 percent); and
- Over three-fourths of Cambodia's telephone subscribers are currently mobile subscribers (76.3 percent of the total telephone subscribers are mobile cellular). This makes Cambodia the highest percentage use of mobile cellular of any country. NOTE: Main lines teledensity was placed at 0.25; mobile cellular teledensity is placed at 0.81.

International Telephone Traffic – 1999

Country	Outgoing Telephone Traffic					International Circuits (000)
	Million Minutes		CAGR % 1995-1999	Minutes Per Inhabitant	Minutes Per Subscriber	
	1995	1999				
Cambodia	5.2	7.3	8.9	0.7	263.5	0.5
Lao P.D.R.	4.5	7.9	15.2	1.5	230.1	---
Thailand	232.7	298.7	6.4	4.9	57.3	7.1
Viet Nam	38.8	46.6	4.7	0.6	22.1	5.4
Lower-Income	3,116.7	4,557.3	10.0	1.4	26.7	127.7
Upper-Income	3,771.2	5,642.5	10.6	69.9	145.9	80.8
Developed	2,868.0	3,690.6	6.5	24.7	44.9	35.1
Asia-Pacific	9,756.0	13,890.4	9.2	4.1	47.7	243.5

NOTES:

Observations:

- Cambodia's growth in outgoing telephone traffic is somewhat less than other countries in the Asia-Pacific region with respect to growth between 1995 and 1999 (compound average growth rate of 8.9 percent for Cambodia and a 10 percent average growth rate for lower-income countries.). Note: this period includes several years of political turmoil/crisis;
- Cambodia's international traffic on a *per inhabitant* basis is also approximately half of other lower-income countries in this region (0.7 minutes compared to 1.4 minutes per inhabitant); and
- Cambodia's international traffic on a *per subscriber* basis is drastically higher than other lower-income countries in the Asia-Pacific region (263.5 minutes per subscriber as compared to 26.7 minutes for the Lower-Income country average), recognizing that this average is somewhat distorted due to large populations of India and China, and low minutes per subscriber (19.9 in both cases). Still, the numbers clearly reflect that there is a lot of shared use taking place, even though this is not via public access to telephones (as their numbers are very low).

Telecommunications Staff - 1999

Country	Telecommunications Staff			Main Lines per Employee		
	(000s)		CAGR % 1995-1999	1995	1999	CAGR % 1995-99
	1995	1999				
Cambodia	0.6	0.7	6.7	15	38	25.8
Lao P.D.R.	0.9	1.1	7.4	19	30	11.8
Thailand	34.9	34.0	-0.7	100	153	11.4
Viet Nam	58.0	79.6	17.2	13	17	11.9
Lower-Income	1,235.2	1,466.7	4.4	59	114	17.9
Upper-Income	143.9	163.2	3.2	228	237	1.0
Developed	299.0	272.9	-2.3	240	301	5.9
Asia-Pacific	1,678.1	1,902.8	3.2	106	152	9.4

NOTES:

Observations:

- Data for Cambodia reflects that it's operational efficiencies are improving as the number of main lines being supported per employee is up considerably between 1995 and 1999 (15 per employee in 1995 to 38 in 1999); and
- However, these numbers are still substantially less than the lower-income average for the countries in the Asia-Pacific region—they are however better than those reflected for Lao P.D.R. in 1999 (30 lines/employee) and Viet Nam (17 lines/employee).

Telecommunications Revenue

Country	Telecommunication Revenue - 1999				
	Total (M US\$)	Per Inhabitant (US\$)	Per Main Line (US\$)	Per Employee (US\$)	As a % of GDP
Cambodia	21.4	2.0	771	29,215	1.1
Lao P.D.R.	22.8	4.3	662	20,064	1.7
Thailand	1,829.3	30.1	351	53,817	1.4
Viet Nam	640.8	8.1	304	---	2.4
Lower-Income	50,244.2	16.0	299	34,715	1.5
Upper-Income	34,017.5	420.8	881	209,701	3.2
Developed	153,334.4	1,027.0	1,864	571,504	2.9
Asia-Pacific	237,596.0	70.3	822	129,589	2.5

NOTES:

Observations:

- Cambodia's telecommunications revenue on a *per inhabitant* basis is one of the very lowest in the Asia-Pacific region ((US\$ 2 compared to an average for the lower-income countries in the region being US\$ 16)—even Lao P.D.R reflects a figure of US\$ 4.30, Thailand US\$ 30.10, and Viet Nam US\$ 8.10;
- Cambodia's telecommunications revenue on a *per line* basis is well above the lower-income country average (US\$ 771 versus US\$ 299). Even this is understated in that this average is largely distorted due to China with its reported US\$ 33,670.3 million in total revenues (out of a total for the lower-income countries of US\$ 50,244.2 million) and US\$ 310 per main line revenue. If China were factored out of the data, the average revenue per line for the lower-income countries would be substantially lower, reflecting Cambodia's revenue per line would reflect an even greater disparity between the average for lower-income countries in the Asia-Pacific region;
- To a large degree this relatively high revenue per main line is the result of low teledensity and therefore more use (thus revenue) per main line;
- Cambodia's telecommunications revenue as a percent of GDP is also amongst the lower in the Asia-Pacific region (telecommunications revenue being only 1.1 percent of GDP as compared to an average for the lower-income countries of 1.5 percent); and
- As stated in earlier numbers reflecting connection, subscription, and local call pricing, these numbers support the potential that current local call pricing could well be below costs and there is likely for some tariff cross-subsidization currently taking place (e.g., long distance and international) and the need for some tariff rebalancing is likely needed (this needs further detailed analysis); and

Telecommunications Investment

Country	Telecommunication Investment - 1999				
	Total (M US\$)	Per Inhabitant (US\$)	Per Main Line (US\$)	As % of Revenue	As a % of GFCF
Cambodia	---	---	---	---	---
Lao P.D.R.	9.5	1.9	388	41.7	---
Thailand	357.0	5.9	68	19.5	1.1
Viet Nam	321.3	4.1	153	50.1	---
Lower-Income	25,761.2	8.2	153	51.5	4.1
Upper-Income	10,188.6	127.5	269	35.5	3.9
Developed	34,837.1	233.4	424	22.7	3.0
Asia-Pacific	70,786.9	21.1	246	30.5	3.4

NOTES:

- GFCF = Gross Fixed Capital Formation

Observations:

- Unfortunately no data is available for Cambodia in regards to telecom investments. The table is included here simply to illustrate base data of neighboring countries and the Asia-Pacific region.

Internet in Asia-Pacific - 1999

Country	# of ISPs	Internet - 1998				Personal Computers	
		Users (June 00)		Subscribers	Int'l Bandwidth (Mbps)	Total (000)	Penetration %
		(000s)	Penetration				
Cambodia	2	5	0.05%	---	0.256	13	0.1%
Lao P.D.R.	2	2	0.04%	---	0.064	12	0.2%
Thailand	14	1,000	1.64%	200	66	1,382	2.3%
Viet Nam	5	150	0.19%	45	2	700	0.9%
Developing	748	26,815	0.80%	5,466	857	31,174	1.0%
4-Tigers	277	26,157	32.9%	15,802	3,252	16,553	20.9%
Developed	4,811	33,600	22.5%	12,683	3,496	47,350	31.7
Asia-Pacific	5,836	86,572	2.5%	33,951	7,605	95,077	2.8%

NOTES:

- Note different categories from earlier tables (e.g., Developing, "4-Tigers" and Developed
- 4 Tigers are: Hong Kong SAR, Korea (Rep), Singapore, and Taiwan-China

Observations:

- The ITU data reflects that as of June 2000, there were 2 ISPs operating in Cambodia;
- The ITU data reflects that there were, as of June 2000, 5,000 Internet users in Cambodia;
- On a percent of penetration basis, Cambodia's penetration of Internet is considerably below the average for the developing countries in the Asia-Pacific region (0.05% compared to an average of 0.80%);
- The ITU data reflects that there are only 13,000 personal computers in Cambodia.
- As a percentage of population, the number of personal computers within Cambodia is significantly below the average for developing countries in the Asia-Pacific region (0.1% compared to 1.0%);
- There are staggering differences in the penetration of the Internet and personal computers within the Asia-Pacific countries, when comparing the developing countries (including Cambodia) with the 4-Tiger countries and the developed countries (e.g., for Internet, less than 1% as compared to 33% and 22% respectively; and for personal computers, 1% as compared to 21% and almost 32% respectively); and

Dial-up Internet Access Prices in Asia-Pacific

Country	Internet Access Costs – October 2000 (US\$)						
	ISP Fees					Telephone Call Charge ²	Total Charge
	Sign-up Fee	Monthly Fee	Free Hours	Excess Time	Total Charge ¹		
Cambodia	50	---	7	69.00	99.00	18.40	117.14
Lao P.D.R.	58	33.00	35	---	33.00	---	33.00
Thailand	---	---	0	10.81	10.81	2.40	13.21
Viet Nam	19	3.21	0	31.43	34.64	7.57	42.41
Lower-Income	23	17.43	13	29.09	46.52	12.37	58.89
Upper-Income	2	17.94	7	3.82	19.35	23.50	42.85
Developed	---	21.19	40	---	21.19	21.01	42.20
Asia-Pacific	15	18.01	16	19.44	36.35	16.33	52.68

NOTES:

1. Total ISP Fees are amounts payable to the ISP calculated on the basis of 30 hours per month use.
2. Telephone Call Charge are amounts payable to the local telephone company for local telephone charges while logged onto the Internet based on 30 hours per month use (with half being peak and half being non-peak time)

Observations:

- ISP-related Internet access costs (signup, monthly, and excess time) are all quite high in Cambodia as compared to other lower-income countries in the Asia-Pacific Region (For sign up fee, US\$ 50 compared to an average of US\$ 23 for lower-income countries and that this provides minimal free time as part of the basic package;
- Total charges for having Internet access in Cambodia is over twice the lower-income country average for the Asia-Pacific region (US\$ 99 compared to US\$ 46.52);
- Telephone call charges for accessing the Internet in Cambodia are amongst the highest of the lower-income countries in the Asia-Pacific region, and well above the average for all countries (US\$ 21.21 in Cambodia compared to US\$ 12.37 for lower-income countries and US\$ 16.33 for all countries in the Asia-Pacific region; and
- Clearly, even if physically available (and it's not to most of the population in Cambodia) the costs of Telephony and Internet access are prohibitive to the vast population. Few can afford phones and the Internet, and there is very limited shared access.

Cambodia: ICT Assessment

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Cambodia: ICT Assessment

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