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ASSESSMENT OF TECHNICAL ASSISTANCE NEEDS IN MACROECONOMIC MANAGEMENT, DONOR COORDINATION, HEALTH, EDUCATION AND RURAL DEVELOPMENT IN CAMBODIA

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NOTE: This assessment was conducted over a three month period. Some organizational changes have occured over this period which are not reflected in this report. These changes have not affected the conclusions.

CHAPTER 1

ANALYTICAL FRAMEWORK FOR THE ASSESSMENT

1.1. SUMMARY

The Royal Government of Cambodia (RGC) has been in office since late 1993, with a system sharing of ministerial posts among parties which is still evolving. The challenge of shifting from a centrally planned economy to managing a market economy requires a major shift in formation of Government. Ministers need technical assistance and advice to develop their new roles. The Ministries have large staffs, but untrained ones, and the training they have is not relevant to many of the current needs in management, policy formulation and policy implementation. The skills pyramid within Government mirrors that within society as a whole:

* a small number of senior managers fully trained before 1975;

* a large staff with little formal education which can contribute to the policy and implementation role of the Ministry, with what little training exists focused on the administration of socialist economies which is largely inappropriate to present needs; and

* a lack of middle-level management and policy support skills to support policy making and the implementation of the ministerial mission.

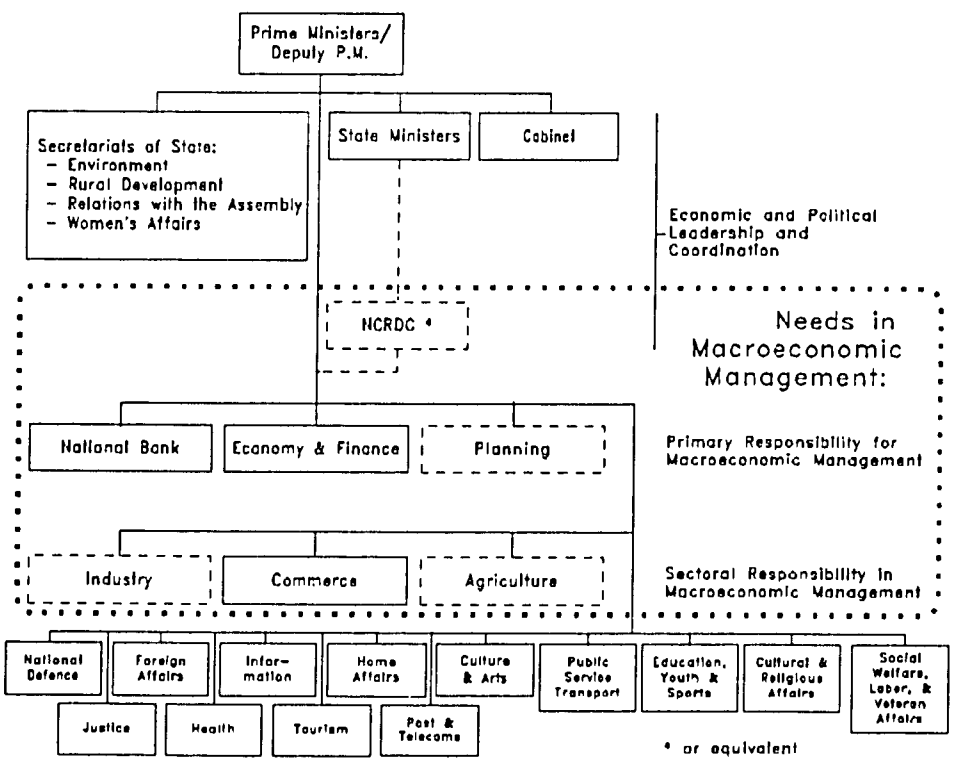
As a result, little or no qualified staff exists to provide the data collection and monitoring, research and analysis required in modern Governments to support policy making which is responsive to the needs of the people and their economic activity. The policy and managerial skills of high level decision-makers are devoted instead to tasks usually delegated, including those as simple as translation. Even the work of top-level advisors who have been provided by donors to fill some of the analytical and policy gap confronts the lack of absorptive capacity. The gap in the distribution of skills is sufficiently large that neither formal training nor normal job progression will provide, for the foreseeable future, even an approximation of the depth of skills needed to provide macroeconomic management and the analysis needed for informed policy debate.

Policy making is a process, however, not a single event, and decisions must be made continually by actors at all levels. Expert advice on both the process and content of the policy is essential for macroeconomic management. So is training so that the process of informed policy debate becomes sustainable when this expertise is no longer available. But to provide expert technical assistance for the short run, and independently to provide training for staff development, is not enough.

Formal training programs for Ministry staff are an essential step to providing sustainable macroeconomic management. The lack of depth of expertise to meet the urgent day-to-day needs of the Ministry, however, preclude the staff most qualified for such training being released for training, while more junior staff members who would routinely undergo such development are unqualified because they lack basic training in finance and economics, and particularly in English. This junior staff, however, has experience in governance at the level of the interaction between Government and the governed, whereas much of the management entered at higher levels and only by coincidence may have such experience from elsewhere. Effective assistance to macroeconomic management in Cambodia must address this gap as well as the need for capacity which expert advice and formal training are intended to provide.

1.2. GOVERNMENT ORGANIZATION

Figure 1: Macroeconomic Management Responsibilities



The function of macroeconomic management is concentrated in a few Ministries responsible for planning, fiscal policy and its implementation, monetary and financial management, and regulation. Secretaries of State are empowered to work across Ministries to accomplish cross-cutting goals (rural development, environment, women's affairs, and relations with the Legislature).

The National Council for the Reconstruction and Development of Cambodia[1], to be chaired by the First Prime Minister, is intended to coordinate major issues which cut across the authority of different line Ministries in order to improve macroeconomic and sectoral effectiveness, though the risk remains that it will become instead another level of bureaucracy intervening between Ministries and top policy-makers.

Each Ministry is headed by one or sometimes two Ministers to maintain political balance between the major parties. While power sharing may impede decisiveness in making and implementing policy, it is considered essential for building political stability. More important, each of the crucial macroeconomic Ministries is headed by a single Minister.

The Ministry of Economy and Finance has the primary responsibility for fiscal policy through its budget and taxation power. This is scheduled to be strengthened in January 1994 by the transfer of provincial and local taxation to the Ministry, and through the transfer of the net revenues of State Owned Enterprises (SOEs) to the Ministry. The Ministry is also the fiduciary stockholder for SOEs. There will be a considerable strengthening of budgetary and macroeconomic control, under the system being replaced:

1) local taxes are collected at the provincial level with the central Government having no control over local budgets, and

2) profits (or subsidy requirements) of SOEs are within the internal budget of the "supervising" line Ministry, with Finance responsible for financing the net budget shortfall of the line Ministry.

The MEF is responsible for foreign financial affairs, including donor aid. Finally, it is responsible for Government inspection and audit. The professional staff for each of these functions is very small. The Ministry is programmed to receive technical assistance under a joint project of Asian Development Bank (AsDB), the IMF, and UNDP; and a counsellor financed by the French. It has, and will continue to receive, short-term technical assistance from the IMF and other agencies to address particular management tasks.

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[1]The precise composition and role of this Commission have not been defined at the time of this study which addresses its function rather than its precise structure or organization.

The Ministry of Planning is responsible for forecasting future needs for the economy and for the Government and arranging that the RGC reacts responsibly and with foresight in anticipating these needs. It is responsible for the research supporting the national accounts, and is the source for statistical requirements of all the Ministries of the Government. The Ministry currently receives long-term technical assistance from the AsDB, which appears adequate to meet its immediate needs and for it to fulfil its role, which in a liberal market economy is more circumscribed and facilitative than under the previous regime.

The National Bank of Cambodia (NBC) is the central bank. Since its reorganization in 1989, it is responsible for designing and implementing monetary policy. While the NBC is responsible for controlling inflation, it must work in coordination with the other macroeconomic actors, particularly MEF, so that the underlying fiscal deficit is controlled sufficiently to make monetary policy effective. It must develop new tools to implement monetary policy using indirect controls through the market (for example, creation of short-term debt instruments, and through their sale and repurchase, control of the monetary base); to do this, it must improve its monitoring of market signals in domestic and foreign exchange markets. As supervisor of the banking system, it must work closely with the Ministry of Commerce, which regulates business practices to assure both adequate credit to the private sector and a stable market environment for growth. The NBC is the Government's agent for managing its foreign debt, with responsibility for tracking, anticipating and assuring payments of principal and interest.

Two of these Ministries — MEF and NBC are responsible respectively for fiscal and monetary policy, respectively, found in their counterparts in other market economies. They will also share the same tensions between the agency most responsible for executing Government fiscal policy and the guarantor of the banking system. The third Ministry directly responsible for macroeconomic management is the Ministry of Commerce. Besides its line role as Ministry responsible for activities dealing with the trade sector, MOC has two roles: facilitator and supervisor of the competitive functioning of domestic markets, and agent of the Cambodian people in dealing with the outside world, particularly trade agreements and inward foreign investment. As regulator, its functions overlap considerably with the other two Ministries, and it brings to the policy debate the potential for providing the perspective of the business community in fiscal matters such as taxation, and monetary policy matters such as cost and conditions of lending. Its role in assuring the functioning of markets also gives it the responsibility to represent the public interest against abuses of market capitalism, such as collusion or monopoly.

Within the Ministries, trained staff head each of the several departments. Below this, however, there is very little depth of professional skill or managerial experience relevant to the new role of promoting and regulating a market economy. Finance and the National Bank (NBC) have or are planned to have senior advisors, and considerable short-term (six months or less) assistance is planned for clearly defined topics. These Ministries do receive help from unpaid Cambodian expatriate volunteers, who either receive a small stipend from an international NGO or who serve at their own expense and must leave when their budget or the needs of their principal careers intervene. These volunteers also provide the principal foreign language capacity in

English or French. This capacity is useful in any Ministry but is essential in the Ministries which deal most directly with the international (private, governmental and multilateral) community. The qualified staff available to serve as counterparts to these experts is small and generally the same individuals who are responsible for management. Assistance to the Ministries must work within these constraints.

The Ministry of Industry, Mines and Energy is more purely a sectoral Ministry than is Commerce, and as such a lesser player in macroeconomic management. However, it is directly responsible for the provision or regulation of electric energy, an essential part of the economic infrastructure. Under current law it is also the "supervising Ministry" for electricity production, transmission and distribution. The regulatory environment for public utilities has a macroeconomic impact which recommends the inclusion of this sectoral Ministry as part of an integrated approach to macroeconomic management, to obtain an immediate, visible, high, and sustainable impact.

The Ministry of Agriculture completes the triad of sectoral management Ministries. The current Minister of Agriculture conceives of his Ministry from a production viewpoint, but the Ministry's access to the village network can support the development of rural markets and through these markets the generation of non-agricultural rural incomes. Most Government and private investment to date has been in the urban areas. A concern for equity in growth and for the rural security implications of that equity will compel the Government to focus on development of rural markets: markets for product of rural farms and enterprises, inputs and factors of production, and for savings mobilization to support a sustainable level and pattern of investment in Cambodia. These activities are quite distinct from those of macroeconomic management, however, and interventions here stand fairly distinct conceptually — though important to support equity in growth and sustainable development activities — from those of the core Ministries.

In summary, a few key Ministries have complementary roles and complementary needs in order to achieve a visible, sustainable, important impact on macroeconomic management in support of market development. These are primarily the Ministry of Economy and Finance, the National Bank, and the Ministry of Commerce. Electricity pricing and cost recovery are required also for sustainable development led by activities of the many individuals engaged in productive economic activity. Other major actors, particularly the NCRDC for coordination, and the Ministry of Planning, have important roles also, but addressing these roles is less urgent than ameliorating the performance of these core agencies.

1.3. OTHER DONOR ASSISTANCE

Cambodia is currently receiving large amounts of assistance at many levels, from balance of payments support to NGO activity in the villages. Its absorptive capacity is stretched to its limits, and the capacity of the Cambodian people and their Government to participate in assistance — or even to comprehend its span — is overwhelmed. The discussion of the

Ministries indicates the levels of senior and short-term assistance being received, and also indicates the implicit difficulties in attempting to increase the level of assistance.

The country is receiving significant assistance from many donors in training and in education. The needs remain great, as addressed in the education section (Chapter 5) of this report. However, the needs being addressed are well understood. Over time, it is reasonable to assume that the needs for the RGC in macroeconomic management can be met internally. Also, over time the capabilities of local training institutions will be met, through the many donors and NGOs addressing these needs. The training institutions on the ground (among others, the Cambodia Development Research Institute (CDRI), the Economics Institute, and the Australian Center for Education have significant training programs) provide a valuable resource for filling the gap in skills.

Cambodia and the RGC need this donor assistance; the country also needs the absorptive capacity to benefit to the greatest extent and speed from this assistance. An immediate intervention would be to have an intermediary who is at once sufficiently skilled in the work of visiting experts and general enough to work with a variety of short-term specialists, who can help the appropriate policy makers and staff absorb the materials at an appropriate pace. The second intervention for taking advantage of donor assistance is to develop the domestic capacity to absorb this assistance.

The capacity to absorb this assistance is not the same as the capacity to do the work itself. It is possible to develop a middle level staff with this ability. To do so would increase the impact of all donor assistance, and increase the coordination by developing the ability of the Ministries' staff to manage such assistance themselves rather than to leave it to the donors.

1.4. APPROACHES TO THE PROBLEM

The interventions undertaken must be sustainable as well as of high impact. This requires explicit acknowledgment of the need to develop existing Cambodian staff to a level of functional competence, while providing expert assistance to the highest levels of policy-making.

Other donors are providing short-term technical assistance as shown in Annex B. While necessary, this puts the absorptive capacity of the Government under stress, and so by default reduces the participation of Cambodians in the development process. Donors are also providing training to develop the formal skills necessary to emerge from the current transition with strong institutions built from the bottom.

Half the population of Cambodia is under 18, with primary and secondary education — whatever its quality — having begun since the expulsion of the Khmer Rouge regime. The age cohort over age 40 was 17 and older in 1970. All those who had completed secondary and higher education were in this group, which was the most devastated by the class destruction wrought by the Khmer Rouge. The middle-age cohorts, now from 18 to 36 but under 18 in 1975, had

their education disrupted. Middle management in most organizations would be drawn from this cohort. To complement the resources being provided at the top of the experience distribution, and to "jump start" (in amount, in speed, and in composition) the education which is gradually being improved at the lower levels, attention must be devoted to the virtually nonexistent middle of the distribution.

Thus, the options to be considered for assistance in macroeconomic management must address the "functional", rather than formal, economic and management skills. While the assistance cannot substitute for formal training and ideally would serve in some ways to provide this training, the options to be considered must address core short-term and medium-term needs of the economic transition, as well as develop a sustainable long-term capacity:

1. to improve the policy capability of top administrators;

2. to improve the absorptive capacity of the Cambodian Administration to coordinate and to deal with international aid flows;

3. to provide a depth of skills and experience within the macroeconomic administration;

4. to improve the efficiency of use of the skills, ability and time of top administrators;

5. to prepare the ground for more formal staff development and integration of economics, financial and management training into the Ministerial workloads.

The options must address the missing cohort aged 20-40, which is not being addressed adequately by other donors and by the formal education system.

The influence of this cohort on planned interventions must also be approached in any framework. In this assessment we discuss a useful model that has been applied successfully in Indonesia to increase mid-level staff skill in policy analysis and formulation while building on its formal training through specialized in-service training and research. Such options must take into consideration the low level of training of the staff of RGC Ministries.

Policy changes by their nature can have a rapid and immediate impact, due to their pervasive influence throughout the economy. The true incremental impact of activities to assist such change may be unmeasurable; it stems not from specific policy steps or statements but from the degree of success in convincing participants in the political process to accept the change. Thus the coherency of the program is important not only for USAID programmatic purposes of having the highest possible impact with a limited budget, but also for improving the credibility of the process itself. Coordination between various groups, particularly between the Ministries representing the different clienteles of Government, must be assured: Finance, Commerce, and Central Bank viewpoints are all necessary.

The beneficiaries of a broad policy package encompass most branches of the economy, from producers and traders, to potential savers and investors affected by financial regulation, to foreign investors who are able to allocate their capital world-wide in a more efficient manner. The designers of policy change must assure that it promotes equity as well as income and stability; this is in no way guaranteed. By its nature, economic reform can promote equity by favoring those who respond to economic incentives by transferring gains from rent-seeking to productive activities. In the long run this groups is self-selecting, but in the short run care must be taken in implementing policies which hurt an identifiable *rentier* group.

This assessment continues with a review of the general considerations which will affect the assessment of all Ministries involved in macroeconomic management. Afterwards, it attempts an institutional analysis, including local training resources and options for providing Khmer language ability to policy advice (Chapters 2 and 3). The assessment continues with a Ministry-by-Ministry detailed assessment of needs and options for intervention to achieve high impact (Chapters 4 to 8). Statements of needs by the Ministries are found in Annex A.

CHAPTER 2

CENTRAL NEEDS IN MACROECONOMIC MANAGEMENT

2.1. SUMMARY

This assessment begins with a determination of the needs of the principal Ministries concerned with macroeconomic management in order to promote most effective policy formulation and implementation. The problems faced by each Ministry call for a combination of long-term technical assistance, short-term assistance, formal training, training on the job, commodities to support this level of effort. However, some considerations cut across Ministries and apply to the entire assessment. These include the following general guidelines:

* Long-term technical assistance is valuable when:

  (1) it supports policy determination, adoption of theoretical concepts and their practical applications; and

  (2) it serves as a "shock absorber" to assimilate the results of short-term consultants and to help the appropriate policy-makers and staff absorb the materials at an appropriate pace, until domestic capacity exists.

* Technical assistance should be avoided when it substitutes for the development of staff capability and/or imposes a high managerial burden (including provision of counterpart funds or personnel) on the Ministry; provision of highly specialized skills is an exception to this.

* Task-oriented training is:

  (1) effective as training; and

  (2) efficient in that is low cost (including cost of removing valuable staff from their normal tasks), and productive (by producing immediately policy results).

* Formal off-site training, while highly necessary, withdraws qualified staff from line activities; classroom training in policy analysis often lacks a real-world context (which is why the case study method is used where it is appropriate). Valuable training is currently being provided by the Cambodia Development Resource Institute and others; this project does not intend to compete with this.

* The assistance can support the Government's ability to interpret and to use appropriately the results of short-term assistance funded by other donors.

* Each Ministry reviews job evaluations; assesses needs and objectives for each post and each directorate.

A functional program, based on experience in other developing countries, is presented below. This is followed by specific recommendations based on extensive consultation with economic Ministries. Some activities are likely to span more than one related Ministry. In this section we also assess weaknesses common to several Ministries which are critical to improvement of macroeconomic management overall: language ability (English and Khmer), monitoring and audit capability, and capacity to use sophisticated data management and analytical tools for better analysis and report writing, in support of decision-making.

2.2. ANALYTICAL TRAINING ON-SITE AND ON-THE-JOB

One component of a strategy for a rapid and effective increase in the policy capabilities of top managers is to improve the analytical ability of their staffs. To do this, training in "new" approaches and techniques must be linked directly to the policy analysis and policy formulation functions within each Ministry. This strategy would have immediate results in the appropriateness and quality of both routine and urgent work performed.

For effective policy-making and economic management, decision-makers need staff support. A "training package" will include the following:

* Basic economics;

* Applied economic analysis with an emphasis on the operational concerns of the Ministry;

* Computer skills, such as word processing and data management programs;

* How to write research papers and policy briefing papers; and

* Government functions in a market economy.

Advisors will continue to work with program "graduates" on their regular assignments to assure that the training has a direct input into their normal activities. Outstanding work by trainees in a particular topic area could lead to special task forces to follow an issue through to policy formulation and implementation, and to the individuals becoming directly involved in the implementation of their work.

An informed policy process requires feedback on how specific policies are actually being implemented. The Ministries generally are weak in their ability to monitor execution, and lack valuable information on the weaknesses or unintended consequences of policies at the implementation stage. Such feedback would also improve the methods by which new policies are communicated throughout the environment in which they are operated.

Very specific needs of the Ministry can be addressed also through special seminars. These would correspond to the most pressing issues at that time, on which the Ministry's officials are currently working, and which require a shorter time frame or more widespread information sharing than is done by the more limited training.

Either for specific seminars or for analytical courses, the extreme shortage of qualified staff imposes an on-site and on-the-job orientation. Classes should be on the job site, and not draw the staff members from their position on a full-time basis. This would help to assure that their current tasks get done. More importantly, it provides an immediate feedback from the materials learned in a classroom or seminar setting and the requirements of their job. Course content can reinforce this, by concentrating on the tasks faced by the Ministry.

Rapid development of the mid-level staff requires focussing on two key groups. First, advisors can realistically transfer analytical and presentation skills to about 20 mid-level staff at a time. They must focus first on staff who are considered to have substantial potentials to contribute to the analytical capability of the Ministry, and who currently operate at an intermediate level of economic and analytical skills. The outcome would be increased competence in data collection, analysis, and presentation in support of management decisions.

Second, this must be supplemented by a program to continue to develop the Ministry's "core staff" on the job. Core staff are repatriated Cambodians with prior general or intermediate training, local staff who have completed the training program or received overseas training, and others who for any reason have more advanced skills. These staff members are now stretched thin by the administrative, management, and analytical roles they must fulfill simultaneously. The program would improve their ability to apply their skills in the service of the Ministry (managing and directing less trained staff) despite their administrative workloads. The program will emphasize development of the analytical, computer and language skills that are needed to produce solid research work on priority issues confronting the Ministry. It could include practice in preparing short policy briefing papers for use in policy debates. These briefing papers may result from more detailed studies, or might represent a short summary of the major arguments based on existing data.

Another option is to offer training "near site" on specific topics, drawing upon local resources already available. The staff and physical plant of the Economics Institute may be available not only for specific training modules but for general classroom training activities; other options (discussed more fully in the next chapter) are available to provide training modules.

An intermediate outcome of the training program proposed is to develop staff (in language, and in "undergraduate economics or finance" qualification) to a level where they would be qualified to participate in training programs abroad.

This training-cum-research is intended to achieve specific management goals rapidly and effectively. The training would be small, dynamic, and continually linked to the policy making process. While it would be independent of formal training offered to the Ministry by other donors, or within the Training Department of the Ministry, it would facilitate the transition to a formal training program by providing training materials and syllabus for the Ministry's in-service training course.

To make this mid-level staff development sustainable, the training must become integrated into the Ministry's personnel development process. To do so, the Personnel Department of each Ministry must learn to develop a professional training plan for each staff member; the assessment did not investigate the ability of the various Ministries to do so, and assistance may be necessary from the advisors or from a short-term consultant. Other steps to sustainability include:

* certificate which can be awarded for completion of certain segments, and for graduation from the program;

* performance in the program which can be linked to job enhancement and promotion;

* top performers who will be eligible for overseas training; and

* English language training that will be expanded from existing levels.

2.3. ENGLISH LANGUAGE CAPABILITY

Foreign language capability is weak throughout the Government. Language training is normally regarded as a highly personal and portable skill, and for this reason it should not be provided during working hours in order to select for candidates with high motivation. However, the functioning of the major Ministries dealing with foreign community - official and private - is currently constrained by capability in English, the most common international language, particularly in Southeast Asia. As King Sihanouk has stated concerning public education:

> "Support [for English language education in Cambodia] is legitimate, logical and realistic, because in today and tomorrow's world, English - as the language of communication and international study - has become and will inevitably remain a quasi-universal language". (7 December 1993).

This calls for developing English language training on behalf of macroeconomic management, and hence focussed on it. At least 30 persons per Ministry must begin training immediately to achieve the policy management needs.

International experts called upon for specialized professional skills are unlikely to speak Khmer. Translation is costly and requires development of a core of translators familiar with the technical concepts of economics and finance; effective training eventually demands functional equivalents for such concepts in Khmer, which requires an economics background. As English language training is provided, within a year or two a group of Ministry mid-level staff capable of working directly with international experts and international agencies will grow. This will also increase the size of the pool of candidates for training courses abroad.

Several ministerial assessments identify the need for language capability. If done through training, this should be a self-standing activity, either a USAID-funded training activity or a contract with local providers of language training. Because of the individual value of language training, such courses would be held outside business hours so that participants must bear the cost of volunteering their own time. The modality chosen must be determined according to AID programming options and to the availability of such services on the local market.

2.4. TRANSLATION NEEDS AND CAPABILITY

Ministry staff dealing with international institutions, foreign investors, and others also lack English language capability. Translators and interpreters are as necessary for them as they are for non-Khmer speaking long-term technical assistants. Translation is expensive - in time foregone by senior Government officers as well as in money - and not directly productive. General translators lack the relevant background to provide adequate contextual interpretation of concepts of economics, trade, and management. A certain amount of translation is called for by all Governments working in international relations, but this should be on an exceptional rather than a regular basis. Two approaches to this are recruitment of expatriate Cambodian professionals, and development of mid-level Cambodian expatriate translators.

* Other factors equal, qualified Cambodian expatriate specialists can be found; Khmer speaking experts should recruited internationally for the advisory positions.

* The Assessment team is independently investigating possible modalities for recruiting Khmer speakers who returned from abroad as unpaid volunteers or under a volunteer or career development program. This is described more fully in Chapter 3. By the third or fourth year, these individuals would be sufficiently trained to "graduate" from the program. By this time, however, the English language training modules would have begun to produce a broader base of Cambodian staff able to work with short-term advisors.

2.5. MONITORING AND AUDIT CAPABILITY

To assure the institutional oversight required for implementation of macroeconomic management, the Ministries are in urgent need of two kinds of audit: financial audit and performance audit. Each Ministry has concluded that its own staff is inadequately trained to provide these functions of control and guidance. One or the other audit has been required of all of the macroeconomic management Ministries:

* in response to perceived need for internal audit;

* to fulfil the role of external auditor/controller of other agencies or companies; or

* as a condition precedent for aid.

For the Ministry of Economy and Finance and the National Bank of Cambodia, the needs are urgent for technical assistance in audit, to help these organizations fulfil their own respective financial and performance audit functions within the Government. For each, a long-term expert in audit must establish a full-time training/practice module on topics identified early in the assignment, to be followed by task-oriented training of the audit or supervision staff. Short-term assistance would be recruited as necessary for specialized topics under the guidance of the long-term expert. Such assistance is designed to improve Cambodian Ministries' ability to provide macroeconomic management, not to replace external audits which are necessarily independent of the management process.

2.6. ABILITY TO ANALYZE AND MANAGE DATA

The effectiveness of the macroeconomic Ministries is circumscribed by their lack of capacity to use sophisticated data management and analytical tools for better analysis and for report writing in support of decision-making. The program will emphasize development of the analytical, computer and language skills that are needed to produce solid research work on priority issues confronting the Ministries. Once trained, the staff must have access to the necessary computer facilities to use their skills effectively. Ministries lack the resources to provide the computers and software from their own budgets, and have requested computerization from donors. Equipment to support analysis is not effective in increasing productivity unless it supports the capability to perform analysis.

Assistance to these Ministries must provide two types of computer equipment: computers for the advisors to accomplish their job effectively, and computer services (PCs, software, and peripheral equipment) for the trainees of the Ministries to learn techniques and to perform their research. For the training to be effective, the computers and associated electronics would have to be available - perhaps as a computer laboratory - to "graduates" who know to use the equipment efficiently and effectively; in this way the machines would be made available for

Ministry use as the staff becomes proficient in their application for policy analysis and report writing.

Possible inputs to support the policy making, policy monitoring, policy implementation and report writing objectives include computers and applied training on how to use them to collect data and conduct analysis, to modernize accounting systems, and to establish direct links to external organizations with which it must deal. Associated needs include peripheral office electronics or electric equipment (including printers, photocopiers, fax and telephone, generators).

CHAPTER 3

MID-LEVEL MANAGEMENT AND ENGLISH LANGUAGE NEEDS WITHIN GOVERNMENT MINISTRIES

3.1. SUMMARY

Through its assessment efforts, the DAI Regional Technical Support Project (RTSP) team has come across two consistently large gaps in many GOC Ministries. These gaps are English language capacity and mid-level management, and are fairly different in terms of cause and impact. However, if addressed together, enhanced English language and management capabilities will contribute substantially to the sustainability of USAID's interventions in Cambodia, and specifically to the sustainability of the Ministries targeted for long-term project assistance by USAID.

Because of Cambodia's long history of war and oppression, there are gaps in the technical and functional skills of Cambodian people between 25 and 45 years of age. Since many educated people were killed or forced to flee Cambodia, the country lacks the human resources that would typically fill positions in mid-level management. Foreign language capacity has also suffered from the strife. In GOC Ministries, one often finds top level managers and other staff with adequate technical skills, but without the capacity to communicate with outsiders, particularly in Asia's language of choice, English.

These two gaps have adverse impacts on the capacity of key Ministries to conduct every day activities, and to interact with donor and other outside communities. Their effects will become increasingly problematic as Government Ministries are forced to deal with issues of international negotiation, international business, foreign direct investment, and interaction with the global community in general. They will also become increasingly problematic as Ministries grow, but continue to lack the administrative and management infrastructures needed to support their increased activities and responsibilities.

The RTSP project team has developed an approach that addresses both of these human resources needs. The team proposes a "New Professionals" (NPs) program, which would search out bright, educated, expatriate Khmer, interested in professional development opportunities within line Ministries. NPs would be hired with the intention of temporarily filling junior - to mid-level ministerial positions, and would have two major job responsibilities:

(1) to act as junior technical advisors and resource persons to the expatriate advisors and their ministerial counterparts, and

(2) to act as the primary communication link between Ministers, top-level ministerial staff, division directors and expatriate advisors.

The role of the NPs will evolve over a two year assignment. On arrival, they will serve as translators to advisors and to senior management in target Ministries. Progressively, the NPs will take on increased responsibility, including the facilitation of training courses and institutional/management development. After a two or three year assignment, the NPs will "graduate" from the program; the skills developed by the NPs on this assignment will contribute to graduate study or to develop employment opportunities[2] in Cambodia or abroad. In this way, The NPs program can fill both the immediate need for English language interpreters and translators, and the continuing need for mid-level management and training, while contributing to the overall professional development of local and expatriate Khmer.

If it is possible, RTSP would prefer to recruit and groom NPs to eventually fill permanent mid-level management positions in line Ministries. Although the management needs in these Ministries are enormous, we believe that a few well-placed individuals would go a long way toward institutional strengthening and technical skills development. However, RTSP has run across a problem which seems insurmountable at present. This is the problem of integrating expatriate Khmer into the local salary structure. Current Ministry employees receive no more than $50 per month. However, many have outside networks that allow them to supplement their income to a "livable" level. Expatriate Khmer returning to Cambodia do not have the necessary networks, or outside sources of income. For this reason, we cannot propose a program which looks to integrate NPs into the permanent ministerial staff, in mid-level management positions. Instead, we seek a model more closely resembling the Peace Corps or post-doctoral programs, which help individuals build their experience for a related career.

RTSP may be able to hire NPs from the pool of repatriated Khmers, some of whom may be able to stay on in their assigned ministerial positions. Also, we may find that enterprising expatriates who would like to live in Cambodia will find and develop the networks they need to earn an acceptable income. (For example, two of the individuals interviewed already have the intention of staying in Cambodia for the very long-term.) A problem to be addressed is the movement of these individuals off of their AID-subsidized salaries after a 2-3 year period, without having them turn to other international organizations for employment. However, if the two individuals this author spoke with are representative, it is believed that RTSP will find many individual with the conviction to stay on, and the belief that real development must happen from within the governmental level. These individuals are interested in being a part of that development.

In any event, RTSP must approach the NPs program from the 'Peace Corps' or post-doctoral perspective by expecting no more than a 2-3 year commitment from the NPs. However, in our recruitment efforts, we will most certainly look for those people that are interested in staying in Cambodia long-term, and that display the willingness and ingenuity to find alternate sources of income.

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[2]for instance with international organizations, non-governmental organizations, or with local private firms.

Two general pools of potential NPs exist: Khmers currently working in Cambodia, and expatriate Khmers interested in returning to the country for the medium to long term. Several sources exist for recruiting both groups of people, including volunteer programs, programs run by international organizations, and international Khmer associations in Washington, D.C. and other capital cities worldwide. A third pool - not as easily accessed - are those who have come back to Cambodia in search of a job, but who are not associated with international organizations or other organized groups.

3.2. RATIONALE BEHIND THE NEW PROFESSIONALS PROGRAM

3.2.1. English language

Key macroeconomic Ministries dealing with the outside world will feel the increasing need to communicate in English, and will suffer because of their inability to do so. An example includes the Ministry of Commerce, and its need to develop international business and investment regulation and procedures. Without the ability to communicate with organizations interested in investing here, many international firms will look to spend their scarce investment funds where the bureaucracy and procedure is not complicated further by a language barrier. Other examples include the Ministry of Economy and Finance and the Central Bank, organizations sure to feel the need to communicate in English as Cambodia looks to integrate itself more into the international banking and financial sectors.

Lack of English language skill also affects the ability of both long- and short-term advisors to interact with ministerial staff at all levels, since initially long-term advisors are unlikely to speak Khmer. Having an interpreter/translator with a technical background and responsibilities will allow USAID's advisors to more effectively work within the ministerial environment. In addition, although Ministry staff will be trained in English through RTSP, it will take some time for participants to become conversant. The translation/interpretation role of the NP during this transitional period is crucial.

3.2.2. Mid-level management

The typical organizational structure of line Ministries in Cambodia consists of a small group of intellectuals who have recently returned from 10-15 years abroad, spent working with international and other organizations. These people, who fill top-level ministerial positions, are generally well educated, articulate, and conversant in English, French, or Vietnamese, according to their country of refuge. Supporting these policy and decision makers is a group of untrained, and technically unskilled support staff, who do not have the ability to absorb tasks that are generally implemented by mid-level managers. The lack of mid-level management causes unnecessary bottlenecks and delays, and forces top level employees to carry out tasks that should be delegated to technical support staff. Lack of mid-level management also causes disorganization in management and administration, which will become increasingly problematic

as these Ministries respond to increased levels of outside interest and intervention.

Typical mid-level management skills found to be lacking are: general administration; computer usage; employee management; policy and technical support; technical research; basic communication and coordination with foreign private and international organizations; financial management and accounting; internal technical training; and administrative systems development and implementation. Although NGOs and PVOs provide training in some of these areas, an integrated approach to filling mid-level management needs has not been taken, or even considered. A fragmented approach to training and management development will not serve Ministries well. Rather, a coordinated approach that addresses all of their existing needs through human resources development should be implemented.

3.3. PROPOSED PROGRAM

A NP will be assigned to work with each long-term advisor provided by RTSP in the Ministry of Economy and Finance, the Ministry of Commerce, and the Central Bank. NPs may also be recruited for the USAID-funded Health and Rural Development programs, if appropriate. It would be beneficial to have one NP working with each long-term advisor, rather than placing one NP per Ministry, for three reasons:

(1) given the volume of activity to take place, there is no doubt that all NPs will be kept very busy;

(2) given that the training activities for each long-term advisor are different in scope, and that NPs will take over some training responsibility, it would be difficult for one NP to handle all of the training responsibilities for multiple advisors; and

(3) advisors will serve as mentor to the NPs to develop their capacity to act independently of the advisor (rather than as a mere translator or assistant).

Responsibilities of the NPs would be divided into four major categories, including: translation, management/institutional development, training, and technical assistance. On arrival, they will serve as translator to advisors and senior-level Ministry managers, and during initial training seminars. Progressively, the NP will take over increased responsibilities, including training course development and implementation, and management/institutional development. Below is a description of the kinds of activities the NPs would engage in each of these areas:

(1) Translation

Typical translation and interpretation activities should include: interpreting for the expatriate advisor at meetings with the Minister and his senior staff; interpreting for the Minister when he

meets with outside officials; translating official communications for the Ministry[3]; translating project-related documents[4]; and communicating with other ministerial staff. NPs must have good English and Khmer language capacity, combined with some experience in the technical areas in which they will be working. For example, the junior staff chosen to work with the expatriate advisor to the Minister of Economy and Finance would ideally have a Bachelor's Degree in Economics or Finance. Individuals with partial university level course work in this area could be employed if not enough BA economists can be identified.

(2) Management

The role of the junior staff person will be interactive, rather than a one way learning process. As junior staff gain on the job training, they will be expected to progressively take on responsibility for administrative and management development within their Ministries. They may contribute to the design and implementation of plans for institutional strengthening, including: institutional restructuring (starting with support staff, but graduating to higher levels); systems and procedures development; and training in functional support areas.

An important variable which contributes to the achievement of institutional development is consensus building. NPs can achieve this by working with local counterparts on management and administrative improvement initiatives, and by giving them ownership in the development process. By working with ministerial staff, they will be much more willing to accept the managerial and administrative changes that the NP tries to implement. In this way, the NP can act as a trainer of trainers, instructing his counterparts in the use of management, administrative, and computer systems. These counterparts can go on to train colleagues within their divisions or working groups. However, note that NPs should not spend an inordinate amount of time training Ministry staff in actual computer applications. Rather they should concentrate on training staff to use computers, accounting systems, and other tools to develop and implement management and administrative systems. NPs should also work closely with Ministry training departments, and outside sources of software, accounting, and financial management training.

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[3]The senior expatriate advisor should make sure that his or her junior assistant does not fall into the exclusive role of "interpreter to the Minister". There is an overwhelming need for interpreters at many Government Ministries, and often senior ministerial staff who can speak English serve as interpreters to the Minister.

[4]There is a large need for technical documents both into English and Khmer. Junior staff should not become overwhelmed by this enormous task, to the exclusion of more important responsibilities. Translation should pertain directly to their work with expatriate advisors and Ministry officials.

(3) Technical Assistance

Combined with, and as important as their translation and management responsibilities, NPs will serve as junior technical staff to expatriate advisors. Long-term advisors should take an active role (outside of the planned training workshops) as mentor in developing the technical skills of NPs needed to conduct policy and other research. The NP's technical job responsibilities will grow with time and experience, and might include: conducting technical policy and other research; liaising between USAID, other donors, the expatriate advisor, and senior ministerial staff; conducting workshops and seminars; writing concept papers and other pertinent publications; and other technical responsibilities under the guidance of the expatriate advisor.

Since the goal of the NP program is to develop the technical skills of ministerial staff, the NP will work closely with one or several counterparts on the analysis, research, and coordination of activities described above. The NP can pass insights learned through the mentor process on to his counterparts as the group jointly conducts analyses, policy research and other technical activities.

(4) Training

Several levels of training are needed inside key Ministries. These range from the policy-level training that will be conducted by the long-term advisor and NP for a core staff, to English language, computer, economics, finance, and business training for a broader set of staff. The Macroeconomic management project should provide varying levels of training to fill each need.

Although English language training is important, RTSP is not expected to focus on each Ministry's sustainability in this area. Entire Ministries cannot and should not all be taught English using USAID's limited funding; nor is this a function of this project. However, English language training does have a direct impact on building institutional sustainability at certain levels; levels at which expatriate advisors are trying to initiate change and development. At these levels, English language training should be funded as it will allow for easier internal, project-related communications, and it will develop in-house capacity to communicate with the international business community. The cost per person is relatively marginal as well[5].

To supplement their interaction with NPs and the knowledge they gain through project training workshops, key local junior career staff should receive supplementary education through classes that are pertinent to their work responsibilities. This external training should build on the workshops provided by the long-term advisor and NP, and will enable local staff to build the human capital required to have an effective and credible presence for future, higher-level positions. Several sources of continuing formal education exist in Phnom Penh which could be

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[5]$65 per quarter per person. A group rate could probably be worked out with one of the many private English training institutions.

drawn on to supplement the practical training gained by these local junior staff on the job. Options for funding and managing these activities need to be thought through further.

Training in economics, business, commerce, computer applications, and other relevant disciplines is available through private training institutions in Phnom Penh, such as The Cambodian Development Research Organization's (CDRI) graduate level macroeconomics training course, or the curriculum at the Economics Institute, funded by The Asia Foundation and implemented by the Australian Center for Education (ACE). CDRI also offers a 15 month intensive management training program, which includes course work in management, computer training, financial analysis, and other pertinent skills. Other sources of pertinent training should be researched by the NP and his/her local counterpart(s), and proposed to the expatriate advisor as part of an overall professional development plan.

3.4. MANAGEMENT OF THE NEW PROFESSIONALS PROGRAM

The NPs program should work to place talented Khmer nationals in line Ministries for the medium to long-term, a move which will strengthen institutional sustainability. However, before the permanent placement is made, USAID must insure that candidates are well suited to their posts and are able to effectively interact with both expatriate advisors and Ministry employees. USAID can accomplish this by hiring junior staff for short-term probationary periods before making long-term staffing commitments. Once the expatriate advisors and Ministries are sure that the junior staff member is well suited for his or her position, USAID can facilitate a longer-term relationship between junior staff and Ministries.

3.4.1. Transfer of Knowledge Through Expatriate Nationals (TOKTEN)

One possible management and funding vehicle for the probationary employment of NPs is UNDP TOKTEN[6]. TOKTEN is a volunteer program that aims to bring Khmer nationals back to Cambodia for one to six months, with the aim of providing technical assistance to various Ministries, universities and other organizations in Cambodia. The profile of a typical TOKTEN employee is someone with university level education and 10-15 years of experience in his or her respective field. Past TOKTEN volunteers have included: Mr. Keat Chhon, Director of the Council of Ministers; Mr. Senh Hour Tao, Under-secretary for the Ministry of Agriculture; Dr. Aing Kim Ok, Under-secretary at the Ministry of Health; and others with similar credentials.

TOKTEN can almost be compared to the typical "headhunting" or employment organization found in the United States. TOKTEN receives a request for a technical specialist from the local organizations or Ministries, and then uses an established network to locate qualified and interested Khmer personnel. Their network includes sources as formal as Khmer associations

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[6]Managed by Mr. Kantren Koy, contact number 26257

overseas, to those as informal as persons coming in "off of the street" looking for employment opportunities. TOKTEN also responds to ministerial requests to hire pre-selected individuals. Once an appropriate candidate is found, TOKTEN funds round trip airfare, per diem, housing, and other incidental costs, and places the candidate with the predetermined host organization for a set period of time.

The Director of the TOKTEN program has expressed an interest in working jointly with USAID to bring back expatriate Khmer. His interest stems from the fact that several TOKTEN volunteers would like to remain in Cambodia for the medium to long-term, but do not have the institutional backing they require to do so. Although TOKTEN is not a migration program, developing and maintaining the human capital base in this country is definitely one of their objectives.

The TOKTEN Director has indicated that he would be responsive to ministerial requests for junior professional staff to work with RTSP expatriate advisors. Through its network, TOKTEN could assist RTSP in locating appropriate NPs. They would take primary responsibility for placing (and funding) appropriate candidates within Ministries for one to six months (TOKTEN prefers to place candidates for three months). TOKTEN would be willing to place candidates that are located through outside sources, including RTSP, USAID, other migration and human resources projects, and the Ministries themselves. However, in keeping with the mandate of the TOKTEN and USAID projects, each applicant should be reviewed by TOKTEN, USAID, and the Ministries thoroughly before any placements are made.

Although the qualifications that RTSP requires of junior professionals are not as high as those of typical TOKTEN employees, the Director is willing to be flexible in his hiring practices for our New Professionals program. Despite the fact that specifics would have to be worked out, the Director would operate under a system of reduced remuneration (in the form of per diem) for individuals with less experience. In this case, USAID may be required to partially fund the NPs during the probationary period, but this cost would be substantially less than the airfare, housing, and partial per diem supplied by TOKTEN. The proposed working parameters between TOKTEN and RTSP are described in "Section 3.6, NPs Program Management Summary". This still needs to be circulated to and agreed on by the TOKTEN Program Director, but has been agreed to in principle.

3.4.2. International Office of Migration (IOM)

IOM can serve as a potential source for locating interested "New Professionals", but cannot play as integral a role in the process as TOKTEN. This is largely because IOM is not suited, programmatically, to fit RTSP's needs. IOM is a migration project that looks to place Khmer nationals at Ministries, NGOs/PVOs, universities, hospitals, and almost any other organization, for the period of one year. IOM's hope is that the people they bring in will establish linkages and stay on in Cambodia indefinitely. IOM, through several sources of funding, supplies round trip airfare, stipend (ranging from $0-$2,000 per month), per diem and other forms of

reimbursement, for the period of one year. Placements are made in response to organizational/ministerial requests. However, IOM lacks budget resources, and is looking for funding. The backlog of outstanding requests for placement exceeds 150. For this reason, it can serve as a source for locating qualified and interested "NPs", but cannot afford to fund these positions independently (such as TOKTEN can do for the short-term).

In terms of locating interested, qualified personnel, IOM has an extensive database of available expatriate Khmer, who are very interested and willing to return to Cambodia. IOM keeps files of potential candidates, organized by discipline. Their existing database exceeds 1,000 people. The IOM Director, Hans Becker, is very approachable, and interested in assisting RTSP locate and place NPs.

3.4.3. Cambodian-American National Development Organization (CANDO)

CANDO is a USAID-funded program that repatriates Khmer Americans to work in Cambodia for 1-2 years in a volunteer capacity. CANDO volunteers are suited to fit into the "New Professionals" program for the 1-2 year period. From discussion with CANDO, the typical volunteer is not interested in remaining in Cambodia for the medium (3 years) to long-term (5 years and up). Many of them have returned to Cambodia to visit their roots and help in the development of Cambodia in whatever way they can, but are interested in returning to the United States to pick up where they left off on their career and education. If CANDO volunteers are interested in staying long-term, they should most certainly be considered, but a preliminary interview shows that they are not interested. Also, the financial demands of CANDO volunteers seem to be outside of USAID's capacity to pay, and much greater than the reimbursement that similar candidates with comparable backgrounds are demanding. For instance, CANDO volunteers said that they would require $2,000 - $2,500[7] per month to remain in Cambodia long-term. This is compared to a recent Khmer economics graduate of Oakland University (New Zealand), who is interested in staying long-term in Cambodia, and who can live very comfortably on $1,000 per month.

3.4.4. RTSP Office

In cooperation with the TOKTEN and IOM programs, the RTSP project team can also work to locate qualified local Khmer to fill NP positions. There are several sources for locating local qualified Khmer that can be used by the RTSP office, including: the Australian Center for Education (ACE), The Economics Institute, Phnom Penh University, and through advertisements in the Phnom Penh Post. ACE is perhaps one the best sources in that they currently have 120 students in advanced English language training classes, and 2,500 students in their program altogether. The RTSP team can canvass the advanced students to ascertain how many have

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[7]One fellow would actually require $48,000 per year or $4,000 per month.

formal training in a pertinent technical field (such as economics, finance, business administration, health, education, or agriculture). The Director of ACE estimates that a salary of $200 a month would be sufficient for most of the graduates from his program.

Both TOKTEN and IOM have established networks and resources, and are in a better position to find the NPs than RTSP. Furthermore, they are interested in and have a vested interest in doing so. It does not make sense for RTSP to "reinvent the wheel", and create another structure to try to locate overseas Khmer nationals. However, the mandates of TOKTEN and IOM are different from RTSP. Both organizations look to bring highly qualified personnel back to Cambodia, and in TOKTEN's case, for the short-term only. Although they have the capacity to find candidates that meet our criteria, they may have to be reminded to scale down the qualifications they set in their recruitment efforts. The mistake can easily be made of hiring candidates that are too qualified, or that are not interested in staying in Cambodia for the medium- to long-term. This problem can be headed off during the search period by clearly defining parameters with TOKTEN, IOM, and the potential candidates.

3.5. BENEFITS TO THE PARTICIPANTS OF NEW PROFESSIONAL PROGRAM

The NPs programs is focused on locating, hiring, and grooming educated, literate, English-speaking Khmer. The success of the program depends on the dedication of NPs to stay in Cambodia, and within their respective Ministries for at least 2-3 years, but hopefully for the long-term. People who are interested in such positions fall into two categories, which are:

(1) local qualified Khmer who are willing to work at a rate of $200-$500 per month ($500 being a very high level of compensation); and

(2) expatriate Khmer who are intent on remaining in Cambodia for the long-term, and who, for that reason, do not need or expect traditional expatriate salaries. These people are willing to accept salary rates of between $1,000-$1,500 per month. It is expected that expatriate and local Khmer will be drawn by the intangible benefits of the NP program rather than by salary. These benefits will include mentoring by the advisor, development of training skills, policy exposure at a high-level, and development of a later career, in addition to the spirit of volunteerism that may motivate some candidates.

3.6. NEW PROFESSIONALS PROGRAM MANAGEMENT SUMMARY

3.6.1. RTSP Project Start-Up

The start-up of the USAID macroeconomic and rural development project will definitely precede the implementation of the NPs program. However, between now and project start-up, there are activities that the DAI/RTSP Office Manager can undertake to insure that the NP program flows

smoothly and quickly once long-term advisors are placed. One particularly important activity includes the preliminary recruitment of potential candidates, with the understanding that no commitments are to be made until the NP program has been approved by USAID. This recruitment should be undertaken in cooperation with the TOKTEN and IOM Program Directors. The RTSP Office Manager should also place advertisements in the Phnom Penh Post, and visit local organizations such as the ACE language school. Initial recruitment has already begun, and two qualified candidates have been identified for the Ministry of Economy and Finance, and the Ministry of Commerce.

3.6.2. Placement of Long-Term Advisors

Once long-term advisors are settled in their Ministries, NPs can be placed. The RTSP Office Manager should manage this process, and coordinate the efforts of all of the involved. The process is as follows:

(1) Soliciting and receiving a ministerial request for the NPs;

(2) Communicating on qualifications and review of candidates;

(3) Pre-selecting and interviewing candidates;

(4) Recruiting NPs;

(5) Briefing NPs on the project and on the consortium;

(6) Mobilizing NPs for the probationary period;

(7) Conducting the formal review process; and

(8) Implementing the long-term placement of NPs.

3.6.3. Ministry Request for New Professionals

Before the interview process can formally begin on the part of TOKTEN (if TOKTEN is used)[8], the designated Ministry must send a written request to the TOKTEN Program Director. The long-term advisor, with the help and coordination of the RTSP Office Manager and TOKTEN Program Director, can insure that the Ministry has access to and completes all necessary paperwork on time.

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[8]although informal recruitment can start much earlier

3.6.4. Communication on Qualifications and Review of Potential Candidates

During the recruitment and interviewing phases, the RTSP Office Manager, the long-term advisor, the TOKTEN Program Director and the ministerial counterpart should all have input, to insure that general qualifications have been met. This can happen in two ways:

(1) by soliciting input on general qualifications from the long-term advisor and the ministerial counterpart before recruitment begins; and

(2) by circulating resumes before interviews are made. This will assist consensus, and give each of the involved some ownership over the decision-making process.

3.6.5. Pre-Selection and Interview of Candidates

The RTSP Office Manager and the TOKTEN Program Director should pre-select 3-5 candidates for the long-term advisor and his ministerial counterpart to interview for each NP position. As mentioned above, both of these persons should have input into the qualifications of the pre-selected candidates. This will help cut down on the amount of time it takes to find and hire the right NP. Since TOKTEN, IOM and USAID have different mandates and objectives, candidates should be chosen according to and made aware of the objectives of the NPs program before they are hired. This will help insure that candidates are not placed and then decide to leave Cambodia after only a short time.

3.6.6. Recruitment of New Professionals

For those employees for whom probationary employment will be implemented through TOKTEN, the TOKTEN Program Director should take primary responsibility for managing and coordinating the recruitment process. As such, all interested parties and CVs should be referred to him at the outset. It is expected, however, that the RTSP Office Manager, the long-term advisor, and the ministerial counterpart will take an active part in the recruitment process. Since the TOKTEN Director already has a very busy schedule, and since the addition of 8-10 NPs will be a substantial workload, the RTSP project team will be expected to share in recruitment responsibilities. The RTSP team members also have a vested interest in participating in recruitment, since they want to make sure that the 'right' candidate is chosen. Before recruitment begins, the TOKTEN Director and the RTSP Office Manager should meet with each long-term advisor and his counterpart and agree on an operating procedure for recruitment.

3.6.7. Mobilization of New Professional for Probationary Period

After interviews have been conducted and positions offered to individuals, TOKTEN will take full responsibility for the mobilization of NPs. This includes making arrangements for and

paying transportation to Cambodia[9], arranging housing, arranging payment of per diem, and any other logistical issues. TOKTEN will take full financial and logistical responsibility for all NPs during the probationary period[10].

3.6.8. Formal Review Process

All NPs should be made to understand that their employment as a TOKTEN volunteer is probationary pending a successful review at the end of three months. During three months of employment under TOKTEN, their performance will be monitored by the USAID expatriate advisor, the TOKTEN Director, and Ministry staff. TOKTEN is in the process of establishing a formal review process that incorporates the input of both the host organizations and a TOKTEN reviewer, but they would be willing to include USAID in the process where our candidates are concerned. The formal review process can be used to gain ministerial consensus, and is a perfect time to formalize the relationships, responsibilities, goals, and objectives of the NPs.

Through its assessment efforts, the RTSP team has come to understand the importance of clearly defining the roles of volunteers and junior staff people. Clear job responsibilities, authority, and accountability are three issues that, if addressed up front, will greatly add to the effectiveness of the NP. At the end of the probationary period, the junior staff person should write (in Khmer and English) a two year work and professional development plan that address these factors. This plan should be reviewed in a tripartite meeting with the expatriate advisor, the Minister (or appropriate ministerial official) and the junior employee after a favorable review, but before a formal agreement of full-time long-term employment is made. This professional development plan should also be submitted to TOKTEN as part of their short-term project deliverables. Although flexibility is a crucial component of working in Cambodia, consensus building is equally important.

3.6.9. Transition to Long-Term Employment

Once the pre-determined probationary period is over (three months from inception), the formal review has been conducted, and the junior staff person is asked to remain at the Ministry long-term, RTSP will be expected to take over complete funding and management of the position. Table 1 below includes a breakdown of costs between TOKTEN and USAID that should be associated with a typical "New Professional" employee.

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[9]This should also include transportation back to his originating port if the candidate does not work out.

[10]Again, this needs to be confirmed with Koy Kantren, Director of the TOKTEN program.

TABLE 1

IMPLEMENTATION SCHEDULE

Activity	Implementing Organization & Individual	Dates	Cost to TOKTEN	Cost to USAID
USAID Project Start-Up	USAID, RTSP Project Team	December 1993		✓
Long-Term Advisors Placed	USAID, RTSP Project Team	February-March		✓
Ministry Request for New Professional to TOKTEN	USAID, Ministry, Long-Term Expatriate Advisor	March	✓	
Communication on Qualifications and Review of Potential Candidates	USAID, Ministry, Long-Term Expatriate Advisor, TOKTEN/IOM	March	✓	
Pre-selection and Interview of Candidates	TOKTEN, LT Advisor, RTSP, ministerial counterpart	March	✓	
Recruitment of New Professional	TOKTEN/IOM	March-April	✓	
Mobilization of New Professional	TOKTEN	April	✓	
Formal Review Process	TOKTEN, Ministry, Long-Term Expatriate Advisor	July	✓	
Funding of Long-Term New Professional Position	USAID	August 1993 August 1996		✓

CHAPTER 4

MINISTRIES RESPONSIBLE FOR MACROECONOMIC MANAGEMENT

4.1. OVERVIEW

In this chapter, the particular needs of each of the Ministries responsible for macroeconomic management is assessed in light of its role in policy making and implementation, and taking account of the general considerations treated in Chapter 2. To recall the discussion of Chapter 1, the key actors in macroeconomic policy are:

(1) the Ministry of Economy and Finance;

(2) National Bank of Cambodia; and

(3) the Ministry of Commerce.

Macroeconomic management of a market economy also requires a functioning of pricing and cost recovery procedure for economic infrastructure, so the public utilities regulation function of the Ministry of Industry, Mines and Energy (responsible for electricity supply and regulation) is discussed in this chapter also.

There are two reasons for discussion by Ministry in this report. The first is that such a disaggregation is a logical one to increase the specificity of the assessment of needs. Disaggregation could instead have been done by type of need (for instance audit, monitoring, or language capability). However, this is contraindicated by the second reason, which is to have the analysis correspond more directly to the programmatic form any assistance must take if it is to be effective. As mentioned earlier, a natural tension exists between macroeconomic Ministries which is inevitable and not the result of conflicting bureaucratic or political jurisdiction. This tension is between the agency most responsible for executing Government fiscal policy and the guarantor of the banking system. Another, less strained conflict exists between the Ministries directly responsible for macroeconomic management and the regulator and facilitator of domestic markets, the Ministry of Commerce.

Some needs can be met most effectively across Ministries. For example, training in technical English not only is outside the realm of conflict between Ministries, but joint training would lead economic managers in these Ministries to share a vocabulary. Each "class" of trainees would also create personal networks across Ministries which would serve on an informal basis to reduce the bureaucratic conflict between Ministries and create more of a sense of shared mission among junior- and mid-level management which will become the senior management in the future. It is also to be expected - and known to the Cambodian policy-makers - that the advisors coordinate informally among themselves and across Ministries, no matter what formal

organization is chosen.

The most specific analysis and training is not appropriately shared across Ministries, however, due to differences in appropriate orientation and content of training and policy research among Ministries; and the confidential nature of the relationships between policy advisors to the ministerial policy-making process and to the level of trust and confidentiality both during and after their service to which advisors will be held. Finally, treating each Ministry as a "module" permits donor assistance to be resealed and reprogrammed according to the needs and progress of each "client" Ministry, with functions transferred to the Ministry as they become sustainable. As a result of these considerations, in programmatic terms the assistance would consist of distinctive activities coordinated at the level of the technical assistance team.

All advisors, both long-term and short-term, would respect the privilege and confidential nature of their relationships to the ministerial policy-making process. Clear guidelines would be developed at the beginning of service to distinguish between reporting requirements for AID and the more confidential professional advice offered to Ministries' high-level staff. Advisors would be held to this confidentiality both during and after their service to the Ministry.

In the assessment which follows, each deliberation begins with a description of Ministry's role in the macroeconomic management of Cambodia, followed by an assessment of the problems it faces in discharging this role. This assessment covers both the needs of the Ministry ranked in terms of their contribution to its macroeconomic impact, and what is being done to deal with these needs. Unmet needs are addressed in the context of the entire macroeconomic management requirements for the reconstruction and development of Cambodia within a liberal market economy, to suggest priorities for a coherent package of donor assistance.

4.2. MINISTRY OF ECONOMY AND FINANCE

4.2.1. Summary

The Ministry of Economy and Finance (MEF) is responsible for formulating and implementing the Government's current and capital budget, and for formulating fiscal policy. Beginning in January 1994, the Ministry will be responsible for revenue collection at all levels, donor assistance coordination, and control of the budgets of each of the Ministries. Before 1994, Provincial and Municipal revenues, as well as revenues from State Owned Enterprises (SOEs), were outside the Ministry's purview. With a staff of 7,000 beginning in 1994, the Ministry needs technical assistance, training, and supporting commodities. The AsDB/UNDP/IMF Project is providing essential technical assistance in macroeconomics management and donor coordination to the Ministry. However, the assistance is composed mostly of short-term advisors who must focus on narrow technical issues and whose output is accessible only to the Ministry's small top-level staff.

The Ministry's needs, in light of other technical assistance it is already receiving, would be best addressed by a team of four long-term technical advisors and trainers who would serve as Councilors to the Minister. The team would consist of:

* a Senior Economist;

* a General Government Auditor who is an expert in financial as well as performance audits;

* a Public Finance Economist with experience in developing budgetary "gap" analysis and in dealing with international donor organizations; and

* a Project Evaluation Economist with extensive experience in cost-benefit analysis and environmental impact assessments.

These team members would combine their technical assistance with training, both one-on-one and in small classes at the Ministry so staff are not away from their posts. Short-term specialists would be brought in on an "as needed" basis, with the long-term advisors placing the short-term assistance in context. The advisors would also coordinate on an informal basis with their counterparts and staff in the other Ministries, especially the Ministry of Commerce, the National Bank of Cambodia, and the Ministry of Planning. Khmer-English-Khmer translators would accompany the advisors. Supporting computers, software, systems, electronic equipment, office materials, and training supplies would also be part of the package.

4.2.2. Role of Ministry of Economy and Finance in Macroeconomic Management

The Ministry is responsible for implementing the Government's current and investment (capital) budgets, planning, negotiating, and coordinating donor assistance, as well as conducting all foreign transactions of SOEs and the other Government Ministries. These functions make it responsible for both the tax and spending decisions on a day-to-day basis that comprise fiscal policy, as well as some foreign exchange operations that overlap into monetary policy. The Ministry has 13 Departments: Treasury; State Domains (including SOEs and public lands); Foreign Finance; Financial Affairs; Organization, State Budget, Cabinet, General Inspectorate, Accounting, Customs & Excise, Tax, The Cambodian National Insurance Company (a SOE), and the Ministry of Finance School.

Macroeconomic management primarily resides in Customs and Tax Departments (revenue and tax collection), State Budget (formulates the Government's overall budget), Foreign Financial Affairs (operates a foreign exchange agency that tracks the foreign exchange markets, manages the Government's use of foreign exchange, and plans for the Government's ICORC presentation), Financial Affairs (manages the Government's current operating budget), Investment (manages the Government's capital budget), and Treasury (manages debt and serves as a final check on disbursements). State Domains, as sole fiduciary "stockholder" of SOEs,

has an implicit macroeconomic management role. The Inspection Commission is also involved, because it has inspection and audit functions for all Ministries except Police and Defense. Long-term ability of the Ministry to meet its macroeconomic responsibilities rests with the Organization Department and the Ministry's School of Finance, which are responsible for staff training and development.

4.2.3. Status and Needs Assessment

The Ministry is headed by one Minister, one Secretary of State, and two Under-secretaries of State. It has 3,327 staff under its current organization. When it is reorganized in January 1994 to incorporate provincial and district financial officers, its staff number will increase to 7,000 staff.

The Ministry is rapidly expanding its functions and staffing in an uncertain political and economic environment. To meet its new mission effectively, the Ministry must address its most critical need: **improving the technical competence of its staff.** Specific needs are discussed below.

* Policy-makers at the highest levels need technical assistance and advice. Now, the Ministry gets some advice at this level from the IMF through a Senior Fiscal Policy Advisor on tax policy and administration. However, this advisor was present only for a short-term assignment; a replacement for a one-year tour is scheduled to arrive in December 1993. The Minister and his top staff need support on a long-term basis (3-5 years) that will help the Minister and his staff formulate fiscal and donor assistance policies, and exercise transparent budget control for the Government. The Minister has expressly asked for such an advisor.

* The Ministry lacks the ability to conduct financial and performance audit capabilities. In order to promote transparency, accountability in Government and foundations of democracy building, the Ministry needs strong audits because it is responsible for controlling disbursements and collections and formulating each Ministry's budget. Financial and performance audit capabilities are needed at all levels of the Ministry.

* The Ministry and the Government are overwhelmed by the need to formulate the Government's donor-assistance requests and evaluate donors' proposals. In addition, the Ministry needs guidance in coordinating and monitoring international assistance. This involves setting up the methods to track and forecast Government revenues and expenditures, prioritizing expenditure requests from the other Ministries, assembling an overall forecast budget, and developing forecasts of the shortfall (i.e. "gap") between revenues and expenditures that can be presented to the National Committee for Reconstruction and Development (NCRDC), the Assembly, and ultimately working with the ICORC to negotiate and coordinate donor assistance.

* The Ministry lacks the ability to evaluate the costs and benefits of the proposed public-sector investment projects. It also lacks the ability to evaluate the environmental and social costs and benefits of the proposed private investment projects. When projects are proposed, the Ministry needs to be able to conduct cost-benefit analysis and environmental impact assessments. At present, the Ministry is responsible for formulating the capital budget, and building institutional strength in the area where project appraisal is critical.

* The Ministry's staff lack English-language skills. This is especially critical in the Department of Foreign Financial Affairs, which is responsible for planning and preparing the ICORC presentation, controlling foreign-aid funded projects, enforcing foreign contracts, and managing the Government's foreign exchange budgets.

* The Ministry's staff also lack expertise in: free market-oriented economic management (basic and advanced, including project appraisal), accounting, auditing, management, and computer use.

* Teachers at the Finance School lack the backgrounds to teach the subjects now being offered. The School has its own campus, minimizing day-to-day contact with the rest of the Ministry's staff. The school was upgraded in 1992 from offering a high-school-equivalent degree to offering a post-high-school certificate.

* The Ministry needs to modernize and computerize the accounting, auditing, and other systems. Now, most accounting is done by hand or pocket calculator. The socialist system of accounting is being replaced with western accounting systems. The French system is being introduced, although parallel accounts must be kept in the Anglo-Saxon system to deal with the donors.

* The Ministry lacks computers, office electronics, and general office supplies. In order to implement an effective technical assistance and training program, some basic commodities are required. This includes computers, copiers, and filing cabinets.

4.2.4. Assistance by Other Donors

Substantial advisory assistance is being provided to the MEF by the AsDB/UNDP/IMF Project. The assistance is being provided by primarily short-term advisors, but includes some long-term experts.

The IMF is supplying a Senior Fiscal Advisor for tax policy and administration on an intermittent basis; an advisor was in place from April-July 1993 and a replacement to serve for a year is expected in December 1993. A mission on tax policy and administration was provided by the IMF in November 1993. A short-term (4 months) expert in tax policy and administration is scheduled to start in November 1993. Another short-term (6 months) tax policy advisor is

expected to start in November to help implement tax reform proposals. The IMF is planning a fiscal reform mission to start in late 1993 or early 1994. The goal of the mission is to establish an agenda and timetable for fundamental fiscal and tax reform.

Two long-term advisors are being supplied by the World Bank-UNDP on budgeting and expenditure control and Treasury operations. They have been in place since 1992. Their missions are to develop new budget nomenclature and procedures for the 1994 budget, to reinstate Treasury in its traditional role, and to develop new accounting procedures for Treasury. Under the AsDB/UNDP/IMF Project, two other short-term experts from the IMF are planned. They are: an expert in public accounting (4 months), and an expert in budget law (1 month).

The AsDB is providing a resident technical advisor in public investment programming to the Ministry of Planning, but not to the MEF. This advisor is providing assistance in policy formulation and project monitoring, and will help establish computerized systems, logistical support and special studies as needed. This advisor plans to coordinate closely with the MEF.

The Asia Foundation is providing some English-language training for a small group of MEF staff through the Australian Center for Education.

4.2.5. Problems and Gaps Remaining

A large amount of important technical assistance is planned under the AsDB/UNDP/IMF Project and from other donors. However, gaps remain in the types and duration of technical assistance being offered. The planned assistance does not adequately address the lack of education and skills among MEF staff, lacks applied training for the staff, and does not provide enough technical assistance, training, or supporting commodities in specific areas where the Ministry has line responsibilities. Key areas needing more long-term technical assistance, training, and supporting commodities are:

* advice to senior policy-makers;
* on-the-job and on-site technical training;
* English-language training;
* financial and performance audits;
* budgetary gap analysis;
* coordination and monitoring of international assistance; and
* project investment appraisal, as well as modernizing and computerizing the accounting, auditing and other systems.

Specifically, the AsDB/UNDP/IMF Project has recommended but not determined who would supply an advisor on the public investment budget. The Project calls for two-to-three year assistance, combined with short-term assistance in this area.

The Ministry's expatriate advisors will require considerable Khmer-English translation support. This is a key need identified by the Minister and all the MEF staff with whom we met. MEF staff also emphasized their own need for English-language training, although some training is being provided through the Australian Center for Education. The English training should be provided without a fee, but after regular working hours.

For the long-term, there should be a program of assistance to the MEF's School of Finance. Since its curriculum reform in 1992, the School teaches MEF staff and others who qualify in 17 courses, ranging from political economy, macroeconomics, microeconomic, statistics and national accounts, mathematics, to customs law, general accounting, and cadastre. The school's two-year program leads to specialized post-high-school certificates. Now, there are 138 students in the first-year program, and there is no second-year class yet. Their Director would like to increase the size and rigor of the curriculum. The teachers need retraining in market-oriented economics, and modern practices in the other fields. The school also has important commodity needs to support its teaching and these needs are not being met by other donors. These needs and others are elaborated in Annex A.

4.2.6. Relation to Manageable Interest of AID

In Cambodia, USAID's prime objective is to achieve broad-based sustainable economic growth. This is to be done by strengthening Cambodia's Government institutions to manage and implement the nation's transition to a free-market economy. Another prime objective is to strengthen the capacity of public and private institutions to facilitate the transition to a democratic society. Appropriate assistance to the Ministry of Economy and Finance, coordinated with the other donors, will go far in achieving these twin objectives.

The Ministry of Economy and Finance formulates fiscal (and some monetary) policies in addition to planning and coordinating donor assistance. The Government's tax and expenditure policies are in large part determined in this Ministry. Technical assistance, training, and supporting commodities to help the Ministry attain best modern practices that are transparent, fair, and efficient will promote sound fiscal and monetary policies, make the most out of donor assistance, and thus promote long-term, sustainable broad-based economic growth. The transparency in Government regulation and other activities will also strengthen the transition to a democratic society. Appropriate tax and spending decisions also are critical to improving equity in Cambodian society.

4.2.7. Proposed Technical Assistance Staffing

The Minister of Economy and Finance and his senior staff have requested expert advice and support on a long-term basis for the formulation and implementation of fiscal policy and donor coordination. The Ministry of Economy and Finance (MEF) needs assistance in formulating forecasts of revenues and expenditures, prioritizing projects proposed by the various Ministries, and estimating the revenue shortfall to be potentially funded by the donors. The Minister also needs assistance in implementing transparent budget controls and performance audits for the Government that will best promote sustainable economic growth, equity, and integrity in Government.

Under the Development Assistance Advisory Group (DAAG), USAID will provide a team of four long-term technical advisors and trainers to the Ministry of Economy and Finance (DAAG/MEF). The ultimate goal of the advisors will be to develop the capacity of the MEF staff to prepare expenditure and revenue forecasts, evaluate and prioritize proposed Government programs, as well as plan and coordinate donor assistance to promote sustainable economic growth within a democratic context. The goals of the RCG economic policy are to increase growth in domestic production, increase exports, lift foreign exchange earnings and broaden the domestic tax base. This growth should allow for the repayment of the loans being made by the World Bank, AsDB, and the IMF while improving the Cambodian standard of living. Summary descriptions of the four advisors follow.

* Senior Economic Advisor, who will work on a broad range of policy and implementation issues and will serve as an Advisor to the Minister.

* General Government Audit Advisor, who is an expert in financial performance and organizational audits. This Advisor will provide technical assistance and training so that the MEF will develop the capacity to conduct these types of audits without the need for continuous technical assistance in the future.

* Public Finance Economic Advisor, who is an expert in developing governmental budget forecasts, assessing external assistance requirements, and in dealing with international donor organizations. This Advisor will also have the capability to transfer the ability to do these tasks to the MEF staff.

* Project Evaluation Economic Advisor who is an expert in doing cost-benefit analysis and environmental impact assessments. This Advisor will provide technical assistance and train MEF staff to review the proposed projects and the proposed budgets from the other Ministries.

These advisors will combine their technical assistance with training, both one-on-one and in small on-site classes at the Ministry, so staff are not away from their posts. The training program will primarily involve on-the-job monitoring and short on-site classes that improve the staff's ability to do their jobs. Courses will have about 20 mid-level staff as students at a time,

targeting the 245 staff at the Ministry who have advanced degrees or training. On-the-job mentoring will be provided to a core group of staff who have the most advanced skills. The advisors will also design seminar programs, involving staff in addressing key issues faced by the Ministry. Overall, the training will ultimately pull up the staff's ability to perform these functions without continuous technical assistance in the future.

The long-term advisors will also place the assistance from short-term advisors in context so that the staff can more readily absorb the assistance. The advisors will also coordinate on an informal basis with their counterparts and staff in the other Ministries. This explicitly includes coordination with policy advisors to other Ministries that are part of the DAAG concerned with macroeconomic management and related training.

All advisors, both long-term and short-term, will respect the confidential nature of their relationship to the ministerial policy-making process. Advisors will be held to this confidentiality both during and after their service to the Ministry.

If the USAID level of effort is to be smaller, the Public Finance Economic Advisor and the Project Evaluation Economic Advisor positions could be combined, but at a substantial cost in the effectiveness of the DAAG/MEF to meet its goals. MEF's review of the line Ministries' budgets would be less in-depth, leading to a less effective budget management system, less efficient use of donor resources, and slower economic growth. If the USAID budget makes this staffing cut imperative, every attempt should be made to get another donor to fund the fourth position.

4.2.8. Scope of work for the Long-term Senior Economic Advisor (MEF)

The Senior Economic Advisor will fulfill the following tasks:

(1) provide technical assistance to the Minister and his staff on all aspects of the Ministry's functions;

(2) oversee and actively take part in the technical training program;

(3) work closely with the Minister, other MEF staff, and the other advisors to develop revenue and expenditure forecasts, prioritize the proposed projects of the other Ministries, and assist in the preparation of the Ministry's proposals for donor assistance, focusing on the relationships between tax, debt, and foreign exchange management;

(4) coordinate the use of short-term advisors;

(5) report frequently to and maintain a close liaison with the DAAG Director; and

(6) prepare written quarterly reports on general activities and progress for the DAAG Director and USAID.

The goal of the Senior Economic Advisor, DAAG/MEF in the short-term is to advise the Minister and his staff on how best to meet the Ministry's responsibilities. In the long-term, the Senior Economic Advisor will build the Ministry's capacity to fulfill its missions of developing and implementing fiscal policies, and more broadly, macroeconomic management policies that will promote sustainable and equitable economic growth in Cambodia. This growth will raise the Cambodian standard of living while generating enough taxes and foreign exchange earnings to service the debt.

The Senior Economic Advisor will begin on or about April 1, 1994. The contract will be for a term of 2 years, with options to extend annually for a year at a time for a total of 5 years.

4.2.9. Scope of work for the Long-term Public Finance Economic Advisor (MEF)

The Public Finance Economic Advisor will have experience with and the ability to develop budget analysis, deficit management strategies, and deal with international donor organizations. The Public Finance Economic Advisor will fulfill the following tasks:

(1) provide technical assistance to the Ministry's policy-makers on all budgetary, foreign exchange, and international donor issues of the Ministry;

(2) actively take part in the technical training program, specifically training MEF staff to understand the uses and limitations of the several aid programming modes used by the various donors and their implications for Cambodia's policy-makers;

(3) work closely with the Minister, other MEF staff, and the other advisors to develop expenditure and revenue forecasts, prioritize the proposed projects of the other Ministries, and prepare the MEF's proposal for donor assistance;

(4) work with MEF staff, other advisors, staff at other Ministries, and other groups as directed by the Minister to assist in the preparation of Cambodia's presentations to the International Commission on the Reconstruction of Cambodia (ICORC);

(5) work across Departments, but concentrate on Foreign Financial Affairs (donor planning and coordination), Financial Affairs (current operating budget); and Investment (investment budget),

(6) recommend to the Director, DAAG/MEF when to use short-term advisors on budgetary, foreign exchange, and donor assistance activities;

(7) report frequently to and maintain a close liaison with the Director, DAAG/MEF;

(8) prepare written quarterly reports on general activities and progress for the Director, DAAG/MEF.

The goal of the Public Finance Economic Advisor, DAAG/MEF in the short-term will be to advise and provide technical assistance in the analysis of the Ministries' proposed budgets, different deficit-management approaches. and donor assistance and coordination issues. In the long-term, the Public Finance Economic Advisor will build the Ministry's capacity to perform these tasks, specifically in dealing with the donors and the design of efficient fiscal policies. The Public Finance Economic Advisor will begin on or about April 1, 1994. The contract will be for a term of 2 years, with options to extend annually for a year at a time for a total of 5 years.

4.2.10. Scope of work for the Long-term Project Evaluation Economic Advisor (MEF)

The Project Evaluation Economic Advisor will have strong training, experience, and the ability to conduct and teach cost-benefit analysis, other project evaluation techniques, and environmental impact assessments. The Project Evaluation Economic Advisor will fulfill the following tasks:

(1) provide technical assistance to the Ministry's policy-makers on all project evaluation and environmental impact assessment issues faced by the Ministry and provide advice and training to MEF staff on interacting with the Committee on Investment;

(2) actively take part in the technical training program, specifically training MEF staff and perhaps staff at other Ministries to understand the uses and limitations of cost-benefit analysis, other project evaluation methods, and environmental impact assessments;

(3) work closely with the Minister, other MEF staff, and the other advisors to develop evaluations on public and private projects, prioritize the proposed projects of the other Ministries, and prepare the proposed investment budget for the Government;

(4) work with MEF staff, other advisors, staff at other Ministries, and other groups as directed by the Minister to facilitate foreign and domestic private investment that promotes Cambodia's sustainable economic growth;

(5) work across Departments, but concentrate on Investment Budget), Foreign Financial Affairs (private projects involving foreign exchange), and Financial Affairs (current operating budget);

(6) recommend to the Director, DAAG/MEF when to use short-term advisors on project evaluation and environmental impact assessment assistance activities;

(7) report frequently to and maintain a close liaison with the Director, DAAG/MEF; and

(8) prepare written quarterly reports on general activities and progress for the Director, DAAG/MEF.

The goal of the Project Evaluation Economic Advisor, DAAG/MEF in the short run will be to advise and provide technical assistance on all aspects of project evaluation and environmental impact assessment that the Ministry needs to assess the proposed budgets of the other Ministries, as well as promote sustainable private investment in Cambodia. In the long-term, the Project

Evaluation Economic Advisor will build the capacity of the MEF staff to perform these functions on their own, leading to more efficient and equitable fiscal policies and sustainable economic growth in Cambodia.

The Project Evaluation Economic Advisor will begin on or about April 1, 1994. The contract will be for a term of 2 years, with options to extend annually for a year at a time for a total of 5 years.

4.2.11. Scope of work for the Long-term General Government Audit Advisor (MEF)

The General Government Audit Advisor will possess strong economics training combined with broad-based financial accounting and Government audit training and experience. He or she will evaluate the costs and benefits to Cambodia of different Government programs and organizational structures, in addition to carrying out more traditional audit functions. The General Government Audit Advisor will fulfill the following tasks:

(1) provide technical assistance to the Ministry's policy-makers on all financial performance and organizational audit functions of the Ministry;

(2) actively take part in the technical training program;

(3) work closely with the Minister, other MEF staff, and the other advisors to develop and computerize financial performance and organizational audit procedures;

(4) work across Departments, but concentrate on Organization, Foreign Financial Affairs, Financial Affairs, Inspection Commission, Treasury, State Budget, Customs and Excise Tax, and The Cambodian National Insurance Company;

(5) recommend to the Director, DAAG/MEF when to use short-term advisors on auditing activities;

(6) coordinate auditing activities within the Ministry and across Ministries;

(7) report frequently to and maintain a close liaison with the Director, DAAG/MEF; and

(8) prepare written quarterly reports on general activities and progress for the Director, DAAG/MEF.

The goal of the General Government Audit Advisor, DAAG/MEF in the short-term will be to provide advice and technical assistance to the MEF staff on all aspects of financial, performance and organizational audits as needed by the Ministry. In the long-term, the General Government Audit Advisor will ensure that the Ministry's staff have the capacity to conduct the needed financial, performance, and organizational audits that will promote efficient fiscal policy and integrity in Government.

The General Government Audit Advisor will begin on or about April 1, 1994. The contract will be for a term of 2 years, with options to extend annually for a year at a time for a total of 5 years.

4.3. NATIONAL BANK OF CAMBODIA

4.3.1. Summary

The National Bank of Cambodia (NBC) - the Central Bank, was reorganized in 1989 to begin to adapt to a monetary regime based on indirect control over the money supply. The NBC is weak in mid-level policy management and implementation. It also lacks many of the tools for facilitation and prudential regulation of financial intermediation by the private sector, including transactions clearing mechanisms, tools for indirect control of the money supply, and the ability to supervise commercial banks for prudential practices. To remedy this, bank management seeks basic on-the-job training in the basic theory of a free-market economy and of modern banking systems; and technical assistance, computers, and applied training on how to use the computers to collect data and conduct transactions. NBC management also seeks assistance in language training, in professional training overseas, in provision of computers and telecommunications equipment. These are described more fully in annex A.

NBC benefits from the assistance of a long-term senior advisor and receives significant short-term assistance from the IMF and UNDP. However, its reform effort can be greatly assisted by; and can absorb the impact of additional technical assistance consisting of two long-term technical assistants (a specialist in bank audit and a general economist strong in money and banking) and expatriate short-term technical assistance, in charged with providing on-the-job training, task-specific on-site classroom training, and policy research. This should be accompanied by domestic training in language conducted through a separate USAID activity or a local contract. Together this "package" would work to develop the capacity of bank staff through applied research into bank policy needs, and thus would not remove trained staff from their posts while improving bank capabilities. This assistance would complement existing long-term assistance to the bank and planned short-term donor assistance.

4.3.2. Role of the National Bank of Cambodia in Macroeconomic Management

The National Bank of Cambodia (NBC) was reestablished in 1979 after the destruction of the financial sector in 1975. In its reorganization in 1989 when the Government adopted a market economy approach, commercial and foreign exchange banking activities of NBC were moved progressively to the Foreign Trade Bank and the NBC began assuming the traditional duties of a Central Bank.

The NBC is now responsible for designing and implementing monetary policy in a liberal economy where all individuals and firms are authorized to hold foreign currency or foreign currency accounts and there are no formal capital controls. With a completely free foreign exchange market, foreign currencies are widely used for internal transactions and the Central Bank can expect to control the domestic money supply (and hence indirectly exchange rates) while excess demand for money is absorbed by the foreign exchange market.

Control over inflation is essential if there is to be a significant return of confidence in domestic currency-denominated financial assets which is necessary to deepen and stabilize currency markets, and to remonetize rural areas where economic activity may be impeded by insufficient liquidity. Control over inflation in turn is closely linked to a reduction in monetization of the fiscal deficit. Much progress has been made in these areas over the last six months. The Government's current external objectives include an increase in gross external reserves to 2.5 months of imports, and progress towards normalization of relations with all international creditors.

4.3.3. Problems Faced by the Central Bank

As it develops its role as Central Bank, the NBC must improve its ability to fulfill several essential functions of a central bank, these include:

* develop tools of monetary policy;

* develop policy tools and mechanisms for foreign exchange management;

* monitor commercial credit and develop indirect instruments for conducting monetary policy in a market environment, including controlling credit to the public sector and providing adequate credit to the private sector;

* license and supervise financial institutions; and

* incorporate village credit institutions into the national banking fabric without damaging them, and institutionalize the work — so far done primarily by Non-Governmental Organizations — in mobilizing savings and facilitating financial intermediation, so that domestic savings contribute to both the well-being of households which save and to rapid income growth fueled by efficient and profitable investments.

Until recently Cambodia was *tabula rasa* in respect to efficient financial intermediation. This has both its advantages: little bureaucratic inertia impeding change; and disadvantages: neither experience nor training to guide policy decisions for macroeconomic policy making.

4.3.4. Status and Needs Assessment

Steps are already underway to restore the independence of the NBC, including more stringent limits on the use of its credit to finance budget deficits, and the creation of an independent board of directors. The Governor is now appointed directly by the Head of State. The NBC has 365 employees at the main office in 11 Departments. The Bank's 21 branches employ 2,016 persons. Excluding the clerical and support staff, about 20 percent have university degrees, 40

percent have technical training, and the rest have primary-level technical skills taught under the socialist system.

NBC management understands that its requirements for the next few years are very basic:

* on-site training in the basic theory of a free-market economy and of modern banking systems;

* technical assistance and on-the-job training in particular tools, such as western accounting systems; and

* technical assistance, computers, and applied training on how to use the computers to collect data and conduct transactions (including transactions between the head office of the NBC and its regional branches).

This theme is repeated when one looks at certain key activities of any Central Bank: banking (clearing, bank reserve management, and open market operations), bank supervision and examination, and foreign exchange management.

The **Banking** Department conducts domestic transactions and relations with internal and external banks — both commercial and central banks, including the Bank for International Settlements (BIS). Now, all international transactions are being handled by the Foreign Trade Bank (FTB, a State Owned Enterprise) on behalf of the National Bank of Cambodia. The two entities are progressively being split apart, with the FTB becoming a commercial bank and the NBC becoming the Central Bank. As financial deepening occurs, this department will provide a clearing mechanism for riel transactions between banks. It will be the clearing house for the issuance of Central Bank Bonds and the exchange of riel denominated instruments, and for conducting open market operations. It will also serve as lender of last resort to the banking system, and serve as back office for all foreign exchange operations performed by dealers in the Exchange Management Department. The Department needs technical assistance, computing and telecommunications equipment, and training to modernize and computerize their accounting systems; to establish direct links to the BIS, U.S. Federal Reserve System, and other central banks; to conduct external transactions with other central banks and international commercial banks; and to develop internal policy tools, such as to set reserve requirements and eventually to conduct open market operations.

The **Bank Supervision and Examination** Department must ensure the safety and soundness of the commercial banking sector, through the imposition of prudential requirements enforced through off-site and on-site examinations. It is also responsible for internal audit of the NBC. As of late November, the Department had conducted on-site exams on about half the commercial banks in the country. Off-site exams consist of reviewing balance sheets and financial statements of the banks. Most commercial banks in Cambodia have computerized records, but the NBC is unable to take advantage of this to examine their records and spreadsheet databases. To do this, the Department requires computers, training in computer skills and audit, and technical

assistance to improve the quality of bank examinations.

The **Foreign Exchange Management Department** is responsible for managing Cambodia's official foreign exchange reserves and for formulating regulations on foreign exchange arrangements. It also monitors capital flows, on which it currently lacks information systems. It aims to unify the exchange rate system so that financial instruments denominated in riels become accepted by the public and that the banking system is used more for international trade. The Department must also introduce and operate a debt management program using an internationally recognized computerized recording system, to monitor current and future obligations of interest and principal repayment incurred when international lending to Cambodia resumes. The Department needs technical assistance and training to collect data in a computerized system from the commercial banks on foreign exchange transactions in order to form regulations on foreign exchange management and to deal with the IMF and World Bank.

Finally, the NBC inherited a socialist system of accounting prior to its reform. The Accounting Department has planned to switch over to a new accounting system since the formation of the new Government, but has been unable to do so without technical assistance, none of which has been forthcoming. There is debate between use of the French system, which is being introduced in the Ministry of Economy and Finance, and the "Anglo-Saxon" system which is more analytical and is required for reporting to the IMF. Now, their records of transactions between Cambodia and the IMF, other international organizations and creditors do not match those of the international organizations.

4.3.5. Assistance by Other Donors

The NBC has already benefitted from donors assistance in its reform effort. CDRI has provided a senior advisor to the Bank who has been in place since mid-1992, and France has proposed — but not yet identified — an advisor to the Governor. An IMF resident representative is scheduled to begin a one year assignment early in 1994. Finally, Bank management hopes that a TOKTEN volunteer will arrive shortly for three months, and he or she will be induced to stay on as advisor.

Several short-term (six months or less) tasks are planned to help the NBC adapt to its market orientation. Under the AsDB/UNDP program of assistance, a consultant has been provided in bank supervision, to help the NBC deal with the rapid proliferation of commercial banks. Under the same program, a series of six-month consultancies is proposed in implementing monetary policy, developing research and analysis capability, developing accounting capability, and in revamping the Central Bank law and other financial regulation. The Vice-Governor of NBC hopes that these advisors will identify new needs and that funding will be forthcoming for them to address these needs effectively in providing medium-term assistance through rolling short-term funding.

The IMF has provided assistance in monetary statistics as part of its missions, and will continue this in the future. It plans to provide a four-six-month technical assistance on further development of the foreign exchange market and revamping of the Foreign Exchange Law, in association with the merging of the official and parallel exchange markets. This was requested by the Foreign Exchange Department, but NBC has not received a response. The IMF is about to provide a six-month consultancy to develop NBC capability to compile balance of payments statistics. A resident representative is due to arrive early in 1994.

The Government of Thailand has provided technical assistance, including assistance in the Foreign Exchange Law, National Bank Act, Currency Law, and Supervision of Financial Institutions Regulations; some of the provisions are based on Thai regulations and laws.

4.3.6. Problems and Gaps Remaining

Most of the technical assistance being provided is task-oriented and short-term in nature. While these tasks are urgent, this will impose a heavy management burden (and later, implementation burden) on the policy-makers and managers of NBC, which lacks depth of upper level management and on the existing and proposed long-term advisors. Long-term technical assistance can complement this and alleviate the management burden by supporting and improving ongoing policy determination and practical applications of theoretical concepts. It can also serve as a "shock absorber" to assimilate the results of short-term consultants and convey them to the appropriate policy-makers and staff at an appropriate pace until domestic capacity exists.

Training has not yet been addressed adequately by the technical assistance programmed for NBC. The senior advisor has prepared a training plan which would require outside funding, but formal training (while highly necessary) withdraws qualified staff from line activities. It may also lack the real world context which the trainees will face on their return. There is no formal provision for on-the-job and on-site training which does not remove valuable staff from their normal tasks, and which produces immediate policy benefits from its content.

English language training is essential for a Central Bank which must deal with other Central Banks and with the International Donor Community. 180 NBC staff are currently enrolled in the Australian Center for Education (which offers training at twelve levels) at levels one through eleven. They receive between four and five hours of training per week, outside working hours. It is expected that small numbers of these will have achieved at least the ninth level within the next two years, but that a substantial need for training remains unfulfilled. Without this training, extra translation services are required for foreign technical assistants and some accuracy is lost in translation. The Bank must also depend on high-level staff for basic translation services and for dealing with the outside world.

4.3.7. Relation to Manageable Interest of AID

USAID Cambodia has as one of its strategic objectives to strengthen the institutional capacity of the Government sector to manage and implement Cambodia's transition to a free market economy. A second objective is to strengthen the capacity of pubic and private institutions to facilitate the transition to a democratic society.

NBC - the Central Bank, is the key actor in *formulating and implementing* monetary and exchange rate policy, for assuring the solvency of banking institutions and maintaining depositor faith in these institutions, for developing financial intermediation, and for assuring timely repayment of interest and principal on international debt. USAID assistance is focussed on key Ministries for macroeconomic management to reduce the program overhead and to increase complementarity in development of policy capacity. Among the macroeconomic management Ministries (Finance, Plan, Commerce, and Central Bank), the NBC is directly responsible for assuring stability in both the rate of change and the structure of prices, exchange rates and interest rates. This role is essential to facilitate economic activity, the smooth functioning of fiscal policy and domestic resource mobilization. As such, it is closely linked to the core objectives in macroeconomic management; monitoring and evaluating these activities are within the manageable interest of USAID.

4.3.8. Proposed Technical Assistance Staffing Development Assistance Advisory Group, National Bank of Cambodia

The policy-makers at the National Bank of Cambodia (NBC) and their staff have requested expert advice and support on a long-term basis to formulate monetary, foreign exchange, and bank supervision policies. The NBC requests assistance developing: tools of monetary policy, tools for managing foreign exchange systems to monitor commercial credit, licenses and methods to supervise domestically operating financial institutions, including rural credit institutions. The NBC also needs assistance in implementing transparent budget controls and performance audits for the Bank and the related Foreign Trade Bank (FTB, a state-owned enterprise being privatized). The NBC also has requested general audit support to monitor and supervise Cambodia's financial institutions. Sound monetary and banking policy will promote sustainable economic growth, equity, integrity in Government and trust in the financial institutions of Cambodia.

The NBC has responsibility for formulating and implementing the Government's monetary, foreign exchange, and private financial-institution supervision policies. Under the new Government organization, the NBC will be assuming all responsibility for managing foreign exchange reserves. Currently, the FTB performs the foreign exchange functions for the NBC.

Under the Development Assistance Advisory Group (DAAG), USAID will provide a team of two long-term technical advisors and trainers to the National Bank of Cambodia (DAAG/NBC). The ultimate goal of the advisors will be to develop the capacity of the NBC Staff to design and

conduct the monetary, foreign exchange, and private financial-institution supervision policies of Cambodia that will lead to sustainable economic growth in a democratic context. Research has shown that monetary policy leading to low inflation rates are critical to sustainable rapid economic growth. The goal of the growth is to lift the Cambodian standard of living and allow for servicing the debt. Summary descriptions of the two advisors follow.

* General Banking Audit Advisor, who is an expert in financial and performance audits and has experience working with banks. The advisor will provide technical assistance and training on all financial performance and organizational audit functions of the NBC. Both advisors will be familiar with the French and Anglo-Saxon accounting systems. The General Banking Audit Advisor will also serve as Director of DAAG/NBC and will supervise and coordinate the work of other DAAG/NBC Advisors.

* Money and Banking Economic Advisor, who is an expert in money and banking theory and practice. The advisor will provide technical assistance and training on monetary policy, banking supervision and foreign exchange policy issues facing the NBC.

These team members will combine their technical assistance with training, both one-on-one and in small on-site classes at the NBC so staff are not away from their posts. The training program will primarily involve on-the-job mentoring and a series of short on-site classes that will improve the staff's abilities to do their jobs. Courses will have about 20 mid-level staff as students at a time, targeting the 20% of the approximately 350 staff at the NBC Headquarters who have advanced degrees or training. On-the-job mentoring will be provided to a core group of staff who have the most advanced skills. The advisors will also design seminar programs involving staff in addressing key issues facing the NBC. Overall, the training will ultimately pull up the staff's ability to perform these functions without continuous technical assistance in the future.

The long-term advisors will also place the assistance from short-term advisors in context so that the staff can more readily absorb the assistance. The advisors will also coordinate with their counterparts and staff in the Ministries concerned with macroeconomic policy. This explicitly includes coordination with DAAG advisory teams at other Ministries concerned with macroeconomic management and related training.

All advisors, both long-term and short-term, will respect the confidential nature of their relationship to the ministerial policy-making process. Advisors will be held to this confidentiality both during and after their service to the Ministry.

If the USAID level of effort at the NBC is to be smaller, neither position is considered less critical. If the USAID budget makes a staffing cut imperative, every attempt must be made to get another donor to fund the position.

4.3.9. Scope of Work for the Long-term General Banking Audit Advisor (NBC)

The General Banking Audit Advisor will possess strong economics training combined with broad-based financial accounting and banking audit training, and experience. He or she will evaluate the costs and benefits to Cambodia of different programs and organizational structures for the NBC and the banking system, in addition to carrying out more traditional audit functions. The General Banking Audit Advisor will fulfill the following tasks:

(1) provide technical assistance to the Ministry's policy-makers on all financial performance, and organizational audit functions of the NBC in cooperation with the bank's other advisors;

(2) actively take part in the technical training program;

(3) work closely with the top policy-makers, other NBC staff and the other advisors to assist in developing and computerizing financial performance and organizational audit procedures both for the NBC itself and for the private financial-institution inspections;

(4) assist in preparing the NBC for external audits;

(5) serve as Director to DAAG/NBC, supervising and coordinating the activities of other DAAG/NBC advisors, both short-term and long-term;

(6) work with staff, other advisors and other DAAG team members at the other Ministries to help coordinate audit activities affecting macroeconomic management and donor coordination;

(7) report frequently to and maintain a close liaison with the Director, DAAG; and

(8) prepare written quarterly reports on general activities and progress for the Director, DAAG, and USAID.

The goal of the General Banking Audit Advisor and DAAG/NBC, in the short-term is to provide technical assistance on all aspects of the NBC's audit responsibilities. In the long-term, the General Banking Audit Advisor will build the NBC's capacity to meet its audit responsibilities to promote the integrity of the Bank, and build trust in the Cambodian private system of financial institutions. This will give the foundation needed for low inflation, sustainable economic growth and equity in a democratic context.

The General Banking Audit Advisor will begin on or about April 1, 1994. The contract will be for a term of 2 years, with options to extend annually for a year at a time for a total of 5 years.

4.3.10. Scope of work for the Long-term Money and Banking Economic Advisor (NBC)

The Money and Banking Economic Advisor must possess strong economics training combined with broad-based experience and expertise in monetary theory, policy, central-bank purposes and functions, and banking supervision. He or she will evaluate the costs and benefits to Cambodia of different programs and organizational structures for the NBC and the banking system. The Money and Banking Economic Advisor will fulfill the following tasks:

(1) provide technical assistance to the Ministry's policy-makers on all monetary policy, banking supervision, and foreign exchange policy issues facing the NBC in cooperation with other advisors at the bank;

(2) take the lead in designing and implementing the technical training program, (the training program will include but not be limited to: instruction in applied basic micro and macro market-oriented economics, money and banking, and international finance);

(3) recommend the use of short-term advisors;

(4) work closely with and report frequently to the Director DAAG/NBC, helping to coordinate activities within the NBC and across Ministries;

(5) report frequently to and maintain a close liaison with the Director, DAAG/NBC; and

(6) prepare written quarterly reports on general activities and progress for the Director, DAAG/NBC.

The goal of the Money and Banking Economic Advisor, DAAG/NBC, in the short-term is to provide technical assistance on all aspects of monetary, foreign exchange, and financial-institution supervision policies to the NBC policy-makers and staff. In the long-term, the Money and Banking Economic Advisor will build the NBC's capacity to design, formulate and implement monetary, foreign exchange, and supervision policies without technical assistance. Such policies have the goals of promoting faith in the currency, banking system, and encouraging sustainable growth and savings through low inflation. The ultimate goal is to lift the Cambodian standard of living while providing the capacity to ser ice debt.

The Money and Banking Economic Advisor will begin on or about April 1, 1994. The contract will be for a term of 2 years, with options to extend annually for a year at a time for a total of 5 years.

4.4. MINISTRY OF COMMERCE

4.4.1. Summary

The Ministry of Commerce (MOC), which is charged with the establishment and maintenance of a free market economy, lacks the necessary skills both for establishing and maintaining domestic regulation and for engaging in external trade negotiation. The skills include fundamental knowledge of how free markets work, English language - to deal with international trade partners and negotiations - and on-the-job experience in establishing and maintaining the regulatory environment for market-oriented economic growth. These needs could be met through the provision of two long-term (3-4 years) technical advisors — one applied trade expert with regulatory experience, and one economist specializing in regulatory regimes but with a general capability to train — supported by short-term technical and training assistance in specialized topics as they become important. The training and on-the-job research on regulatory and negotiations issues would be supported by the provision of personal computers and photocopy facilities which would be available for the research and monitoring needs of staff after training in their productive use. Language instruction would be provided through this assistance to a set of mid-level and entry-level professional staff, using either a self-standing AID training program or a local contractor.

4.4.2. Role of the Ministry of Commerce in Macroeconomic Management

The Government has identified the MOC as the agency to serve as primary vehicle for creating and sustaining a free market economy. To do this, however, requires a complete reorganization and restructuring of the Ministry's objectives, organization and workforce, to break with its past as a socialist instrument of direct command and resource allocation. Ministries of Commerce in market economies are responsible for improving and maintaining the regulatory environment (formal and informal) affecting both domestic and international trade; negotiating international treaties and agreements on behalf of the Government; designing and implementing commercial law, and supporting its even-handed enforcement by the civil authorities; and in improving the climate for both domestic and foreign investment. The MOC has an important role in the regulation and possible divestiture of state owned enterprises. It must particularly be concerned with regulation of the natural monopolies.

While the elimination of many regulations makes a large number of the previous Ministry functions redundant, there are still a number of legitimate and important functions. These include functions such as business registration for information and statistical purposes, creation of industry and trade standards, facilitation of domestic trade, international negotiations, international promotion, information gathering, consumer protection and anti-trust regulation.

4.4.3. Problem Faced by the Ministry

The MOC requires a complete restructuring to achieve its new market objectives. Its significant staff size of 4,000 masks the low productivity, as many of these were hired under the old system by several semi-independent departments to control specific economic sub-sectors and activities, a function made obsolete by the current market orientation. This staff must receive even a very basic training in market economics if it is to serve a facilitative role for market-led development. Above them, the Ministry lacks depth of policy management to support the core top strategic policy-makers and to implement their strategy. The Ministry identified its specific needs as technical assistance and both formal and on-the-job training at all levels to improve management, domestic trade, international trade, and management and divestiture of state owned enterprises. Foreign trade and investment pose a range of problems for the Government, concerning communications ability, and negotiation and analysis in foreign trade and international contracts.

4.4.4. Status and Needs Assessment

The Minister of Commerce has stated that his first priority is to change his staff's orientation towards a market economy. This requires part-time courses offered to staff at the work site (so as not to withdraw them from their ongoing activities) in the basic functioning of market economics, and workshops on various aspects of competition and the regulatory environment.

Despite a central staff of 400, there is little depth of professional competence at the higher levels of the Ministry. Hence the progress to transform from a centrally planned economy to a free market economy is jeopardized. The staff are not capable in managing the evolving commercial operations, regulating monopolies and assuring the enforcement of a transparent commercial code and related law.

Much international negotiations require fluency in major trading and negotiating languages, particularly English. The Ministry is weak in this at the top policy levels. It lacks depth of staff ability to support policy-making. A language course for mid-level staff is urgently needed, specifically designed around the general language skills and specific linguistic and conceptual understanding necessary for international trade and contract negotiations.

Such negotiations require also the development of specific skills of a negotiator and the analytical capability of the supporting staff to give both credibility and development value to the negotiation positions developed. These skills must be developed through training and analysis performed on the job with the assistance of experts.

The MOC's responsibility for data collection concerning domestic and foreign trade has changed remarkedly in the transition from a command economy with extensive supervision of transactions between firms as well as sales to the public, to an economy where a heavy statistical apparatus in itself is a barrier to efficient markets. Technical assistance is required to develop new methods of data collection and to make them serve their purpose in national accounts and

Government strategic management.

With around 4,000 staff, most trained in central planning with direct control of the productive and commercial apparatus, the MOC requires assistance in transforming itself towards opening the domestic market to competition and the international market to Cambodian goods. In this orientation its staff must become facilitative rather than controlling, and control will occur through the design and enforcement of transparent regulations and edicts. The first need is to develop (in association with the work agenda) a training course in the basics of market economics for key staff. This will provide the basis for subsequent development of training modules based on this content and approach for the Ministry's internal staff development program.

In support of activities addressing the above needs, the Ministry requested certain office electronics such as personal computers and photocopying equipment, to increase staff and communications capabilities to deal with foreign countries.

Finally, the strategy for transformation of the Ministry presented to the assessment team by Minister Var Huoth centered on formal training programs for his staff both in Cambodia and abroad. The number of staff in a position to benefit from such training appears to be limited and their withdrawal from their posts would constrain severely the already-limited capability of the Government in policy determination and implementation. However, if the most serious deficiencies in language, economics, analysis and negotiation are upgraded on the job, within two years a small but growing number of professionals will be capable of benefitting from training abroad.

4.4.5. Assistance by Other Donors

Donor assistance is concentrated in the other macroeconomic Ministries — Finance, Plan, and Central Bank — and does not have an impact on the MOC except through common concerns such as budget. No technical assistance to the MOC is currently programmed by World Bank, AsDB, UNDP or bilateral donors.

Training assistance will likely become available to staff of the Ministry during the period of this assistance. The selected individuals would become qualified through local language and task-oriented training, if offered in the MOC, to participate usefully in such programs. UNDP's TOKTEN and other programs (such as CANDO) designed to encourage the repatriation of Cambodians abroad may bring in some of the mid- to high-level staff sought, though the problem of their remuneration and reintegration into non-project Cambodian economic activity will remain.

The Ministry requests significant communications equipment for which assistance from other donors should be sought when MOC staff is trained in the efficient use of this equipment in trade and negotiation.

4.4.6. Problems and Gaps Remaining

Since no other donor assistance has been identified, and attracting expatriated Cambodians to return will depend largely on the institutional environment in which they can work and the impact they can be seen to have on their society, the problems discussed above have not been addressed satisfactorily elsewhere.

The issue then is the lack of resources. Among the three Ministries most essential for macroeconomic management in an economy in transition to a market economy, the MOC is to date the least assisted by other donors assistance. While a large integrated program might be proposed to address its needs in market liberalization, these resources have competing uses elsewhere. As a result, it is difficult to argue for support of a major training program abroad when such a program will draw valuable staff from existing programs. Instead the assessment team has attempted to see where domestic programs may set the scene for future advanced training.

4.4.7. Relation to Manageable Interest of AID

As one of its strategic objectives, USAID Cambodia has to strengthen the institutional capacity of the Government sector to manage and implement Cambodia's transition to a free market economy. A second objective is to strengthen the capacity of pubic and private institutions in facilitating the transition to a democratic society.

The Ministry of Commerce is one of the key Ministries for *implementing* economic reform and for assuring that the economic relations both within the domestic economy and affecting international investors evolve under the rule of law. Despite its experience drawn from implementation, the MOC is only indirectly tasked with the formulation of such policy (though this role may increase under the coordination provided through NCRDC). USAID assistance is focussed on key Ministries for macroeconomic management to reduce the program overhead and to increase complementarity in development of policy capacity. Among the macroeconomic management Ministries (Finance, Plan, Commerce, and Central Bank), Commerce is the most directly involved with the economic actors (particularly the private sector), and is uniquely situated to provide "real world" input into policy decisions and procedures so that macroeconomic decisions reflect microeconomic behavior. This vocation is particularly important because, given the general inexperience in macroeconomic management, development of the regulatory and fiscal regime must be an iterative process. It cannot be designed all at once and forever, but must evolve with the business environment on the evidence produced by monitoring and by feedback from private sector operators. Some of this feedback will come through the political process, but much — particularly for small enterprises — will come through the daily interactions between Ministry of Commerce and the business community.

4.4.8. Proposed Technical Assistance Staffing Development Assistance Advisory Group (MOC)

The Minister of Commerce and his senior staff have requested expert advice and support on a long-term basis for formulating policies that will help establish a sustainable market-oriented economy. The Ministry of Commerce has requested assistance in formulating domestic business and trade regulations, as well as assistance in negotiating external business and trade relationships, contracts, and treaties. Establishing the proper regulatory environment for both foreign and domestic businesses is critical to promoting sustainable economic growth.

This Ministry has responsibility for formulating and implementing the Government's regulations and programs for businesses that facilitate the formation and growth of a market-oriented economy. Under the new Government, the Ministry is drastically shifting from its command and control policies under the old Socialist regime to developing a regulatory structure and programs that facilitate market-oriented growth.

Under the Development Assistance Advisory Group (DAAG), USAID will provide a team of two long-term technical advisors and trainers to the Ministry of Commerce. The ultimate goal of the advisors will be to develop the capacity of the MOC Staff to design and conduct business regulatory and trade policies. Appropriate regulatory policies will promote sustainable economic growth in a fair, open market-oriented economy that encourages equity and democracy. Summary descriptions of the two advisors follow:

* Trade Expert Advisor, who has extensive experience in conducting international trade negotiations, international business transactions, and with the ability to design business regulations. This advisor will provide technical assistance and training on all aspects of international and domestic trade regulations to facilitate private investments that will lift economic growth and provide opportunities for the Cambodian people. This Advisor will also serve as Director, DAAG/MOC, supervising and coordinating the other DAAG advisors working with the Ministry.

* Regulatory Economic Advisor, who has experience in applied microeconomic, public utilities management and valuing and divesting state owned enterprises (SOEs). This advisor will provide technical assistance and training in establishing business regulations that foster a fair, open market-oriented economy, managing public utilities, and managing SOEs.

These team members will combine their technical assistance with training, both one-on-one and in small on-site classes at the Ministry so that staff are not away from their posts. The training program will primarily involve on-the-job mentoring and a series of short on-site classes that improve the staff's ability to do their jobs. Courses will have about 20 mid-level staff as students at a time, targeting the staff at the Ministry who have advanced degrees or training. On-the-job mentoring will be provided to a core group of staff who have the most advanced

skills. The advisors will also design seminar programs, involving staff in addressing key issues faced by the Ministry. Overall, the training will ultimately pull up the staff's ability to perform these functions without continuous future technical assistance.

The long-term advisors will place the assistance from short-term advisors in context so that staff can more readily absorb the assistance. The advisors will also coordinate with their counterparts and staff in the other Ministries. This explicitly includes coordination with DAAG advisory team members in other Ministries concerned with macroeconomic management and related training.

All advisors, both long-term and short-term, will respect the confidential nature of their relationship to the ministerial policy-making process. Advisors will be held to this confidentiality both during and after their service to the Ministry.

If the USAID level of effort at the MOC is to be smaller, the Regulatory Economic Advisor can be put part-time at the Ministry of Industry, Energy, and Mines. Requests from the Ministers of both Ministries require the skills of a good microeconomic-oriented regulatory and public utilities economic advisor. However, the cost of spreading this type of technical assistance and training will be high in terms of its effectiveness. If the USAID budget makes this cut imperative, strong attempts must be made to get another donor to fund the jeopardized position.

4.4.9. Scope of Work for the Long-term Trade Expert Advisor (MOC)

The Trade Expert Advisor must possess a strong business and negotiation background in an international context with the ability to provide technical assistance and training in crafting a market-oriented set of business regulations. The Trade Expert Advisor will fulfill the following tasks:

(1) provide technical assistance to the Ministry's policy-makers on all aspects of international and domestic business and trade regulations and negotiations;

(2) actively take part in the technical training program;

(3) work closely with the Minister, other MOC staff, and the other advisors to assist in the development and computerization of business regulations that foster the development of a market-oriented economy;

(4) serve as Director to DAAG/MOC, supervising and coordinating DAAG advisors at the Ministry, including being responsible for deciding when and who to use as short-term advisors on topics relevant to the MOC, including contracts negotiation, commercial code design and international trade negotiations;

(5) coordinate commercial activities within the Ministry and across Ministries;

(6) report frequently to and maintain a close liaison with the Director, DAAG; and

(7) prepare written quarterly reports on general activities and progress for the Director, DAAG and USAID.

The goal of the Trade Expert Advisor, DAAG/MOC, in the short-term is to provide technical assistance on all aspects of the Ministry's need to establish a functioning business regulatory environment and negotiate favorable international trade agreements. In the long-term, the Trade Expert Advisor will build the capacity of the MOC staff to meet their trade, regulatory, and negotiation responsibilities so that they will be able to manage these functions in the future without further technical assistance. Sound business regulations will provide the foundation for a fair, open market-oriented economic growth that is sustainable.

The Trade Expert Advisor will begin on or about April 1, 1994. The contract will be for a term of 2 years, with options to extend annually for a year at a time for a total of 5 years.

4.4.10. Scope of Work for the Long-term Regulatory Economic Advisor (MOC)

The Regulatory Economic Advisor must possess strong training and experience in applied microeconomic, public utilities management and rate-setting policies, and management and valuation/divestiture of SOEs. The Regulatory Economic Advisor will fulfill the following tasks:

(1) provide technical assistance to the Ministry's policy-makers on all aspects of establishing business regulations that foster an open market-oriented economy, sound public utility management, and more efficient SOE management;

(2) design, develop, and actively take part in the technical training program (including instruction in applied market-oriented microeconomic, international trade theory and policy, and commercial code design);

(3) work closely with the Minister, other MOC staff, and the other advisors to assist in the development and computerization of business regulations that foster the development of an open market-oriented economy;

(4) recommend to the Director, DAAG/MOC when and who to use as short-term advisors on topics relevant to the MOC;

(5) help coordinate business regulatory activities within the Ministry and across Ministries;

(6) report frequently to and maintain a close liaison with the Director, DAAG/MOC; and

(7) prepare written quarterly reports on general activities and progress for the Director, DAAG/MOC.

The goal of the Regulatory Economic Advisor, DAAG/MOC, in the short-term is to provide technical assistance on all aspects of the Ministry's need to establish a business regulatory environment and trade relations that are efficient, fair, and create opportunities. Such a regulatory environment will foster economic growth that is more equitable and sustainable. In the long-term, the Regulatory Economic Advisor will build the capacity of the MOC staff to meet the Ministry's responsibilities in these areas without technical assistance.

The Regulatory Economic Advisor will begin on or about April 1, 1994. The contract will be for a term of 2 years, with options to extend annually for a year at a time for a total of 5 years.

CHAPTER 5

EDUCATION SECTOR

This report is the result of a consultancy conducted November 23 - December 18, 1993. The principle purposes of the study are as follows:

1. Describe the current education system in Cambodia.

2. Identify the main problems and constraints of the education system.

3. Describe the activities of the major international organizations and Government and the Non-Governmental Organizations in education and training, and

4. Identify and discuss possible USAID interventions for possible future USAID education activities.

Given the enormous complexity of the present activities in education and training, and the wide range of services being conducted by foreign organizations, this report cannot be comprehensive and exhaustive. Rather it is an attempt to summarize some of the major activities in education in Cambodia currently.

Many officials and professional educators now working in Cambodia graciously provided this consultant with information and insights. They are listed in annex G. Particularly helpful, besides USAID representatives, were members of the Education Committee, and of Cooperation Committee for Cambodia (CCC).

5.1. THE CAMBODIAN EDUCATION SYSTEM

5.1.1. Historical Perspective - The Past Twenty Years

An understanding of the current Cambodian education system must begin with an awareness of the effects on that system of political events of the last twenty years. After following an educational development pattern similar to its neighboring nations, a political decision was made in the mid-1970s to abruptly dismantle the entire formal education system. All schools were closed, and the physical facilities were assigned to other uses. An estimated 75% of primary and secondary level teachers and 80% of higher education faculty and students abandoned the school system and either fled the country or were ruthlessly sought out and killed. Some estimates put the number of professional, technical, and skilled persons either killed or forced to flee the country at one million of a total population of about seven million. By the end of the 1970s, the education system was completely devastated.

Starting in 1979, Cambodia began the formidable task of resurrecting its basic educational and training institutions. Over 900,000 pupils were enrolled in the first year of activities, a miraculous feat of determination, ingenuity, and skill. Over the next ten years, the quantitative growth pattern of educational facilities and services continued at a fever pitch. The Ministry of Education claims that the primary school system now reaches about 80% of the eligible age group. In addition to providing totally new facilities, equipment, furniture, and learning materials, the Government had to hire, assign, and train thousands of new teachers to complement the small cadre of experienced teachers who were reintegrated into the system. By any measurement standard the quantitative performance of the Cambodian education system has been outstanding.

5.1.2. General Overview of the Present System

Figure 1 on page 66 depicts the various levels of education in Cambodia. Thus, formal education in Cambodia is organized by the following levels:

(1) Pre-Primary (age 3-5)

(2) Primary (grades 1-5)

(3) Lower Secondary (grades 6-8) and Upper Secondary (grades 9-11)

(4) Tertiary (including universities, secondary technical schools, vocational training centers, and teacher training colleges); and

(5) Adult education, including complementary education up to grade 11.

Table 1 on page 67 shows general educational statistics for 1992. Please note that all educational statistics currently available in Cambodia represent approximations. The present state of data design, collection, analysis, and presentation is relatively modest.

To place these educational statistics in perspective, the following facts must be considered:

* The overall population of Cambodia is between 8.5 and 9 million inhabitants.

* The population growth rate is approximately 2.6%.

* Approximately 50% of the total population is age 15 and under.

* The estimated literacy rate is 35% (adults 15 years of age and older).

* Cambodia ranked 136 of 160 nations on the 1992 UNDP Human Development Index.

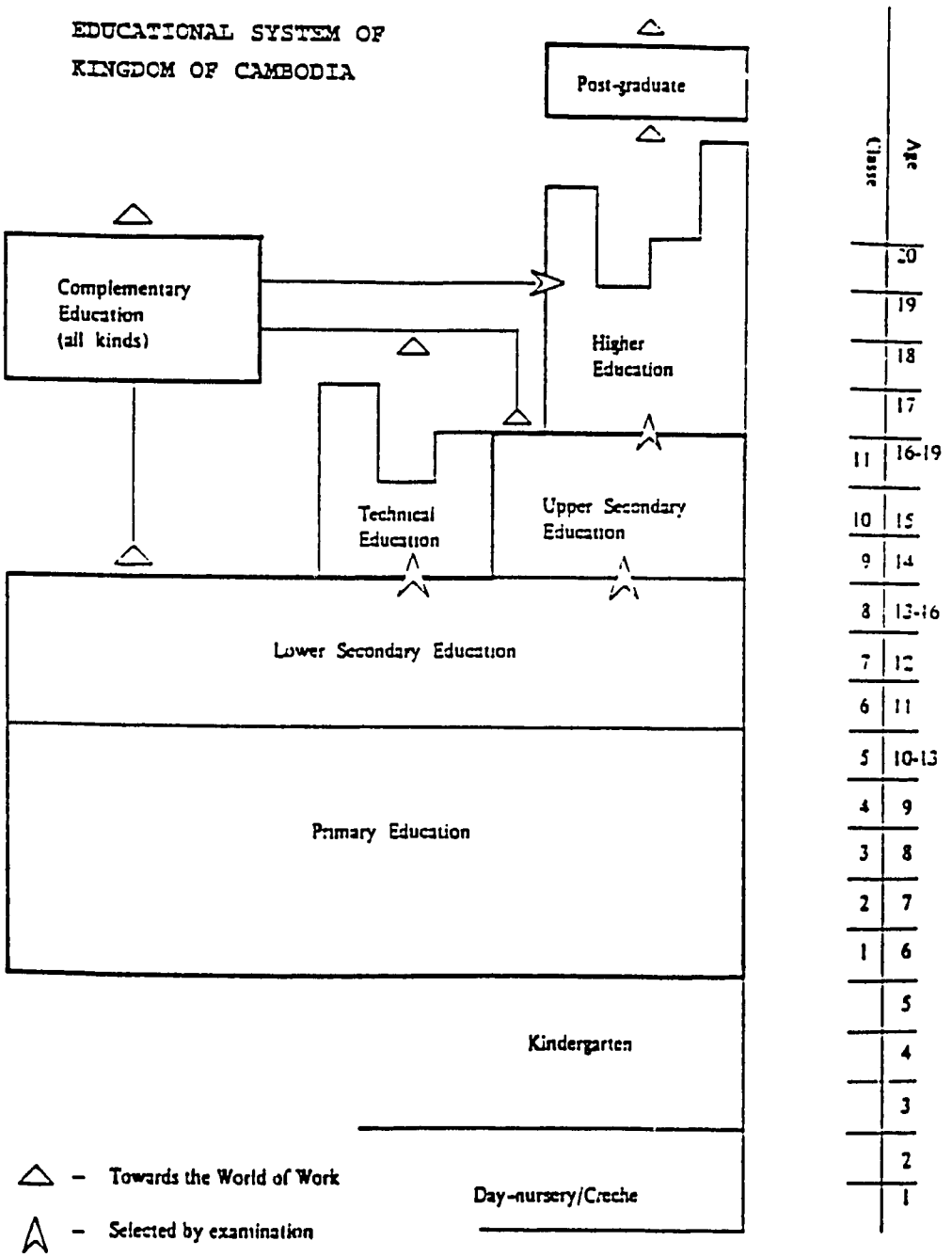

FIGURE 1

SOURCE: UNESCO, 1991

TABLE 1
GENERAL EDUCATION STATISTICS 1992

LEVEL	NUMBER SCHOOLS	NUMBER STUDENTS	NUMBER TEACHERS	REMARKS
PRE-SCHOOL	1,097	50,976	2,920	
PRIMARY (GRADES 1-5)	4,539	1,468,958	35,156 + 7,672 other staff	1,540,000 Estimate Enroll 1993 1,750,000 Estimate Enroll 1994
SECONDARY LOWER (GRADES 6-8)	358	183,793	10,422	
SECONDARY UPPER (GRADES 9-11)	82	55,570	5,031	25,000 Graduates Annually
SECONDARY TECHNICAL SCHOOLS	18	8,000	482	Average Program. 3 Years
VOCATIONAL TRAINING CENTERS	10	4,450	N/A	
TECHNICAL TRAINING COLLEGES	20 Provincial 6 Regional (lower Secondary) 3 National (Upper Secondary)	N/A	N/A	
ADULT (FORMAL) COMPLEMENTARY	138	69,809	868	Up to Grade 11
UNIVERSITY OR TERTIARY	9	22,316	763	35 Specialties

Source: (1) CCC Education Handbook, 1993
(2) MoE Office of Planning, Unpublished Data

The current focus of most educational planning and implementation in Cambodia surrounds the programs in formal education, especially at the primary level. This priority recognizes the importance of re-establishing a broad and solid educational base on which to build the new education system. Thought is also being directed to the secondary and tertiary levels, a logical consequence for a developing nation that will require increasing numbers of trainable and educated persons for its multiple development needs.

One large segment of the population, however, is not receiving enough consideration in education and training programs. This segment is known as the "Lost Generation", persons between the ages of 15 and 45. This significant group (which may number about 2 million

persons) merits special attention because of its unusual past history of neglect in attending education and training programs, its unique political, economic, and social characteristics, and its strong potential for making significant positive contributions to the growth of the economy and the development of democratic principles and practices in a modernizing and changing Cambodia. A later section of this report (5.5 Adult Education) discusses this group in more detail.

5.1.3. Cambodian Constitution

The new Cambodian constitution, under Chapter 6, Education, Culture, and Social Affairs, lists these educational goals:

> "(65) - The State shall protect and promote citizens' rights to quality education at all levels, and shall take all measures, step by step, to allow all citizens to receive this education. The State must pay attention to physical education and sports, which is the well-being for every Cambodian citizen".
>
> "(66) - The State shall set up a comprehensive and universal education system throughout the country. This system will guarantee the principles of educational freedom and educational equality, so that all citizens have equal opportunity to earn a living."
>
> "(67) - The State shall adopt a modern program with pedagogic principles including technology and foreign languages. The state shall control public and private schools and classrooms at all levels".
>
> "(68) - Primary and secondary school education shall be provided free of charge to all citizens. The compulsory education for citizens is fixed for at least nine years. The State must promote and uphold the Buddhist educational institutions".

5.1.4. Ministry of Education, Youth and Sports

0The Ministry of Education, Youth, and Sports is mainly responsible for:

* Establishing national educational policies.
* Setting educational standards, including curricula.
* Producing and distributing textbooks and other educational materials.
* Conducting school inspections.

* Managing higher education, professional institutions, and experimental schools.

* Training secondary school teachers, and

* Formulating regulations for the admission of students.

The present Ministry includes three former Ministries: Higher Education, Youth, and Sports. A reorganization is currently underway and many changes are expected, especially the downsizing of the Ministry and staff reductions. The new top structure of the Ministry will include the Minister, a Secretary of State, and two under-secretaries (one for general education and one for Higher Education, Youth, and Sports). Through a unique power sharing policy, the Minister, Secretary of state, and the Under-secretaries will come from different political parties.

5.2. PRE-PRIMARY AND PRIMARY EDUCATION

5.2.1. Pre-School

In the early 1980s, the Government sponsored two pre-school programs:

(1) The National Day-Care Program (Ministry of Health), for children (0-3 years of age) of State employees; by 1988, 100 centers were functioning in offices and factories; and

(2) The National Pre-School Program (Ministry of Education), originally for children 3-6 years of State employees, but later expanded to 2,000 classrooms nationwide. From 1989, as the political and economic context changed, both programs were severely curtailed. Today, only 8 State day-care centers are in operation in Phnom Penh. The pre-school program now serves about 50,000 children (5% of children aged 3-6).

The present policy of the Ministry of Education has these thrusts:

* Developing pre-school classes attached to primary schools (children aged 5)

* Developing private pre-schools, and

* Searching for alternative (non-formal) programs, especially for children living in difficult circumstances.

5.2.2. Primary Education

Official statistics of the Ministry of Education indicate that almost 80% of the age group 6-10

are currently enrolled, and that access to schooling is available to all, except the most remote populations. Whatever the reasons, at least 200,000 children in this age group are not attending school.

The present system encompasses grades 1-5, for children nominally aged 6-10. Owing to serious curtailment of primary education services during and after the war, it is still common to find numbers of over-aged children at low grade-level. Enrollment rates are also marked by regional variations. In Phnom Penh, the rate is about 90%, in other urban areas, about 85%, but in peripheral and minority areas, it is only about 35%.

Much school construction and maintenance at the primary level are still the responsibility of local communities, leading to wide variation in the quality and quantity of local school facilities.

The distinguishing characteristic of primary school instruction is that it is "teacher-centered" rather than "student-centered". Teachers lecture and students respond, usually in unison. The absence of textbooks and other learning materials requires the teacher to either dictate to pupils or write lessons on the chalkboard, with students copying text into their notebooks. Little interaction between the teacher and individual pupils occurs, and a rigid discipline usually prevails especially when class sizes reach over 50 pupils. A common complaint of experts who review the curriculum and textbooks is that both are too difficult for many teachers, especially those with little formal education themselves.

Techniques for diagnosing individual pupil's learning capacities and/or problems, and modern evaluation procedures are seldom encountered.

5.3. SECONDARY EDUCATION

The formal secondary education system in Cambodia now consists of two levels: lower (1st cycle, grades 6-8); and upper (2nd cycle, grades 9-11). When the term "basic education" is used, it means grades 1-8, thus reaching to the end of the lower secondary cycle.

Although the largest number of upper secondary schools are located in Phnom Penh, a network of schools is gradually spreading throughout the country. Nineteen of the twenty provinces now have at least one upper secondary school, but the northeast provinces still offer limited access.

The upper secondary school curriculum consists of national language (4-6 hours weekly), mathematics (6-6.5 hours), foreign language (3-4 hours), physics, biology, chemistry, history (each 2-3 hours), geography, moral and civics (1-2 hours each), manual work and physical education (2 hours) and music (1 hour). The lack of trained teachers, textbooks and learning materials, and supervision results in wide variations regarding what is taught, how long it is taught, and how well it is taught.

5.4. TERTIARY EDUCATION

Tertiary education in Cambodia is not clearly defined. It certainly includes the university level programs leading to professional degrees, but other institutions and programs seem to fit more accurately into a general category called "post-secondary" education.

The university level programs are conducted through 9 institutions offering 35 specialties. In 1992, enrollments totaled about 22,300 students, and teachers/professors numbered about 760.

The largest university - Phnom Penh University -, was reopened in 1979 as a teacher training college and a foreign language institute. In 1987, both schools merged to form Phnom Penh University and in 1990, Bachelor of Arts and Sciences programs were started. The arts program includes Khmer and western literature, history, philosophy, and geography. The sciences program has mathematics, physics, chemistry, and biology. Psychology, sociology, and computer sciences degree programs are in the planning stage, Foreign language includes English, French, and Khmer for foreigners. Japanese may be added soon.

The teaching faculty consists of 191 persons, 10 of whom have doctorates, 5 masters and the remainder have undergraduate teaching degrees from the university. The student body numbers 10,300, of whom 4,700 are degree students, and 5,600 are enrolled in a one-year preparatory program.

The Ministry of Education, besides operating Phnom Penh University, is also responsible for:

* Institute of Economic Sciences - 5 faculties.
* Institute of Technology - 6 faculties.
* Education Cadres School.
* Faculty of Law and Administration.
* Maha Esli Veth University (Prey Veng) - 4 faculties.

Institutions depending on other Ministries include:

* University of Fine Arts - Ministry of Culture.

* Faculty of Medicine, Pharmacy, and Dentistry - Ministry of Health.

* Faculty of Agronomy - Ministry of Agriculture.

5.4.1. Secondary Technical Schools

18 secondary technical institutions, representing 51 specialized schools, offer programs that average three years each.

Phnom Penh:

* Faculty of Law and Administration.
* Technical School of Communication and Transportation.
* Technical School of Commerce.
* Technical School of Finance.
* Technical School of Agriculture (Phrea Leap).
* Technical School of Post & Telecommunications.
* Technical School of Economy and Planning.
* Technical School of Sports.
* Technical School of Agriculture (Russey Keo).
* University of Fine Arts.
* Ecole Centrale for Health Cadres.
* Phreah Koh Somak Poly-technical Training Center (Tek Kla).
* Phnom Penh Institute of Technology.
* Faculty of Medicine.

Provinces:

* Tek Kla Training Center.
* Technical School of Post & Telecommunications.
* Technical School of Industry (Russey Keo).
* Ecole Centrale for Health Cadres.
* Technical School of Agriculture (Phreah Leap).
* Technical School of Construction Technique.
* JVC Technical School.

5.4.2. Vocational Training Centers:

* Vocational Training Center of Battambang
* Vocational Training Center of Siem Reap
* Vocational Training Center of Takeo.

5.5. ADULT EDUCATION

5.5.1. Formal Complementary Education

Complementary education is a term referring to formal "second chance" opportunities for out-of-school youth and adults to obtain an education up to graduation from upper secondary education (grade 11).

The Ministry of Education records from September 1991 stated that 138 schools were operating, with approximately 70,000 students. Two types of schools were open only to State employees: 16 regular boarding schools located throughout the country provided intensive full-time classes to high and middle level State employees; semi-regular complementary schools were also organized to offer part-time instruction to state employees of some institutions.

Non-regular complementary schools, based in regular State secondary schools, were offering evening classes to all students, who paid teachers directly for classes. Since secondary schools are not available other than in the capital and some provinces, accessibility to the rural population was very limited.

It was reported to this writer that no complementary formal adult education programs are currently operating, owing to its relatively low priority and the lack of funds available.

5.5.2. Non-Formal Complementary Education

Literacy Training

In 1979, the Ministry of Education launched two national literacy campaigns (1980-83 and 1983-86) to reach an estimated 1 million adults (men aged 13-45 and women aged 14-40). The massive mobilization of organizations and people (the army, monks, the rich, regular school teachers and students) was directed by Adult Education Departments established at the national, provincial, and district levels. Volunteer teachers received no training, but were provided with a booklet containing literacy and numeracy materials. Students had no books.

Despite official claims in 1988 of having achieved a literacy rate of over 93%, in 14 out of the 21 provinces, most knowledgeable people in Cambodia are very skeptical of these results. No standard methodology or standard texts were used, and students widely reported that the

materials were inappropriate for their daily lives and took them to only about a first year level of literacy.

A major shortcoming of the program was the failure to provide any post-literacy reading materials, so that the few who may have reached literacy soon relapsed into illiteracy. The Women's Association of Cambodia (WAC), with UNICEF support, attempted a pilot project between 1986 and 1989. A pilot phase in 1986-1987 produced 11 booklets (20,000 copies each) on health, agriculture and child development. In 1988-89, selected villages in 12 provinces received the materials. Groups of 10 women were supposed to read the booklets at home and discuss them at monthly meetings led by Women's Association Group Leaders. Unfortunately, the Women Association Group Leaders were not trained, and monitoring of the program proved difficult. Since 1990, the booklets have only been given to participants in Women Association Community Development Projects. No national adult literacy programs have been conducted in Cambodia since 1988.

The literacy rate may be about 35% (adults 15 years of age and older). These adults comprise approximately 25% of the total population - about 2.5 million persons.

An interesting literacy pilot project, sponsored by UNICEF targeted at adult rural women, has been operating since late 1992. The Women's Association of Cambodia selects women between the ages of 13-45 who have enrolled in or completed previous employment generating and skill training projects to undertake a special 180-hour course. A 75-lesson curriculum has been developed based on the real problems of the village participants, and a teacher's guide and student textbook have been produced. Currently, 18 classes of about 20 students each are operating in four provinces. Classes are held approximately two hours daily at sites chosen by the participants.

The UNICEF advisor is now providing in-service training for 10 Khmer counterparts, who are coordinating a one month in service teacher training course for about 30 persons who will become teacher trainers. These 30 persons are expected to spread out over the provinces and train other teachers, who will form adult women literacy courses. Little systematic evaluation of the program has been done to date, with the result that it is not known what level of proficiency the course graduates possess. Moreover, funding is uncertain beyond the terminal date of the project in July 1994. Acceptance of the project has been enthusiastic by the participants, and provincial Ministry of Education. Adult education staff have requested in-service literacy training be offered to them (e.g. over 80 MOE officials in one province alone).

Vocational Training

Non-formal vocational training courses, offered by a large number of Private Voluntary Organizations and NGOs, currently have these characteristics:

* Short-term, vocational nature.

* Job-oriented.

* Targeted at urban and rural poor (especially women heads of households), returning refugees, physically handicapped, orphans, and other disadvantaged groups.

* Simple curriculum because many participants are uneducated, illiterate in Khmer, and lacking in previous employment.

* Limited equipment and teaching/learning materials keeping courses basic.

* Pilot, experimental in nature. Relatively small numbers are being reached.

Future efforts seem to be directed towards conducting better surveys of employment opportunities, or student needs for skills related to self-employment.

In summary, although a start has been made in this area, considerably more must be done to meet the growing needs of this large segment of population.

Can Cambodia develop in any meaningful way without the contributions of this significant segment of the society? Can these contributions be worthwhile if provisions are not made soon to upgrade significantly the qualifications of the young adults? Hardly.

5.6. ENGLISH LANGUAGE TRAINING

5.6.1. Cambodian British Center for Teacher Education

Formal education offerings in English language are now supposed to be available in the upper secondary school (grades 9-11), and the MOE is committed to a policy of introducing English at the lower secondary cycle (grades 6-8). In fact, little systematic, high quality English language instruction is available, because few teachers have English language content or teaching methodology skills. No national curriculum exists, textbooks and teacher's guides are in short supply, and little time is devoted in the daily schedule for classes. It is unlikely that the Ministry will have the internal financial resources in the foreseeable future to improve significantly English language instruction at the secondary level.

Mention should be made, however, of an excellent pilot teacher training program that has as one of its major goals in the improvement of secondary school English teachers. The Cambodian-British Center for Teacher Education (CBCTE) currently conducts the following major activities:

* In-Service training programs for lower secondary English teachers in four Regional Teacher Training Centers.

* Seminars and workshops for English teacher/trainers at the CBCTE and the Regional Teacher Training Centers.

* Establishing a resource center at the CBCTE for English trainers and teachers from the Ministry of Education.

The first phase of this pilot project will end in 1994. Future plans are to train over 200 English teachers from the Ministry of Education in a 30 week, full-time national course spread over two years, as well as other short-term courses, seminars, and workshops.

The situation is somewhat better at the university level, with more offerings available. The problem though is that secondary school preparation is so poor that students entering the university have practically no proficiency in listening or speaking skills. Their reading abilities are slightly better, but still very deficient. English Language Teacher Training Programs are extremely modest in coverage, scope and content.

At the informal level, however, the enormous public demand for English results in the growth and spread of private English courses, especially in the capital city. Several of the more significant programs are described below.

5.6.2. Australian Center for English (ACE)

The ACE is a non-profit organization sponsored by a consortium of Australian universities. Its main goal originally was to prepare students in English for attendance in Australian universities, but their program in Cambodia now is broader. Over 2,500 students are now enrolled, with 300-500 students being added each term. Instruction covers 11 skill levels. Students are only admitted if that have at least Level One proficiency. Thus one can progress through to Level 12 by attending 45 hours of instruction each 10 weeks and completing each level satisfactorily. Fees are high, costing about US$65 per 10 week term. Classes reach up to 25 students, who are provided a textbook and language tape. The original group of 42 who were accepted at level 5 are due to graduate from level 12 in February 1994. Approximately 120 students have now reached level 10 and should have excellent job prospects if they are not already employed. All 52 teachers have advanced degrees from Australia and New Zealand. No Cambodian teachers are employed. There are two campuses in Phnom Penh, and one in Battambang; another will open in Kompong Som in February.

5.6.3. Cambodia Development Resource Institute (CDRI)

CDRI, a non-profit, Non-Governmental Organization, is funded by 17 bilateral and multilateral organizations. It was created in 1990 with the main purpose of enhancing Cambodia's institutional and manpower capacity in development planning and development aid management. A staff of 33 (20 professional and 13 service) offer courses and services through five programs:

1. Economics and Development Training.

2. Documentation and Information Services.

3. Computer Training.

4. Research.

5. English Language Training.

Students are drawn mostly from Ministries, especially those involved in economics, finance, and planning. To date 378 participants from six Ministries, the Central Bank, the Council of Ministers, and NGOs have attended 15 seminars and workshops.

The English Language Training Center is a modern, well-equipped, and highly professional operation. The University of New York at Buffalo provides technical advisory and other related services through a professional staff of 5. A large library (with 1300 titles) and an up-to-date audio-visual language laboratory enable the Center to offer either general foundation courses (grammar, reading. special designed English for specific purpose courses). Currently, the Center conducts diagnostic testing for various Ministries (over 1,000 employees have been tested to date), and intermediate level courses lasting 250 hours were offered. Classes are provided during released work time for 6.5 hours daily, 5 days weekly for 8 weeks. Classes range from 20 to 60 pupils (larger classes are divided into two groups). So far, 400 Government employees have been trained. Starting in 1994, the intensive 250-hour course may be spread over 16 weeks. Per pupil costs for the 250-hour program are estimated to be approximately $US500.

5.7. EDUCATION PROBLEMS AND CONSTRAINTS

5.7.1. Formal System

The major problems and constraints of the formal Cambodian education system, which exist to various degrees within all levels, may be summarized as follows:

* Shortage of adequate physical facilities, including classrooms (especially urban primary), furniture, equipment, and libraries.

* Shortage of textbooks, teachers guides, and other teaching/learning resource materials; quality of textbooks considered low, especially at secondary level.

* Shortage of highly educated and trained teachers, especially at the primary and lower secondary levels.

* Overcrowded urban primary schools, which may run three sessions daily with up

to 120 pupils per classroom and serve pupils for only 1.5 to 2 hours daily.

* Frequent absences of teachers and students.

* High failure, repetition, and drop-out rates.

* Inappropriate curricula, especially in rural areas.

* Poor science, foreign language and social studies programs, because emphasis is placed on mathematics and Khmer language.

* Poor teacher reward system, especially salaries, causing teachers to hold other jobs, and

* Limited parent/community participation in the total school program. Parents are involved in the provinces in school construction and maintenance.

5.7.2. Non-Formal System

Adult education activities comprise the main component of non-formal education, and it is generally the lowest priority of the Ministry. Previous national campaigns focussed on adult literacy programs, but their poor results and scarce current funds have relegated adult education to low priority. Complementary education, up to grade 11 is supposed to be offered, but many observers claim it is now non-existent.

5.7.3. Ministry of Education

The following list illustrates the main problems and constraints of the Ministry of Education, Youth and Sports:

* The new constitution mandates ambitious growth and quality improvements of both the formal and non-formal systems.

* Low prospects now exist for adequate GOC funds to maintain and expand the system; excessive reliance is made on foreign donor.

* A reorganization of the Ministry, now in progress, may cause problems. One goal is to down-size the Ministry of Education and reduce staff, but resistance is widespread. The new structure combines the former Ministries of Higher Education, Youth and Sports.

* Top management will include a Minister of Education, a Secretary of State and

two sub-secretaries. Political power sharing of these positions among different parties may be a problem.

* Limited numbers of trained administrative and professional staff are available for policy formation, implementation, and supervision. Also, a new mix of centralized and decentralized responsibilities and function may cause friction and delays.

* Lack of a good Management Information System hampers design, collection, analysis and use of relevant data for budget and program requirements, and

* Large number of foreign donor programs requires better coordination efforts and resources. Besides foreign Governments and international organizations, approximately 120 NGO/PVOS operate in Cambodia.

5.8. OTHER DONOR ASSISTANCE

5.8.1. General Description

Other donor assistance in the field of education is provided by a number of foreign Governments, several international organizations, and by numerous Private Voluntary Organizations, including Non-Governmental Organizations. It is estimated that over 120 NGOs are presently engaged in some type of formal and non-formal education and training programs ranging from pre-school to community income generating projects. Table 2 on pages 80 and 81 lists the major international organizations now active in Cambodia.

5.8.2. Problems and Constraints

The following is a list of the principal problems and constraints regarding other donor assistance in Cambodia:

* Most projects currently are in the pilot stage, so achievements are still limited and determination of success or failure is not possible.

* Initial development costs are high. Facilities, curriculum, teaching and learning materials, and equipment are costly.

* Projects in pilot stages include relatively few students, so coverage is limited.

* Time frames for knowledge and skill acquisition are relatively long-term, so immediate applicable results are not common.

Table 2
Other Donors Education Programs in Cambodia
1993

Organization	Type of Education	U.S. $ 0000 Cost	Remarks
Asian Development Bank	• Special Rehabilitation Assistance Loan • Emergency Training of Teachers and Education Sector Analysis	• 8,400 • 1,300	• $30 million more in education under consideration
Asia Foundation	• Aid to Institute of Economics • Aid to Faculty of Law	• 240,000 • 351,000	• USAID Grants
United Nations Development Program (UNDP)	• Capacity Building in Education and Human Resources Sector, Management Project • Education Sector Analyses	• 1,188	• Budget: 1993 & 1994 • Executing Agency: UNESCO
UNDP/International Labor Office (ILO)	• Employment Generation Program		
United Nations Educational, Science & Cultural Organization (UNESCO)	Support to Primary Education • Teacher Training - 4 Provinces • Printing & Distribution of Textbooks (5 million) • Upgrading Teacher Training Colleges	• 5,600 • 5,550 • 3,070	• Budgets for 1992, 1993, & 1994
World Bank	• Emergency Relief, Primary School Construction • Higher Education Staff Development Needs	• 4,100	• 1993 Budget

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Table 2
Continued

Organization	Type of Education	U.S. $ 0000 Cost	Remarks
Government of France	• Agricultural University • Institute of Technology • Technical Assistance • Cultural Center	• 800 • 2,000 • 6,379 • 1,300	• 1994 Budget
Government of Australia	• Technical Assistance	• 1,500	• 1994 Budget
Government of Italy	• Teachers College Dormitory	• 30	• 1993 Budget
Government of Belgium	• Faculty of Medicine	• 100	• 1994 Budget
Non-Governmental Organizations (NGOs)			
Redd Barna	• Primary Teacher Education Staff Development, Equipment, Materials • Building Construction	• 857 • 427	• Norwegian Save the Children Foundation. U.S. $5 million planned over the next three years
Cambodian-British Center for Teacher Education (CIBT)	• English Language Training	• 500	• British non-profit organization • 1994 Budget
Enfants du Cambodge	• Childhood/Primary Education	• 231	• 40% from Redd Barna • 35% from GoF
Maryknoll	• Assistance to University of Phnom Penh	• 42.5	• 1994 Budget
Save the Children Fund, Australia	• Primary Education/Teacher Training	• 115	• 1994 Budget
Skip-Cambodia	• Primary Education	• 195	• 1994 Budget

Source: MOE Office of Planning, November 1993. Unpublished Data.

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* In some projects, excessive reliance on foreign experts is normal at the early stages of the project, so leadership development of Cambodian counterparts is progressing slowly.

* The sustainability of projects is unknown. Once foreign technical assistance and financial resources end, the ability of Cambodian organizations to continue staff and resources may be a problem.

* Information sharing and coordination of numerous projects over a wide range of activities among Government and Non-Government Organizations is extremely difficult. The Cooperation Committee for Cambodia (CCC), an organization of over fifty-seven full members, 5 observers, and 6 associate members, is making an excellent effort to help fill the information and coordinating gap. A special steering committee (Educam) meets regularly to discuss education issues and projects. An annual Education Handbook is produced to describe the current organizations and programs underway. These are arranged under the following convenient headings:

    1. Early Childhood Education.

    2. Primary Education and Teacher Training.

    3. Vocational and Technical Education.

    4. Foreign Language Teaching.

    5. Adult Education, and

    6. Health Education.

Other problems and constraints include the lack of financial resources to meet the full needs of most programs. The shortage of local staff with the educational and experience backgrounds to manage the projects, the relatively short time most projects have been in operation, and the uncertainties of sustained funding for longer term projects. For the foreseeable future, however, the needs for other donor assistance are so great that these problems and constraints are considered to be minor, especially when compared to the significant positive results of the programs.

5.9. USAID POSSIBLE INTERVENTIONS

5.9.1. Overview

Previous sections of this report have discussed the present education system in Cambodia, the

major problems and constraints at each educational level, and the present programs of other donors and private voluntary and Non-Governmental Organizations.

What remains for discussion is the appropriate role for USAID in present and future education and training activities in Cambodia. Six main criteria were selected to guide selection of possible USAID interventions:

1. High demand by Cambodians for the activity.

2. Potential for high impact and spread effects ("the multiplier effect").

3. Manageability of activity regarding funding constraints and available personnel.

4. Importance of target group for Cambodia's development.

5. Areas not covered by other donors (i.e., projects for undeserved groups), and

6. U.S. comparative advantage in technical expertise.

It is noteworthy that the first criterion, high demand, applies to practically any imaginable education and training intervention today in Cambodia. The state of devastation of national institutions and services is almost total, so practically any educational or training activity would be eagerly accepted by large numbers of the populace. So while it is an important criterion, it is not a very discriminating one.

A guiding principle in this exercise was to consider possible USAID interventions that would pre-position USAID for later, more comprehensive projects, should further developments in Cambodia warrant them. Thus, each intervention should be justified on its own current merits while laying the basis for more extended activities later.

A review of the current education system in Cambodia revealed that great needs exist for financial and technical assistance efforts by foreign donors at every level of education and over all activities within each level. While it is true that the current efforts by foreign donors do not fully meet the needs of Cambodia, it is also true that significant initial activities indicate that projects are proceeding at a pace and at a financial level consistent with Cambodia's ability to absorb that help. "More" and "faster" would be counter-productive now.

Applying the rest of the criteria to possible interventions quickly narrows the choices to several key areas:

1. Adult Education activities, and

2. English Language Training.

In several important respects these areas are intermingled because activities in one will significantly contribute to the success of the other. Nevertheless, it is useful to discuss them separately for purposes of this report.

Several major international Governments and organizations are now actively engaged in education sector programs. (See Section 5.8, Other Donor Assistance). Principal players include the Asian Development Bank, the Asia Foundation, the World Bank, UNDP/UNESCO/ILO, the Australian Government, and the French Government. The major emphasis in the education programs of these international agencies is in the area of primary education, and other areas receiving substantial assistance include teacher training, university studies, and general assistance to the Ministry of Education, Youth, and Sports in educational planning and management. As reported earlier, this assistance is very significant, both from the financial and technical assistance standpoints. These donor activities are positively affecting qualitative factors (school construction and maintenance, furniture, equipment, and teaching and learning materials) and qualitative measures (revised curricula, teacher qualifications and performance, and student services). In many cases, the programs of the other donors can be considered still at the exploratory or pilot phase. Emergency measures continue to provide urgently needed physical facilities and material resources, as well as short-term workshops and seminars to upgrade staff at all levels.

There are evidences of increased efforts at information sharing, cooperation, and coordination among other donors and the Ministry of Education. With over 120 Non-Governmental Organizations operating in Cambodia along with international Governments and development agencies, the formidable task of establishing appropriate priorities and allocating scarce resources over a broad range of urgent development needs is a constant challenge to the Ministry of Education. Fortunately, for the long-term especially, the Ministry has decided to place more emphasis upon proper planning, and to guide its actions over the foreseeable future. Currently underway, and also in near future plans, are several educational sector assessment (immediate short-term) activities and sectoral analysis (medium-term and long-term) activities. These sector assessments/analysis will focus on collecting and analyzing relevant social and educational data and using the results in a timely fashion to make appropriate policy, budgetary, and implementation decisions for the entire Ministry of Education program. A second major outcome of the longer term sector analysis will be a cadre of trained Cambodian education specialists who will be able to perform these vital functions on a continuing basis without further technical assistance from foreign organizations.

The sector assessments have been planned to intersect with each other. For example, UNESCO will concentrate on planning the needs for a modern Ministry of Education Management Information System (MIS). The World Bank will focus on the needs in primary education, and the Asian Development Bank will concentrate on the needs of secondary education teacher training. In each of these activities, overlaps will exist and close collaboration among these donors have been planned. Information sharing and participation from other donors and NGOs/PVOs are also included in the operational plans of these education sector assessments/analyses.

From interviews and discussions with representatives of both International Organizations and Non-Governmental Organizations, it is clear that several guiding principles underlie foreign educational assistance:

* Programs should contribute significantly to reaching the real needs of Cambodians.

* Cambodians affected by these programs should participate significantly in all phases of project development, from initial design through evaluation, and

* Programs must address the needs and aspirations of a wide spectrum of Cambodians, including minority groups, remote isolated populations, persons most deprived from past political actions, and special groups at high risk.

Increased participation by USAID in on-going educational programs of other donors in any significant financial or technical assistance way does not seem to be indicated at this time. The USAID financial support to various Private Voluntary Organizations and international donors (e.g., the Asia Foundation) is significant and helps further AID's development objectives in Cambodia. Apart from the very real limitation of available U.S. funds to contribute at a significant level, the problems of coordination, logistics, and perhaps conflicting philosophical approaches to education development makes the prospects of successful U.S. intervention low.

In the areas of educational planning, pre-primary and primary education, teacher training, and higher education, the other donors are doing a commendable job, and apparently have significant coverage of most areas to meet their goals and objectives. Several areas, however, may merit a closer look to determine whether specific, limited USAID interventions may be appropriate. The next section of this Chapter deals with these possibilities.

5.9.2. Current USAID Portfolio in Education and Training

The current USAID portfolio in education and training basically supports the programs and projects of Private Voluntary Organizations, including Non-Governmental Organizations. These projects are individually modest in scope, largely still at the pilot stages, and extensive with respect to numbers of different target groups served in urban and rural areas. In addition, USAID support to other donors (e.g., the Asia Foundation) helps achieve goals in the education sector.

Two other important new projects could make significant contributions to Cambodian education and training:

1. Macroeconomic Management Project

The recently approved USAID macroeconomic management project has been

carefully designed to help the Cambodian Government improve its management of macroeconomic policy, to coordinate the resource inputs from other international donors, and effectively participate in ICORC. An essential aspect of the project is the training of a cadre of high and middle-level managers in policy and implementation matters. This will be accomplished through the provision in Cambodia of long-term and short-term technical advisors; in-service courses, seminars, and workshops; and training opportunities outside Cambodia.

As presently conceived, the project seeks to expand the coverage of services beyond the usual Ministries and Government agencies engaged in macroeconomic planning and management. The Ministry of Education, for example, will be provided ample opportunity to participate in the project based upon its own priorities and interest. Unfortunately, at this writing, the Ministry of Education is not prepared to articulate the extent of its desire or needs appropriate to the project's purposes. This is understandable because the new Minister of Education has only very recently assumed his duties. Moreover, the Ministry is undergoing an extensive reorganization, including the addition of responsibilities and functions previously vested in other Ministries (e.g. Youth and Sports).

The current thinking of the Minister regarding policy formulation and education is important to consider at this time. He believes strongly that good projects and programs arise from careful planning, and that planning begins with appropriate data collection and analysis. Accordingly, high on the Minister's priority list is the conduct of several education sector assessments and analysis.

UNESCO, in collaboration with the Ministry, is preparing a medium-term policy framework study (available in January, 1994) that focuses on immediate 1994 and 1995 education priorities.

A one-year long effort in education sector analysis will begin in early 1994, under Asian Development Bank sponsorship. Experts in educational statistics, education finance, primary teacher education, lower secondary teacher education, and sector analysis will be provided by the Australian Queensland Education Consortium. A major aspect of this effort is to provide Cambodian counterparts in the Ministry of Education with sector analysis skills that can be used continuously to improve planning and management of education projects.

Until these studies are completed, it is unlikely that the Ministry will be in a position to identify and request specific needs for long-term advisors in education who might properly fall within the province of the macroeconomic management project.

The World Bank will also sponsor several studies in early 1994, dealing with higher education staff development needs, and national primary education school

building rehabilitation processes.

Each of these efforts, plus the demands on MOE staff by cooperative projects with other international organizations and NGOs, suggest strongly that the Ministry's current interest in participating effectively in the USAID macroeconomic project is minimal.

2. The East Asia Regional Training Project (EARTP)

The purpose of EARTP is to increase the pool of professionally and technically trained East Asians whose human resource development will contribute to the region's social and economic development. Cambodia will be one of the countries served by the project, which will offer both short-term and long-term training activities, as well as selected technical assistance, in Cambodia, in the region, and in the United States. The potential of this project to participate in present and future USAID education and training activities is substantial. Close coordination with the Institute of International Education, the contractor under this project, will have to be maintained by USAID.

5.9.3. New USAID Initiatives

Considering the state of education and training in Cambodia, the principal problems and constraints, the priorities of the GOC and the programs of the other international donors, the areas for possible USAID intervention become somewhat clearer. Two strong candidates for assistance are Adult Education and English Language Training.

1. Adult Education

The area most in need of immediate attention is Adult Education, because adults comprise over 25% of the total population, have the most need for education and training so that they can immediately contribute to the economic, political and social growth of Cambodia. They are currently receiving the least services in education and training. Defining the adult population is difficult. The Ministry of Education's Department of Adult Education officially designates as adults for their purposes any person between the ages of 13-45.

UNICEF, for example, accepts this designation in Cambodia and includes the early age group in its programs in adult literacy and skill training. Even if one were to limit the groups to the ages between 18-40, the population would reach approximately 2 million persons.

Hardly anyone concerned with the development of Cambodia denies that this portion of the population can and must contribute significantly to the economic,

political, and social development of the nation. This contribution must take place immediately, and it must be planned and implemented carefully.

One major difficulty is the lack of good data regarding the characteristics, education and skills, work experiences, and perceived needs of these persons. Another is the large size of this population segment, which implies that their needs will be varied and substantial. A third problem is that enormous financial and human resource requirements must be made available if significant progress is to be achieved.

Given these problems and constraints, can USAID initiate a meaningful activity in Adult Education? It is strongly believed that it can and should. Applying the previously mentioned criteria for USAID involvement, it is clear that all are relevant and present. The highest demand for education and training presently resides with the adult population.

In addition to cooperating strongly in the area of primary education for their children, this is the largest group attending private school programs in English language training and computer skills. They also are heavily involved in the numerous literacy, skill training and employment generation projects of the international donors and the PVOs. They comprise the student bodies of the universities, technical institutes, and teacher training schools. They are the employees of public and private entities, and the owners of small businesses. Thus, the criteria related to the importance of the target group for development, their potential for high impact and spread effects are clearly met by an activity in Adult Education. It is also clear that the criterion regarding non-coverage by other donors is also valid, owing to the modest current projects in Adult Education by other donors relative to the needs of this group.

Planning an intervention by USAID in Adult Education must also consider the two remaining criteria, manageability of the activity (funds and personnel) and the US comparative advantage in the area. Another consideration was an activity that would position USAID for further activities later.

Translated into specifics, these considerations strongly suggest that the USAID intervention have these characteristics:

* A modest commitment of funds for technical assistance and commodities.

* Training activities could be funded from other projects (e.g., EARTP).

* Strategic placement of the technical assistance and related support to insure high-level acceptance and impact.

* Phased activities with reasonable objectives that can be reached effectively.

2. Recommendation

It is strongly recommended that USAID initiate activities in Adult Education. A long-term Adult Education advisor should be assigned to the Ministry of Education, Youth and Sports, in the Department of Adult Education. His/Her principal function will be to assist the MOE design, implement and evaluate an innovative, comprehensive program in Adult Education. Activities should begin with baseline studies that describe the characteristics and specific needs of this large group. The studies should first collect and analyze recent relevant studies (e.g., the Education Sector Assessment now underway by UNESCO). Then specific further studies can be designed and carried out. The results of these studies should lead to the formulation of a medium-term action plan, with annual plans listing activities, resources, and required funding.

* The long-term advisor should concentrate on providing in-service training for key MOE counterparts.

* The advisor should also encourage the MOE to participate actively in information sharing and coordination activities of the other Ministries, international donor organizations, and public and private agencies concerned with Adult Education and Training Programs.

Locating the long-term advisor in the Ministry of Education has the advantage of high-level access to decision-makers, policy formation and resources. It is also a base from which to coordinate with other MOE levels of education (e.g., the university).

3. English Language Training

Even a casual visitor to Phnom Penh and provincial centers is aware of the growing demand for English language training in Cambodia. Scores of private schools have sprung up in Phnom Penh offering English language training. Most of the programs are expensive and of medium quality. They are aimed at poor persons aspiring to improve their station in life: English language proficiency is widely believed to be the major medium to propel the bright and ambitious people of Cambodia. Thus, posters announcing the start of new classes are plastered all

over town and offerings are available from early morning to late at night.

Unfortunately, the quality and availability of English language instruction at the secondary school level and in the universities are considered by many observers to be seriously deficient. Although English is supposed to be offered in the nation's secondary schools (along with other foreign languages), the lack of qualified English teachers is almost total. Although accurate statistics are not available regarding the nature and extent of English teaching in the schools, it is known that instruction is seldom available, and when it is available, it is of extremely poor quality. Many Cambodians who possessed some English were asked by this writer where they acquired their knowledge and skill. Invariably, they responded that it was through attending private classes. Even those who did attend classes in secondary schools reported that upon leaving secondary school, after three years of English instruction, they had very limited capability, most of it in reading and almost none of it in speaking.

Hardly anyone disputes the belief that fluency in English will be required more and more as Cambodia develops its economic, political and social systems.

To what extent, however, is it in the best interests of the United States to respond to this growing demand by Cambodians for assistance in learning English? It seems to this writer that helping to provide effective English language programs to a wider range of Cambodians would certainly be in the best long-range interests of any nation.

Developing mutual understanding, cooperation, and friendship between Cambodians and citizens of the U.S. cannot be done without a common language with which to communicate. Considerable evidence exists that large numbers of Cambodians are eager and willing to sacrifice for the opportunity to learn English. We should assist with significant resource inputs in selected areas of activity, where costs can be efficient and an impact can be notable. Through a process of elimination, it does not seem feasible to consider English language training for students at the lower secondary level (grades 6-8), the secondary vocational/technical schools, and at the upper secondary schools (grades 9-11). The numbers to be reached compared to the costs to mount and sustain programs would be prohibitive. Beside, other donors have programs at these levels.

From the standpoint of impacting on key groups who will play leading roles in the development of Cambodia, several groups emerge:

* University professors and teacher trainers.

* Secondary education teacher trainers, upper secondary teachers, and post-secondary vocational/technical teacher trainers.

* University students.

* Upper secondary school students, and

* Young and middle aged adults (15-40 years old).

Two discrete initiatives or pilot projects merit USAID consideration at this time: a Women's English Language Teaching Project; and English Language Training for Young Adults (18-40).

4. Women English Language Teaching Project

One viable option for USAID intervention is a pilot project to select and train women English language teachers at the University of Phnom Penh (UPP). Currently, the UPP offers a five year B.A. program (including one year of preparatory studies before the four year program) to train English teachers. The best graduates secure positions at the University or enter the private sector or Government offices. The others become secondary school English teachers.
In the last several years all graduates have successfully secured jobs. Women, however, are severely limited in entering or succeeding in the program. The first class of 100 students contained only two women, and now only seven of 100 new entrants are women. Two reasons have been advanced to explain this phenomena:

* Fewer female students enter and graduate from the lower and upper secondary programs, and

* Most male students have acquired a better background in English, through attendance at both levels of secondary education and through post-secondary employment with UNTAC, Government offices, and private sector firms.

The University of Phnom Penh has expressed an interest in initiating a pilot project to select and train only women, in addition to its regular programs for men students. If outside financial assistance were available, the University of Phnom Penh would design a special program to identify, select, and educate a group of women. Funds would be required for hiring staff, developing special supplementary instructional materials ("remedial" materials), increasing library holdings and, perhaps, language laboratory materials.

The rationale for this project are as follows:

* Women have been denied access to higher education, especially in English language training. Equity considerations support a special

program for them.

* Women who successfully complete the program are more likely to remain as English language teacher trainers or secondary school English teachers than men graduates. Men graduates are more likely to secure positions outside teaching.

* Women graduates are less interested than men in seeking employment outside education.

* An investment in women English language teachers, especially as teacher trainers, would be effective, as the "multiplier" effect of these teacher trainers and teachers on other teachers and secondary school students would be significant.

* A project of this nature supports AID's priority areas of development.

In summary, two target groups merit further consideration for immediate USAID assistance in English language programs: University level women who want to become English language professionals, and young adults (aged 18-40) who require special access to English language training as part of a more comprehensive approach to incorporating them into the emerging modernizing sectors of Cambodian society.

5. University of Phnom Penh Library Expansion

A final area for possible USAID intervention is assisting in the construction and or furnishing of a new library facility at the University of Phnom Penh. USAID assistance currently supports other higher education institutions, so further activity in this important area may be appropriate.

The University plays a vital role in producing young Cambodian professionals who will soon enter the marketplace and begin contributing to the development of the nation. Owing to the devastation of the University's physical facilities and human resources during the war, the University now faces major problems in responding to the qualitative educational needs of its students. Compared to assistance being provided to other universities and faculties by several international donors, the University of Phnom Penh seems to be receiving relatively less assistance. Both the programs in the arts and in the sciences are in great need of assistance. USAID has made modest contributions for book acquisition, and the Australian Government provides language laboratory videos. The Thai Government furnished the language laboratory, but the equipment is primitive and aging. The Asia Foundation, through its "Books for Asia"

program, provides an Australian head librarian and some books.

The major reason for considering assistance to University of Phnom Penh is that many of its students are in the young adult age group that needs immediate and special help to "catch up" with the modernizing society that requires higher level of understandings and skills.

Areas of need for these members of the Cambodian "lost generation" - special Adult Education Services, special access to English language training and information acquisition through radio/television media, and access to improved university library facilities and services - could be addressed by USAID through the new initiatives mentioned here.

Unfortunately, little vital data exist regarding the demographic, psychological, and social aspects of this segment of the Cambodian population. Describing their needs accurately and designing programs to reach them in a systematic and comprehensive way is a difficult task. Increasingly, however, awareness and support is growing that something significant must be done soon for this age group in the areas of improving their understandings and skills. Because they are part of the "lost generation" who were not exposed to the traditional school system and the normal social structure and systems of their parents, they pose a special challenge to development planners and practitioners.

5.10. SUMMARY OF RECOMMENDATIONS

5.10.1. Support On-Going Projects

1. Continue present levels of support to projects with the Asia Foundation, Private Voluntary Organizations, the East Asia Regional Training Project and the Macroeconomic Management Project.

2. Involve the Ministry of Education in the new Macroeconomic Management Project:

   * Through Ministry of Education staff participation in workshops, seminars, English language and computer training activities.

   * Through Ministry of Education staff participation in committee work and inter-ministerial meetings.

5.10.2. Initiate New Initiatives

1. Initiate an activity in Adult Education.

   * Provide a long-term Adult Education advisor to the Department of Adult Education, Ministry of Education, Youth, and Sports.

   * Provide appropriate commodities and support services to the Adult Education Project/activity.

2. Initiate a Women's English Language Teaching Project at the University of Phnom Penh, through the UPP Foreign Language Institute.

3. Initiate an Adult Education English Language Training Project.

   Because the number of this young adult group is so large (perhaps around two million persons), innovative, cost-effective approaches to providing them special English language training will be required. This suggests that mass media applications, such as radio and television, may have to be considered if substantial impact at reasonable costs are to be achieved. Possibilities include broadcasting special programs in homes, community centers, local schools and the universities on a regular basis through the Ministry of Information nationwide network of radio (a legacy from UNTAC). Radio reaches all parts of the country, and is a popular means for the populace to obtain information and entertainment.

   The possibility of using television in a similar manner, through probably on a reduced scale, perhaps merits further USAID consideration.

4. Provide a grant to the University of Phnom Penh, Faculty of Humanities and Letters, to expand and improve the central library. Focus on acquisition of books and reference materials in the English language.

CHAPTER 6

HEALTH SECTOR

6.1. SUMMARY FINDINGS

* Prospects appear good for the effective use of AID assistance in the health sector, particularly in support of the Ministry of Health's new initiatives in birth spacing.

* Its institutional strengths in population assistance position AID as the leader among donors to support the MOH's policy of expanding birth spacing services nationwide.

* AID-funded technical assistance is most needed in two areas:

  - Advisory services in national birth spacing program development and management;

  - Training and curriculum development in reproductive health practices at medical and nursing/midwifery schools, and at in-service training facilities at all levels of the health system.

* Additional technical assistance in program coordination and project management will be necessary if AID initiates a bilateral project in birth spacing.

Initial impressions from a brief assessment of the Cambodian health system suggest that:

* There is a surprisingly large number of health workers employed by the MOH, but most need extensive training to attain standard levels of performance.

* There is more enthusiasm for public service among peripheral level health workers than one would expect given the state of facilities, the pervasive lack of supplies and the starvation wages of $10 to $20 a month. This *esprit de corps* may reflect the opportunity, long denied, to mend the country.

* Cambodians pay for health services despite their poverty. They make unsolicited donations at public clinics and they pay for house calls by the MOH health personnel who are forced to moonlight to survive.

* Demand for birth spacing is very high among Khmer women despite widespread misinformation and scarce services. The MOH is committed to meet this demand and to provide accurate information on birth spacing methods.

* Even at this early stage of rebuilding Cambodia's shattered health system, the MOH is promoting cost recovery measures throughout provincial and district structures.

* NGOs will continue to make important contributions in program innovation and service delivery, often collaborating with provincial, district and commune level health outlets .

* The Government appears to have confidence that the MOH is positioned to deliver needed services to the electorate of this fragile new democracy; the Ministry of Finance has proposed a four fold increase - to 6% of the national budget - in the MOH budget for 1994. But the new total is only $24 million. (Donors are expected to provide $56 million in 1994 to the health sector).

6.2. STATUS AND NEEDS ASSESSMENT

The Ministry of Health faces particularly acute problems in addressing the public health needs of Cambodia. Up to two million people perished during the Khmer holocaust, which mercilessly targeted people with higher levels of education. Of the more than 500 doctors practicing in 1975, only 43 could be found in 1979 (UNFPA, 1993). In one province, Prey Veng, fewer than five midwives survived the Pol Pot era (World Concern, 1993).

The Cambodian population is estimated at 8.8 million, of whom 53% are female (UNTAC, June 1993). More importantly, over one third of all households are headed by women, their spouses having been killed during the war (UNFPA, 1993). Many of the surviving husbands are amputees - the great majority of Cambodia's 30,000 handicapped are men - who often add little to the family grainery.

The end of widespread hostilities has brought an increase in the birth rate, now estimated at 45 per thousand. Nearly one quarter of the population is under the age of four. The average Khmer mother will have 6-7 children during her lifetime if current trends continue unchecked. Maternal death rates are among the highest in the world, estimated at 1-2 percent of deliveries. Fewer than 10 percent of births are attended by a trained health worker. Infant mortality is reported at 120 per thousand, but it is surely higher among the 80 percent of Khmer who do not go to health facilities for medical care. (Sources: WHO, UNFPA, 1993).

Induced abortions by village midwives are a leading cause of maternal death. Among the 91% of women in Svay Rieng who wanted birth spacing in 1993, abortion was the only method known to 60% of them (Médecins sans Frontières - Holland/Belgium, 1993). Numerous public and private health providers report great demand for contraception despite widespread misunderstanding and scarce availability of services. 85% of women interviewed in Kandal Stung in 1993 wanted no more children during the next two years (World Vision, 1993). Women seeking IUD's and contraceptive injections travel great distances and pay private

practitioners high prices for services. Requests for tubal ligations are commonplace among women undergoing gynecological surgery.

This phenomenon of rising demand for voluntary family planning illustrates a typical dilemma facing the Ministry of Health - increasing demand for services in a system unable to respond adequately to public needs.

To its credit, the Ministry took the lead in encouraging the Government to abandon its pronatalist posture, and the Ministry has established a clear policy to promote birth spacing through maternal and child health (MCH) services. But severe resource constraints in this area, as in most of the Ministry's programs, limit the MOH's ability to meet the rising demand for services.

The leading causes of morbidity and mortality in Cambodia are malaria, TB, diarrhoea, childbirth, accidents, dengue hemorrhagic fever, measles, tetanus, polio, acute respiratory infections and malnutrition. Annex C provides a summary description of the current situation.

The material in Annex C describes the overall structure of the MOH and provides the policy and strategic guidelines for 1994-1995. The organization charts shown are not up to date, as the structure of the health system is still in flux.

Under the newly elected Government, the Ministry of Health has begun to shift lines of authority from district and provincial health departments more directly to the national Ministry. The reduction of authority which provincial Governors traditionally exert over provincial departments of health should promote more consistent development of public health services and should allow for better technical direction of specific programs, e.g., malaria, immunization, MCH/birth spacing, nutrition.

The Red Cross, shown attached to the Ministry of Health on the organization chart, is no longer a part of the MOH and its employees are no longer civil servants. This independence will allow it to meet one of the criteria for certification as a National Red Cross Society by the International Federation of Red Cross and Red Crescent Societies. The network of red cross volunteers under development may eventually become a useful channel for information and education on birth spacing.

In Annex C, "Health Policy and Strategy Guidelines for 1994-1995", is a succinct statement of the overall direction the MOH has chosen to take in addressing the health problems of the country. The document also outlines the responsibilities of various levels of the structure in carrying out national health policy. Note that it calls for refresher training for 50% of hospital staff and 60% of national program staff, a reflection of the inadequately qualified workforce.

From the standpoint of AID's potential interest in considering a program of assistance in voluntary family planning, several aspects of the document stand out. Birth spacing is clearly established as a high priority means of improving maternal and child health. A key health

department target is to make "modern contraceptive methods available for birth spacing at all central, provincial and selected district health facilities."

The same document illustrates a key unmet need which is also of potential interest to AID, the placement of a long-term medical educator to introduce modern reproductive health curricula and teaching at all levels of the health education system. Although the document reflects the MOH strategy of increasing the availability of birth spacing services, training in birth spacing methodology is conspicuously absent from new areas of nursing training to be introduced during 1994-1995. This omission reflects the information provided in several interviews that current levels of professional training in reproductive health are entirely inadequate to the task of supporting a national birth spacing program over the long run.

The tables in Annex C show summary inventories of the health workforce of the Ministry, illustrating the very large number of people on the payroll. Many of these health workers were trained in haste during the 1980s as part of an accelerated program to try to redress Pol Pot's slaughter of educated Khmer. Note that of the total of 22,121 persons in the health workforce, MOH/WHO describes only 39% of them as qualified in their fields - a reflection of the great need for in-service training.

The MOH is acutely aware of the shortcomings of the health structure. Annex C also presents an outline of systemic weaknesses of the health system given by the Under-secretary of State for Health at a December 6-10, 1994 workshop on strengthening district health services - Cambodia's 176 districts are key intervention points for upgrading the system.

The Under-secretary's points were reinforced by the concluding summary of the workshop in Annex C, which listed the major problems facing the health system as follows:

* limited access to services;

* limited quality of services, due to inadequate financial and material resources and limited qualifications of staff;

* poor communication between health providers and the people;

* structural problems due to irregular sizes of administrative subdivisions;

* complex lines of responsibility between different levels of the health structure, due mainly to horizontal lines of authority;

* resource limitations which impede the implementation of health policies.

One of the main topics the workshop dealt with was cost accounting and cost recovery at district and provincial hospitals. Most donors agree that the early attention which the MOH has given to cost recovery bodes well for the effective utilization of external assistance and the prospects

for sustainable programs.

The MOH budget for health has increased from 7.2 billion riel in 1992, to 21.5 billion riel in 1993, to 53 billion ($24 million at 2200:1) for 1994. The MOH budget has also grown as a percentage of the overall national budget, from 3.0% in 1992, to 4.6% in 1993 to 6.1% in 1994. (Source: Mr. M. A. Reoeun, Ministry of Finance, December 6, 1993).

The 1994 budget, roughly 40% of which is for salaries, is allocated as follows:

Central MOH	5.0%
National Programs	25.3%
Training Institutes	3.6%
Phnom Penh Hospitals	17.1%
Drug Factories	2.3%
Provincial H. Dept.	46.7%

The entire Cambodian Government budget for health, however, is only half as much as the $56 million which the donor community has estimated will be earmarked for external assistance during 1994 (Annex C).

6.3. OTHER DONOR ASSISTANCE

Annex C provides a summary of donor programs and funding gaps in the health sector for the period 1994-1996, the results of a World Bank survey conducted in November 1993. Also included in Annex C is a breakout of the needs of the health sector prepared for the ICORC conference in September 1993.

Annex C further includes summaries of WHO and UNICEF programs and a breakdown by province of the principal activities supported by the major donors, including NGOs. The reader is referred to these documents for a good overview of external assistance to the health sector. There is, nevertheless, an unmet need to assess the particular strengths and weaknesses of the plethora of programs planned and on-going which are supported by organizations outside the Ministry of Health, with special reference to programs related to birth spacing.

Annex C contains summaries of two programs of particular relevance to AID's potential interest in birth spacing programs - the UNFPA draft budget for a bilateral birth spacing project, and an outline of Japanese plans for an OB/GYN teaching hospital and related training.

The full UNFPA draft proposal is under review by the MOH and members of COCOM. The Japanese assistance programs will be developed in greater detail by a design team requested for March-April 1994 to plan the training component, and by a second team of Japanese experts proposed for May-June 1994 to plan the new OB/GYN teaching hospital construction.

Any AID-sponsored program in birth spacing will need to coordinate very closely with UNFPA and JICA to ensure complementarity of efforts.

6.4. PROBLEMS AND GAPS REMAINING; RELATION TO MANAGEABLE INTERESTS OF AID

The unmet needs of the Ministry of Health are myriad. Many of the principal obstacles to a functioning system are beyond the capabilities of AID and many other donors to redress. Salaries are typically $10 to $20 per month; transportation and communication networks are poor; many facilities are in dismal condition; supplies and equipment are wholly inadequate; staff are under-qualified.

Many of the fundamental structural weakness of the system will have to depend on eventual increases in Cambodian Government resources. Improvements in overall management and administration are principal objectives of on-going WHO and UNICEF.

AID views WHO as the lead agency for the provision of long-term technical assistance to the Ministry of Health. UNICEF technical assistance is also most valuable in ensuring effective administration of the UNICEF aid programs. There are, nevertheless, significant unmet needs which AID, by virtue of its institutional strengths in health and population programs, is well positioned to address.

Birth spacing appears to be one of the principal areas where the expressed demands of the people have advanced far beyond the ability of the present system to respond. Current other donor programs, proposed or on-going, address only a few of the requirements for a successful voluntary birth spacing program.

Among the major missing elements are:

* Demographic awareness and policy support
* Nationwide service availability
* Contraceptive supplies and logistics systems
* Full birthspacing options
* Comprehensive in-service training
* Supportive supervisory structures
* STD and AIDS awareness
* Reproductive health education
* Collaborative NGO support
* National information campaigns
* Social marketing initiatives
* Operations research capabilities
* Program evaluation methodologies.

The list could go on and on. USAID/Cambodia has taken important steps toward addressing several of these needs through recently signed agreements with PACT, PSI, and FPIA. These programs will help strengthen NGO resources involved in birth spacing, will launch Cambodia's first experiment in contraceptive social marketing, and will expand FPIA assistance to the Khmer Women's Association and to the PMI (MCH) Center of the Ministry of Public Health.

Given the willingness of Khmer women to pay for contraceptive services, the PSI project will take a most important step in exploring, at this very early stage of a national birth spacing program, the viability of a social marketing approach to service delivery.

The FPIA program will make significant contributions in helping the MOH PMI Center to develop service delivery programs in three provinces and in offering contraceptive supplies to other organizations which meet FPIA's protocols for contraceptive distribution. Thus, NGOs which develop birth spacing programs with assistance from PACT, for example, should be able to acquire contraceptive supplies through FPIA.

The importance of these new AID initiatives notwithstanding, serious unmet needs remain as obstacles to the development of a national birth spacing program.

In particular, glaring shortcomings in reproductive health education are not being addressed, particularly at the level of professional training. Nor are nursing and auxiliary level personnel receiving the pre-service or in-service training they need to respond to the public's demand for adequate services.

A recurring theme in numerous interviews conducted over the course of this consultancy was the widespread lack of knowledge concerning modern contraceptive methods at all levels of the health system. At the same time, injectable and oral contraceptives are available in most public markets.

Reproductive health education is an area in which several AID cooperating agencies are particularly strong. It is also a field where AID's investment over many years has created strong local and regional training capabilities in countries such as Indonesia and Thailand. An excellent investment in human resources could be made by supporting reproductive health training for Cambodians at neighboring institutions.

More importantly, the placement of a Khmer-speaking senior medical educator to lead the development of curricula and to spearhead the teaching of reproductive health at all levels of health training in Cambodia would help to remove a major impediment to service delivery throughout the country.

A senior reproductive health educator would provide the leadership and expertise necessary to raise the standards of curricula and to increase the skills of faculty members at the national medical school and the faculties of nursing, midwifery and pharmacy. Reproductive health would also be introduced at regional nursing schools and in-service training facilities to redress

the almost complete lack of information on this subject in the MOH continuing education programs.

A second clear need for technical assistance is in the field of national birth spacing program design and management. The handful of Cambodian birth spacing program managers who are now trying to launch a national program are in great need of counsel regarding the state of the art in birth spacing program development. They need knowledgeable guidance on the successes and failures of various program components in other countries. They need information on the availability of resources to solve problems in technical, managerial, logistical, educational and financial disciplines. They need the advice of a trusted, experienced Khmer-speaking birth spacing program manager who has gone through the difficult process of developing the many aspects of a comprehensive national program to meet the growing demand for services.

In summary, the experience which AID has gained in supporting national voluntary birth spacing programs throughout the world, coupled with the high professional standards which AID cooperating agencies can offer, can position AID as the most influential external donor to support the emerging Cambodian program. Two types of long-term technical assistance are most needed: comprehensive professional advisory services in

(1) national birth spacing program development and

(2) reproductive health education.

USAID may wish to consider providing such technical assistance as a prudent investment to address key constraints to a successful national birth spacing program.

CHAPTER 7

RURAL DEVELOPMENT

Investment in rural development is essential for the strengthening of Cambodia's economy, and for ensuring the country's successful emergence from two decades of conflict and international isolation. This chapter provides a review of the basic programmatic elements of a rural development strategy for Cambodia. It assesses the soundness and prospects for sustainability of rural development interventions within the contemporary social and economic context of rural Cambodia. The assessment focuses on the capacity of Government institutions, International and Non Governmental Organizations (I/NGO), and national institutions to provide a framework for the effective implementation of rural development throughout the country. The chapter then goes on to recommend a set of activities that, supported by USAID as well as other donors would have swift and significant impact for the country's rural population.

7.1. OVERVIEW

More than 80 percent of the population of Cambodia lives in the rural areas and derives its livelihood from farming, fishing, the processing of forest products and other small-scale enterprises. Current sources estimate that 1.6 million hectares of land are cultivated with rice compared to 2.6 million in the early 1970s. The average cultivated area per family is between 1 and 2 hectares for rain-fed rice. Soils are generally poor, yielding on average only 1.2 - 1.4 t/ha for rain-fed rice. Buffalo and cattle are traditionally used to prepare the soil for cultivation and manual labor is used for harvesting. Cash earnings from secondary crops such as maize, sugar cane, sugar palm and vegetables are typically invested in pigs and poultry as income earning investments. This rice-based agricultural system accounts for nearly 50 percent of Cambodia's GDP. Thus, economic development in Cambodia begins with the rural sector, with farmers and with agricultural enterprises.

The rationale for USAID's support to rural development in Cambodia is clear. However, how USAID should target its support, given its limited resources, is difficult to determine because rural needs are so widespread and urgent. The question is, then, where can USAID have the greatest positive impact in the short run to stimulate economic growth and promote political stability?

The principal objective of any rural development program is the improvement of rural people's livelihoods. In Cambodia, where the overwhelming majority of the population is engaged in subsistence agriculture, the improvement of the conditions of agricultural production is essential to supporting a sustainable broad-based economic growth that will improve the lives of the country's rural people. The basic elements of a rural development program for Cambodia include the following:

* **Rural infrastructure**: Cambodia's rural infrastructure is in serious disrepair. Growth of the rural economy depends on the rehabilitation of infrastructure that supports agricultural production (small-scale irrigation systems, flood protection and water storage mechanisms), and the rehabilitation of the rural road system (road surfaces, bridges and flood protection) that link villages with markets. Rural roads are crucial to the efficient delivery of Government services in health, education, agricultural and veterinary extension. An efficient and reliable rural road network is a prerequisite for rural security, a prerequisite for national integration and a prerequisite for rural economic growth.

* **Rural Finance**: A principal constraint to rural economic growth in Cambodia is the absence of rural financial institutions and the people to manage them. Rural credit programs provide a vital, and often the only, link between rural populations and capital resources needed to improve agricultural production, develop small-scale enterprise and promote food security.

* **Improved Agricultural Technology, Practices and Extension to Support Rural Income Generation**: This program area covers a wide range of activities in crop and livestock production and marketing. Program activities typically include: seed multiplication; integrated crop and pest management; crop diversification for cash crop production; post-harvest handling and processing of staple and cash crops; livestock/poultry production, health and marketing; and training of agricultural project workers and farmers.

  Agriculture technology programs are relatively low risk and, with good planning and management, can yield direct positive results within a two-to-three year period. These programs become more difficult to develop on a national scale without establishing large bureaucratic structures that are often too expensive for Governments to maintain. The success of these programs relies on strong technical assistance, monitoring and training.

* **Natural Resource Management**: The effective management of its productive natural resources is essential to Cambodia's sustainable economic growth. Soil, water, forests and fisheries are integral elements of the overall agricultural production system. Serious degradation of these resources has occurred in recent decades at a rate which cannot be sustained without causing permanent damage to the national economy and the environment. Community-based forest management, soil conservation and water management for agricultural production, as well as the management of marine and fresh water fisheries are essential elements of an effective rural development strategy.

* **Community Development**: The preeminent need to engage all potential beneficiaries in the planning and implementation of rural development initiatives links each of the program elements cited above. Community Development

encompasses grassroots village-level capacity building to support local management of natural and capital resources, the construction and maintenance of infrastructure, and the sustainable operation of development interventions such as animal health and agricultural extension. It empowers villagers not only with rights but with responsibilities as well.

Community Development also encompasses the capacity building of the Government, particularly line agency personnel, to effectively engage rural populations in the development process. It creates the context for service-oriented "bottom up" planning of Government programs, and fosters the participation of communities in those programs. In addition, Community Development helps to reach the most vulnerable populations in the villages and enables them to take part in the development process.

Agricultural Policy and Program Management: Another principal constraint to rural economic growth in Cambodia is the current transition from a command to a market economy with its accompanying changes in policy and planning principles and a shortage of trained manpower to implement those changes. This area includes information management, agricultural policy analysis and advocacy, strategic planning, program development, project design, and institutional development through training of Government staff at the central and provincial levels. This program element is closely linked to macroeconomic management, an area in which USAID will soon be heavily involved.

Experience teaches that very little agricultural development occurs unless and until the Government gets the policies right. Good policies do not necessarily create economic growth but bad policies certainly constrain economic growth. From a sound policy framework that stimulates private investment and trade, the Government can carry out strategic planning for the agricultural sector that addresses environmental, equity and economic development issues.

The rural development program recommended for USAID support draws on each of the six program elements cited above. This next section outlines the context in which that program must operate, and provides a background for the recommended program activities that follow.

7.2. CONTEXT OF RURAL DEVELOPMENT IN CAMBODIA

7.2.1. Socio-Economic Conditions

The current social, economic and political conditions of rural Cambodia pose formidable challenges for the successful implementation of any development initiatives. The rural areas are characterized by a concentration of population in villages with the nuclear family as the primary unit of production. However, in many areas of the country, village society remains unstable as

scores of thousands of repatriated refugees, internally displaced people and demobilized soldiers settle and seek to integrate themselves into pre-existing village structures. Landholders remain uncertain about their tenurial rights in the face of chronic delays in the Government's land registration and titling process. Traditional family support networks have been decimated by years of war and social engineering. UNICEF estimates that 60 percent of Cambodia's farming households are headed by single women. The singlemost significant unifying force in rural Cambodia, the Buddhist *sangha,* or monastic system, is only beginning to rebuild itself after nearly a generation of persecution and subsequent neglect.

Lack of personal security remains an ever present constraint to villager participation in development programs, as well as to the agencies attempting to promote development in the rural areas. The proliferation of land mines in many areas of the country prevents full utilization of once productive agricultural land. Poor roads, limited rural transport, banditry and continued civil conflict discourage rural commerce and impose isolation on villagers. While the structure of rural governance, with it appointed leaders at the district, commune and village levels, remains very much intact, the full implications of the Government's recent gubernatorial appointments for all of the country's 21 provinces will have repercussions for rural political life for months to come.

7.2.2. Institutional Constraints

A serious lack of untrained and poorly motivated Government staff, as noted in earlier chapters of this report, continues to remain the singlemost important constraint to Cambodia's economic development, not only in the central Government, but at the provincial and district levels as well. The legacy of socialist governance and a command economics has discouraged the development of sound management skills within the government. As a result, the Government will continue to require expatriate advisors at the central and provincial levels to develop and manage sectoral programs for some time to come. Management and technical training programs are only now becoming established in country. It will be many months before trainees are likely to take up positions of responsibility and perform to the standards acceptable in other developing countries within the region.

NGOs have played an enormously important role in delivering humanitarian and developmental assistance to the Cambodian population. Bilateral and multilateral donors alike have relied on NGOs to provide a wide range of services in health, education, agriculture and livestock production, water supply and sanitation rural credit and infrastructure rehabilitation. As a result, there has been a proliferation of NGOs implementing a wide variety of programs throughout the country since the Paris Peace Accords of 1991. NGOs and IOs voluntarily participate in sectoral coordination at the national and provincial levels on a regular basis. However, the Government is still formulating national programs in many sectors, and the lack of clearcut national policies in these sectors leaves the NGOs without specific guidelines for formulating and implementing rural assistance activities. For example, IOs and NGOs practice a variety of "technology transfer" strategies in their attempts to collaborate with counterpart Government staff in the

field. Some organizations operate independently of Government agencies and collaborate with local political leaders and villagers only. Others work closely with Government line departments providing technical and financial support to enable those departments to implement their own projects. Those agencies that attempt to work closely with the Government in the field do not have consistent policies for providing training for counterpart staff. There is an ongoing debate on how Government staff who participate in IO and NGO programs should be compensated (e.g., salary supplements or per diem) if at all.

Political divisions within the Government itself combined with the lack of clear cut national policy in many sectors, obfuscate lines of authority and the decision making capacity of Ministries and line departments. IOs and NGOs are often unsure of the appropriate Ministry or department from whom they should seek guidance and support for their programs. Because of the dearth of trained managers in the Government service, especially at the field level, many organizations have no effective counterpart in the Government at all.

Finally, and perhaps most basic of all, are the issues of security and access. The Government has a limited ability to guarantee the safety of IO and NGO staff in the field. This lack of security is a major constraint to the reliable delivery of services and support to rural beneficiaries. This lack of security also discourages villagers from taking advantage of services if they must travel to do so. Similarly, limited seasonal access to villages far from main roads due to flooding through much of the rainy season limits Government, IO and NGO services in rural areas for many months at a time. Both issues highlight the importance of promoting rural self-reliance through participatory community development.

7.2.3. Enabling Conditions

Despite these socio-economic, political and institutional constraints, conditions exist in Cambodia for USAID to support effective and sustainable rural development initiatives that will have significant impact in the near and mid-term time frames.

IOs and NGOs and the Cambodian people themselves have demonstrated that rural development is possible in contemporary Cambodia. Despite social, economic and political insecurity, farmers that have access to resources are willing to invest in the technology and infrastructure to improve agricultural conditions and diversify production. The growth of rural commerce provides expanding opportunities for cash crop production and small-scale agro-processing and agro-service enterprise development.

There is evidence throughout the rural areas of a revival of the Buddhist *sangha*, which is indicative of the stability that is returning to village life. The *wat* is the focal point for village society, the embodiment of community. Monks and the respected laymen in that community are important stabilizing influences who provide balance to local political leadership.

The humanitarian and rehabilitative activities of IOs and NGOS to date provide a solid experience base on which to design more extensive rural development efforts. This experience encompasses technical, organizational and management expertise as well as an understanding of the socio-economic and political dynamics of rural Cambodia.

IOs and NGOs have provided, and will continue to provide, important technical, managerial and administrative training to Cambodian staff. These resourceful and committed Cambodians constitute one of the most important development resources the country possesses. In Government service as well, there is an encouraging number of staff, particularly field staff, who are eager to learn and take part in development programs.

Finally, after two decades of turmoil, the Cambodian Government is reassessing and revising policy in every sector. USAID has the opportunity to influence agricultural, natural resource management and rural finance policy formulation in ways that will have direct and positive long-term impact on the Cambodia's rural development and the livelihoods of its rural population.

7.3. PROPOSED RURAL DEVELOPMENT PROGRAM

The aim of the Rural Development Program for Cambodia proposed here is to target resources that will restore the rural economy of the country as rapidly as possible, and to promote the conditions for sustained economic growth. This can be achieved through immediate short-term, high impact investments in labor-based infrastructure, and direct economic stimulus to farm production through a program of rural credit and a more targeted program of animal health.

The provision of economic stimulus to farmers throughout the country will promote political stability and improve conditions for economic growth and lay the foundations for a more democratic system of governance. This is the framework under which donor assistance may be requested at the ICORC meeting in March 1994.

The assessment team has identified a preliminary set of rural development activities that would have swift and significant impact for the rural population of Cambodia. The criteria used for selecting program activities are that each intervention:

* has the potential for rapid start up;

* will produce strong measurable results in the short-term of two to three years;

* will have direct economic impact on rural population;

* will be applicable throughout the country and affect a large portion of the population;

These rural development activities are:

* development of a labor-based rural road construction and rehabilitation program;

* promotion of community-based small-scale rural infrastructure construction and maintenance;

* promotion of community-based animal health services;

* promotion of rural credit to support diversified agricultural and livestock production, agricultural processing and small enterprise development;

The following sections briefly review the technical and geographic scope of each activity recommended, comment on the socio-economic soundness of each, identify appropriate agencies for the implementation of each activity and suggests the technical assistance and training requirements for each activity.

7.4. DEVELOPMENT OF A LABOR-BASED RURAL ROAD CONSTRUCTION AND REHABILITATION PROGRAM

This activity calls for the establishment of a rural road construction and rehabilitation capacity in each province, having an equipment operations and maintenance unit, a survey/design unit, and a team of expatriate and qualified local engineers to provide construction management and supervision. The supervising engineers will assist the Ministry of Public Works and Transport, and its provincial public works divisions, to undertake road construction and maintenance at the provincial level on a priority basis (i.e., building first those roads having the greatest potential impact on largest number of people). Expatriate advisors will provide on-the-job training to government-employed engineers and construction supervisors.

The rehabilitation of Cambodia's road transport network will be a long, slow process requiring heavy investment and strong Government and donor commitment. The high costs of equipment procurement and maintenance dictates a more economical labor-based approach to the road sector, which also provides employment in the rural areas, and added stimulus to rural economic growth. Labor-based methods of road construction have been successfully introduced in Cambodia by the ILO, CARERE, CONCERN and the Danish Cambodia Consortium (DCC) in the secure districts of the northwest, central and southern provinces of the country. This program, supported in part by USAID, would build on and expand that approach country-wide. A number of NGOs already operational in Cambodia could be funded to expand their programs to include road construction and rehabilitation, or additional NGOs with engineering expertise, such as Volunteers in Technical Assistance (VITA), could be funded to establish a Cambodia program.

There is widespread demand among villagers for improved roads to provide them with greater access to markets and Government services (e.g., schools, clinics and training programs). Limited and expensive rural transport adds to the cost of goods that villagers import, and reduces villagers' earnings on agricultural commodities delivered to district and provincial markets. None of the organizations currently involved in road construction report difficulties in recruiting day labor from among surrounding villages, even during periods of peak agricultural production. Thus, a program of road construction and rehabilitation promises a highly visible and positive impact for rural populations throughout the country.

7.5. PROMOTION OF COMMUNITY-BASED SMALL-SCALE RURAL INFRASTRUCTURE CONSTRUCTION AND MAINTENANCE

This activity calls for the creation of a participatory development program for the training and support of community organizations to dig and drill wells for potable water supply, rehabilitate small irrigation schemes, expand small-scale water storage capacity, and construct and maintain other essential rural infrastructure (e.g., school buildings and clinics). The promotion of community participation develops a sense of a community's ownership and responsibility for their capital resources. It also ensures the broadest possible access to and equitable distribution of Government resources targeting rural areas.

Despite the legacy of forced labor during the rule of the Khmer Rouge, the rural people of Cambodia are not averse to collective work for a common benefit. The restoration of village temples all across the rural landscape is one very visible indication of this community spirit. In addition, villagers exchange labor during peak periods of agricultural production and for collective activities such as house construction, well-digging and irrigation channel maintenance.

46 IOs and NGOs are currently engaged in some form of community development activity in Cambodia. Strategies differ markedly. There is as wide a variety of approaches to community development as there are implementing agencies. Partage Avec Les Enfants du Tiers-Monde, for example, works with Buddhist monks and laymen to promote community development from the village *wat* based on the Thai model of "development monks". American Friends Service Committee (AFSC) works directly with the provincial Department of Hydrology (DOH), supporting a staff of community organizers who have been trained in community development at Khon Kaen University in North East Thailand. These community organizers work with villagers and local political leaders to identify medium-scale flood and recession control works for DOH construction or rehabilitation. The community organizers also work with villagers to establish water user groups responsible for the operation and maintenance of irrigation infrastructure. CARERE employs a staff of community organizers who conduct village needs assessments in all sectors. It then provides financial support and technical assistance to the appropriate Government department to work with villagers in addressing their needs.

The construction of small-scale water storage facilities, whether on an individual household or collective basis, holds considerable promise for improved agricultural production. Where water

control is possible (with modern or traditional techniques), Cambodian farmers develop more intensive cultivation practices and tend to diversify production. Middle-income farmers in Battambang, for example, are investing in small-scale water storage to support both fruit and vegetable production as well as pisciculture for the local market.

The activities supported by this community development program are technically diverse and currently require the oversight of several Government agencies ranging from the Ministry of Health (potable water), the Department of Hydrology/MAG (irrigation infrastructure and water storage) to the Department of Public Works (small public buildings and rural roads). The State Secretary for Rural Development (SRD) has recently proposed a framework whereby it would assume responsibility for the Government's community development activities. This proposal deserves serious donor consideration.

SRD is the logical home for a national training capacity in community development. Such a center could provide training to all Government technical agency management and field staff in areas relevant to sustainable rural development including: community needs assessment, participatory planning and implementation; resource user group formation and resource management; and appropriate technology. Courses - drawing on international, regional and national experience - could be developed and conducted at the national, provincial and district levels to provide the broadest possible access for Government field staff, village leaders, and the rural population as a whole to the methods of community organization and participatory development.

In addition, SRD could serve a funding and coordinating role for community development initiatives at the provincial and district levels. SRD staff would assist the line agencies in assessing development needs and organizing community support for the sustainable use of Government resources (e.g., technical assistance and infrastructure). From its program budget, SRD would allocate funds to line agencies to support small-scale rural development based on a regular annual program planning cycle. SRD would also work with IOs and NGOs to ensure equity in the geographical coverage of rural development requirements as well as consistency of implementation methods. Donors may see an advantage to this proposed system in that it provides an opportunity to target and deliver resources directly to rural areas through the rather "lean" administrative structure of the SRD rather than the existing Government structures.

USAID could support the placement of a Community Development Training Advisor in the SRD who would be responsible for curriculum development and the facilitation of training country-wide. One of the advisor's priority responsibilities would be regular training for SRD staff in the management of rural development projects. In time, SRD staff themselves will become the most qualified faculty for the national training center.

7.6. PROMOTION OF RURAL CREDIT TO SUPPORT DIVERSIFIED AGRICULTURAL AND LIVESTOCK PRODUCTION, AGRICULTURAL PROCESSING AND SMALL-ENTERPRISE DEVELOPMENT

There is a critical lack of credit facilities and credit skills throughout Cambodia. Structural reforms have yet to be put in place at the national level that would support enterprise development of any scale. There are virtually no rural banks and no agricultural credit. The formal and informal banking and loan systems that do exist suffer from many weaknesses and high interest rates, particularly characteristic of the informal credit sector, penalize the rural poor. The high cost of tools, capital equipment and materials, much of which is imported from Thailand at world market prices, inhibits investment by middle-income farmers and entrepreneurs in employment generating enterprises.

More than a dozen NGOs and IOs have developed credit schemes within the context of their rural assistance programs. There are three general categories of scheme:

* in-kind credit schemes that directly promote food security (e.g., rice banks, fertilizer banks and livestock banks) - Partage, Lutheran World Service, UNICEF, among others;

* small-scale lending schemes ($25-$50 range) that establish a revolving fund from which farmers typically borrow to purchase agricultural inputs (e.g., seed, fruit tree seedlings, fertilizer, pesticides); livestock (e.g., poultry and pigs) for resale, or to meet extraordinary expenses, such as non-routine medical care - GRET, CARE, Catholic Relief Service, Church World Service, World Vision, among others;

* small to medium-scale lending schemes ($50-$5000 range) from which farmers borrow directly to finance the purchase or repair of capital goods (e.g., water pumps, irrigation channels, fishing boats) and small commercial service enterprises (e.g., small engine repair, bicycles, tin smithing, etc.) - ILO and CARERE.

Village-based rural credit schemes have proven to be the most effective method of providing working capital to the rural poor. However, while loan performance rates reported to date are running close to 100 percent, the scale of these schemes remains extremely limited, with estimates of beneficiaries ranging between 17,000 and 20,000 households. These rural credit schemes are very labor intensive, and, at this point in Cambodia's rural development, clearly are not sustainable without donor support. Nevertheless, NGO and IO programs are an important testing ground for rural credit mechanisms and for promoting villager confidence in savings and credit.

A rural banking system that extends credit to employment generating enterprises is required to broaden the scale of rural credit in Cambodia. As a recent CARERE report notes, there are

extensive opportunities for investment rural enterprises including fishing, rice milling, jute growing and processing, sugar palm processing, transport, farm equipment maintenance, metal working, weaving and silk production. There are also opportunities for small manufacturing enterprises in the water and sanitation field such as the fabrication of water storage jars.

There are provincial branches of Cambodia's Central Bank that operate very inefficiently. These banks could be reorganized to become private banks with a mandate to focus on rural savings and lending for agricultural production, marketing and rural enterprises. Enterprise lending could also be organized to finance small-scale ventures through a sub-sector lending operations.

The macroeconomic management section of this report proposes the placement of an advisor to the Central Bank to strengthen monetary and financial institution supervision capacities. The Director of the Central bank has indicated an interest in developing a rural credit program. It would be logical for USAID to support a Rural Credit Advisor to work closely with the Director and the Banking Economic Advisor to lay the policy groundwork to support rural investment. The RTSP contract provides USAID direct access to DAI's GEMINI project, a highly successful program of small-enterprise development and support. With these resources in hand, combined with its continued support for NGO rural credit schemes - to continue to test viable small credit mechanisms and provide working capital to poor farmers, USAID can have a significant impact on Cambodia's rural finance sector.

7.7. PROMOTION OF COMMUNITY-BASED ANIMAL HEALTH SERVICES

Livestock and poultry are vital elements in the rice-based agricultural system of Cambodia. However, in the absence of adequate vaccines, drugs and veterinary specialists, draft animals, pigs and poultry are subject to infectious and parasitic diseases that result in serious losses. These losses represent a major constraint on farm household productivity and cash earnings.

This activity calls for the establishment of a national livestock and poultry disease control program, based on preventive vaccination and parasite treatments provided by private village animal health workers. Based on a model program developed by Vétérinaires Sans Frontières (VSF), AFSC, Church World Service, CARE and VSF itself have successfully implemented a vaccination and disease treatment program through the Department of Animal Health (DAH) at the village level utilizing Village Livestock Assistants (VLA). Selected VLA candidates are provided with training in inoculation, simple diagnosis and drug treatment, and a supply of vaccines and drugs that they administer during their field training. This in-service training is supervised by the staff of each organization and a district DAH animal health technician. Having completed this training, the VLA is certified to purchase vaccine and drugs from the DAH which he/she administers to village livestock and poultry for a set fee. Ultimately, the program calls for VLAs to purchase vaccines and drugs from the DAH and to sell these at a set price, plus a service fee, to village households. The DAH will maintain a cold chain to ensure a steady supply of vaccine to all provinces. DAH provincial and district-level staff will provide extension services for specialized veterinary services (e.g., castration), promote and monitor the

services provided by the VLAs within their jurisdiction, and provide training to additional VLAs as required.

The VLA program is a simple, cost-effective strategy to provide basic animal health services that will quickly improve the survival of the country's livestock and poultry, and thus improve rural household income. The DAH will continue to require training and monitoring support at the provincial and district levels. NGOs have already demonstrated that they can fill this role effectively. USAID, in collaboration with other donors, could support the expansion of the number of NGO's in the animal health sector and the rapid establishment of the VLA program country-wide.

7.8. CONCLUSION

The development activities proposed above - rural roads, community development, rural finance and animal health - clearly require further study and refinement to determine the scope of financial and technical resource requirements needed to initiate each one. The implementation of these activities will be challenging, and will require innovative approaches that tap the experience and personnel resources of the Government, the international donor community, NGOs and the rural population. Technical, management and, in most cases, community development training to build and sustain local capacity will be an essential component of each of these activities.

Reviewing the criteria proposed for selecting rural development activities, those proposed here can be **started rapidly** by building on the existing models and implementing experience of IOs and NGOs. With the development of strong management capacity and effective monitoring, they have the **potential of yielding strong measurable results in the short-term of two to three years**. With the appropriate management and implementation structure that streamlines the delivery of assistance to the provinces, districts communes and villages, they will ha **direct economic impact on rural populations**. Finally, each of these activities is **applicable throughout the country and has the potential of affecting a large portion of the population.** However, USAID will have to consider the geographic focus of any or all of the these activities in its goal to achieve maximum impact in the near term. Poor communications, limited resources and weak central Government agencies remain significant constraints to successful implementation of national programs. An area development focus - one that integrates a number of sectoral development activities in a single province or group of provinces - may have more significant impact than a national program that disperses resources widely over the entire country.

CHAPTER 8

DATA NEEDS ASSESSMENT

8.1. SUMMARY

The RGC is receiving - or is scheduled to receive in early 1994 - considerable medium-term assistance from the IMF, in particular in addressing its data needs. It also has an advisor financed by the Asian Development Bank to the Ministry of Planning, who is responsible for most official statistics. These needs are significant, and are not limited to the priorities addressed by donors. The assessment recommends technical assistance and on-the-job training (based on research) which will alleviate the shortage of useful data for policy making.

USAID/Cambodia has its own requirements to monitor progress of its contribution to macroeconomic management. These needs are parallel to those of the RGC, except that further data - information on the development of data system themselves - are required to monitor the assistance provided.

8.2. DATA REQUIREMENTS FOR MACROECONOMIC MANAGEMENT

The complication and reporting of economic data is one of Cambodia's many urgent needs. It is essential that the macroeconomic management of the country be based on sound information, but the tools necessary for the job do not yet exist. Government must track the impact of its policies, and donors must track the impact of their assistance, the better to target it where it makes the greatest contribution. The data requirements for this monitoring and evaluation should be in harmony with the data needs for Government management, and donors should avoid cases where an additional reporting need would be imposed on an administration already under stress.

Macroeconomic management requires data. The production of such data and their use for analysis are among the objectives of the potential assistance discussed in Chapter IV. The principal data needs are given in this chapter. Some information, such as on monetary aggregates, is derived from information already available to the Government and reporting systems are under development (for instance, the Central Bank Monetary Survey has already been created).

Other information, particularly the national accounts, require the development of survey systems and the compilation of data from several sources. The Ministry of Planning, the natural home for a Statistics Office, is receiving technical assistance, which will probably include the improvement of statistical quality and coverage for all users. The remaining needs are those which are internal to the macroeconomic Ministries.

If USAID Cambodia intends to provide assistance to address the needs of the RGC, a data issue which must be addressed separately is benchmark of progress in order to evaluate this assistance. Improved macroeconomic performance is a "super-goal" in that its achievement is beyond the manageable interest of USAID Cambodia but depends upon significant factors outside USAID's control. Indicators of AID program performance can (and must) include not just attainment of objectives, but intermediate outputs such as the provision of reliable data (or reliable proxies for data which are too expensive to obtain at the current level of rehabilitation of Cambodia's economic infrastructure) to policy-makers.

Three kinds of reporting system must be considered separately:

(1) Some reporting systems are necessary for continual evaluation of policy reform, but policy reform may proceed without having these systems in place when the "invisible hand of the marketplace" can serve as a regulatory mechanism. For donors concerned with tracking progress of reform, alternative methods (such as surveys) may serve their needs without imposing burden on already overloaded administrations.

(2) A second system is necessary to provide clear information on - and advance warning concerning - bottlenecks, imbalances or deviations from expectations, to managers and policy-makers; the financial audit function is an example of such a system. This is particularly true for data series over which the Government has direct control, such as the scheduling of payments of principal and interest on official external debt.

(3) Other reporting systems are necessary for the implementation of the policy process itself: tracking interest and exchange rates as indicators of monetary tightness for instance.

8.3. PROBLEMS OF DATA COLLECTION

8.3.1. Status and Needs Assessment

For most fields, the assessment team was simply unable to find data. Data which are published are derived independently using extrapolation from different data sources, and are not consistent among them. Even concerning the most quantitative data over which the Government has direct oversight, such as official foreign exchange reserves and official debt, there are anomalies in the reporting systems and discrepancies between the national series and those derived by international organizations based on the records of the other side of the transactions.

The data systems which must be put in place or improved include the following:

1. National accounts
   a. National accounts (provisional and definitive)
   b. Balance of Payment statistics

2. Data for fiscal management
   a. Government budget and realizations
   b. Treasury operations
   c. Government debt (balance sheets and flows, international and domestic)
   d. Public investment programming
   e. Public enterprise P&L, balance sheets (and valuation).

3. Data for monetary and exchange rate management
   a. Market exchange rate and official exchange rate (including forward rates)
   b. Monetary statistics
   c. Volume of foreign exchange transactions
   d. Interest rates (level, structure, differentials between banks and between riel and foreign exchange denominations)

4. Data for financial sector solvency
   a. Prudential ratios (including reserve positions) for commercial banks
   b. Balance sheet and profit-and-loss information on commercial banks

5. Data concerning market competitiveness

6. Data concerning effectiveness of macroeconomic management
   a. Foreign investment
   b. Foreign trade
   c. Indicators of the magnitude of the informal economy

8.3.2. Assistance by Other Donors

A considerable amount of short-term assistance is programmed by the IMF, Asian Development Bank and others. A summary is given in Annex B. Of particular interest, the Asian Development Bank is financing two technical assistants to the Ministry of Planning, which will improve the provision of national and governmental statistics to all users and policy-makers. This assistance is appropriate for the tasks involved; long-term assistance and training Cambodian staff in the analysis, use and limitation of these data would complement this assistance.

8.3.3. Problems and Gaps Remaining

Over time, the Ministry of Planning and the other macroeconomic Ministries will improve their data collection as they develop new systems. However, the macroeconomic Ministries still lack basic information needed for policy making and policy implementation. They also lack the means and techniques to use this information for policy analysis and informed decision making.

8.4. AID MONITORING AND PROGRAM EVALUATION REQUIREMENTS

In addition to the economic data discussed above, USAID needs information on progress of the economic reforms. Indicators of inputs are straightforward and not discussed here; indicators of the outputs of assistance are also easy to formulate (such as persons trained, reports written). A more significant question is the relevance of these outputs to attain the objectives of the assistance.

* Qualitative indicators are useful, if care is taken to avoid bias. Feedback from the Ministers involved may be aimed at maintaining levels of external aid. Reporting by the World Bank and IMF, however, is a more appropriate qualitative indicator of progress.

* Policy changes are often diffuse in their impact, but so significant that they can be measured by macroeconomic change. For instance, improvements in the competitive environment lead to more business formation, more business activity, and higher levels of income. Gross foreign investment flows are directly related to private perception of improvements in the economic environment. The problem of additionality remains (how much of this would have occurred in the absence of the project?), but these are useful indicators of attainment of ultimate objectives, and are indicators which are produced by the project itself.

8.5. POTENTIAL INTERVENTIONS

The data called for will be generated by the activities within each Ministry, in addition to information produced by the Ministry of Planning with assistance from another donor. No additional intervention is required.

For monitoring and evaluating the assistance provided by the RGC, the specialist teams in the three Ministries should develop baseline measures within the first six weeks of their assignment, so that future progress and constraints can be identified clearly.

CHAPTER 9

MANAGEMENT AND COORDINATION NEEDS ASSESSMENTS

9.1. BACKGROUND OF ADMINISTRATIVE SUPPORT

The last two years have seen unprecedented changes in the availability of goods and services in Cambodia. The wave of activity accompanying the arrival of UNTAC has begun to wane. Prices have begun to stabilize after major downward corrections in the past ninety days. There has been a notable reduction in the number of contractors, restaurants, and small business that catered to the foreign community. Minor additional consolidation will continue.

The net result of this economic activity is that program support to a technical team located in Phnom Penh is much easier than it would have been eighteen months ago. However, conversations with Embassy, USAID and private business leaders confirm that effective administrative management remains highly labor intensive. One has only to look at those organizations which have neglected or suffered under weak management teams to see the high cost in morale and cash that this approach entails.

A review of the market confirms that once the initial management system is put into place in Phnom Penh, 90% of the materials needs to support a technical assistance team can be met from local or regional sources.

Real estate prices have collapsed from their highs of 18 months ago when it was not uncommon to see large villas commanding rents of $6,000 per month. Comparable rents today range from $1,800 to $2,500. Further corrections will be minor. It is now possible to rent office, warehouse and residential properties at more rational rates. Word of mouth and personal contacts, coupled with the few estate agents in the Phnom Penh market make locating offices and residences less onerous. Those properties which are available require less investment in make ready costs than in the past.

The availability of trained Khmer staff at all levels is one area of management that has been consistently under-estimated by foreign organizations planning to operate in Cambodia. This is believed to be due to the total lack of comprehension of the effect on Khmer society of the civil strife over the past thirty years. Death and immigration during the Civil War and the Pol Pot Years decimated the trained population. The paucity of trained Khmer requires:

(1) staff levels to be higher than one would anticipate;

(2) a higher ratio of expatriate personnel; and

(3) the understanding that activities are slower in execution than in other countries.

Staff training and development beyond the normal on the job training is mandatory. Personnel selected for TA and management positions should have demonstrated organizational and training skills.

9.2. USAID/PHNOM PENH DAI COLLABORATION

DAI understands that USAID/Phnom Penh expects that future RTSP personnel who may be resident in Phnom Penh be as self-sufficient as possible. With this in mind the technical assistance team will establish a small office in Phnom Penh to support long and short-term technical assistance personnel assigned through the RTSP to assist the USAID. The USAID undertakes to provide the following assistance: RCG approvals for DAI personnel to reside in Cambodia and to operate in the country with the status of a technical assistance project with all the rights generally accorded to such a team. This would include, but not be limited to: short-term and multiple entry visas, duty and tax free status, licenses and permits, access to Commissary/pouch/ and APO privileges on the same basis as afforded USDH employees.

9.3. MANAGEMENT SUPPORT TO THE TECHNICAL ASSISTANCE TEAM

Management support will be provided directly by DAI to the TA team. This review assumes that there will be 5 technical advisors in the team and that this number will be augmented by short-term TA personnel as required, as well as additional long-term advisors if needed. Although no time frame for mobilization is mentioned, the following remarks address the establishment of an office and residences for the TA team in the shortest time frame possible.

With adequate staffing, funding and planning, DAI can have a functioning office in Phnom Penh within 10 days of mobilization. Similarly, we believe that the residential requirements of the TA team can be met in such a way as to reduce the time in hotels to less than 60 days on average. To reiterate, rapid mobilization will require RCG approvals in place, staff resources, funding and advanced planning (especially in the area of procurement) to achieve these goals. USAID can go cheap or USAID can go fast but it cannot go fast cheap!!

9.4. OFFICE SET-UP

The development of an administrative support apparatus should be approached in two phases: start-up activities and regular daily operations. The success of a rapid start-up is dependent on early policy decisions on the size of the office, adequate start-up staff, adequate funding, and planning. If a pre-existing office can be located, the office can be operational in less than two weeks. On the other hand, should a new location be required the time frame will be extended and become dependent on the arrival and installation of a diesel generator for adequate power. In the latter case, initial operations can proceed from a temporary office located in a hotel room.

Initial lead time can be further shortened by standardization on equipment currently in use by the USAID. The AID representative should be asked to consider approving a standardization plan to take advantage of the fact that AID has already done the necessary competition. Equally, if not more compelling, standardization allows access to the installed base of the Embassy and to USAID equipment, and to the maintenance expertise and parts support that the various vendors have developed.

While the standardization plan is reviewed and the necessary program approvals obtained, purchases orders should be developed to reduce by several weeks the lead time for the procurement and transit of major equipment components. The pre-planning list would include generators, vehicles, furniture, stills, and computers.

9.4.1. Personnel Requirements

Administrative Personnel needed to support the TA Professional Staff come in two flavors: start up and long-term support personnel. Both requirements should be developed at the same time.

Start-up Team : The start-up team should be composed of a start-up project manager, a works supervisor resident in Phnom Penh and a procurement specialist in Bangkok. Start-up personnel will work with local contractors to rehabilitate office and residential space. They will be required for periods of up to 120 days in the case of the program manager, and 6 months for the works supervisor. The Procurement Specialist should be engaged in Bangkok for a period of 30-45 days. Procurement duties will include procurement and shipping of locally procured items in support of the opening.

Long-term Staff: Concurrently with start-up, recruitment should be proceeded for a permanent administrative staff composed of the following: an expatriate administrative specialist, a locally hired office manager, a Khmer staff composed of a secretary, an administrative assistant, a computer specialist, an interpreter/translator, and sufficient drivers to meet the needs of the TA team and office staff, a messenger. Active recruitment in Phnom Penh can begin as agreements between USAID and DAI progress.

It is imperative that the office manager be identified and hired ass soon as possible in the overall process. The start-up team will also be responsible for the location, leasing, rehabilitation, and equipping the residences for the permanent TA staff. These activities will take longer because of supplies. If start-up activities are fully staffed and funded, staff days in hotels prior to moving to their permanent quarters will be reduced. At an average of $5,000 per month in hotel fees, one can see that the application of funds and personnel to one side of the equation will pay great dividends on the other in real dollar terms, as well as in program efficiency and staff morale.

9.4.2. Office Space

The support office should be of sufficient size to house the basic TA support team and periodic short-term TA advisors. The long-term TA personnel will have offices in the Ministries to which they are assigned. The general size of the office will be in the neighborhood of 1500 square feet. However, unless commercial office are located, a residential house will have to be used as an office.

9.4.3. Telecommunications

In Cambodia the traditional hard-copper-wire-phone-system is being rapidly replaced with cellular and radio phone capacity based on newly introduced technology. The communications needs of the team should be met by a combination of cellular phones from Samart Inc. and fixed radiotelephone points using equipment supplied by Shinawatra. This approach allows access to fax and E-Mail as well as voice transmission. The Post and Telegraph system is prone to intrusion and theft of the copper wire.

9.4.4. Computer Operations

Full office automation based on standard software is possible in Cambodia. Khmer staff are eager to learn computer skills, and with training become capable users. The secret to developing a smooth operation is access to technical support for both hardware problems and software back-up. Though as yet unproven, it is believed that a large percentage of systems problems can be met through remote access to the computers. The Khmer market has yet to produce an acceptable answer to this problem. Technical computer support delivered through the RTSP, to meet not only the needs of the USAID community but also of the Ministries as they increasingly automate, may hold distinct advantage to the mission.

9.4.5. Initial Cash Requirements

The start-up project manager should have immediate access to adequate funds to procure locally all goods and services normally encountered in establishing an office. He should be granted sufficient personal authority to make on the spot decisions concerning start up activities. Naturally, adequate records should be required for clearing advances and generally accepted American business practices should be followed.

9.4.6. Office Procedures

Standard DAI procedures should be followed in addition to locally developed procedures, as required to meet the local situation.

9.4.7. Periodic Inventory

Of prime importance in the development of a start-up operation for technical assistance is developing the ability to take a periodic inventory. This must be addressed from the initial conception of the project and strictly adhered to during execution of all activities. Use of "Managing Your Money" or "Quicken" should greatly facilitate keeping this vitally important record. It is possible to infer from the emphasis placed on this function in previous audits that this may be of more importance than the delivery of technical assistance.

9.4.8. Vehicle Support

The only dealer in Cambodia with parts and maintenance support for US origin vehicles is Jeep Cambodia. USAID experience has been good with the vehicles and the support. While the vehicles are in transit, local arrangements should be made for the rental of a Sedan. Prices are reasonable. While the basic fleet is in transit, one or more vehicles should be rented on the local market. Fuel is for the moment readily available on the local market.

9.4.9. Security

The RTSP team should look to the USAID for guidance in security matters. The team should be included in the AID radio net, and the proper equipment should be procured to insure that not only the security radio needs are met, but also that physical security of the residences and office is taken into account. A safe for the protection of funds and small shredders should be installed in each office. Embassy review of local staff credentials would be a distinct help.

9.4.10. Contracting Procedures

DAI and USAID procurement practices will be followed.

9.5. RESIDENTIAL SUPPORT

There has been a massive turn around in the residential market in the last few months, as the market has adjusted to the departure of the UNTAC personnel, though there will be further adjustments in the market. This is due to the fact that most of the renovations of the housing stock was financed from cash sources. For the most part, the owners are content to sit on stocks and hope to maintain existing levels.

9.5.1. Leases

A standard lease using the USG standard format is acceptable in Phnom Penh. One should be cautious that the person pretending to be the owner actually has the right to enter into binding contracts. The conversion form a socialist legal system to a free market legal code has yet to be fully developed. The risk of renting a property with a faulty title is not too great. Risk can be minimized by not advancing too much cash against the lease

9.5.2. Make Ready Procedures

Adequately supervised local contractors should be used to perform make ready repair and renovations.

9.5.3. Power, Phones and Water

Local power is too sporadic to support a western residence. Individual generators should be installed.

Shinawatra radio-phones appear to be the best option of providing adequate phone service to the residences.

Local water supplies are adequate in amount but are not potable. Drinking water or distillation capacity should be provided.

9.5.4. Air Conditioning and Appliances

The mission standard of six units air conditioning per residence is certainly adequate.

Thai appliances more than meet the needs of the normal family. The lead time for delivery American style equipment from the United States will be months. This will delay the move in to the residences and increase hotel costs.

9.5.5. Furniture and Incidentals

Reasonably priced Thai furniture is readily available from traditional USAID/State vendors in Bangkok. Additional attention will have to be made to the additional equipment needed in furnishing a house, since this source does not include the extra pieces such as mattresses, lamps, rugs etc. Hospitality kits and minor appliances can be consolidated and shipped from the west coast as needed.

9.6. FINANCIAL MANAGEMENT

This report recommends placing a number of long-term advisors in key Ministries of the Royal Government of Cambodia. Such an activity, particularly in the beginning when the logistical support of the advisors must be arranged, requires adequate financial system be established early. We recommend a system of financial management that parallels that of the Regional Controller at RSM/EA and the AID Representative in Cambodia.

Overall responsibility for managing the funds in the proposed program will be with John Soden, RTSP core Financial Manager. Operating funds will be transferred from the RTSP account at the Bangkok Bank in Bangkok to the Phnom Penh branch of the Bangkok Bank in the same manner that the Regional Controller in Bangkok now transfers funds to the AID Representative in Cambodia.

The DAI contract requires that the core budget and each and every delivery order be accounted for and invoiced separately. DAI does this in its internal accounting system by treating the core and each delivery order as a separate project account. The DAI computer-based field accounting system (FAS) is being installed in the RTSP office in Bangkok for the core budget. Given the size of the proposed activity, we recommend a parallel FAS be installed in Phnom Penh to account and manage the funds in the delivery orders that will be issued if the recommendations of this report are implemented.

We recommend that a third country national (Filipino) accountant/bookkeeper be hired and resident in Phnom Penh. We would normally hire a host country national for such a position but given the paucity of trained local talent at this time in Cambodia's history we recommend using a third country national. This person would receive technical direction from and be under the day to day supervision of John Soden. At the beginning when considerable disbursements of cash will be required for housing, office, equipment and the other logistics associated with start-up, it can be expected that John Soden would spend a substantial amount of time in Phnom Penh. Thereafter, he would be making periodic trips to Phnom Penh to oversee the financial operations.

DRAFT

ASSESSMENT OF TECHNICAL ASSISTANCE NEEDS IN MACROECONOMIC MANAGEMENT, DONOR COORDINATION, HEALTH, EDUCATION AND RURAL DEVELOPMENT IN CAMBODIA

ANNEXES

Report Under Delivery Order Number: 1
USAID Contract Number: 410-0004-C-00-3483-00

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February 15, 1994

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ANNEX A

PRESENTATION OF NEEDS BY MINISTRY

Ministry of Economy and Finance
National Bank of Cambodia
Ministry of Commerce

ANNEX A

PRESENTATION OF NEEDS BY MINISTRY

The following presentations were made by each of the Ministries to the Assessment Team. They should be considered as *raw data* rather than interpretation or *analysis*, in that in these meetings each Ministry expressed its needs as perceived at the moment by the managers present and in light of what they believed they could request a donor; analysis appears in the main text of the document and draws upon this annex. Still, they are useful in showing the needs as perceived by the policymakers directly concerned with macroeconomic management.

The requests are stated in this Annex as made by the officials present, though the Assessment team cautioned the participants that several requests (particularly those for commodity procurement unrelated to macroeconomic management or donor coordination) may be outside the domain of activities which can be undertaken by USAID in the field of macroeconomic management.

Drafts of these annexes were shared with the Ministries concerned and their comments incorporated. Nevertheless, these higher level managers were drawn elsewhere by other pressing needs and the replies were sometimes partial and incomplete. The Assessment Team apologizes for errors remaining (and particularly for the misspellings of names of individuals present).

1. MINISTRY OF ECONOMY AND FINANCE

Date: November 25, 1993

Present

Mok Sothearin	Director of Organization Department, MEF
Rath Sarath	Reinsurance Manager, National Insurance Company, MEF
Ran Nanarouk	Director, Finance School
Mrs. You Savanaree	Director Financial Affairs
Son Kingsvon	Director of Investment
Chha Savanh	Deputy Director of Organization
Mr. ?	Director of Inspections

The Director of Organization explained that the Ministry comprises 13 Departments [see Organization Diagram elsewhere]: Treasury, State Domaines[1], Foreign Finance, Financial

[1] Domaines de l'Etat: State ownership, including state owned enterprises and public lands.

Affairs, Organization, State Budget, Cabinet, General Inspectorate, Accounting, Customs & Excise, Tax, Insurance Company (parastatal enterprise), and Ministry of Finance School. Eight (those italicized above) are represented in the MEF compound. The Ministry is headed by one Minister, one Secretary of State, and two Undersecretaries of State. It has 3,327 Staff under its current organization. When it is reorganized in January 1994 to incorporate provincial and district financial officers it will have 7,000 staff.

Each of the several key departments represented at this meeting described its organization, structure and functioning, then its major problems and technical or training requirements.

The **Organization Department** consists of three Offices: Personnel, Salaries, and Control. It consists of a Director, two Deputy Directors, and 22 staff. Its role is to organize the staff of the Ministry, including salaries and payroll, promotion, training, job evaluation, awarding promotion and imposing sanctions; its training role includes **staff development**, and includes selecting candidates for overseas scholarships and training, and arranging leave from post to participate. It has severe problems in each of these functions. Other functions include determining job descriptions and assisting in their fulfillment, covering retirement benefits, and other tasks associated with a personnel office in any government ministry.

Based on its needs, the Department proposed the following assistance for consideration by USAID:

* Development of staff to the point where they qualify for overseas scholarships;

* Job-related training activities overseas;

* Local training in accounting (for the tax, accounting, budget, state enterprise, and inspection departments);

  Modernization of systems: computer training;

* Computerization of the payroll process (for speed and accuracy);

* English language training;

* Material for the School of Finance, especially texts in accounting, language, and finance;

* Training trainers in the School of Finance;

* Grant funding to finance interpreters/translators (currently a costly budget item when dealing with donors) and English-Khmer Dictionaries;

* Computerized office systems, office electronics (photocopy, computer) and supplies for same;

* Filing supplies (i.e. file cabinets, according to the discussion) for the Personnel Office.

Barring clerical and support staff, the Ministry staff consists of 519 Treasury officers, 1,658 tax officers nationwide, 615 customs officers, and 535 employees of the Ministry. Of these, 245 have received university or professional training which makes them sufficiently competent to be proposed as candidates for further training, on-the-job policy research, or staff development under a USAID activity.

The **Ministry of Finance School** was created in 1980 and teaches courses leading to a high school diploma to students from the Ministry and elsewhere who have passed a competitive entrance examination. It is a technical school, not a professional program. Until 1992 the school taught eight courses in socialist economics leading to a Second Level certificate, and has issued 844 diplomas.

Since 1992 the curriculum has been changed to a two-year post-secondary course with a market orientation. While there has been no upgrade in teaching staff numbers or skills, the current curriculum includes 17 courses relating to market economics, comprising political economy, microeconomics, macroeconomics, mathematics, public finance, general accounting, statistics and national accounts, money and banking, financial regulation, inventory control, customs law, auditing, cadastre (land registration), report writing, computer skills, insurance, and foreign language. There are currently 138 students (including 18 graduates receiving refresher courses to learn market economics), all enrolled in the first year program; the Director would like to increase the percentage receiving refresher courses to a majority of students, to increase understanding of market economics. He would also like to increase the rigor of the program, lengthening the course to three years consisting of two years of general courses followed by a semester or year of specialization; in the process enrollment would increase to 300-400 students per year, for which the school has neither teaching staff nor physical plant. More immediately, the school lacks the capability to teach courses in audit, cadastre, state property management, and public finance; for these it is seeking part time assistance from trained professionals throughout the Government. He seeks teacher retraining, particularly to develop the specialties for the third year of training. This could include on-the-job training which could be offered by resident and visiting advisors. He also seeks training in management skills.

Based on its needs, the Finance School proposed the following assistance for consideration by USAID:

* A library/documentation center and study materials;

* Retraining of existing teachers, training of new teachers;

* Training in computerized methods;

* An administration building;

* Improvements in the physical plant to modern teaching standards;

* Associated equipment, including a generator, public address system, typewriters (1 Khmer, 2 French), computers (10), photocopier, projector, and van or small bus.

The **Department of Foreign Financial Affairs** has an important oversight and management function within the Government. Created in 1987, it consists of a Director, three Deputy Directors, five Office Managers, and a staff of eight. It is divided into two major sections. One office, the External Trade and Commercial Finance Office, is responsible for all foreign transactions of State Owned Enterprises, through the parastatal Kampuchean Import-Export Company. It operates a foreign exchange agency, and handles foreign exchange for the government, both foreign exchange budgets and management of foreign exchange accounts for State agencies at the National Bank; other SOEs have been divested. It seeks the audit and training capability sought for the Ministry by the Department of Organization (page 2).

The second office under Foreign Financial Affairs has a major role in coordinating and managing foreign assistance. It is responsible for the following functions:

* Planning Grant and Loan Aid, including ICORC presentation (this role was previously done by Ministry of Plan and the Council of Ministers, now delegated to this Office);

* Tracking international cooperation and foreign exchange accounts;
  Planning foreign currency budgets for ministries and submitting them to the National Assembly;

* Controlling implementation of foreign aid projects and private projects involving foreign exchange (last point unclear);

* Enforcing foreign contracts (collection, etc.);

* Budgeting and managing the foreign exchange budget for Embassies and delegations abroad;

* Managing foreign exchange of other government agencies, which are compelled to surrender foreign exchange;

* Tracking the official and market exchange rates and circulating a daily report;

* Monthly and quarterly reporting on the foreign exchange budget for all agencies and Provinces.

Of the 18 staff in the Department's two offices, fifteen have degrees (i.e. only three are support staff) - one in Economics, from France, and 14 from the Economic Institute in Phnom Penh. Several of the professional staff speak French, English language capability is poor, there is some capability in Vietnamese, but no language capability in Thai, Laos or Japanese; one staff member is expected to return from long-term training in Russia. Language capability impedes the office's role as primary financial interface with the donor community. The Department has no computers, and works with typewriters and pocket calculators.

The needs expressed for assistance were:

* English language training immediately, to facilitate the day to day dealings with foreign donors;

* Assistance in translation (particularly until language training is effective); and

* The more general needs given in by the Department of Organization (page 2).

The next two offices presented manage, respectively, the current and investment budgets of the Government of Cambodia.

The **Department of Financial Affairs** manages the current operating budget. It has a staff of 63, fifteen of whom have university degrees and would be involved in training, technical assistance or research. The department has a Director, three Deputy Directors, and Seven Offices responsible for the budget requirements of particular ministries. These offices are: (1) Ministries without revenue sources, (2) Commerce, (3) Telecommunications and Transportation and Public Works), (4) Agriculture, (5) Industry, (6) Military and Police, and (7) Information and Reporting. The Department provides annual projections for all central government Ministries of expenditures and receipts to determine financing needs; it requires Ministries with revenue sources to share these with the Central Government. The Department authorizes actual expenses by Ministry from the current budget (what is called "Ordinateur" in the French system) and relates them to the global financial budget of the government.

The Department of Financial Affairs, despite its oversight of all government budgets, lacks the skills to review budgets actively and to control them. It seeks assistance in accounting, audit, and in planning. Currently, negotiation with the World Bank and compliance with donor conditions concerning accounting is a top priority, but the Department lacks the skills to do so. It requests:

* retraining and upgrading courses for its staff;

* technical assistance — it is currently programmed to receive some technical assistance from other donors (this must be clarified);

* computers and transport for field controls to assure expenditures agree with authorizations.

The **Inspection Commission** provides the Inspection and Audit function for all Government departments. It has three Offices: (1) Budget Inspection, which audits State and public financial institutions; (2) Enterprise Inspection, which verifies and audits production and business activities of State Owned Enterprises and Joint Ventures involving the state (it has no audit authority over purely private enterprises, and currently there are no joint ventures); and (3) Administration and Claims Against Public Agencies, which provides financial guarantees (excluding where fraud was involved) on behalf of public agencies. The audit authority covers all ministries except Police and National Defense.

TABLE 1

Education Level	Ex-Finance	Ex-State Control
TOTAL	53	84
Economic Institute	30	10
Secondary	13	74
Primary	10	

The Commission has a staff of 53, and under reorganization will receive 84 additional staff from the ex-Ministry of State Control. The educational levels of this staff are given in Table 1. The main responsibilities of all three offices are:

* Inspect budget implementation and control cash;

* Manage materials, commodities. and equipment;

* Assure that revenues collected are forwarded to Treasury; and

* Serve as collection agent for loans to and among agencies, including arrears.

Its other functions include review of State Property (see footnote 1), specifically managing: transfer and sale, reviewing problems in government financial operations, and auditing of collection of the tax and customs offices. It does an annual control plan and reviews proposals from agencies submitted outside the annual budget cycle.

Each inspection leads to a Procès Verbal (Joint attestation) signed by both parties to the audit, and submitted to the Ministry concerned and to the government. The Department produces quarterly and annual reports of its activities and findings for the Minister. Finally, it is responsible for end use audit on the implementation of all government activities.

This process requires an educated and trained staff. However, the staff currently lacks expertise, and what skills it has are from the old, socialist system of accounting and control. It therefore requests:

* Training in inspection and audit systems; and

* Skill upgrades, to create both the technical skill and mentality to create good investigative auditors.

When asked if a combination of advisor and short-term upgrading courses would be desirable as an approach, the Director replied in the affirmative, but added that both internal and outside

formal training were required to upgrade the staff. On at least one occasion someone has been invited to participate in courses abroad but for reasons which were unclear (possibly related to inability to complete and to file applications in a timely manner) they did not attend.

The **Investment Department** manages the Government's investment budget. It consists of a Director, three Deputy Directors, three Office Chiefs[2], and a staff of 25. The department is responsible for national, provincial and city capital budgets and provides funds for building all public infrastructure. It is not responsible for programming public investments financed by foreign assistance. Its needs are the same as those expressed on behalf of the Ministry as a whole by the Organization Department (page 2). The Department also requests assistance in improving its field audit capability for government investments:

* training in project analysis;

* engineering skills to audit the specifications provided by line agencies for investment projects (this capacity is currently located in the Ministry of Plan and is not available for audit purposes by MEF);

* transportation for access to sites.

In the view of the DAI Team, the highest priority needs we can identify based on this presentation by most Departments are very close to those identified by the Minister in our interview with him: Training (both formal and on-the-job while learning policy studies), general government audit capability, coordination and monitoring of international aid, and project evaluation skills. The Minister also requested a Senior Economic Advisor, the need for which is supported by the collection of capabilities and needs reviewed as a whole.

2. NATIONAL BANK OF CAMBODIA

Date: November 25 1993

Present:

Mr Keo Norin	Director of Economic Research
Mr Malay Khem Soly	Economic Research Department
Mr Cheak Sok	Director of Bank Supervision and Examination
Mr Tha Yao	Director of Relations with Provincial Banks
Mr Heng Pao	Director of Computer and Training
Ms Mao Son	Director of Personnel
Ms Tim Samy	Director of Accounting
Mr. Huy Navy	Director of Foreign Exchange

[2]Local and Regional Government Budget Office, Office of Control of the Ministerial Budget, and Administration.

This presentation was conducted in French at the wishes of NBC staff. The official organization chart of the Bank provided the official translation of department names.

2.1. Personnel

The functions of the Personnel Department are to hire and train the NBC's staff. At present, the Department Chief identified no needs for her Department.

The Bank has 365 employees at the main office in 11 Departments. At the Bank's 21 branches, there are 2,016 employees. Excluding the clerical and support staff, the Chief estimated that about 20 percent had university degrees, 40 percent had technical training, and the rest had primary-level technical skills taught under the socialist system.

2.2. Research

The Department is responsible for designing monetary policy and monitoring the economy. While no specific needs of this Department were given, the Department Chief gave an overview of the needs of the NBC in general:

* basic on-the-job training in the basic theory of a free-market economy and of modern banking systems, and
* technical assistance, computers, and applied training on how to use the computers to collect data and conduct transactions.

2.3. Administration

The purposes and functions of the Department includes managing the physical assets of the Bank, and collecting information from all other Departments for the Governor. The Chief restated that his Department's needs matched the overall needs of the Bank.

2.4. Bank Supervision and Examination

The major purposes and functions of the Bank Supervision Department are to examine and ensure the safety and soundness of the private commercial banks in the country, and ensure that they meet all local regulations. To perform these functions, the Department engages in off-site and on-site examinations. As of late November, the Department had conducted on-site exams on about half the commercial banks in the country. Off-site exams consist of reviewing balance sheets and financial statements of the banks. Most commercial banks in Cambodia have computerized records, but the NBC is unable to take advantage of this to examine their records and spreadsheet databases.

The Department's major needs are:

* computers;

* training in computer skills and audit; and

* training and technical assistance using the computers to improve the quality of bank examinations and the Department's other functions.

2.5. Relations with Provincial Banks

The Department is responsible for tracking the transactions between the branches and main office of the National Bank.

The Department's major needs are:

* a computer system for the main office;

* technical assistance computerizing the collection of information, transactions, and data transmission between the branches; and

* computers for each of the branches eventually, but as soon as possible for the branches in Battambang, Siem Reap, Kompong Cham, and Kompong Son.

2.6. Accounting

Now, the Accounting Department uses the Socialist system of accounting. They will replace this with a new system and need technical assistance and training in switching over to the new system. They are undecided about whether to adopt the French system or the Anglo-Saxon system. They will be required to maintain the Anglo-Saxon system to deal with the IMF, WB, and other donors, even though the Ministry of Economy and Finance was using the French system. Even though it is more costly to establish and maintain two systems, once computerized, one can be translated quickly into the other. However, the Anglo-Saxon system is more analytical and thus more useful for planning and budget debates.

The Department had planned to switch over to a new system since the formation of the new government, but has been unable to do so without technical assistance, and none has been forthcoming. Now, their records of transactions between Cambodia and the IMF and other international organizations do not match the international organizations' figures.

Their primary needs are:

* technical assistance and training in western accounting systems; and

* technical assistance and training to implement and computerize the accounting systems.

2.7. Foreign Exchange Management

This Department is responsible for managing Cambodia's official foreign exchange reserves. The Department also manages and tracks capital inflows and outflows. Now, the Department has no information on capital flows. The Department is also responsible for formulating regulations on foreign exchange arrangements (transactions). The Department has requested an expert in foreign exchange management for a 4-6 month assignment, but has not received a response.

The Department's needs are:

* technical assistance and training to collect data in a computerized system from the commercial banks on foreign exchange transactions;

* technical assistance to form regulations on foreign exchange management; and

* technical assistance and training to deal with the IMF and World Bank.

2.8. Issuing

The Department is responsible for issuing currency and other Bank documents, including, in the future, bonds and notes. They have a German-made offset printing press and other equipment. However, the manufacturer did not provide training in running this equipment. It was unclear whether the offset press is to be used to print currency. They also lack the skills to design, engrave, and manufacture currency and note printing plates.

The Departments needs are:

* technical assistance and training in the use of the specialized printing equipment; and

* technical assistance and training in designing, engraving, and manufacturing printing note plates.

2.9. Banking

The purposes and functions of the Banking Department are to handle transactions and relations with internal and external banks--both commercial and central, including the Bank for International Settlements (BIS). Now, all international transactions are being handled by the Foreign Trade Bank (FTB, a State Owned Enterprise) on behalf of the National Bank of Cambodia. The two entities are progressively being split apart, with the FTB becoming a commercial bank and the NBC becoming the Central Bank.

The National Bank of Cambodia wants to conduct the transactions concerning other central banks and markets directly, but lacks the equipment, exchange instruments, and training to do so.

The Department's needs are:

* technical assistance, commodities, and training to modernize and computerize their accounting systems;

* fax and other equipment to establish direct links to the BIS, U.S. Federal Reserve System, and other central banks;

* technical assistance and training for internal policy tools, such as to set reserve requirements and eventually to conduct open market operations; and

* technical assistance, commodities, and training to conduct external transactions with other central banks and international commercial banks.

2.10. Foreign Trade Bank (FTB)

This State Owned Enterprise conducts business for the National Bank of Cambodia and also engages in other commercial banking activities. As it increasingly becomes a commercial bank, it lacks the capitalization, skills, and computerization of the existing commercial banks. The FTB's top priority is to modernize its transactions systems to meet current international standards.

The FTB's needs are: technical assistance, commodities, and training to develop and computerize modern transactions systems. The Bank representative suggested a two-step process: first, study the FTB in some detail and assess exactly what is needed, and second, provide what is needed.

3. MINISTRY OF COMMERCE

Date: November 24 1993

Present:

Mr. Toc Sam	Under-Secretary of State for Domestic Trade
Mr. Kir Rada	Under-Secretary of State for State Owned Enterprises
Mr. Mal Toba	General Director for Trade
Mr. Sun Thai	(Title unclear?)
Mr. Leewood Phu	Technical Advisor

The Under-Secretary of State for Domestic Trade chaired the meeting. On behalf of the Ministry of Commerce, Mr. Phu introduced the presentation by describing how the Ministry is

the primary vehicle within the Government for establishment and maintenance of a free market economy.

To accomplish this, a complete reorganization is required, with a restructuring of the Ministry work force which currently numbers 4,000 persons. The disposition of the staff is as follows: Central Ministry, Cabinet, General Administration, Domestic Trade, and the Foreign Department: 400 persons; State Owned Enterprises: over 1,000 persons; and Provincial level Trade staff: over 1,000 persons.

The Undersecretary of State for Domestic Trade described how the large employment figure is the result of the socialist system, under which each department hired independently the staff required to control economic activities directly. The Ministry no longer controls economic activities, and much of this staff (and its skill mix) is superfluous.

To make this restructuring effective, the Ministry requires:

* tools and equipment to increase the productivity of its staff, beyond the two Personal Computers which are now the total Ministerial word processing and computational capacity;

* increased capability and efficiency of its existing staff, particularly to use computers and to communicate with foreign countries for purposes of trade; and

* planning capability.

International contracts pose a particular problem, in that the Government of Cambodia is not familiar with contracting mechanisms in other countries and has not yet established a Cambodian uniform contract. Contracts currently are written in Vietnamese, French and Russian, so contract negotiation and supervision requires knowledge of these languages and contracting mechanisms. The Ministry of Commerce is responsible for oversight and enforcement of such contracts.

The Ministry requests the following in order to assist its restructuring:

* Training at all levels, in management, domestic trade, international trade, and management and divestiture of state owned enterprises;

* Communications ability: training and equipment for correspondence and contracts, both official and company contracts;

* Training in negotiations and in analysis supporting negotiations;

* Expert technical assistance on domestic and international trade, with the task of both training Ministry staff formally and on the job, and helping the policy-making process — the specific request is for an applied trade expert with regulatory experience, not an academic specialist or trade economist;

In support of the above, the Ministry requested certain office electronics, such as personal computers to increase staff capabilities, and communications capability to deal with foreign countries.

The Ministry mentioned a possibility yet to be defined to provide assistance to the Under-Secretary of State for State Owned Enterprises, but the Ministerial strategy is not yet sufficiently worked out internally for the type of assistance required to be known in time for this meeting.

The Assessment Team concludes by repeating that the requests in this Annex are stated as made by the officials present. The team cautioned the participants that some requests (particularly those for commodity procurement unrelated to inputs into a macroeconomic management or donor coordination process) may be outside the domain of activities which can by undertaken by USAID in the field of macroeconomic management. They are thus raw data for analysis, and do not represent analysis by the team.

ANNEX B

PRELIMINARY WORLD BANK LIST OF TECHNICAL ASSISTANCE REQUIREMENT IN MACROECONOMIC

ANNEX B
PRELIMINARY WORLD BANK LIST OF TECHNICAL ASSISTANCE REQUIREMENTS IN MACROECONOMIC MANAGEMENT

Domain	Required Assistance and Timing	Provider	Objectives and Comments
1. Tax Policy and Administration			
a. Senior fiscal advisor	Advisor in place April-July 1993; replacement to start in early 1994.	IMF[8]	
b. Tax policy and administration mission.	November 1993	IMF	Tax administration and tax policy experts to remain after mission.
c. Strengthening tax administration	A short-term expert (4 months) to start from November 1993	IMF[8]	
d. Tax policy advisor	A short-term expert (6 months) to start November 1993	IMF	To help implement the tax reform proposals
e. Fiscal reform mission	Late 1993/early 1994	IMF[8]	To establish agenda and timetable for fundamental fiscal and tax reform
2. Budgetary and Expenditure Control			
a. Budgeting and expenditure control	In place since July 1992 (WB)	World Bank, UNDP	Development of new budget nomenclature and procedures beginning with 1994 budget.
b. Treasury operations	In place since July 1992 (WB)	World Bank, UNDP	Reinstate the Treasury in its traditional role. Development of new accounting systems.

[7]Including structural reforms such as Civil Service and Public Enterprises and the establishment of an appropriate legal framework for a market economy. Source: World Bank Mission.

[8]Under Asia Development Bank/UNDP Project.

Domain	Required Assistance and Timing	Provider	Objectives and Comments
c. Public accounting	A short-term expert (4 PM) needed for 4th quarter 1993	IMF[8]	
d. Budget law	A short-term expert (1 PM) needed for 1st quarter 1994	IMF[8]	
3. Money and Banking			
a. Central bank operations	Advisor in place August 1992	SIDA/CRDI	Assist NBC in implementing various institutional measures
	Advisor not in place	France	Advisor to the Governor of the Central Bank
b. Monetary policy	Advisor expected to be in place early 1994	IMF[8]	Assisting the NBC in implementing monetary policy
c. Research and analysis	Advisor expected Jan 1994 for 6 months.	IMF[8]	Development of a research and analysis capability in the NBC
d. Accounting	Advisor expected late 1993 for 6 months.	IMF[8]	Development of a research and analysis capability in the NBC
e. Banking legislation	Advisor expected late 1993 for 6 month period	IMF[8]	To assist with revamping of the central bank law and other financial legislation
f. Bank supervision	In place July-October 1993; a 4-month extension will be needed.	IMF[8]	Pre-requisite for ensuring financial sector soundness in view of the rapid proliferation of banks.
g. Financial sector study	Short-term assistance to conduct studies/audit	AsDB (to be confirmed)	Study of financial intermediation, including rural credit.

Domain	Required Assistance and Timing	Provider	Objectives and Comments
			Audit to delineate responsibilities and assets between NBC and Foreign Trade Bank
h. Monetary statistics	Follow-up missions in 1994	IMF	To assist with implementation of recommendations of earlier missions
i. Exchange markets	Four to six months beginning in the 4th quarter 1993	Possibly IMF[8]	Advice on further development of the foreign exchange market and revamping of foreign exchange law In association with the proposed merging of the official and parallel exchange markets.
4. Balance of payments			
Balance of payments statistics	A short-term expert (6 mo) began late 1993.	IMF	Necessary to establish the capability within the NBC to compile balance-of-payments statistics
5. Debt management			
Debt management	TA, logistical support over 2 years	T.B.D.	
6. Public investment programming			
a. Policy formulation and project monitoring	Resident TA, computerized system, logistical support, studies. Needed as soon as possible. Must be developed in parallel with PIB in MEF.	AsDB	Help Ministry of Plan and sectoral ministries develop a policy formulation capability
			Strengthen project monitoring units in sectoral ministries

Domain	Required Assistance and Timing	Provider	Objectives and Comments
b. Public investment budget (PIB)	Two to three year assistance; resident and short-term TA, computer system in parallel with PIP system, logistical support	T.B.D.	Set up PIB Directorate in MOF
			Assist in managing the PIB, including counterpart funds generated by donors
7. Planning, National Statistics and Accounting			
a. Planning	Resident advisor for two years. In place effective ——	UNDP/AsDB	Advise and train in macroeconomic management and analysis, forecasting, and planning.
b. Statistics	Resident advisor for two years. In place effective ——	UNDP/AsDB	Assist in the development of systems for the collection and maintenance of national statistics
8. Civil service reform			
a. Policy formulation and preparation of implementation schedule	One short-term expert is presently in the field. A team of 5 to 7 experts will arrive in January 1994	UNDP (MDP) yet to be fully determined	Assist the Government in (i) formulating its policy, (ii) preparing the outline of the reform program including an implementation schedule, and (iii) establishing a social safety net program for displaced civil servants
			Provide discussion papers and advice to the soon-to-be established Technical Commission for Civil Service Reform

Domain	Required Assistance and Timing	Provider	Objectives and Comments
			Provide logistical support to the Technical Commission and to the ministry in charge of managing the Civil Service
b. Control entry in the Civil Service	Immediate action is needed	T.B.D.	Institute a probationary period for school graduates entering the civil service (following cessation of automatic recruitment) and develop training programs for them
			Prepare new rules and conditions of entry in the Civil Service
			Develop reform programs (including training and retraining programs) for schools catering for the needs of the Civil Service
c. Restructuring of Pilot ministries	Immediate action is needed	T.B.D. (possible AsDB assistance)[9]	Restructure and downsize the ministries of Planning and Civil Service to allow them to perform tasks resulting from their short-term agendas
			Provide them with needed technical assistance, logistical support, and targeted training once restructured.[10]

[9]AsDB technical assistance to planning (item 7.a) will play a role.

Domain	Required Assistance and Timing	Provider	Objectives and Comments
9. Public enterprise reform			
Public enterprise reform	Ongoing under UNDP/AsDB project. Additional short-term support may be needed.		
	t.b.i.	UNDP/AsDB	
	t.b.i.	T.B.D. with UNDP/AsDB	
	t.b.i.	T.B.D.	
10. Training Schools			
a. Ecole Royale d'Administration	Assistance started in 1992	France	Renovation and equipment of building
			Retraining started in 1993, training will start in 1994
b. Ecole des Finances	t.b.i.	T.B.D.	Assistance is needed to reform the school which is currently solely supported by the MOF
c. School of Planning and Statistics	t.b.i.	T.B.D.	Assistance is needed to reform the school which is currently solely supported by the Government

[10]For the Ministry of Planning, this exercise is linked to Public Investment Programming (Item 8)

ANNEX C

HEALTH SECTOR SUPPLEMENTAL INFORMATION

ANNEX C 23
CAMBODIA

HEALTH SITUATION SEPTEMBER 1993

Summary Statistics :

Population	8.8 million	
Under 18 yr population	4.43 million	50.4%
I.M.R.	120 per 1000	
under 5 yr. mortality	210 per 1000	
maternal mortality	9 per 1000	
life expectancy	49 years	

Background

Cambodia occupies a compact, contiguous territory covering 181,035 square kilometers. Cambodia borders Thailand on the west, Laos in the north, Vietnam in the east and the Gulf of Thailand in the south. The Mekong River flows north south through the centre of the country and feeds the central Tonle Sap lake. Mountain ranges, with timber and mineral resource potential, lie to the south west and north east. Rice is the main agricultural crop, with fishing and rubber production important economic producers.

The population is 8.8 million of which over 50% of the total population is under 18 years of age, and the total female population is 53%.[1] In 1992/93 350,000 Cambodian refugees were returned to the country from the Thailand border and resettled mainly in the north-west.

Major Disease Concerns:

Adult Mortality :
- Malaria
- Tuberculosis
- Diarrhoeal Diseases
- Childbirth related (women)
- Trauma - Mines injuries
  - Road Traffic Accidents

Child Mortality
- Diarrhoeal Diseases
- Malaria
- Dengue Haemorrhagic Fever
- Vaccine preventable diseases:
  - measles, tetanus, poliomyelitis

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[1]. UNTAC/AEPU 26/06/93.

Child mortality (cont)	Acute respiratory infections Perinatal Nutritional deficiencies Parasitic diseases schistosomiasis Trauma

MALARIA

Malaria represents the single greatest cause of mortality and morbidity in Cambodia. It has been estimated by experts that the real number of cases per year may be around half a million, with 5-10,000 deaths.

There is wide variation in the amount of malaria in different parts of the country. The worst affected areas are on the borders, whereas there is little or no transmission in Phnom Penh and the area around the Tonle Sap.

Plasmodium falciparum is the predominant parasite species. *Anopheles dirus* is the most important vector.

Recent mass population movements, economic dependency on rural and forested areas, and low education levels, have contributed extensively to the increase of multiple strains of malaria and drug-resistant strains in a large part of the country. The 22,000 strong UN military and civilian force (UNTAC), present in all parts of the country over the last 18 months, has contributed to knowledge and experience concerning the disease and its management. The UNTAC medical corps has cooperated well with WHO and Cambodian health authorities in control activities.

WHO has been providing assistance to the National Malaria Centre and Control Programme since 1991. The capacity of the health infrastructure to diagnose and treat patients, as well as to limit increases in drug-resistance and further spread of malaria has been improved and continues to improve.

TUBERCULOSIS

Now recognised as the primary cause of adult death, there are 40,000 new cases of tuberculosis each year in Cambodia, with around 13,000 deaths. Incidence continues to increase in many parts of the country, causing economic disaster for many families who are robbed of the opportunity to care for their families. Drug supplies do not regularly reach hospitals and dispensaries, and drug shortages turn patients under treatment back to their homes with no treatment.

The increase in the number of drug-resistant tuberculosis cases is complicating the treatment regimen for patients and health workers. Sufficient supplies of newer drugs are not yet

available to implement multi-drug therapy throughout the country. WHO is providing a specialist tuberculosis advisor to work directly with the MOH and National Anti-Tuberculosis Centre, to assist in implementation of the Control programme.

DIARRHOEAL DISEASES

Known to be one of the first causes of disease and death in children under 5 years, diarrhoea from a wide range of organisms is also a major cause of serious iilness in adults in Cambodia.

Access to clean drinking water is extremely limited everywhere. Most households store water in large containers, which are usually left open and into which dirty containers and hands are dipped. This water is often the sole drinking water source for the family and it is rarely boiled before use. Use of latrines is also very limited, even in the city.

Typhoid and cholera are endemic in the country, but seasonal epidemics of cholera have occurred in provincial towns and villages during the last 2 years.

A Diarrhoeal Disease Control programme was established with WHO help in 1991, but implementation has been slow and more help is required, with particular attention to programme management.

DENGUE HAEMORRHAGIC FEVER

Dengue is rapidly becoming a major cause of childhood mortality in Cambodia, as well as causing serious illness in large numbers of children and adults. The previous 2-3 year cycle of epidemics seems to be disappearing, with an annual upsurge in cases occurring in cities and towns, and now spreading even to rural areas.

The case fatality rate in small children untreated is higher than 10%, and in the best hands remains at 1-2%.

A project for a 3-year Dengue Haemorrhagic Fever Control programme was developed with WHO assistance in 1992. An appeal for funding then was unsuccessful, but recently USAID has agreed to provide full funding through WHO.

MATERNAL AND CHILD HEALTH

With infant and child mortality rates the highest in South-East Asia, and maternal mortality thought to be among the highest in the world, the Maternal and Child Health Programme is in great need of strengthening and further development.

A high proportion of the Cambodian population is female. Woman are having large families, some as many as 15 in their lives. Birthspacing has recently been approved by government as means of promoting the health of mothers and their infants, but has not yet come into common practice anywhere in Cambodia. Women in rural areas have limited access to pre- and postnatal care for themselves, or health and nutrition care for their children. Many women each year die from complications involving pregnancy; eclampsia, uterine ruptures, toxemia, etc. Children suffer from poor nutrition, sanitation and vaccine-preventable illness. Immunization rates are typically below 50% in most provinces.

In 1992 reported cases of vaccine-preventable illness in children were:

Measles	Tetanus
Diphtheria	Pertussis
Poliomyelitis	Tuberculosis

UNICEF has been the main channel of support to the MCH programme for the past 13 years. Unfortunately factors such as lack of security and non-availability of trained personnel have limited the effectiveness of activities and especially the outreach to more inaccessible areas. This situation is gradually improving.

WHO has assisted recently in the development of a National Maternal and Child Health plan to meet the needs of the population. Implementation of the plan will improve the health and well-being of the women and children of Cambodia.

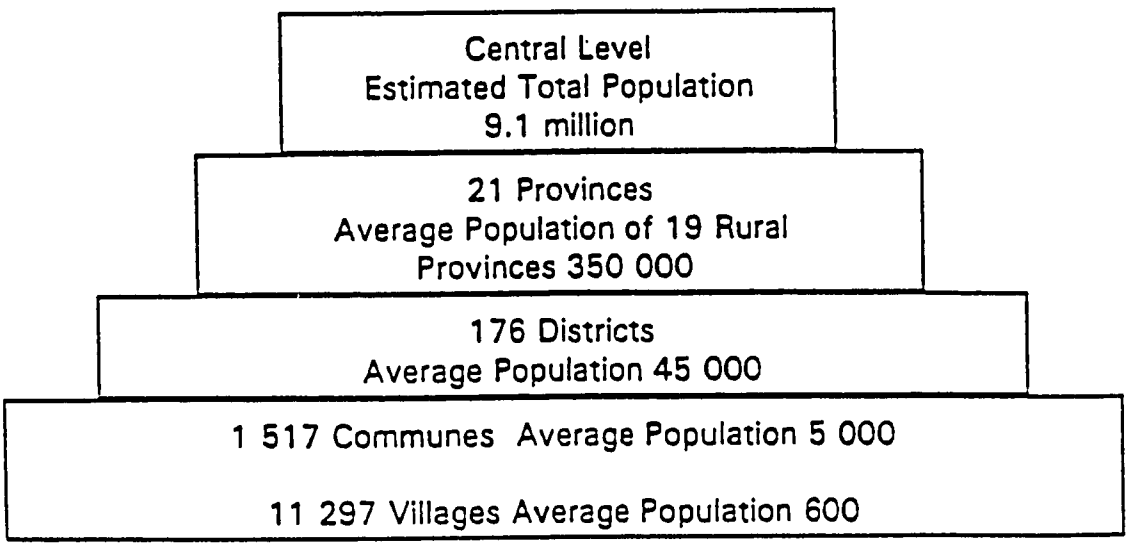
AIDS

HIV testing was first undertaken in 1991 and the first HIV-positive cases were identified from among volunteer blood donors the same year.

As of July 1993, a total of 136 Cambodians have tested positive for antibodies to HIV. WHO estimates that 1000 - 2000 Cambodians may be HIV positive.

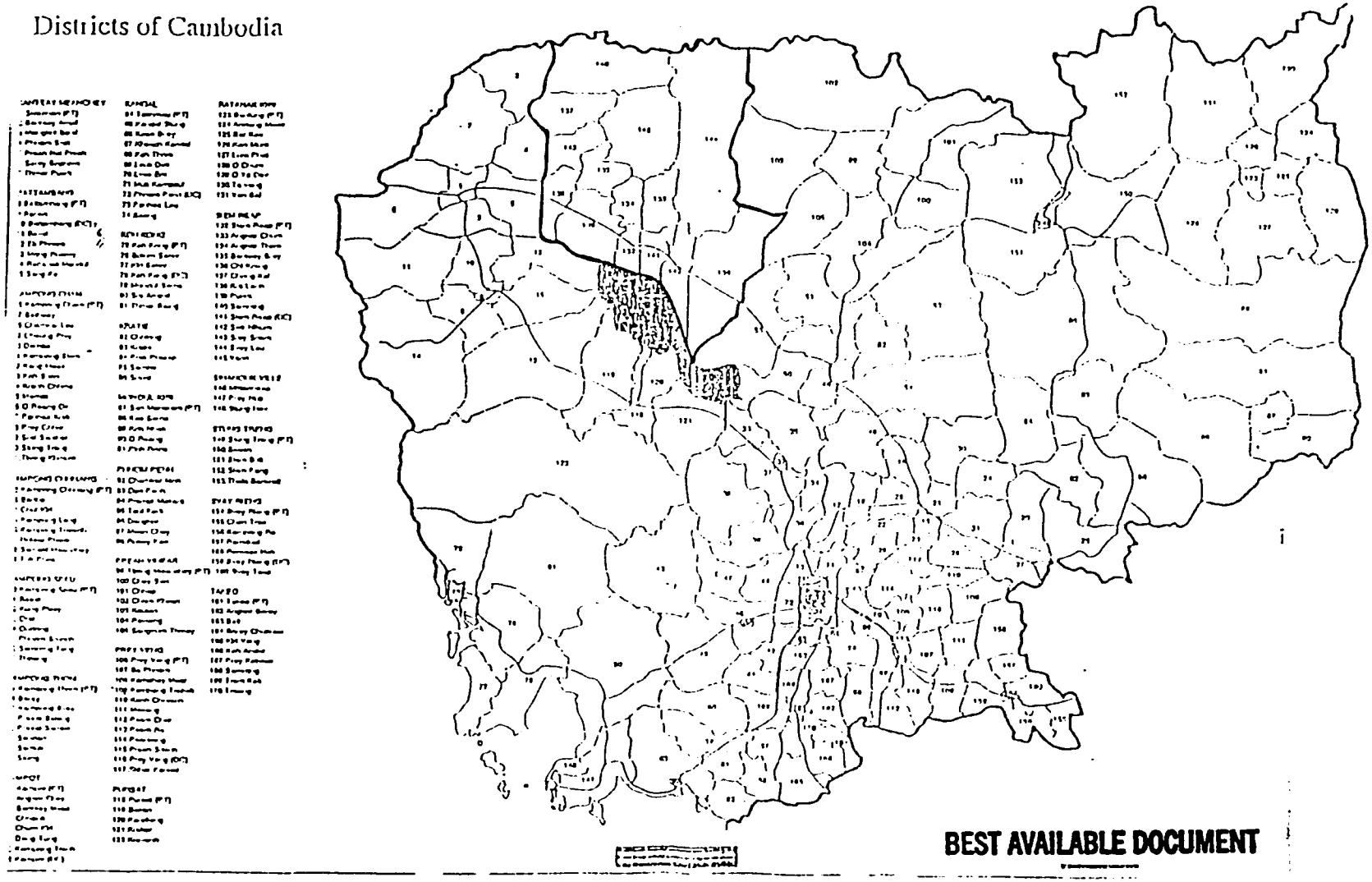
The main mode of transmission is sexual, though transmission through blood and blood products is potentially significant. Small surveys in 1992 demonstrate infection rate of 9.17% in commercial sex workers and 4.50% in STD patients.

AIDS is a great potential threat to Cambodia. The establishment of a National AIDS Committee to develop a National AIDS plan and coordinate AIDS activities is of enormous importance in reducing the potential threat. WHO has been instrumental in the formulation of a National AIDS plan to be implemented over the next few years. An AIDS advisor has been in Cambodia for the last 18 months, drawing attention to AIDS and its possible impact on the country. AIDS has become an important health problem for the Ministry of Health to consider in policy decisions throughout the health sector.



(Source: State of Cambodia statistics)

Districts of Cambodia



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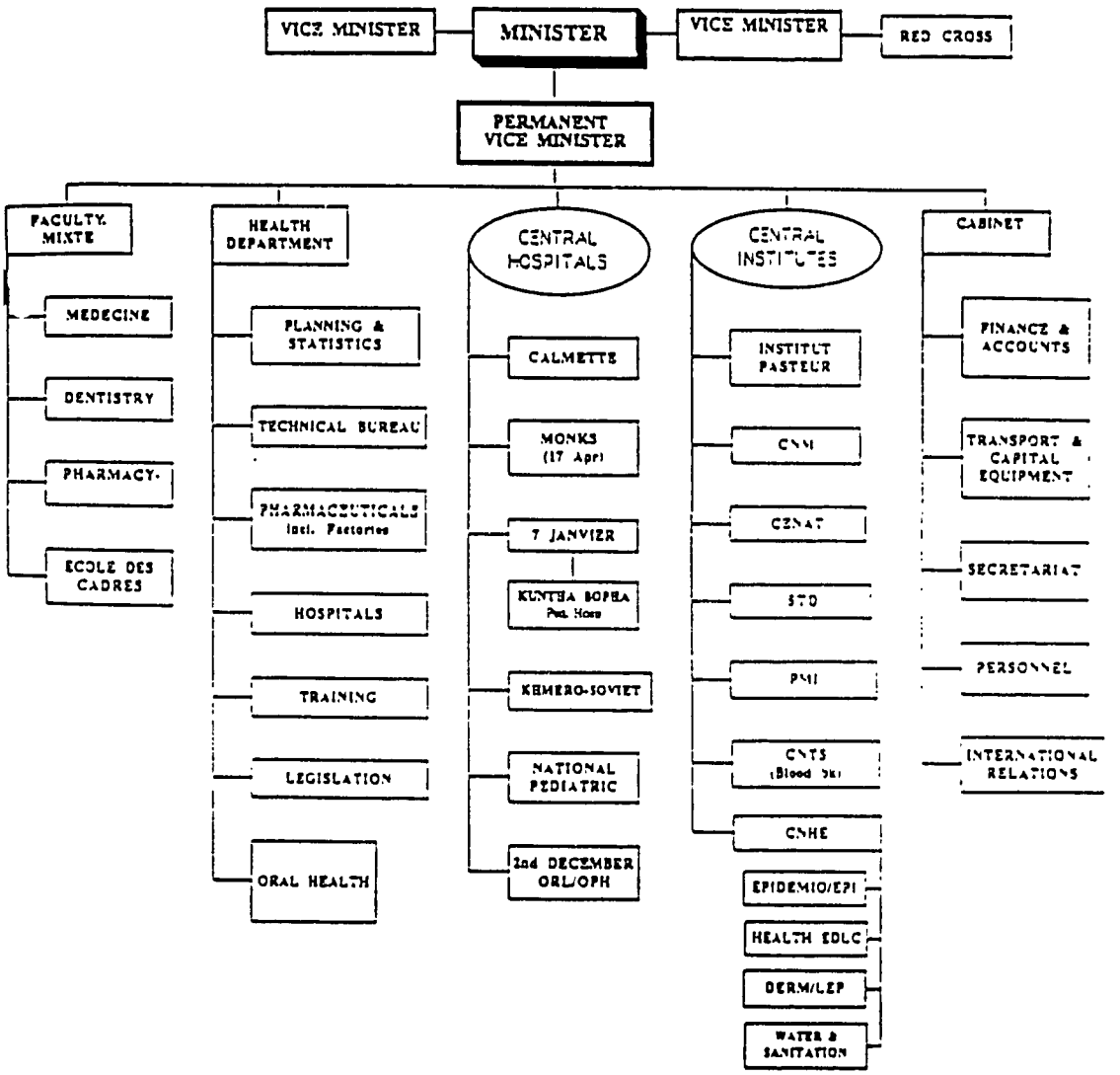
STATE OF CAMBODIA
MINISTRY OF HEALTH & CENTRAL INSTITUTES



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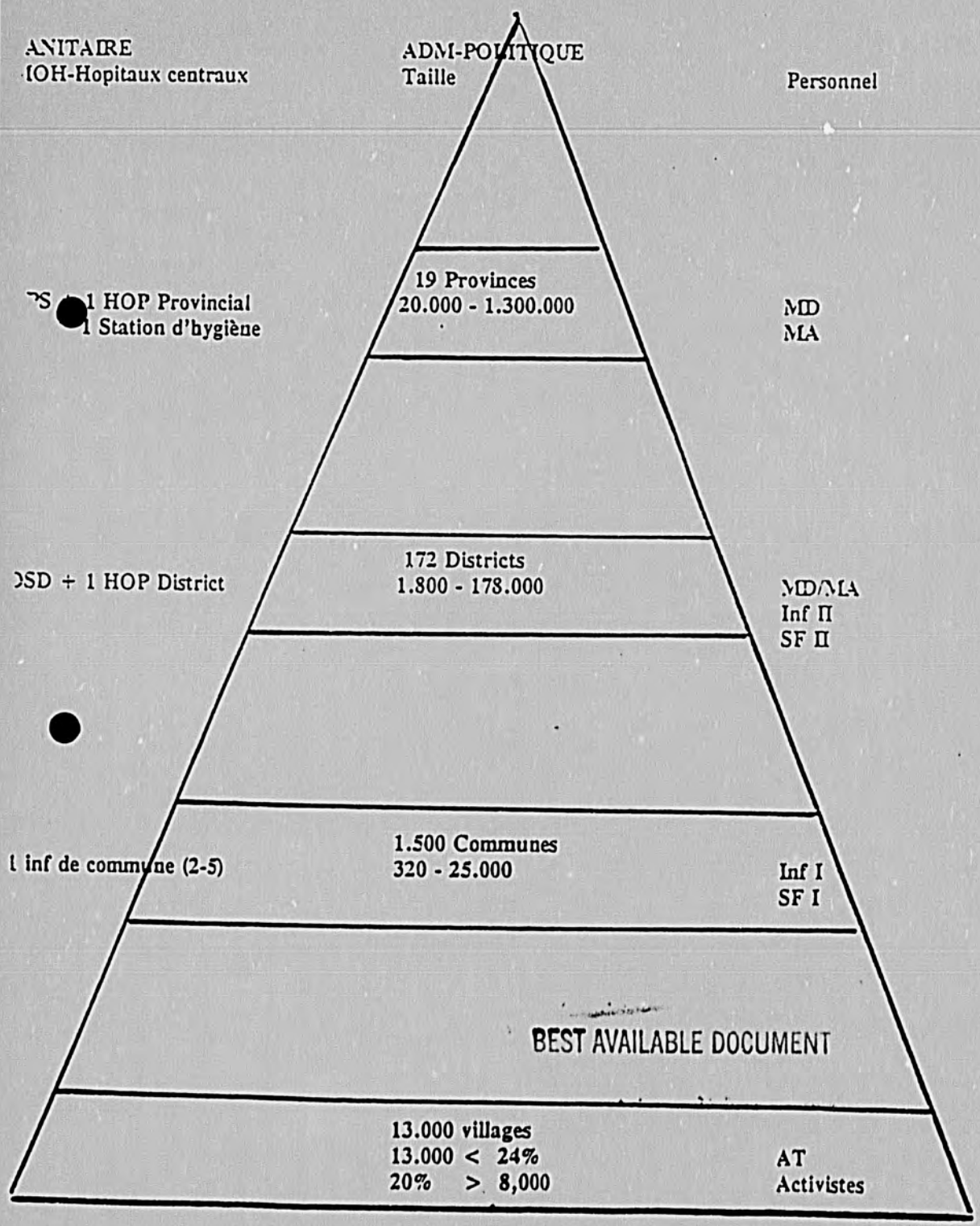
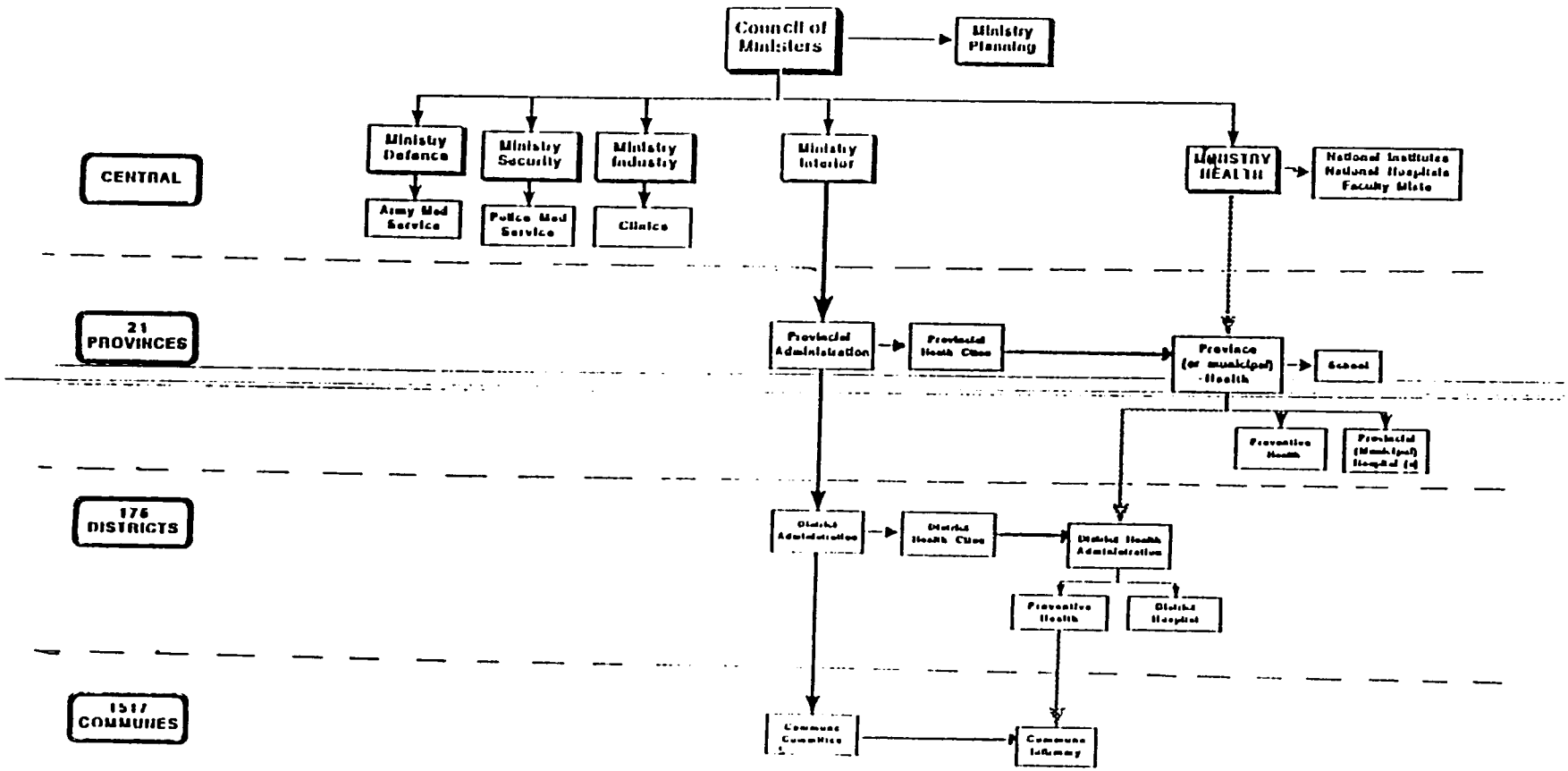
Institutions MOH
WHO. last modified 11 Octobre 1992

SYSTEME DE SANTE AU CAMBODGE



HEALTH SERVICES ADMINISTRATION
STATE OF CAMBODIA



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3rd
DRAFT

KINGDOM OF CAMBODIA

MINISTRY OF HEALTH

HEALTH POLICY

AND

STRATEGY GUIDELINES

1994 - 1995

OCTOBER 1993

DRAFT

DRAFT MINISTRY OF HEALTH, KINGDOM OF CAMBODIA

NATIONAL HEALTH POLICY

The National Government re-affirms its mission to improve the health and well-being of all Cambodian people by :

> ***meeting their basic nutritional needs, improving accessibility to clean water, and by making both curative and preventive health care services easily available at district, commune and village levels;***

The Ministry of Health is charged by the Council of Ministers of the National Government with the responsibility of taking care of the people's health, paying special attention t mother and child health care, controlling communicable diseases, and providing the people with clean water and medicines.

The Minister of Health has recently clearly stated his overall aims and his priority goals for the immediate future:

Overall aims :

(1) meet the critical health care needs of people living in the remote districts and villages of Cambodia, previously without access to any health services.

(2) provide a high standard of health care for mothers and children, especially through immunisation, birth spacing and other MCH programmes.

(3) pay particular attention to the special health needs of those who have suffered as a result of conflict, especially widows and orphans, the disabled, displaced and homeless persons and returning refugees.

(4) monitor, co-ordinate and distribute equitably the significant external resource inputs being made in the health sector by the International Community.

(5) provide essential health care services free of charge to those without means to pay, but encourage development of good-quality private health care within the national health care system.

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Priority Health Service Goals:

(1) Improve and extend primary health services through a district health systems approach, with special emphasis on participation by the community and religious leaders;

(2) Promote good nutrition, hygiene and birth-spacing practices within families, to improve the health and well-being of women and children.

(3) Improve water supplies and sanitation;

(4) Reduce the incidence of communicable disease, especially malaria, tuberculosis, dengue haemorrhagic fever, diarrhoeal and acute respiratory diseases, sexually transmitted diseases and AIDS;

(5) Improve hospital services in Phnom Penh and Provincial capitals; ensure provision of accident and emergency services;

(6) Ensure acceptable standards of medical, paramedical and nursing care throughout the health care services; update health staff skills through in-service training;

(7) Improve the supply and distribution of essential drugs and medical equipment to all public hospitals, dispensaries and infirmaries in Cambodia.

(8) Reintegration of health services of former SNC factions.

(9) Establish a regulatory framework for management and quality control of the private health sector, for both medical care and pharmaceutical services;

Objectives

Detailed objectives and activities for the national health system and each priority programme area will be developed and described in the new National Health Plan, which will be developed by the Ministry of Health in consultation with other Ministries, comunity leaders and users.

Targets.

The measurement of achievements towards National Health Goals should ideally be undertaken using quantitative measures of health status. As there is no recent census data available, and as the national health information system is still unreliable, selected process indicators will be used. These will be obtained either from National Programme Data (malaria,P.E.V, M.C.H, tuberculosis) or from surveillance data from specific locations, mostly collected by international organizations.

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KEY HEALTH DEPARTMENT TARGETS FOR 1994 - 1995

i. increase total vaccination coverage for infants under one year by 10% each year in the accessible provinces, and to 40% in the others.

ii. increase access to full child health services with trained staff and adequate essential equipment and drugs, to 100% in urban areas and 80% in rural areas.

iii. 20% of women aged 15-45 yrs receive at least 2 doses of tetanus toxoid vaccine.

iv. 80% pregnant women in urban areas and 50% in rural areas have access to personnel trained to provide correct antenatal care.

v. 80% births in urban areas and 40% in rural areas attended by trained health personnel.

vi. modern contraceptive methods available for birth spacing at all central, provincial and selected district health facilities.

vii. 60% of the population have access to a district level health facility (hospital or health clinic), having at least one doctor and essential equipment for first referral care.

viii. 100% province and district level health facilities equipped with basic essential drugs.

ix. 70% of TB patients presenting at district level and above diagnosed and treated according to national protocols.

x. all central, province and district hospitals provided with sufficient antimalarial drugs, effective for their area.

xi. hospital mortality from malaria less than 2%.

xii. 50% hospital technical staff receive at least one refresher training course to upgrade diagnostic and therapeutic skills.

xiii. 60% national programme staff receive refresher training.

xiv. 1500 new wells constructed and 1500 non-functioning wells rehabilitated in rural and peri-urban areas.

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THE DISTRICT HEALTH SYSTEM.

The Districts will become the main focus for implementing health care to the people; District-level services will be developed and personnel trained to manage government health facilities and services, run the district hospital, implement community based programs, control the district health budget and collect health information. The Provincial Health Department will focus the major resource component and programme activity at this level, with a clear mandate to promote, implement and support Primary Health Care as a district-based operation.

At District-level, programme activities currently resourced and managed vertically, will gradually be integrated and managed as one comprehensive health service system supported and technically supervised from the Province-level.

A standard district health system organization and structure for Cambodia has been developed by the Ministry of Health Planning Unit. This is a guideline only, and should be applied in a flexible manner to meet the individual situation of each district location and the communes and villages within that district. A list of the Role and Function of the District Health Office is shown in Table 1 below.

Basic medical care will be available at district hospitals, dispensaries, commune infirmaries and from mobile medical teams in the villages; A referral service to the provincial hospital will be developed for patient care not available at district level. Operational research will be undertaken to determine the most appropriate transport and communications.

Public health offices will be established at each district, supported by a network of Primary Health Care posts at commune and village level;

Mobile teams of medical and public health personnel will visit rural communities to carry out EPI, Vitamin A prophylaxis, medical and antenatal check-ups and health education;

Staff categories and levels will be adapted to meet the needs of each district.

**Essential or basic health services will be provided, free of any charges, at all public health facilities throughout Cambodia. Monetary charges will only be needed for specialist diagnostic tests or care.

Options for financing the District Health Services will be considered and tried out, in full consultation with the local communities and health staff. Community participation to provide manpower and other local resources for health sector development or activities is strongly encouraged.

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TABLE 1 ROLE AND FUNCTIONS OF DISTRICT HEALTH OFFICE

(1)	Preparation of an annual health activities plan, with active community participation
(2)	Management of district health budget
(3)	Raising additional local funds
(4)	Organization and management of district hospital service
(5)	Management of all other health facilities, including referral service; maintenance of transport, buildings and equipment
(6)	Manage supply and distribution of essential drugs, vaccines and consumables
(7)	Monitoring and supervision of all national and community health programmes eg. EPI, malaria, tuberculosis
(8)	Coordination of all government, non-government and private health services within the district
(9)	Management and supervision of all health staff in the district
(10)	In-service training of health workers in collaboration with provincial health trainers
(11)	Collection and compilation of district health information; reporting to Province; feedback to users at each level
(12)	Support district surveys and evaluate district health achievements

District Planning.

Annual activity plans will be developed for all districts in conjunction with the Province Health Department.

All district planning will start first with the people and emphasise the health and social needs of Cambodian families, living in their villages and towns. The people themselves, as well as their community and religious leaders, will be consulted and involved in planning.

PROVINCIAL HEALTH DEPARTMENTS

Province Management

The Minister of Health has responsibility for the entire health service, but delegates defined health service functions to the Provincial Director of Health Care Services, who will head the Province Health Service.

Province Health Structures should be developed to support and strengthen the District System of Health Care, which becomes the main recipient of public health sector resources. A list of the Roles and Functions of the Provincial Health Department is shown in Table 2 below.

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TABLE 3 ROLE AND FUNCTIONS OF THE PROVINCE HEALTH DEPARTMENT

(1)	**Provincial health service planning, human resource development and programme monitoring;**
(2)	**Coordination of all provincial health activities, including inter-sectoral, non-government, traditional and private sector; coordinate external resource inputs, including all international and non-governmental organizations**
(3)	**Management, employment and control of the provincial health workforce;**
(4)	**Budgeting and auditing of health expenditure: all or part of the resource allocation in consultation with MOH;**
(5)	**Approval and financing of capital projects in consultation with MOH;**
(6)	**Managerial and technical supervision and monitoring of district health teams and district heads of vertical health programs;**
(7)	**Manage procurement, supply and distribution of essential drugs, vaccines and supplies to all districts.**
(8)	**Organization and management of patient referrals and Province Referral Hospital;**
(9)	**Maintain health facilities, transport and equipment**
(10)	**Establishment and management of in-service training programme for all health workers, in accordance with national guidelines.**
(11)	**Epidemiological surveillance and maintenance of health information system;**
(12)	**Evaluate province health achievements; monitor implementation of national programmes**

Province Health Departments should develop their organization and structure to reflect the change in focus of their health services towards greater accessibility and wider coverage of health care services throughout their geographical areas.

In close cooperation with the Ministry of Health, Province Health Directors should take a lead role in coordination and planning of external resources, maintaining regular close contact with international and non-government organisations working in his/her area of responsibility.

Appropriately qualified health staff in the provinces will be distributed equitably according to needs at province, district, sub-district and commune level.

Human Resource Management and Training will be strengthened according to the Human Resource Policy described below. All province level senior managers will receive management training to prepare them better for their responsibilities.

Management of EPI, MCH, nutrition, health education and communicable disease control programmes will be strongly emphasised, within the District Health System.

Programmes of repair, construction and modernisation of infirmaries, MCH centres. dispensaries and hospitals should be started, giving priority to locally defined needs. Hospital infrastructure, including water supplies and sanitation, will be renovated and upgraded as funds become available, in order to provide a standard level of curative care to support primary health services .

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Municipalities will adopt the same district health systems approach to health care as Provincial services. Urban areas will introduce urban primary health care services, following guidelines already developed in some parts of the cities. Vertical programme activities will be integrated in urban areas as in districts.

The role of Municipal and National Referral Hospitals in Phnom Penh is being reviewed by MOH in close collaboration with the Municipal authorities.

Options for financing municipal health services will be studied and new schemes introduced in full consultation with the people.

The need for urban health programs in province towns not declared as municipalities will be explored.

Provincial Health Development Plans

Provincial Health Departments are responsible for implementing National Health Policies; They will need to develop Action Plans for province and district level activities;

MOH will provide administrative and technical guidance to all Provincial Health Directors to develop:

(i) Annual Plans and Budgets
(ii) medium and longer term Health Development Plans

Patient Care at Province Level

The Provincial health care team, whether involved in preventive, curative or rehabilitative activities, should adopt a province-wide approach to patient care. Their work is part of the overall Province health service, affecting the care of people living in all the villages and towns of the province.

National protocols for diagnosis and treatment of commonly occurring diseases, such as tuberculosis, malaria, dengue haemorrhagic fever and STD, have been developed and should be utilized routinely for patient care throughout the national health service.

Campaigns will be undertaken to immunise against communicable disease; to give health and nutrition education ; and to give emergency medical care;

The provincial hospital will provide the secondary-level health care service for all district patient care activities. A referral system should be developed which can respond to the needs of patients in outlying districts.

The focus will be on improved quality of care and will cover medical, dental and nursing services; infection control; rehabilitation; provision of essential drugs and equipment; laboratory and blood transfusion services and diagnostic X-ray.

The province hospital should provide total, integrated health care, rather than just a curative service. Attention will be paid to health and nutrition education for patients and their guardians, especially women and older children.

All hospitals should establish programmes of infection control according to guidelines developed recently in 5 pilot hospitals.

Specialty services, such as orthopaedics, ophthalmology or dermato-venereology, may be developed at province level as staff and financial resources become available. Super-specialties, such as neurosurgery and cardiology, will only be developed on a regional basis in the longer term.

Existing vertical programme laboratories will be integrated into a single improved laboratory service in all provinces. Blood Banks will be developed at the larger province hospitals and these will become the basis for the new National Blood Transfusion Programme. all province

Provincial Directors, in close collaboration with MOH Human Resources/Training Department, will establish regular in-service training programmes for all levels of health staff throughout the Province. In-service training will be given to all hospital based staff to upgrade clinical skills.

**To be discussed in more detail:

**Private Curative Services

The demand for a more sophisticated system of private hospital care is likely to increase at this level of the service, particularly in the larger province centres.

Individual province health departments may establish private wards within the province hospital. Doctors will be permitted to admit and care for their private patients, as long as the following important principles are established:

> The patient's freedom to choose either public or private health care must be respected and ensured;
>
> Quality of care must be maintained in both private and public care facilities; standards will be monitored by the MOH Inspector General and recommendations made must be implemented
>
> Private patients should not receive priority care over public patients; all patient care will be to the same high standard;
>
> A scale of payment for facilities provided by the hospital mus be established and payment made direct to the hospital for their use. A room charge (according to level of comfort) should be made; charges may be made for laboratory, X-ray, drugs and consumables etc.

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The doctor's fees should be according to an agreed scale and made to the hospital, who will make an agreed percentage payment to doctors and other staff attending the patient.

Any profit accumulated by the hospital for providing private services will revert to MOH and government and be used to improve services throughout the country.

A strict record must be kept of all charges made and received; this information will be audited 6-monthly or annually by the MOH Inspectorate General.

CENTRAL SUPPORT TO PROVINCIAL AND DISTRICT SYSTEMS

MINISTRY OF HEALTH

The Ministry of Health (MOH) is lead agency for implementing government health policies. MOH will work closely with other Ministries, agencies and organizations which have health functions, especially Planning, Social Action, Agriculture, Education, the Cambodian Red Cross,and all International and Non-government Organisations.

The Ministry of Health is responsible for health care delivery throughout the country, at the Centre and in the Provinces, Districts and Communes. An effective organisational structure will be introduced from Central Ministry to Provinces and Districts, clarifying divisions of technical and managerial responsibility at all levels of the health service.

The Ministry of Health has responsibility for preparing an annual Health Plan and Budget for the whole country, and for allocating resources throughout the health system.

The Ministry of Health will appoint Provincial and Municipal Directors of Health, who will be responsible to the Minister, through the Director General of Health Care, for implementation of health policy and plans in the provinces and municipalities.

Ministry of Health Structure

The new organisational structure of the Ministry of Health is represented in the organogram attached to this paper.

The Ministry of Health re-affirms its policy focus on district health care development, supported by provincial management and planning. The Central MOH has a clear role in support of Province and District Health Services.

The functions to be undertaken by the Ministry of Health in order to attain this policy objective are set out in Table 3 below.

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TABLE 3 ROLE AND FUNCTIONS OF CENTRAL MINISTRY OF HEALTH

(1)	Health Policy Formulation including policy on inter-sectoral activities.
(2)	Production of National Health Plan and provincial and district plan guidelines.
(3)	Coordination and management of all external resources for Health Services to ensure activities are in line with the National Health Policy and Plan.
(4)	Technical advice and support to the provinces on programs, services and management.
(5)	Monitoring central, provincial and district health systems performance and policy implementation.
(6)	Efficient two way communication with provinces; receiving reports and information; giving feedback for good management; involving provinces in policy formulation.
(7)	Budgeting and auditing of all health expenditure for Ministry of Health, central institutes, national programs, provinces and districts: resource allocation;
(8)	Advise on allocation of financial and material resources, especially capital funds, within provinces. Monitoring of Provincial financial expenditure.
(9)	Establish, manage and maintain essential drugs supply system for country; ensure regular, adequate supplies and equitable distribution of drugs and equipment throughout the health care system.
(10)	Control over purchasing and local production of pharmaceuticals.
(11)	Human resource management and development, including training and re-training, registration, appointments, promotion and personnel matters.
(12)	Regulation of private and traditional medicine sector, profit and non-profit, including non-government organisations.
(13)	Monitoring and supervision of national health organizations, institutes and programs, including research and development.
(14)	Regular review, update and preparation of new legislation for effective regulation of the public health service.
(15)	Liaison with international health organizations and aid agencies.

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Immediate Goals

The Ministry of Health has set itself a series of immediate goals for early implementation :

1. Provision of adequate salaries and benefits to health workers; determination of the total health worker establishment and appropriate numbers for each category.

2. Establishment of a system of registration, equivalencies and certification of all health worker categories.

2. Reorganisation of Ministry and Central Institutes; clarification of all job descriptions; re-training of personnel;

3. Improved monitoring of Ministry funds and programmes;

4. Strengthening Central Medical Stores; regular distribution of adequate drugs and supplies to hospitals, dispensaries, infirmaries and health stations throughout the country;

5. Recommence local production of essential drugs, traditional and herbal medicines, including through private initiatives from both Cambodian and foreign sources;

6. Improvements in management and efficiency of Phnom Penh Hospitals: creation of a working ambulance system for patient referral;

7. Up-grading of the Faculty of Medicine, Pharmacy and Dentistry; curriculum revision; elimination of corruption; increased contact and communication with students and teachers;

8. Training of health care personnel at all levels, with opportunities for further studies in neighbouring countries;

9. Upgrading the public health component of Cambodia's health system, with emphasis on public health training at all levels; creation of an Institute of Public Health.

10. Promotion of scientific and health systems research, including research in Khmer traditional and herbal medicine;

International assistance programmes:

Ministry of Health will actively seek additional resources for health programmes and projects from the international community. Ministry of Health appreciates the tremendous technical and financial resource inputs made by non-government organizations (NGOs) in the health sector, and intends to continue to work with these organizations in a spirit of cooperation and partnership.

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The Ministry of Health's Coordinating Committee (COCOM) will continue to provide a forum for exchange of views and advice to the Minister.

All health-related project proposals will be submitted to Ministry of Health for consideration and approval prior to implementation anywhere in the country; any organizations now working without such authority should regularize their situation without delay.

Ministry of Health will set criteria for approval, and guidelines for implementation, of these proposals, taking into consideration the national health policies above and in a climate of mutual understanding.

Ministry of Health will shortly develop a system to regularise the employment and/or training attachment of government health workers with International and Non-government organisations.

Commercial Health Companies

Commercial representatives, whether national or international, are also required to have approval, and formal licences to operate, from MOH before establishing any health programmes, businesses or initiatives. Legislation will be introduced to ensure this.

Private Health Care

A choice of private and public health services is encouraged, but it is important that one must not be at the expense of the other and quality must be maintained in both sectors. Private health services are considered complementary to the public sector service, not a replacement.

A programme of supervision and inspection of public and private health services will be started by the MOH Inspectorate General.

NATIONAL PROGRAMMES

National programmes may be defined as centrally (often external donor)-funded programme areas, with a management and reporting structure separate from the general health service delivery system.

The long term aim is for the national programmes to become part of the decentralised district care system; no longer individual vertical programmes with separate management structures.

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** Information:

The direction or central management of existing vertical programmes has until now rested within the Ministry of Health Centrally-funded Institutes or Centers as follows :

Malaria control	National Malaria Centre
Tuberculosis control	National Tuberculosis Centre
Maternal & child health	PMI/MCH Centre
Acute Respiratory Infections	PMI/MCH Centre
Diarrhoeal disease control	PMI/MCH Centre
Immunization (EPI)	C.N.H.E.
Dengue Haemorrhagic Fever	C.N.H.E.
Drinking water & sanitation	C.N.H.E.
Goitre prevention	C.N.H.E.
Leprosy control	Leprosy Centre
S.T.D.	S.T.D.Centre

Only the national programme for HIV/AIDS control is currently managed directly from the Ministry of Health.

Ministry of Health currently has overall responsibility for monitoring management of the national programmes. It is intended that Ministry of Health will develop capacity to more actively participate in programme management and evaluation. Programme managers, generally located within MOH, will be accountable to appropriate Directors within the Directorate General of Health Care.

National programme activities at district level should be integrated with the general health care delivery system, and with other national programmes. In the longer term, the aim is to integrate at all levels, including central management function.

The Role and functions of the specialist Centres and National Institutes, and their relationship with each other and the Ministry, will be defined within a short time.

National programme Plans of Action

National programme managers have responsibility to ensure that Plans of Action, emphasising integration of health activities, are formulated and presented for Ministry of Health approval annually.

Programme managers will also monitor progress in programme implementation and prepare 6 monthly and annual reports for Ministry of Health and donors.

National programmes with approved plans for 1993 and beyond are the following:

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Malaria Control
Tuberculosis
HIV/AIDS Control
Dengue Haemorrhagic Fever Control
Expanded Programme of Immunization
Maternal and Child Health
Drinking water and sanitation
Leprosy control

All other national programmes will prepare Plans for 1994 before 30 October 1993. (ARI, CDD, STD control; goitre prevention)

The Ministry of Health proposes to introduce a new national policy in four priority areas in 1993/94 :

Essential Drugs & Supplies
Continuing Education of health staff
Blood Transfusion
Birth Spacing

In formulating these, the overall policy of integrated health service delivery at district level will be given full consideration.

Birth Spacing Policy (developed for recent UNFPA Mission)

A priority aim of the Ministry of Health is to reduce maternal and young child mortality in Cambodia, and to improve the quality of family life. The current socio-economic conditions for most Cambodian families means that most cannot afford to invest in many children.

MOH strategy for achieving this aim is to increase the spacing of child births;

Spacing of births is encouraged as a means of improving the health and well being of women, and consequently the better nutrition and health of their children.

The termination of pregnancy by induced abortion as a means of contraception is not acceptable.

To implement the birth-spacing strategy, parents and health staff will be educated about contraceptive methods, and the availability of reversible and affordable contraceptives will be increased so that all couples may have access to them. Young adults will be educated sexual and reproductive health matters.

A national birth spacing policy and programme will be developed for commencement as soon as possible.

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CENTRAL INSTITUTES OF PUBLIC HEALTH

National Centre for Hygiene and Epidemiology (CNHE)

The CNHE was developed to provide the Ministry of Health with expertise in communicable disease surveillance and control, but because of funding constraints has taken on more and more programme management function in recent years. Currently CNHE in reality only has a programme management role. Two major programmes, EPI and Rural water and sanitation (both funded by UNICEF) are managed by the Centre. A decision has been taken very recently to move the latter programme to another Ministry.

In 1993, Ministry of Health assisted CNHE to evaluate their role and functions and to prepare a Plan of Action for the next year.

The Plan envisages development of Research and Training Capacity among staff and less involvement in future in programme management and implementation. Very recently CNHE has taken on responsibility for undergraduate Public Health Training in the Faculty of Medicine, and a group of 30 Trainers have begun training with WHO technical assistance. Ministry of Health expects CNHE to take a lead role also in developing public health continuing education for health workers.

CNHE staff are already involved in various surveys and investigations, and are developing skills in epidemiological surveillance. A major effort will be made to increase their expertise by training both incountry and abroad.

MOH recognize the need to locate the various departments of CNHE (and possibly other central institutes such as CENAT, CNM and PMI) together in one major facility and will seek international support to develop the Center as the country's apex National Institute of Public Health. Meanwhile effort should be made to improve coordination between all the Centres.

Ministry of Health will strengthen links between CNHE and all relevant Ministry of Health Departments, especially the Health Information Unit, and will define their respective roles.

National Malaria Center (CNM)

The main function of the CNM is management and implementation of the National Malaria Control Programme. This has been technically and financially supported by WHO, ODA (UK) and NGOs. A programme review has recently been completed.

CNM also has a training and research function, both of which are active though requiring more technical and funding support. MOH has given high priority to institution-strengthening and programme activities at this Center.

A recent decision by MOH will close the very small patient care facility which has operated at the Centre over the past few years.

CNM currently occupies its own building in the city centre. MOH will consider future siting of the Centre in the light of development of the National Institute of Public Health, into which CNM will need to be integrated.

MOH will strengthen its capacity in overall communicable disease control policy development and programme monitoring and will strengthen links with CNM.

National Tuberculosis Centre (CENAT)

A major review of CENAT and the National Tuberculosis Control Programme took place during 1992/93, with technical assistance from WHO. The National Tuberculosis Control Plan has recently been completed and will be implemented immediately. New strategies will be put in place to control the currently very high prevalence of this disease throughout the country.

CENAT has two main functions at present - programme management and patient care. Some training is also carried out. MOH has overall responsibility for monitoring implementation of the National programme and links between CENAT and MOH, as well as MOH capability, will be strengthened.

The future location of CENAT, and its associated hospital, is still under consideration. The present site in the City Centre is congested and there is pressure to relocate the hospital to a peri-urban area of Phnom Penh, in order to provide a better environment for patient care.

CENAT's training and future research function may be incorporated into the new National Institute of Public Health.

Maternal and Child Health Centre (PMI)

The Maternal and Child Health Centre is generally considered to include both the MCH Programme Management Offices, Training Facility and 7 January Women's and Children's Hospital. It would be less confusing for the hospital preventive and curative function to be separated in future from programme management and training.

In the short term the PMI will continue to be the focus for implementation of the national MCH programme, management of CDD, ARI and nutrition. The Centre currently acts as the apex Institute for programme planning, management, training and evaluation. Detailed programme plans are available for all these. Technical assistance and programme funds have been committed by UNICEF and other international organizations.

The Ministry of Health and PMI will seek mechanisms to coordinate activities at all levels for maximum impact. The MOH MCH unit, within the Directorate General of Health Care, will be strengthened to take greater responsibility for both policy-making and programme monitoring.

The PMI will also take a lead role in developing the birth spacing programme, supported by a programme of assistance from UNFPA.

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The future of the PMI building is yet to be determined. The existing premises of the 7 January Hospital will close down gradually within the next few months, as alternative space is identified. Plans are under development for a major new Women's Hospital and MCH Training Facility on the site of the old Pha Nga Ngam Maternity Hospital. There are several options for MCH programme management and these will be carefully reviewed by MOH, in full consultation with advisers and donors.

Centre for Venereology (STD)

This Centre has been established in one of the former Phnom Penh municipal dispensaries, but so far it has not attracted sufficient resources to become fully functional. MOH is reviewing activities and considering alternatives for it's future development.

Consideration is being given to locating some components of the AIDS Control programme activities at this Center.

Pasteur Institute

This will be further developed as the Central Reference Laboratory for the country. Technical assistance and major capital funding is being provided from the Paris Institute Pasteur, for new laboratory construction and staff development. Recurrent costs of this advanced technological facility have been assured by the donor for a period of 10 years.

The relocation of the Pasteur Institute to the Calmette Hospital campus, once the new laboratory construction is complete, will free up its present site for development as the National Institute of Public Health.

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HOSPITALS

Hospitals constitute a vital part of Cambodia's national health system. They will be integrated into the system at each level throughout the country, in support of primary health care services.

Hospital categories within the National Health System will be :

District Hospital
Provincial Hospital (with specialties)
Phnom Penh City (Central) Hospitals (formerly National or Municipal)
Phnom Penh Specialist Hospitals

Hospital Activities

The level of activities possible in each hospital category will depend on the buildings, staff and equipment available. MOH has developed recommended essential activity guidelines:

Province Hospital Activities

Management:
- Hospital accounts; Hospital statistics
- Drug and material management
- Referral systems from districts; Transport management
- Radio communications
- In-service training

Curative:
- Out-patient consultations and treatment
- In-patient care
- Hygiene and sterilization
- Delivery and newborn care
- Surgery and orthopaedics; Gynaecology
- Internal Medicine, including infectious diseases
- Ophthalmology; Dermato-venereology
- Paediatric care; Ophthalmic Care
- Dental care; X-ray; Ultrasonography
- Laboratory diagnostic service; Blood Banks

Promotive and Preventive:
- Infection control; Health and hygiene education
- Pre and post-natal care and birth spacing
- Child Health ; Elderly outreach

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Rehabilitation:

Prosthetics service for amputees
Physiotherapy

District Hospital Activities

Management

In-service training
Hospital accounts; Hospital statistics
Drug & material management ; Transport management

Curative

Outpatient consultations and treatment
In-patient care; Hygiene and sterilization
Delivery & newborn care
Laboratory service, X-ray
Patient referral
Delivery complications
Basic surgery & traumatology
Dermatology; Dental care

Preventive and Promotive Activities

In service training for all district staff
Health & nutrition education
Prenatal consultation; Birth spacing
Under-5 consultations, EPI, growth monitoring etc
TB & Leprosy and Malaria control program
Hospital and clinic hygiene - infection control
Environmental Health programme

Specialist Services

Specialist services in selected subjects, such as cardiology and neurosurgery, will be developed in Phnom Penh and a regional basis only, as funding and trained staff become available.

Phnom Penh Hospitals

A detailed review of Phnom Penh Hospitals has recently been completed by MOH, as a result of which some major changes will be made in their organisation, management and bed distribution.

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Hospital Management

All hospitals in Phnom Penh City will be brought under and managed within a unified structure. Hospital Directors will report to the Phnom Penh Provincial Director of Health, and through him/her to the Director General of Health Care Services in the Ministry of Health.

A plan will be developed for the systematic training of hospital managers in order to upgrade their skills and competence levels. In view of the many changes that are likely to take place in the hospital sector, this training is considered to be critical.

Staff numbers in each hospital will be rationalised to meet the needs; MOH will develop standards to be applied for each staff category and service level.

Technology in Hospitals

In view of the enormous potential cost of up-grading and maintaining the country's hospital system, a national policy on the level of technology and type of equipment to be employed will be developed. This will address issues such as maintenance, spare parts, repair and particularly running costs; also staff training in utilization and cost-effectiveness.

In the future Cambodia hopes to have a level of technology comparable to its neighbouring countries.

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HUMAN RESOURCES

HUMAN RESOURCE PLANNING

The Ministry of Health will retain the main responsibility for human resource planning for health. A new Directorate General for Human Resources is being established under the direct authority of the Minister of Health. It will work closely with other government departments and provincial health services to ensure that all decisions affecting human resources support the national goals.

The level and mix of health staff in all health institutions should be appropriate, efficient sustainable and consistent with meeting legitimate health requirements within the country's economic resources.

Health Workers should be equitably distributed between Provinces and Central Health Institutions.

Health worker categories for Cambodia, together with their roles and functions, will be determined based upon meeting the priority health care needs.

The established number of public health sector workers for each health worker category will be determined by MOH within a short time. The health worker establishment will be reviewed at regular intervals (e.g. every two years).

The Ministry of Health recognises that health workers also operate in the private sector and will establish mechanisma for their registration, regulation and quality control.

HUMAN RESOURCE TRAINING AND DEVELOPMENT

Health workers will be required to have a general education and health related training consistent with the jobs they have to do, not more.

All curricula will be Primary Health Care Oriented and competency based, augmented where necessary with skills required for referral.

Health workers undertaking specialist training at government cost will undertake to work for government in that speciality field for a minimum of three times the length if time it took to train.

Selection of health workers for specialist training will be made by the Ministry of Health based on identified criteria and needs.

A National Continuing Education Centre will be established which will coordinate all continuing education activities throughout the country and produce teaching modules for

continuing education.

All training programmes will be based on the clearly defined roles, job descriptions and task statements as determined by the Ministry of Health, to ensure that each category of health worker attains the nationally accepted levels of competency for their profession.

Intakes to training programmes will be determined by the country's quantitative and qualitative staffing needs and available financial resources; prepared by MOH in cooperation with Provinces and annually updated.

Entry requirements for training of each health worker category will be specific in terms of educational attainment level of subjects related to the field of study (e.g. Baccalaureate level in Science Subjects, Mathematics, Khmer and a second language).

In response to the current situation, whereby the workforce has many different levels of workers within each category all trained within different health systems, a system of registration, equivalencies and certification of all Cambodian health workers will be set up within the new Human Resources Department of Ministry of Health.

Health workers, on successful completion of training, will work in any area of the country to which they are posted by the Ministry of Health, dependant upon posts being available. Failure to comply with posting will affect future public sector employment.

A system for the training and certification of teachers will be developed.

Ministry of Health approval must be sought for all private or NGO training institutes. Such institutes must provide evidence of being able to train health workers of reconized categories to an academic standard and professional competence acceptable to the Ministry of Health. In the event of Ministry of Health granting certification to such an institute there will be no guarantee that graduates will be employed in the public sector.

HUMAN RESOURCE MANAGEMENT

Recruitment

The vital role of Health Professionals in the community will be promoted to give them enhanced prestige and stature, making health work a more attractive career prospect.

Criteria for student recruitment to the health professions will be based on competence, motivation, aptitude and academic attainment.

Job Design

All health workers will be provided with a copy of their clearly defined Roles and Job Descriptions, which will have been designed to reflect the National Health Policy and Plans.

DRAFT

Motivation

Management structures will be developed for each category of health worker. This will enhance career prospects within each profession.

Appropriate incentives will be created to motivate and retain competent health staff and increase their productivity.

Discipline

All health workers should be fully informed of disciplinary procedures which can be applied. The Discipline Committee in the Ministry of Health will be maintained.

Supervisors must exercise their disciplinary powers fairly.

In-service and Continuing Education

All health workers will be provided with adequate opportunities for appropriate continuing education, in order to develop and maintain competence to fulfil their defined roles.

Supervision

All staff holding supervisory positions will be given training in methods of ensuring staff competency, effectivenss and efficiency through observation, discussion, support and guidance.

Central Training Institutes.

Faculty of Medicine, Pharmacy and Dentistry.

All future training will be revised to become competency based and community oriented.

All health professionals currently working in a teaching capacity will be given training in modern teaching and educational methodology and evaluation.

All curricula will be reviewed based on the Ministry of Health job descriptions and revised to a Primary Health Care approach augmented by skills required for referral.

The numbers of students accepted for training will be determined according to the needs of the country and according to plans worked out by the Ministry of Health Human Resources Department.

Emphasis will be on improving the quality of both theoretical and practical teaching, with special emphasis on improving the relevance and quality of basic science teaching and expansion of public health. Links will be strengthened with Primary Health Care projects, the national hospitals and institutes to provide adequate practical application and experience.

Ministry of Health will attempt to identify resources to upgrade the infrastructure and provide improved teaching and learning facilities for staff and students.

Technical assistance is already being provided in a number of departments and will be extended to others as funding becomes available.

Nursing and Paramedical Training School (ECCS)

Technical support will continue to be provided to all departments to upgrade the quality of teaching and improve student standards.

The numbers of students accepted for training will be determined according to the needs of the country and according to plans worked out by the MOH Human Resource Department.

All curricula will be reviewed based on Ministry of Health provided job descriptions.

Competency Based Training will be given to improve quality of both theoretical and practical teaching with special emphasis on improving the relevancy and quality of basic science teaching. Links will be strengthened with PHC programmes, the national hospitals and national institutes to provide adequate practical application and experience.

All health professionals involved in teaching will be given training in teaching and educational methodology and evaluation.

Post-basic nurse training will be introduced in areas such as:

Midwifery
community nursing
nursing management
infection control
newborn care
operating theater techniques
anesthetics

Regional Nurse Training Schools

Reviews will be undertaken to determine the needs of each of these institutions related to basic and continuing education requirements for the regions.

Infrastructure will be improved as funds become available to improve the working and living environment for staff and students.

In the interim, emphasis will be on upgrading the quality of teaching to improve the standards of nursing care in the country. This will be done through training of teaching staff in modern teaching and educational methodology and evaluation.

DRAFT

To be written by Dr Meng Chour and Laura:

Policy analysis

Province Health Plans

Provincial Health Plans should contain an analysis of the present health situation and the priorities to be set. They should contain a plan outline, with a statement of goals, objectives and major strategies. These strategies should then be made specific with details on implementation and resource requirements. Finally a plan for monitoring and evaluation should form part of the Provincial Health Plan.

Provincial Plans should consist of both Health Programme Plans, such as EPI, malaria and TB control, and District Plans. Senior staff from the provincial health office and district health offices should therefore all be involved in the planning process.

It is recommended that in order to develop provincial plans, two planning workshops be held to facilitate teamwork and group decision making in the planning process. The Ministry of Health Planning Unit can provide technical assistance for these workshops, which should ideally be held with a two month interval, over a planning period of about 5 months.

An outline Provincial Health Plan Framework is reproduced at annex 5 .

Table 5 Criteria/Guidelines for International Assistance

All international and national organizations and agencies offering programmes of health assistance, must have project protocols approved and signed by MOH before starting work; and they must all regularly submit 6-monthly reports of their activities to MOH.

The Ministry will channel finances, projects, programmes, medicines, equipment and training to areas of Cambodia where needs are greatest; all donations of medicines and equipment will be distributed through Central Medical Store.

In order to achieve the national goals and objectives, all NGOs will be required to work within the framework of national health policies and to respect the authority vested in the Ministry of Health.

All partner IOs and NGOs are asked to work to build up the national capacity for Cambodians to run their own health services; the role of expatriate workers is to give technical support and guidance, and always to work alongside their Cambodian counterparts and colleagues.

All foreign health workers are required to submit their professional credentials and curriculum vitae to MOH for approval before taking up their agreed posts.
All training programme curricula will be reviewed and approved by Ministry of Health before being used;
All scholarships and traineeships for health workers to study abroad must be cleared by MOH in advance;

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TOTAL HEALTH WORKFORCE BY PROVINCE
source: human resources survey MOH/WHO may 1993

PROVINCES	population	personnel qualifie								peu qualifie		total	
		doctors	hab/doctor	acc.nurses	hab/s.nurses	acc midwif	hab/s.midewife	total	hab/pers	total	hab/pers.	pers.monte	hab/pers
BANTEAY MEANCHEY	389861	29	13443	87	4481	41	9509	197	1979	395	987	592	659
BATTAMBANG	533582	42	12704	265	2014	138	3867	544	981	582	917	1126	474
KAMPOT	454269	23	19751	92	4938	49	9271	215	2113	306	1485	521	872
KANDAL	841614	29	29021	133	6328	56	15029	296	2843	567	1484	863	975
KOH KONG	69688	4	17422	29	2403	12	5807	55	1267	66	1056	121	576
K.CHAM	1345582	44	30581	108	12459	47	28629	284	4738	696	1933	980	1373
K.CHHNANG	304008	14	21715	86	3535	37	8216	159	1912	384	792	543	560
K.SPEU	465457	20	23273	59	7889	23	20237	145	3210	524	888	669	696
K.THOM	469712	7	67102	54	8698	33	14234	136	3454	407	1154	543	865
KRATIE	192823	10	19282	50	3856	34	5671	118	1634	255	756	373	517
MONDULKIRI	21449	3	7150	16	1341	8	2681	35	613	95	226	130	165
PHNOM PENH	667814	51	13094	81	8245	59	11319	295	2264	319	2093	614	1088
PREAH VIHEAR	86460	4	21615	15	5764	21	4117	55	1572	92	940	147	588
PREY VENG	838392	16	52400	53	15819	25	33536	163	5144	733	1144	896	936
PURSAT	254587	18	14144	115	2214	67	3800	234	1088	188	1354	422	603
RATTANAKIRI	66764	3	22255	31	2154	14	4769	57	1171	148	451	205	326
SIEM REAP	555366	15	37024	140	3967	90	6171	282	1969	381	1458	663	838
SIHANOUK VILLE	107006	11	9728	28	3822	25	4280	87	1230	190	563	277	386
STUNG TRENG	63528	7	9075	53	1199	17	3737	96	662	122	521	218	291
SVAY RIENG	416058	13	32004	39	10668	22	18912	99	4203	371	1121	470	885
TAKEO	636404	21	30305	106	6004	33	19285	198	3214	370	1720	568	1120
HEVEA	101140	3	33713	27	3746	6	16857	55	1839	88	1149	143	707
TOTAL	8881564	387	22950	1667	5328	857	10364	3805	2334	7191	1235	10996	808
TOTAL CAMBODGE	8881564	986	9008	2622	3387	1120	7930	6864	1294	10592	839	17456	509
% province/total		39		64		77				68		63	

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TOTAL HEALTH WORKFORCE – INCLUDING GENERAL STAFFF

TABLE 1.

Situation as at 31 MAY 1993

LOCATION	Doctor	Medical Assist	Pharm-acist	Pharm Assist	Dentist	Dental Assist	Soc Nurse	Fim Nurse	Gradua Nurse	Physio	Physic Assist	Soc Midwife	Fim Midwife	Soc Lab Tec	Fim Lab Tec	Sanit Inspect	Trad Medic	TBA	Prep	Secour	Radio-grapher	Other	Pharm	General	TOTAL
MINISTRY AND SUB UNITS	29	35	27	51	1	0	57	13	0			2	1	12	2	0	0	0	0	0	0	0	0	213	397
PROVINCES:																									
Battambang	42	82	14	4	3	4	255	404	0			135	118	5	41	4	2	0	0	0	0	0	0	65	1,181
Banteay Meanchey	29	33	8	2	1	4	87	278	0			41	85	3	22	0	1	0	0	0	0	0	0	53	645
Kampong Thom	7	37	3	1	2	1	54	233	0			33	158	5	0	4	4	0	2	0	0	0	0	214	759
Kampong Chhnang	14	18	4	3	0	3	86	273	0			37	97	3	5	0	1	0	0	0	0	0	0	63	606
Kampong Cham	44	70	14	2	11	5	108	500	0			47	151	71	10	4	0	0	1	10	11	11	0	190	1,173
Kampong Speu	25	35	7	8	1	8	59	457	0			23	31	8	2	0	0	0	0	0	0	0	0	32	701
Kampot	23	42	8	4	1	4	62	200	0			49	84	4	5	4	1	0	0	0	0	0	0	149	667
Kandal	26	73	2	7	3	0	133	318	0			58	136	10	3	7	15	0	2	0	0	0	0	134	999
Koh Kong	41	7	3	1	0	1	29	53	0			12	9	5	0	0	0	0	0	0	0	0	0	9	130
Kratie	10	22	2	1	0	1	50	211	0			34	42	0	0	0	0	0	0	0	0	0	0	63	436
Municipality (FP)	51	85	15	6	3	3	81	252	0			53	49	22	1	2	4	0	30	0	3	0	0	75	719
** Mondul Kiri	3	8	2			1	16	75	0			8	16	1	0	0	0	0	0	0	0	0	0	115	246
Preah Vihear	4	13	2	01	0	0	151	42	0			21	34	2	10	0	1	3	3	0	0	0	0	58	206
Prey Veng	18	61	6	2	2	3	53	532	0			25	185	8	1	0	1	0	0	0	0	0	0	168	1,065
Pursat	12	33	0	0	1	5	115	67	0			37	69	3	14	0	0	0	3	0	0	0	0	118	644
Ratanak Kiri	3	7	2	0	0	1	31	156	0			14	32	2	3	0	1	0	0	0	0	0	0	21	226
Siem Reap	15	35	2	2	0	1	140	232	0			50	88	17	3	0	0	0	0	0	0	0	0	46	709
Sihanoukville	11	17	5	6	1	7	28	131	0			25	44	2	0	0	0	0	0	0	0	0	0	25	305
Stung Treng	7	15	4	2	0	1	53	61	0			17	25	11	1	0	0	0	0	0	0	0	0	85	303
Svay Rieng	13	18	6	3	1	1	39	322	0			22	26	4	0	0	3	0	0	0	0	0	0	48	518
Takeo	21	31	5	3	2	2	100	2.3	0			33	53	15	1	5	3	0	0	0	0	0	0	117	685
CENTRAL TRAINING INST																									
Faculty of Medicine	35	12	11	0	8	5	13	0	0			0	0	8	0	0	0	0	0	0	0	0	0	0	84
ECCS	8	19	5	0	0	0	16	0	0			7	0	8	4	0	0	0	0	0	0	0	0	0	81
CENTRAL HOSPITALS																									
Kantha Bopha Hospital	103	50	8	8	8	1	155	131	0			45	12	21	15	0	0	0	0	0	0	0	0	105	874
Kossomak Hospital	73	32	9	2	4	1	154	32	0			3	0	13	0	1	0	0	0	0	0	0	0	90	438
Dac 2 Hospital (EMT)	28	32	6	1	1	1	53	65	0			6	2	15	0	1	0	0	0	0	0	0	0	27	207
National Paediatric Hospital	22	22	5	11	0	0	29	33	0			2	0	4	4	1	0	0	0	0	0	0	0	28	152
Calmette Hospital	53	37	6	0	2	2	82	63	0	1		17	2	10	5	0	0	0	0	0	0	0	0	70	294
INSTITUTES:																									
Pasteur	13	12	4	0	0	0	29	0	0			0	0	0	0	0	0	0	0	0	0	0	0	113	174
Dental	17	18	4	0	0	0	18	1	0	4		1	0	13	2	0	0	0	1	0	3	0	0	36	188
Malaria Institute	13	13	2	0	0	0	21	0	0			0	0	11	3	0	0	0	0	1	3	0	0	16	86
PV (including Jan 7 Hospital)																									
Preah Kunta Bopha Hospital	71	90	10	1	1		81	32	0	2		127	13	12	0	1	0	0	3	0	0	15	0	0	437
CAMBODIAN RED CROSS	3	2	0	0	0	0	0	0	0			0	0	0	0	0	0	0	0	0	0	0	0	101	108
RUBBER PLANTATIONS	3	17	1	1	0	0	37	73	0			5	3	3	2	0	0	0	3	0	0	0	0	262	425
MIN OF SOCIAL ACTION																									
Ministry of Health	14	15	5	0	1	1	15	12	0			11	5	2	0	1	0	0	0	18	2	0	0	22	123
Forest Action	2	0	0	0	0	1	5	5	0	4		0	0	0	0	0	0	0	0	0	0	0	21	0	53
* MIN OF DEFENCE	77	314	13	38	1	3	0	475	0			0	5	0	82	0	0	0	0	0	3	0	0	234	1,143
* MIN OF NAT SECURITY	19	35	3	8	0	0	87	25	0			12	21	4	3	0	0	0	0	0	0	0	0	118	558
DRUG FACTORY	11	31	44	61	0	0	31	2	0			0	0	0	3	0	1	0	0	0	0	0	0	0	83
PUNCINFEC HEALTH DEPT	13	13	0	1	0	3	60	35	0			10	0	2	0	0	0	22	0	0	11	74	0	0	227
RUMLF HEALTH DEPT	11	34	0	0	0	5	41	103	0			3	13	2	8	0	0	0	0	0	3	27	4	14	258
RETURNING NW'S	0	404	0	2	0	82	4	43	240			0	229	34	44	289	0	201	99	0	7	998	50	0	3,143
MIN OF JUSTICE		1																							1
MIN OF EDUCATION	21	2	0	0	0	0	4	2	0			0	1	0	0	0	0	0	0	0	0	0	0	0	11
																									0
																									0
TOTAL	868	1,810	290	128	46	180	2,822	6,820	240	31	2	1,120	1,844	308	302	334	45	224	144	38	11	1,111	79	3,312	22,121

* Phnom Penh only

** Source of information – Health Congress Dec 1992

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HEALTH WORKER / POPULATION RATIOS

Situation as at 31 MAY 1993

CATEGORY OF WORKER	WHOLE COUNTRY POP = 8,829,051		PHNOM PENH POP = 667,814		REST OF COUNTRY POP = 8,161,237	
	No. of workers	POP / Worker Ratio	No. of Workers	POP / Worker Ratio	No. of Worker	POP / worker Ratio
Doctor	986	8,954	626	1,067	360	22,670
Medical Assistant	1,810	4,878	697	958	1,113	7,333
Pharmacist	280	31,532	182	3,669	98	83,278
Pharmacy Assistant	126	70,072	72	9,275	54	151,134
Dentist	46	191,936	27	24,734	19	429,539
Dental Assistant	160	55,182	18	37,101	142	57,474
Secondary Nurse	2,622	3,367	931	717	1,691	4,826
Primary Nurse	6,920	1,276	1,329	502	5,591	1,460
Graduated Nurse	240	36,788	0		240	34,005
Physiotherapist	31	284,808	25	26,713	6	1,360,206
Physiotherapy assiatant	28	315,323	0	..	28	291,473
Secondary Midwife	1,120	7,883	307	2,175	813	10,038
Primary Midwife	1,844	4,788	84	7,950	1,760	4,637
Secondary Lab Technician	308	28,666	155	4,308	153	53,341
Primary Lab Technician	302	29,235	43	15,531	259	31,511
Sanitary Inspector	334	26,434	101	6,612	233	35,027
Traditional Medic	45	196,201	5	133,563	40	204,031
TBA	224	39,415	0	.	224	36,434
Preparer/Dispenser	144	61,313	34	19,642	110	74,193
Secouriste	38	232,343	38	17,574	0	.
X-ray Technician	11	802,641	0	..	11	741,931
Other	1,111	7,947	15	44,521	1,096	7,446
Prosthetists	79	111,760	25	26,713	54	151,134

NOTE : Population data is from UNTAC Electoral Component April 21, 1993

EXEMPLES DE PROBLEMATIQUES EN GENERAL A DISCUTER

OBSTACLES A SURMONTER
=INSTITUER UN SYSTEME DE SOINS AUQUEL LES POPULATIONS PUISSENT AVOIR ACCES ET QU' ELLES PUISSENT ACCEPTER

1. Problèmes liées aux grandes Options :

a) Absence de politiques sanitaires nationales précises et faiblesse des liaisons entre les structures sanitaires et les autres éléments du processus de développement national.

- Coordination des efforts entre tous les secteurs et à tous les niveaux :

Action de Santé devrait être condésirée comme un élément indissociable du développement et l'on devrait définir nettement ses objectifs, ses politiques et ses plans.

- Intervention simple et efficace (peu coûteuse ayant une forte incidence sur la population avec la technologie appropriée).

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b) Absence de priorités précises

- Equilibre entre les services curatifs, préventifs et promotionnels.
- Répartition des moyens.
- Ordre de priorités entre les soins primaires et les soins spécialisés; soins inviduels et collectifs.

C) Participation insuffisante de la collectivité à la protection sanitaire.

- Non favorabilité à l'autonomie des pouvoirs locaux.
- Structures Sectorielles rigides, fortement centralisées.
- Rivalité entre le système sanitaire traditionnel déjà implanté à l' échelon local et le régime moderne de soins médico- sanitaires.
- Tradition, croyances.

D) Formation insuffisante des personnels de santé

- Ne pas correspondre aux aspirations locales
- Tendre à creuser un fossé entre le personnel médico- sanitaire de haute qualification et les agents sanitaires de base
- Danger de créer beaucoup de nouvelles catégories de personnel de santé sous protexte que les soins médicaux sont trop importants, trop complexes.....

Absence de programmes de formations continues qui ne correspondent pas au développement des services de santé.

2. **Problèmes de ressources :**

a) **Insuffisante et mauvaise répartition des moyens d' action sanitaire**

- Manque de moyens : humains, financiers, matériels.
- Mauvaise utilisation ou mauvaise répartition.
- Pénurie des ressources financières.
- Inspiration des services de santé industriels.

b) **Non- utilisation des ressources effectives et potencielles.**

- Sous- utilisation du personnel due aux attitudes même du personnel de santé par insuffisance prise de conscience de la nécessité de bien connaitre la collectivité .
- Phénomène de " court- circuitage " : La population ne fait pas confiance au service de santé local, les malades préferent se rendre à l' hôpital de la ville ou chez le praticien traditionnel.
- Qualité insuffisante de service...
- Absence de satisfaction dans le travail
- Inexploitation des ressources dans la collectivité : Accoucheurs traditionnels, guérisseurs ...

c) **Recours insuffisant aux agents sanitaires de base**

Création d' un cadre d' agent sanitaire de base permet d' offrir une forme nouvelle de protection sanitaire primaire.

d) **Incidence du coût croissant des services de santé**

3. **Problèmes liées à la structure générale des services de santé**

a) **Absence d' un appareil efficace de planification sanitaire :**
- Conception sanitaire
- Volonté politique
- Appareil exécutif efficace

Autres:
- Manque de spécialiste
- Manque de support technique.

Conséquences :

- Plan peu conforme à la réalité
- Plan peu rentable

b) **Absence d' une conception " globale " de la protection sanitaire**

- Centralisation excessive
- Autonomie des programmes spécialisés — TB, malaria,
- Fragmentation d'un service de santé pour desservir de petits secteurs. — prov. pédiatrie hosp.
- Tendence de création de services distincts

(Hygiène du travail, santé scolaire, santé des détenus, planification familale, etc..)
Il voudrait mieux grouper ces services en une stucture unique:
Systèmes publics et privés , curatifs, préventifs,... centraux, intermédiaires, périphériques à considérercomme le tout.

⇒ Assurer des soins modestes si les moyens sont limités mais équitablement répartis entre tous

4. Obstacles techniques

a) Insuffisance des liaisons et des transports.
- Encadrement insuffisant du personnel.
- Manque de moyen de consultation et d' évacuation des malades.
- Approvisionnements insuffisants en médicaments, équipements et fournitures.
- Sentiment d' isolement et de rejet éprouvé par le personnel.
- Manque d' information sur les besoins et les possibilités.
- Moyens de transport modernes difficilements utilisables.
- Manque de techniciens capables d' assurer la bonne marche des matériels compliqués ⇒ service d' appui.

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b) Absence d' une information sanitaire valable

La collecte systématique de données d' une valeur ou d' un intérêt douteux n'est utile ni pour les organes de décision, ni pour la collectivité elle - même. Il faut donc restructurer les services d' information en fonction des priorités du système sanitaire et les axer strictement sur la résolution des problème.

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CONCLUSIONS

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Dans le cadre de la politique du ministère de la santé, de garantir un accès universel à des soins de qualité à toute la population et tout particulierèment, aux femmes et aux enfants et suite aux objectifs fixes lors du sommet mondiale de l'enfance, les participants à l'atelier ont pu durant ces derniers jours analysés les difficultés rencontrées par le système existant, notamment

- l'accès limité aux services;
- la qualité inadéquate de ces services lié à un manque de ressources financierès et matérielles et au dégré limité de qualification du personnel.
- le manque relatif de confiance de la population dans ces services secondaires à leur faible qualité mais aussi au découragement du personnel vu son maigre salaire;
- l'insuffisance de dialogue entre la population et les services de santé;
- les problèmes structurelles lié aux découpages administratifs des communes et des districts;
- la complexité de ligne de responsabilité entre les différents niveaux de système de santé lié à l'horizontalisation administrative;
- la difficulté de l'implantation de la politique sanitaire due aux ressources existantes.

Toutes ces difficultés ont un impact négatif sur la santé de la population caracterisé par une couverture des services curatifs et préventifs très limités et des taux de mortalité infantile et maternelle extremement élevé;

Le séminaire à réfléchi sur cette problématique et s'est attaché à définir un certain nombre d'actions à entreprendre pour améliorer les conditions présentés en fonction des ressources limitées existantes.

Ce séminaire a permis le démarrage d'un dialogue entre la plupart des différents acteurs de santé. D'une part les différents niveaux du ministère de la santé, mais aussi les différents ministères (Finances, Plan, Intérieur et Développement Rural) et les différents agences de santé (OI, NGOs et bilatéraux/multilatéraux). Ce dialogue doit aussi dans le futur inclure la population qui a montré par sa participation massive aux élections son désir de participer dans les affaires du pays. Ce dialogue entre les différents partenaires permettra la mise en place d'une politique adapté, mais aussi établi sur un consensus existant qui facilitera la mise en oeuvre rapide de cette politique.

Des solutions basées sur les expériences de certaines provinces du Cambodge ont été présentées durant cet atelier. Elle considérait la participation financière des populations, l'optimisation des ressources par le regroupement du personnel

des différentes infirmeries, le redécoupage fonctionel des structures de santé permettant ainsi leur révitalisation.

Ces expériences ne doivent pas être uniquement tolérées, mais aussi et surtout soutenues et étudiées de façon étroite, permettant ainsi aux décideurs d'extraire des indications précieuses pour une meilleure définition des politiques. Ces experiences devraient considérer deux éléments à incorporer dans leurs activités.

a) la participation des communautés, dans la conception et le suivi du système de santé mais aussi dans la mise en place du système de cofinancement. Ce système de cofinancement devra tenir compte de la constitution qui stipule que les consultations devraient être gratuites pour les pauvres.

b) l'expansion des activités pour revitaliser le système périphérique afin de depasser les limites de la population couverte par les centres de santé de district et garanti ainsi l'accès aux soins aux populations des communes.

RECOMMANDATIONS CONCERNANT LES FINANCEMENTS

Financement communautaire

Supporter politiquement et techniquement les agents du service de santé auprès des autorités locales et de la population pour le développement de systèmes de financement expérimentaux. Afin d'en assurer la viabilité, on définira à qui ces systèmes seront applicables (les fonctionnaires) ou non (les indigents).

Assurer l'analyse et le suivi de ces systèmes expérimentaux.

Mieux utiliser les ressources financières fournies actuellement par la population pour permettre aux services de mieux fonctionner et à la population de payer moins.

Financement de l'Etat

Agir au niveau du gouvernement pour obtenir des salaires sufisants pour le personnel.

Maintenir le financement de l'Etat au moins à son niveau actuel et l'augmenter si possible.

Informer aussitôt que possible les provinces et les districts sur les fonds disponibles et leur utilisation possible pour 1994.

Rechercher les financements nécessaires pour mettre en place de nouveaux centres de santé intercommunaux.

Au niveau des services de santé

Etablir une tarification officielle que pourront utiliser les directeurs provinciaux et de district pour l'attribution de primes d'encouragement au personnel.

Permettre de garder les recettes au niveau où elles ont été générées.

Etablir un système pour évaluer le coût de fonctionnement des services de santé à tous les niveaux; former le personnel à tous les niveaux pour l'utilisation de ce système.

RECOMMANDATIONS CONCERNANT LA CARTE SANITAIRE ET LE PMA.

Demander l'accord du ministère pour effectuer des modifications de la carte sanitaire suivant les recommandations de la D.P.S et la D.S.D.

Envoyer les recommandations du séminaire permettant les expérimentations en matière de modification de la carte sanitaire, de tarification et de participation communautaire aux autorités de province et de districts dans lesquelles pourraient se dérouler de telles expérimentations, pour faciliter leur compréhension des changements en cours et pour qu'ils les favorisent.

Demander que le ministère cherche les ressources humaines et financières pour la mise en place de cette nouvelle carte sanitaire.

Demander que les DPS et les DSD identifient les communes prioritaires pour la mise en place du PMA et que celles-ci avec les DSD elaborent un plan d'action précis avec leur besoins pour la mise en place des activités prioritaires du PMA.

Adopter le principe du PMA et le revoir en l'adaptant à la lumière des experiénces existantes.

Suivre, supporter et établir une liaison entre les différentes expériences actuelles (groupe de travail ad hoc) par une supervision et un suivi réguliers de la DPS et du ministère, pour tirer les lessons de ces expériences (succès et echecs) pour définir et/ou adapter la politique nationale afin d'étendre ces expériences à d'autres provinces et districts.

Solliciter les bailleurs de fonds et les agences à porter leur attention à cette approche, (redéfinition de la carte sanitaire avec introduction du PMA) pour la soutenir activement en mobilisant leur ressources.

Encourager les provinces ou les conditions sont réunis pour cela, à engager sur la base des expériences en cours dans certains districts le regroupement des structures de sante et une redistribution des ressources. Ceci devrait se faire sur la base des critères démographiques, d'accessibilité aux soins et d'organisation de ces soins comme discuté lors du séminaire.

PARTICIPATION COMMUNAUTAIRE

Tous les groupes reconnaissent qu'il faut un effort pour regagner la confiance des communautés et des usagers. La participation communautarire est un moyen d'ameliorer cette confiance mais aussi un moyen pour rationaliser l'utilisation des ressources pour la sante. La participation communautaire sous toute ses formes est nécessaire au developpement du systeme de sante et sa pérenité les recommendations y afferant sont.

1. Support politique et technique de la part du Ministère de la Santé concernant la participation communautaire y compris les mécanisimes de recouvrement des coûts.

2. Pour que la participation commuautaire puisse se développer, il faut renforcer et maintenir la capacité technique et de gestion, veiller à une déontologie stricte, et développer une meilleure approche à l'education, communication et information.

3. La participation communautaire demande en chaque cas une analyse de la situation et de développer une capacité de recherche opérationelle nationale, qui étudie le développment des relations services et communauté.

4. La participation communautaire doit inclure la gestion des finances générés dans le système, la retro-information aux services, un droit de regard sur la performance des services, une participation à la promotion de la santé. Ell devrait résulter dans une responsabilisation de la communauté.

5. Les commités de santé ne sont qu'une expression de la participation communautaire et doivent engendrer une participation plus large. Pour faciliter cela il faut veiller à ce que les vrais notables (achar, bonzes etc.) et les vrais groupements (femmes surtout) y soient représentés.

DONOR PROGRAMS and FUNDING GAPS 1993 to 1996

All amounts in US $

Program	1994		1994 Regional Allocation					1995		1996		TOTAL
	Capital	Recurrent	Country	PP	BBMK	LPS	NEKK	Capital	Recurrent	Capital	Recurrent	
Population:			9,000,000	660,000	1,800,000	6,000,000	550,000					
EPI												
UNICEF		1,000,000		70,000	200,000	670,000	60,000		1,000,000			2,000,000
JAPAN		400,000		28,000	80,000	268,000	24,000		400,000			800,000
OTHERS												0
SUBTOTAL	0	1,400,000	0	98,000	280,000	938,000	84,000	0	1,400,000	0	0	2,800,000
GAPS 1 Cold Chain Maintenance		*300,000*							300,000		300,000	900,000
GAPS 2												0
MCH												
UNICEF		1,000,000		70,000	200,000	670,000	60,000		1,000,000		1,000,000	3,000,000
SCF AUST		600,000		200,000	400,000							600,000
CARE		450,000				450,000						450,00
GOAL		50,000				50,000						50,00
SWED RC		500,000				500,000						500,00
IRC	180,000	500,000			430,000	250,000						680,00
SUBTOTAL	180,000	3,100,000	0	270,000	1,030,000	1,920,000	60,000	0	1,000,000	0	1,000,000	5,280,00
GAPS:1		1							1		1	
GAPS:2												
Family Planning												
UNFPA	312,000	522,918	834,918					106,000	301,146	37,000	160,416	1,439,48
USAID		2,000,000	2,000,000						2,500,000		2,500,000	7,000,00
OTHERS												
SUBTOTAL	312,000	2,522,918	2,834,918	0	0	0	0	106,000	2,801,146	37,000	2,660,416	8,439,48
GAPS:1		0							1		1	
GAPS:2												

NOTE:
Country = Amounts not allocated regionally
PP = Pinom Penh
BBMK = Battambang, Banteay Meanchey, Kandal
LPS = Low-lying provinces and Pursat, Siem Reap
NEKK = North East provinces and Koh Kong

NOTE:
1 In Gaps indicates that the quantity of the gap is unknown
0 In Gaps indicates no gap
All numbers in italics indicates actual amount not certain

ONOR PROGRAMS and FUNDING GAPS 1993 to 1996

All amounts in US $

ogram	1994		1994 Regional Allocation					1995		1996		TOTAL
	Capital	Recurrent	Country	PP	BBMK	LPS	NEKK	Capital	Recurrent	Capital	Recurrent	
Population:			9,000,000	660,000	1,800,000	6,000,000	550,000					
alaria/DHF												
DA		400,000	400,000									400,000
SAID - DHF	50,000	450,000		350,000	50,000	100,000			335,000		365,000	1,200,000
W		1,500,000	1,500,000									1,500,000
NHCR												0
CF												0
THERS		148,000		68,000		80,000						148,000
UBTOTAL	50,000	2,498,000	1,900,000	418,000	50,000	180,000	0	0	335,000	0	365,000	3,248,000
APS:1 Drugs		700,000							400,000		1,400,000	2,500,000
APS:2 Intensify National Control		400,000							400,000		400,000	1,200,000
APS:3 Mosquito Net Program		200,000							200,000		200,000	600,000
B												
HO		120,000	120,000									120,000
W		800,000		58,000	160,000	536,000	48,000					800,000
UBTOTAL	0	920,000	120,000	58,000	160,000	536,000	48,000	0	0	0	0	920,000
APS:1 Drugs and Supplies		600,000							1,613,000		1,816,000	4,029,000
APS:2												0
IDS/STD												
HO		500,000		500,000								500,000
SF		170,000	170,000									170,000
EDD BARNA		180,000		180,000					100,000		50,000	330,000
ORLD VISION		150,000		150,000								150,000
THERS												0
UBTOTAL	0	1,000,000	170,000	830,000	0	0	0	0	100,000	0	50,000	1,150,000
APS:1 AIDS Program Launch		800,000										800,000
APS:2 Sustain AIDS Program									1,800,000		1,800,000	3,600,000

DONOR PROGRAMS and FUNDING GAPS 1993 to 1996

All amounts in US $

Program	1994		1994 Regional Allocation					1995		1996		TOTA
	Capital	Recurrent	Country	PP	BBMK	LPS	NEKK	Capital	Recurrent	Capital	Recurrent	
Population:			9,000,000	660,000	1,800,000	8,000,000	550,000					
PHC & Referral												
REDD BARNA		382,000		159,000		223,000			296,000		237,000	915,00
WORLD VISION		805,230			560,000	245,230						805,23
IFRC		630,000			60,000	570,000						630,00
24 HR TV	68,000				68,000							68,00
ARC	15,000	595,000			300,000	310,000						610,00
CONCERN		353,000		45,000	75,000	233,000						353,00
COR		80,000				80,000						80,00
GOAL	20,000	155,000			175,000							175,00
ENFANCE ESPOIR		126,500			126,500							126,50
MCC	5,000	100,000				105,000						105,00
SHARE	52,400	100,000			152,400							152,40
SERVANTS		100,000		100,000								100,00
SCF UK		80,000					80,000					80,00
UNDP - CARERE	250,000					250,000		250,000				500,00
OTHERS												
SUBTOTAL	410,400	3,508,730	0	304,000	1,516,900	2,016,230	80,000	250,000	296,000	0	237,000	4,700,13
GAPS:1 Constr/Renov Infirmaries	*1,000,000*	1						1,500,000	1	1,500,000	1	4,000,00
GAPS 2												
HIS												
UNICEF		350,000		350,000					100,000			450,00
OTHERS												
SUBTOTAL	0	350,000	0	350,000	0	0	0	0	100,000	0	0	450,00
GAPS:11		0							1		1	
GAPS:2												

DONOR PROGRAMS and FUNDING GAPS 1993 to 1996

All amounts in US $

Program	1994		1994 Regional Allocation					1995		1996		TOTAL
	Capital	Recurrent	Country	PP	BBMK	LPS	NEKK	Capital	Recurrent	Capital	Recurrent	
Population:			9,000,000	660,000	1,800,000	6,000,000	650,000					
HRD												
JAPAN (MCH)	2,000,000	2,000,000	2,000,000	2,000,000					3,000,000		3,000,000	10,000,000
FRANCE (FOM)		482,000		482,000					178,000			660,000
MSF - F		150,000		150,000					150,000		150,000	450,000
MSF - B		100,000		100,000					100,000		100,000	300,000
SCF UK		212,000		212,000					*212,000*			424,000
WORLD VISION	275,000	350,000	350,000	275,000					325,000		325,000	1,275,000
WORLD CONCERN		823,000		223,000		600,000						823,000
WHO		750,000		750,000								750,000
ARC		28,000			28,000							28,000
REDD BARNA		300,000	300,000						300,000			600,000
OTHERS												0
SUBTOTAL	2,275,000	5,195,000	2,650,000	4,192,000	28,000	600,000	0	0	4,265,000	0	3,575,000	15,310,000
GAPS:1 MoH Training Unit + TA	400,000	600,000							500,000		300,000	1,800,000
GAPS:2 Regional Centers Renovation								1,000,000				1,000,000
GAPS:3 Inservice Training Program		*300,000*							500,000		500,000	1,300,000
Essential Drugs and Consumables												
UNICEF												0
WORLD BANK		1,500,000		110,000	300,000	1,000,000	90,000		1,500,000			3,000,000
ODA		1,500,000		105,000	305,000	1,000,000	90,000					1,500,000
KFW		900,000		65,000	18,000	80,000	55,000		1,000,000			1,900,000
WHO		110,000		7,000	22,000	73,700	6,600					110,000
PSF		170,000		85,000	85,000							170,000
OTHERS												0
SUBTOTAL	0	4,180,000	0	372,000	730,000	2,133,700	241,600	0	2,500,000	0	0	6,680,000
GAPS:1 Drugs, Supplies		0							1		4,000,000	4,000,001
GAPS:2												0

DONOR PROGRAMS and FUNDING GAPS 1993 to 1996

All amounts in US $

Program	1994		1994 Regional Allocation					1995		1996		TOTAL
	Capital	Recurrent	Country	PP	BBMK	LPS	NEKK	Capital	Recurrent	Capital	Recurrent	
Population:			9,000,000	660,000	1,800,000	6,000,000	550,000					
Laboratories												
PSF (Drug Lab)	*237,500*	*142,300*		379,800					161,812	17,285	73,570	632,467
FRANCE (Institute Pasteur)	3,100,000	50,000		3,150,000								3,150,000
SUBTOTAL	3,337,500	192,300	0	3,529,800	0	0	0	0	161,812	17,285	73,570	3,782,467
GAPS:1	0	0										0
GAPS:2												0
Logistics- CMS												
UNICEF	200,000	110,000		310,000					110,000			420,000
WORLD BANK	1,000,000			1,000,000								1,000,000
SUBTOTAL	1,200,000	110,000	0	1,310,000	0	0	0	0	110,000	0	0	1,420,000
GAPS:1	0	0										0
GAPS:2												0
Planning/General Management												
WHO		100,000		100,000					100,000			200,000
UNICEF		1,200,000			900,000	300,000			*2,500,000*			3,700,000
ODA / UNDP		645,000	645,000						645,000			1,290,000
SCF UK		250,000		250,000								250,000
OTHERS												0
SUBTOTAL	0	2,195,000	645,000	350,000	900,000	300,000	0	0	3,245,000	0	0	5,440,000
GAPS:1	0	0							1			1
GAPS:2												0
Blood Banks												
ICRC	40,000	514,000		360,000	94,000	100,000						554,000
OTHERS												0
SUBTOTAL	40,000	514,000	0	360,000	94,000	100,000	0	0	0	0	0	554,000
GAPS:1 Equip 2 regional units	40,000											40,000
GAPS:2 Recurrent Support									600,000		600,000	1,200,000

DONOR PROGRAMS and FUNDING GAPS 1993 to 1996

All amounts in US $

Program	1994		1994 Regional Allocation					1995		1996		TOTAL
	Capital	Recurrent	Country	PP	BBMK	LPS	NEKK	Capital	Recurrent	Capital	Recurrent	
Population:			9,000,000	660,000	1,800,000	6,000,000	550,000					
Hospitals												
WHO		150,000				150,000						150,000
JAPAN	6,000,000		2,000,000	4,000,000				10,000,000				16,000,000
FRANCE	1,446,000	535,000		1,981,000					214,286			2,195,286
MDM	130,000						130,000					130,000
MSF France	200,000	1,331,000		466,000	702,000	363,000			1,000,000			2,531,000
SWISS Foundation	400,000	2,000,000		2,400,000					1,500,000		1,000,000	4,900,000
ICRC		157,350			157,350							157,350
Action Nord Sud	500,000	300,000		800,000								800,000
AOG		135,000				135,000						135,000
AM RED CROSS	16,000	620,000			636,000							636,000
WORLD VISION		800,000		800,000					400,000		400,000	1,600,000
MSF - HB	510,000	4,390,000		400,000	2,340,000	2,160,000		400,000	3,460,000			8,760,000
ARC		43,000			43,000							43,000
24 HR TV		350,000			350,000							350,000
PSF		170,000		170,000								170,000
OTHERS	250,000	250,000		500,000								500,000
SUBTOTAL	9,452,000	11,231,350	2,000,000	11,517,000	4,228,350	2,808,000	130,000	10,400,000	6,574,286	0	1,400,000	39,067,636
GAPS: 1 Facility Survey & Planning		150,000										150,000
GAPS: 2 Prov/Dist Renov & Equip	500,000							2,000,000		2,000,000		4,500,000
TOTAL GAPS	1,940,000	4,050,002	0	0	0	0	0	4,500,000	6,313,006	3,500,000	11,316,004	31,619,012
GRAND TOTAL	17,256,900	38,915,298	10,319,918	23,958,800	9,017,250	11,531,930	643,600	10,756,000	22,888,244	54,285	9,360,986	99,231,713
PERCENTAGE of TOTAL			18.4%	42.6%	16.1%	20.5%	1.1%					99,231,713
PER HEAD of POP			1.16	36.30	5.01	1.92	1.17					

Ministry of Health, Cambodia

International Conference on the Reconstruction of Cambodia

Paris, September 1993

B. Needs of the Health Sector

II. Programme Needs 1994 - 1995

(All costs in $ million)

	PROJECT DESCRIPTION	1994		1995	
		Proposed Outlay	Identified funds	Proposed Outlay	Identified funds
1.	District and Community Strengthening for delivery of Primary Health Care: Including construction, renovation and equipping of hospitals and health clinics, transport, communications, training and technical assistance in all Cambodia. Agencies concerned: WHO, UNICEF, CARERE, NGOs, IFRC.	5.2	NGO Support	5.2	NGO Support
	20 new district projects each year at $200,000 each. *Renovations to district and commune health building,* *Commune clinics 100 per year at ~~$200,000.~~ ? $2,000 ?* *District health centers/hospitals 50 per year at $20,000.*	*4* *1.2*			*4.0* *1.2*
2.	Provincial Level Health Services: Management development; in-service training for all levels of health staff; support to all epidemiological surveillance, health information system, national program management; renovations, equipment and technical assistance for province referral hospitals Agencies concerned: WHO, UNICEF, CARERE, NGOs	2.8		2.8	
	10 locations per year: TB/Maternity/Paediatric Wards at $20,000 per building X3 *Province Training Center-10 per year at $40,000 each.* *Supervision transport, X-ray and other equipment 6 per year total cost $100,000 per local.* *Technical Assistance to management development 2X5 provinces at $240,000 per year.*	*0.6* *0.4* *0.6* *1.2*	*CARERE*	*0.6* *0.4* *0.6* *1.2*	*Japan int.* *CARERE*

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PROJECT DESCRIPTION	1994		1995	
	Proposed Outlay	Identified funds	Proposed Outlay	Identified funds
Phnom Penh Urban Health Services: Master plan for urban health and hospitals; renovation, repairs and equipment to municipal and national referral hospitals; development of health centers and polyclinics; centralized ambulance service **Agencies concerned:** Japan and French Bilaterals, WHO, NGOs	6.36		10.26	
Consultation for master planning 6 mo.s per year *Khmer-Soviet Hospital renovation* *Monks Hospital complete renovation* *Pha Nga Ngam Maternity Hospital: renovation reconstruction and technical assistance* *4 polyclinics 100,000 each* *10 Health clinic and district hospitals: renovations 5 per year at 20,000 each* *Preah Ket Malea Hospital: planning stage* *initial site preparation* *Ambulance Service*	0.06 2.0 0.5 3.0 0.2 0.1 0.2 0.3		0.06 3.0 0.5 5.0 0.2 0.1 1.0 0.4	
Communicable Disease Control: Tuberculosis, malaria, leprosy, dengue haemorrhagic fever, expanded programme of immunization, diarrhoeal diseases, acute respiratory infections, HIV/AIDS, sexually transmitted diseases. Relocation of 200 TB beds to peri-urban Phnom Penh **Agencies concerned:** WHO, UNICEF, UNDP, NGOs	10.25	3.5	10	2.5
Essential Drugs and Consumables: Provision of essential drugs; rehabilitation of Central & provincial pharmacy stores; improvements to procurement, distribution & supply system; review of le[illegible]on; training & public education. Includes Acute Respiratory Infection (ARI) and Control of Diarrhoeal Diseases (CDD) programmes. Rehabilitation of the national drug factory: refurbishment, upgrading of equipment, purchase of supplies and materials, retraining of staff, technical assistance. **Agencies concerned:** WHO, UNICEF, NGOs, KWF, ODA	8.1	Germany Britain France Japan	7.5	

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	PROJECT DESCRIPTION	1994		1995	
		Proposed Outlay	Identified funds	Proposed Outlay	Identified funds
6.	Maternal and Child Health (MCH) and Family Planning (FP): Support to national and provincial level management and training in maternal health, family planning, nutrition, paediatrics and child health; technical assistance; renovation and institutional strengthening to national MCH Center. **Agencies concerned:** WHO, UNICEF, UNFPA, NGOs	1.75		1.75	
7.	National Blood Transfusion Service: Technical assistance to develop system; construct and uip blood banks in provinces; ıpport National Center and 10 province centers; in-service training and fellowships **Agencies concerned:** WHO, ICRC	0.89		1.0	
	Running costs CNTS and Provinces *Capital and running costs 5 new per year* *Technical assistance: 1 long term advisor* *STC visits 2 months per year*	*0.438* *0.35* *0.1* *0.02*		*0.438* *0.46* *0.1* *0.02*	
8.	Human Resources for Health: **Basic Training:** renovations, furnishings and equipment to Faculty of Medicine, Dentistry and Pharmacy Centra; and 4 regional Nursing Midwives and Paramedical Training Centers; Technical assistance to develop educational methodology, curriculum, teaching and learning materials; training of ners, fellowships. **Continuing Education:** Central and provincial training centers, training of trainers, production of training materials, ongoing education of staff. **Agencies concerned:** WHO, France, Japan, NGOs, CARERE, USAID	3.5	Belgium CARERE	4.5	
	Faculté Mixed *ECCS* *Regional Schools:* *Battambang, St. Treng, Kampot, Kg Cham* *Continuing Education*	*0.5* *0.5* *0.5* *2.0*	*Belgium CARERE*	*0.5* *0.5* *0.5* *3.0*	

BEST AVAILABLE DOCUMENT

	PROJECT DESCRIPTION	1994		1995	
		Proposed Outlay	Identified funds	Proposed Outlay	Identified funds
9.	Strengthening Health Systems Management : Technical assistance to all sections of Ministry of Health Cabinet, including Planning and Statistics, International Relations, and Administration Departments: management development; budgeting and health planning; human resource policy and planning; donor coordination; development of national health policy and plan **Agencies concerned:** WHO, UNDP, ODA	0.9	0.6	0.8	
10	Water and Sanitation in Rural Areas: Provision of drinking water and sanitation, promotion of hygiene **Agencies concerned:** UNICEF, NGOs	6.0		7.0	
11	Development of National Public Health Institute: Reorganisation of present institutes into a coordinated Public Health Institute with clearly defined role and functions: epidemiology, consultancy and public health advice to central and provincial health services, public health education, training of trainers for public health education; development of a center for the production of public health education materials. **Agencies concerned:** Japan Bilateral, UNICEF, WHO, NGOs	5.0		5.0	
12	Medical Equipment Maintenance and Repair Center: Renovation of an existing hospital building, establishment of maintenance and repair equipment and materials, technical assistance, training staff, running costs **Agencies concerned: Japan Bilateral**	0.5		0.5	

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URGENT PROJECTS TO BE PREPARED
PLAN PERIOD TO END - 1994

1. Salaries and Allowances for Health Staff

2. Essential Drugs and Consumables

2.1 Provision of Drugs and supplies
2.2 Rehabilitation of national factories
2.3 Essential Drugs & Consumables project : update 1992 project proposal;

3. Phnom Penh Hospitals and Health Services

3.1 Ambulance Referral Services
3.2 Rehabilitation of Preah Ket Mealea Hospital
3 Renovations to Municipal Maternity Hospital
3.4 Maternity Unit at Preah Kossamak Hospital
3.5 Renovations to Khmer-Soviet Hospital
3.6 Renovations to Pha Nga Ngam Maternity Hospital
3.7 New District Hospital, Dangkor (Pochentong)
3.8 Renovations to Mean Chey District Hospital
3.9 Renovations to Russey Keo Distict Hospital
3.10 Urban Dispensaries
3.11 Polyclinics : 7 January
Pochentong
Municipal Hopsital
Stung Meanchey
Chak Angre
Tuol Kork

4. District Health System Strengthening

Required in many districts :
Write standard proposal which can be individualised when district needs are identified.

Known needs : Dangkor, Phnom Penh
Kirivong, Takeo
5 Districts in Kratie
Samrong, Siem Reap

5. Province Level Health Services

Individual needs at province health departments and province hospitals;

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6. ? New Tuberculosis Hospital

7. National Blood Transfusion Services

8. Continuing Education for Health Personnel;

   Project proposal "Revitalization of Health Personnel" prepared for USAID: needs modifications for other donors

9. National Public Health Institute

10. Medical Equipment Maintenance and Repair Centre (possibly in grounds of PKM Hospital)

11. National Nutrition Programme

12. Birth-spacing Programme

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UNICEF 84

5.0 Budget for Health Programme

(In thousands of US Dollars)

HEALTH PROGRAMME, CAMBODIA, BUDGET SUMMARY 1994-95									
Projects	1994			1995			Total (1994-95)		
	GR	SF	Total	GR	SF	Total	GR	SF	Total
EPI	0	1400	1400	0	1500	1500	0	2900	2900
MCH/CDD/ARI	0	1000	1000	0	1100	1100	0	2100	2100
Essential Drugs	0	1950	1950	0	2000	2000	0	3950	3950
HIS/MIS	350	0	350	100	0	100	450	0	450
Provincial Project	120	1045	1165	200	1338	1538	320	1900	2703
	470	5395	5865	300	5938	6238	770	10850	12103

GR=General Resources SF=Supplementary Funds

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PROGRAMMES EXECUTED BY WHO IN CAMBODIA
OCTOBER 1993

1. STRENGTHENING HEALTH SYSTEMS MANAGEMENT

Commenced January 1992
Budget : $ 1.5 mn over 2 years
Donors : ODA (UK), $450 000
UNDP $880 000
WHO $170 000
Long term TC staff : 1 Public Health Doctor
1 Nurse Management Trainer
2 Programme Management Officers

Overall Objective : To strengthen the capacity of Cambodia's health administration to manage existing health services, to improve the national health system and to plan for future health sector development.

Summary Activities

National Health Plan and Budget
Human Resource Policy Development and Management
Management Development
- Central Ministry of Health
- Central Institutes and Hospitals
- Provinces and Districts

Programme and Project Development
Donor Coordination

2. MALARIA CONTROL

Commenced April 1992
Budget : $ 4.5 mn over 3 years
Donors : ODA (UK)
VSO (UK)
Long Term TC Staff : Malariologist
Medical Trainer
Logistician

Overall Objective : Reduction of mortality and morbidity from malaria

Summary activities

Strengthening National Malaria Centre
Provincial and District planning, management and surveillance
Case management training
Use of insecticide-impregnated bed-nets

3. HOSPITAL INFECTION CONTROL

Commenced May 1992
Budget : $ 0.8 mn
Donor : UNDP
Long term staff : 1 Nurse Manager (UNV)
10 Nurse Trainers(UNV)

Overall Objective: Reduction of hospital acquired infections and improved quality of care in health facilities.

Summary activities :

Training hospital staff in hygiene practice
Development of Manual of infection control
Hospital Infection Control Committees
Development of hygiene procedures and safe practices

4. AIDS CONTROL

Commenced January 1992
Budget : $ 1.8 mn over 2 years
Donor : WHO GPA
Long Term staff : Technical Officer
Medical Officer/epidemiologist

Overall Objective : To decrease the effects of the AIDS pandemic in Cambodia; to assist Cambodia's health services to prevent HIV transmission and to reduce morbidity and mortality associated with HIV infection and disease.

Summary activities :

Establishment and support of National AIDS Committee
Short and Medium term National AIDS Control Plan
Development of surveillance system
Training of health personnel in HIV prevention and patient care
Training of AIDS counsellors
Coordination and technical guidance to all Agencies
Mobilisation of internal and external resources for AIDS control

5. HUMAN RESOURCES FOR HEALTH

Commenced March 1993
Budget : $ 1.5 mn over 2 years
Donor : Belgian Government, French Government
WHO
Long term TC staff : 1 Medical Educator
1 Nurse Educator

Overall Objective : To facilitate appropriate development of human resources for health in Cambodia

Summary activities :

Human Resource Policy Development
Support to management of human resources;
database; certification; registration; etc.
Human Resource development:
pre-service education
continuing education
Support to Faculty of Medicine, Pharmacy and Dentistry
and support to Nursing and Paramedical Faculty
Coordination of external resources;

6. ESSENTIAL DRUGS AND CONSUMABLES (jointly with UNICEF)

Commenced September 1993
Budget : $ 12.8 mn over 2 years
Donor : French Government, KFW (Germany), ODA (UK)
WHO, UNICEF
Long term TC staff : Essential Drugs Adviser (WHO)
Pharmacy Management Adviser (UNICEF)
Training Officer (MSF HB)

Overall Objective : To provide Cambodians with a basic level of health care by providing essential drugs and consumables and establishing a base for rehabilitation of the pharmaceutical sector.

Summary activities :

National Essential Drugs Policy Development
Procurement; Local Production
Legislation;
Private sector regulation
Mobilization of donor funds

7. TUBERCULOSIS CONTROL

Commenced August 1993
Budget : $ 9 mn over 2 years
Donors : French Government
WHO, NGOs
Long term staff : Public Health specialist

Overall Objective : Reduction of mortality from tuberculosis

Summary activities :

Development and implementation of National Plan
Support to progamme management and implementation
Technical advice and training
Mobilization of donor funds

8. DENGUE HAEMORRHAGIC FEVER CONTROL

Will commenced January 1994
Budget : $ 1.2 mn over 3 years

Donor : USAID
Long term staff : Public Health Specialist/epidemiologist

Overall Objectives : Prevention of child mortality and reduction in morbidity due to Dengue Haemorrhagic Fever.

Summary activities

Epidemiological Surveillance
ıtomological Surveillance
Vector Control Activities
Case Management training
Health Education training
Operational Research

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9. WOMEN'S REPRODUCTIVE HEALTH SERVICES

Project under formulation
Budget : around $3 mn over 3 years
Donor : UNFPA
ODA (UK)

Overall Objective : To improve the health status of mothers and children and to reduce their morbidity and mortality rates.

Summary activities

National birth spacing policy
Population awareness education
Training in reproductive health for health workers
Public education
Contraceptive service delivery
Cordination of internal and external resources

10. TECHNICAL SUPPORT TO OTHER PROGRAMMES

Provision of short term consultants and training fellowships :

Diarrhoeal Diseases : cholera management and control
Maternal and Child Health : Acute Respiratory Infection management
MCH Policy
Environmental health : food safety, water quality, solid waste disposal
Mental health : national policy development
Nutrition : Policy and Plan development
National Blood Transfusion Programme

who/30.10.93

RELATED HEALTH ASSISTANCE BY PROVINCE

NATIONAL

AICF: Training medical doctors in microscopy.
Protocol for malaria treatment; Mobile malaria clinics.
Province/district supervision.

REDD BARNA: Upgrading of health worker training.

SCFA: Mother and child health care/ Phnom penh.

UNICEF: Expanded programme on immunizations.
Maternal and child health programme.
Support for health information system (HIS) and management information system (MIS).
Essential drugs.
Strengthening provincial health services.

WC: Preventative dental nurse training.

WHO: Strengthening health systems management.
Malaria control.
AIDS control.
Hospital infection control (with UNV/UNDP).

WVI: Primary health care seminars.
Supporting PHC training on central and provincial levels.
Overseas training for health workers.
Integrated child health programme.

BANTEAY MEANCHEY

IFRC: Health support units.

MSF H/B: Assistance to Sisiophon hospital and Svay Chek, Phnom Srok, Preahnetrepreah and Thmar Puoc district hospitals.

BATTAMBANG

ANS: Medical trainingand rehabilitation of the Mong Russey district hospital (maternal and child care facility), and the construction of 12 community clinics.

CAMA: Primary health care training; construction and renovation of district hospitals and commune clinics; digging wells for district hospitals and commune clinics.

CARE: Reconstruction of the tuberculosis ward, Battambang.

CRS: Construction of 5 commune level clinics and 2 district hospitals in Banan, Bovel, Sangker and Battambang.
Rehabilitation of the PMI Center and the Training Center in Battambang City.
MCH programme.

HI: Construction and opening of paraplegic and tetraplegic rehabilitation center.

IFRC: Health support units.

MSF Fr: Technical assistance in paediatrics, maternity, medicine, equipment, essential drug supply and rehabilitation.

WVI: Rural health development includes RINE programmes and

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primary health activities training and preventative health care for children under five.

KAMPOT

ACG: Primary health care project.
Construction and assistance to Kompong Thrach district hospital.
COR: Primary health care project; district hospital.
MSF H/B: PMI (Kampot town), Banteay Meas district hospital, Chhuk district hospital, Dangtung district hospital.
WVI: Support for district level health care facilities.

KANDAL

CIDSE: Primary health care in Muk Kampoul.
EE: Assistance to Saang district hospital.
GOAL: Khum dispensary construction and equipment supply in Poynea Leu district.
Maternal and child health programme.
Health activist training.
JVC: Maternal and child health care.
MARYKNOLL: Medical team.
SHARE: Primary health care project.
24 HR TV: Technical assistance to kandal Stung district hospital.
Primary health care.
WVI: Rural health development includes RINE programmes and primary health activities training and preventative health care for children under five.

KOMPONG CHAM

ACG: Support for orphanage, food, clothing, furnishings, education materials, and medical care.
Primary health care project, Krek district.
Construction and equipping of primary rural health posts.
HI: Develop public health education.
Improve the quality of orthopaedic shoes.
Occupational therapy related assistance.
MSF Fr: Technical assistance in surgery, anaesthesia, medicine, maternity, paediatrics equipment.
Essentail drugs supply, rehabilitation.
SCFA: Mother and child health care programme.
Battheay duistrict health center.
WR: Assistance to Prey Chhor district hospital.

KOMPONG CHHNANG

IFRC: First aid; primary health care.
IRC: Public health education/training; midwife and TBA training; nurse training; assistance to EPI; MCH

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training; provision of medicines/supplies; rehabilitation and reconstruction of health facilities.

WVI: Rural health development includes RINE programmes and primary health activities training and preventative health care for children under five.

KOMPONG SOM

AOG: Support for 3 dormitories, kitchen/dining room, toilet, skill training center, and activity center. Providing continuing support for food, clothing furnishings, education materials and medical care....

KOMPONG SPEU

AOG: Construction and equipping of primary rural health posts. Construction and assistance of Krek district hospital.

AR CROSS: Assistance to Kompong Speu provincial hospital.

AUST.RC: Oudong District Hospital Technical Assistance Project.

CONCERN: Primary health care in Samrong Tong district.

WVI: Rural health development inclues RINE programmes and primary health activities training and preventative health care for children under five.

KOMPONG THOM

IFRC: Health support units.

MSF Fr.: Technical assistance in surgery, anaesthesia, medicine, maternity, paediatrics equipment.
Essentail drugs supply, rehabilitation.
District health care rehabilitation.

PHNOM PENH MUNICIPALITY

ADRA: MPH course.

ANS: Rehabilitation of the 17 April hospital and provision of medicines and medical equipment.

CONCERN: Primary health care in Kop Sreou, Russey Keo/Ddangkor districts.

CSI: Typhoid vaccination and education programme.
Nutrition education.

EDC: Assistance to Municipal and 7 January hospitals.
Industrial safety and occupational health.

HI: Develop public health education.
Improve the quality of orthopaedic shoes.
Occupational therapy related assistance.

JRC: Health project at the Chamcar Mon health center.

MSF H/B: Laboratory programme at ECCS.
Assistance to prenatal consultations.

PFS: Pharmaceutical Lab Control (rehabilitation, training).

Pharmacy of PSF.
Medicines distribution in Saang district hospital.
Help in the rehabilitation of the Khmer-Soviet hospital.
Assistance to the prostitutes on the prostitute island; orphanage N 4; help to venerology center.
Dentistry: teaching in the university - oral health care in Saang district.

REDD BARNA: Equipment for histo-anapathological laboratory at the Faculty of Medicine.

SAO: SAO Cambodia Programme for Eye Health Care (SCOPE).

SCF-UK: Training project Ecole Centrale des Cardes Sanitaires.

UNESCO: AIDS Education Center.

WC: Cambodia dental school project; preventative dental oral health education.

WCC: Nutrition projramme in Cha Angree factory area.

WVI: National Paediatric Hospital patient care, medical teaching, medicines, administrative costs, equipment.
Rural health development includes RINE programmes and primary health activities training and preventative health care for children under five; primary health care seminars.
Supporting PHC training on central and provincial levels.
Overseas training for health workers.

PREY VENG

COR: Primary health care project; district hospital.

MCC: Prey Veng public health programme.

WC: Mother and child health recovery project.

WE: MCH non-formal (participatory) education.

PURSAT

ARC: Support of child health and maternal health activities through technical assistance, training and material inputs.
Support of district hospital.
Rural water and sanitation construction (wells and latrines), health and hygiene education and technical training.
Health literacy education for village women.

CARE: Bakan integrated and child health project.

IFRC: Health support units.

MSF H/B: Assistance to provincial, Kravanh, Bakan hospitals.

RATANAKIRI

HU: Ratanakiri integrated health programme.

SIEM REAP

CAMA: Primary health care; construction and renovation of district hospitals and commune clinics; digging wells.

MSF H/B: Assistance to the provincial and Puoc, Kralanh, Sotnikom, Chikreng, Samrong district hospitals.

SVAY RIENG

MSF H/B: Assistance to provincial, Svay Teap and Romeas Heck district hospitals.

IFRC: Health support units.

TAKEO

CHF: Emergency and primary medical care services, Koh Aandeth.

JOCS: Support for the activity of hospital community health.

SWISS RC: Assistance to provincial hospital; health programme in the districts; training of health staff.

WVI: Support for district level health care facilities.

PROJECT REQUEST

FROM

THE GOVERNMENT OF CAMBODIA

TO

THE UNITED NATIONS POPULATION FUND

Country	:	CAMBODIA
Project number	:	CAM/94/P01
Project title	:	Institutional strengthening and family health improvement through birth spacing
Date of submission	:	November 1993
UNFPA workplan category	:	500
Requester	:	Government of Cambodia
Implementing agency	:	MCH/Maternal and Child Health Institute (MCHI/PMI)
Executing agencies	:	Government/UNFPA/WHO
Project duration	:	3 years
Starting date	:	January 1994
UNFPA contribution	:	US$ 1,451,930
Government contribution	:	330 million Riel

Signed:

On behalf of the Government — Date

On behalf of the World Health Organization — Date

On behalf of the United Nations Population Fund — Date

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2. Objectives

(a) Long term: To have improved the health status of mother and children and have reduced their morbidity and mortality rates through the introduction and development of a BS component into the existing MCH care system.

(b) Immediate: By the end of the project to have strengthened the institutional capacity of the MOH; consolidated the existing BS services in Phnom Penh and surrounding areas; established BS clinics in 6 selected provincial hospitals and 25 district hospitals; to have developed MCH/BS policies, protocols and standards of care; to have established the MIS; and have incorporated in the basic educational curricula for various levels of health personnel all the above elements.

3 roject strategy and activities

Taking into account the present situation of the institutional framework, the strategies will focus on: (a) institutional strengthening; (b) increasing political awareness on population related problems; (c) production and dissemination of IECM materials; (d) expansion of services and increasing quality of care; (e) strengthening the MCH/BS training components at all levels; (f) strengthening cooperation with NGOs and other agencies working in MCH/BS field; (g) expanding services at commune and village levels; and (h) close and regular monitoring of progress achieved to better focus activities and workplan for subsequent project period.

Considerable efforts will have to be spent by the project in increasing the political awareness on all various development and socio-economic aspects produced by uncontrolled fertility, in order to come up with a comprehensive national development plan, integrating all the different variables and including PGR targets, in relation to natural resources, economic growth, environment, social services, etc. Large resources will have to be invested on strengthening the institutional capacity at central and incial levels for an appropriate MCH/BS programme management, for the formation of a pool of trainers, capable of providing training to other trainers and to service providers. Particular attention will be given to the development and dissemination of the IECM materials necessary to create an informed public demand for MCH/BS services.

4. Institutional framework and executing agency arrangements

The project will be implemented by the Ministry of Health, and in particular, the Maternal and Child Health Institute (MCH/PMI). Provincial and District Health officers and other health staff in 5 selected provinces and the municipality of Phnom Penh will also be involved in the planning and management of this project.

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Technical assistance will be provided by a Chief Technical Adviser (CTA), a UN Volunteer (UNV) and 3 short-term consultants in developing programme management strategies and protocols, training, monitoring and evaluation stages of the project. Technical support and backstopping will be provided by the UNFPA Country Support Team for East and South-East Asia. While most of the project components will be directly executed by UNFPA/Government, through the CTA and the UNV, WHO is proposed to be the executing agency for the training components (study tour, fellowships, international conferences, and all the local workshops, seminars and courses) which involve a considerable amount of administrative procedures and local financial transactions.

5. Related activities and other sources of funding

The MOH has recently produced an MCH National Health Plan in cooperation with WHO and oth gencies and experts. A pilot MCH/BS programme was introduced at the 7th January Hospital in 1992, which includes training of Cambodian doctors in family planning techniques. Protocols were prepared and criteria were set to ensure effectiveness of the country's BS programme.

Other important activities might include the involvement of women groups, youth groups and other ministries of the Cambodian government. The MOH, through the PMI institute, will exert all possible efforts and advocacy role to liaise with other government departments and special groups and create additional knowledge and awareness on MCH/BS.

No other sources of funds are currently available for this project.

6. Summary budget

UNFPA is requested to fund the following:

C: CNENTS	1994	1995	1996	TOTAL
Personnel	216,043	206,046	65,096	437,190
Sub-contract	90,000	10,000	10,000	110,000
Training	200,120	72,350	58,620	331,090
Equipment	449,000	8,000	8,000	465,000
Miscellaneous	22,200	18,200	18,200	58,600
GRAND TOTAL	977,368	314,596	159,916	1,451,880

The Government contribution will be 330 million Reil (1994-1996) covering the cost of salaries of personnel and other related expensas.

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Outline of the Project

1. Construction of Maternity hospital
   ward with 150 beds for Ob/Gy
   2 operation theaters
   3 delivery rooms (two beds for each room)
   3 observation rooms
   1 neonatal room
   1 central surgical supply room
   1 laboratory room
   1 X-ray room
   1 examination room for inpatient (Ob/Gy)
   2 examination rooms for ECG, Echography, etc
   laundry and kitchen
   OPD for 20.000 patients/year
   10 consulting rooms: 4 for antenatal care, 3 for gynecology, 2 for birth spacing, 1 for EPI
   reception and waiting room
   Emergency room
   Pharmacy office and store
   EPI facility (small size)
   room for mother education
   administration office
   store for medical records
   store for equipment

Hospital building is requested to be airy and have big roof to adjust hot temperature in dry season and hard rain in rainy reason. Drainage system of the city is in a poor condition.

All national hospitals in Phnom Penh are assigned as teaching hospitals of the Faculty of Medicine and Nursing School (ECCS: Ecole Centrale des Cardes Sanitaires).

2. Provision of Equipment for new hospital
   for ward
   for operation theaters (with teaching monitor TV)
   for central surgical supply unit
   for delivery rooms
   for a neonatal room
   for a laboratory room
   for OPD
   X-ray, ultrasound, monitors, etc.

   Please see a existing equipment list attached. (appendix D-6)

3. Construction of Training Center
   1 auditorium for 100 persons
   7 teaching rooms for 20 persons
   5 teaching rooms for 40 persons
   2 preparation rooms for teaching materials
   1 library
   administration
   staff room
   accommodation for trainees from provinces

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with 20 single bed rooms, 30 twin beds rooms, cafeteria and kitchen

In this training center, we are planning to have 4 major training courses (training for trainers, training for supervision, training for child care, maternity, birth spacing and nutrition, rehabilitation of medical doctors and nurses/midwives), and train 500-600 trainees in a year. This plan needs further discussion with experts who will be despatched by the technical cooperation from Japan. Please refer a proposal for a technical cooperation.

The financial status of the government cannot allow MOH and the provinces to cover all the cost for the training, especially for the accommodation and food expenses in Phnom Penh, where living cost are the most expensive in the country. To ensure the participation from all provinces, the accommodation facilities are, therefore, of necessity.

4. Provision of Equipment for Training Center
   - audiovisual set
   - photo-copier
   - duplicator
   - typewriter
   - projector
   - overhead projector
   - books
   - etc.

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TRAINING 100

Proposal for the Project Type Technical Cooperation FROM JAPAN

Project Title: Maternal and Child Health (MCH) Project
Implementing Agency: MCH center (ex-PMI center)
Responsible Ministry: Ministry of Health
Total project cost: not yet estimated

1. Background of the Project

The New Constitution of the Kingdom of Cambodia, adopted September 21 1993, declared that " The State shall give full consideration to children and mothers." in Chapter 6, Article 73. Special emphasis, even before the declaration of this constitution, has been placed on providing maximum support to the health of mothers and children including birth spacing, to "improve the health of all the people in their communities, by enhancing health promotion, prevention and treatment of disease, using traditional and modern methods, and by educating the people in healthy lifestyle and prevention of illness" as written in National Health Plan.

The health status of women and children in Cambodia is, despite the considerable improvement since 1980 with the assistance from UNICEF, other international organizations and NGO's, still in a poor condition, due to multiple factors, such as malnutrition, poor sanitation, lack of equipment and supplies, lack of human resources and so on. Cambodia's rate of natural increase of population is 2.5 % per annum and the crude birth rate is 41.1 per 1000 of population. This high birth rate is accompanied by very high mortality rates (maternal;200-3000 per 100,000 live births, infant; 125 per 1000 live birth). The lack of the accurate statistics of maternal mortality rate itself disclosed the poor status of women in Cambodia. Small surveys indicate that many women die from complications of pregnancies without having access to any medical services, and effects of non-medical/illegal abortions are assumed very serious.

To resolve these difficulties, MOH had founded PMI (Protection de Maternite et Infantier) center adjacent to the 7 January hospital, to serve wide range of preventive and curative activities in the field of MCH. After the election in May 1993, PMI center was renamed MCH center and terms of reference was reconfirmed as follows;

1) to make Policy/Plan in the field of MCH including Birth Spacing
2) to support and monitor implementation of the MCH plan (for both preventive and curative activities) by Provincial Health Sectors
3) to train health workers in the field of MCH
4) to facilitate Public Education for MCH
5) to be responsible for Information Network in MCH
6) to serve as a top referral hospital for children's and women's health

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To accomplish these tasks, MOH and MCH center requested technical assistance from the Japanese Government in the above mentioned activities, specially in the training activity (3), and upgrading of a hospital activity as a top referral (6).

2. Current status of Implementing Agency

Please see appendix A. (MCH National Plan)

3. Objectives and Outline of the project

1) Goal (long-term objectives) of the project
Reduction of the maternal and child mortality rates

2) Purpose (short-term objectives) of the project

a) to train health workers in the field of MCH, through strengthening training activities of the MCH center, in alignment with National Health Plan

b) to upgrade curative activities for children and women's health, through re-training of medical doctors and nurses/midwives

3) Outline of the project

i) Training activity

first phase

-to establish training curricula, prepare training materials, and set up training schedules for health workers at all levels in the field of the MCH, through re-evaluating existing training courses/materials and clarify the real needs and demands for training
-to confirm the national policy for Birth Spacing
-to train trainers in the central level
-to hold seminars for health administrators of provinces

second phase

with completion of the construction of a new MCH center and new training courses established in phase 1,

-to train trainers of all provinces at central level
No. of the trainers; depend on a population size
at least one doctor/midwife/nurse as a core person
and three MWs/Nrs as trainers and supervisors
-to train supervisors in all provinces
-to train trainees from provinces
on Child care (ARI, CDD, Nutrition)
on Maternal care (including BS)
and so on.
-to retrain medical skills of medical doctors/medical assistants and nurses/midwives in all provincial hospitals and major district hospitals

-to establish an evaluation system

<u>third phase</u>

-to continue training activities
-to support provincial trainers to hold training courses in provinces and districts
-to evaluate training activities at provincial and district level
-to evaluate skills of the trainers at all levels
-to evaluate supervising activities

Tentatively planned training courses, as an example

Number of participants

months	1	2	3	4	5	6	7	8	9	10	11	12	T
1-A	10 →	→	→	→	→	→							10
1-B	10 →		10 →		10 →		10 →		10 →		10 →		60
Sur	10		10		10		10		10		10		60
T-ped		20		20		20		20		20		20	120
T-mat	20		20		20		20		20		20		120
Ret-A	8 →			8 →			8 →			8 →			32
Ret-B	10	10	10	10	10	10	10	10	10	10	10	10	120
total	58	38	50	38	58	30	48	28	40	28	48	20	522
No/C	6	5	6	5	6	4	5	4	4	5	5	3	

1-A: training for trainer of central level, 6 months
1-B: training for trainer of province level, 6 weeks
Sur: training for supervision, 4 weeks
T-ped: training for nurses in pediatrics, ARI, CDD and nutrition, 4 weeks
T-mat: training for midwives, antenatal care, safe delivery, at risk pregnancy, and BS, 4 weeks
Ret-A: in-service training of medical doctor, 2 months
Reh-B: in-service training of nurses/midwives, 4 weeks
total: numbers of trainees in a month
No/C: numbers of courses in a month
T: total numbers of trainees in a year

ii) Curative activity

-to upgrade medical skills of all medical doctors, and medical assistants in the field of pediatrics, Ob/Gy and general medicine in MCH center, and train them as trainers for in-service training courses for medical doctors

-to upgrade medical skills of nurses and midwives in MCH center and train them as trainers for in-service training courses for nurses and midwives

4) Request for experts
-consultant for planning of training courses
-experts for IEC

-experts for education
-medical doctors
Ob/Gy
Pediatrist
Anesthesiologist
Surgeon (Pediatrics)
Internal Medicine (for Women's general health)
-nurses
-midwives
-nutritionists
-pharmaceutist
-expert for hospital management
-expert for maintenance of medical equipment

5) Request for training
-training for trainers/educator
in Japan, in Mahidol University in Thailand
-training for medical doctors
-training for nursing in pediatrics, gynecology, surgery
-training for midwives
-training for maintenance of medical equipment
-training for project management

6) Request for equipment
-midwife/commune-nurse set
including stethoscope, sphygonomanometer, stopwatch, scale and etc.
-equipment for training center and women's hospital
in co-ordination with grant aid

4. Related projects

- Swiss Khmer Foundation; Support Kunta-Bohha Hospital (children's hospital), by technical cooperation, rehabilitation of the building and provision of equipment
- UNICEF; EPI activity, MCH activity
- Save the Children Fund (SCF)Australia; despatch of an adviser to MCH center
- Redd Barna and SCF-UK; training of nurses/midwives at Nursing School, not directly involved in this project but should be related in terms of training of nurses/midwives
- Several NGOs are involved in the MCH activities including training health workers in province and district levels

MOH and MCH center are responsible for the coordination with those organization.

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Cambodia Consultancy Persons interviewed by Edwin McKeithen			
Initial Contact	**Name**	**Organization**	**Telephone Number**
11/22	Richard Renas	WHO AIDS Technical Officer	26610-1
11/23	Michael Adair	CARERE	018 810 269
11/23	Sarah Newhall	PACT	27820, 26746
11/23	Christina Mansfield	PACT	26746
11/24	Kuhn Kim Sour	Battambang AIDS Project	26746
11/24	Ellen Minotti	Khmer Buddhist Society, Kampong Speu (REACH)	c/o PACT
11/24	Linda McKinney	United Cambodian Community, Kampot	c/o PACT
11/24	Michele Blatti	American Red Cross	
11/24	Denise Cresswell	American Red Cross	
11/25	Joan Anderson	Save the Children U.K. Project Manager	
11/25	Dr. Sophie Biacabe	Save the Children U.K. Medical Officer	26222
11/25	Neang Ren	SCF/U.K.	
11/25	Joyce Smith	WHO Nursing training officer	(015) 912-357
11/25	Laura Hawken	WHO Program Management officer	26610
11/25	Dr. My Samedy	Secretary General, Cambodian Red Cross	26017
11/25	Dr. Uy Samath	Director of Operations, Cambodian Red Cross	
11/25	Hans van Zoggel	Operations Advisor, Cambodian Red Cross	
11/26	Ms. Pum Chantine	Head of Program Unit, Cambodian Red Cross	

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11/26	Dr. Chhea Thang	Minister of Health	24973
11/26	Dr. Mam Bun Heng	Undersecretary of State for Health, (Medical Services, HIV, MCH/BS)	
11/26	Tim Williams	Country Director, CARE	26233
11/26	Dr. Penelope Key	WHO, Acting Country Representative	26610-1
11/27	Gregg Keen	Country Manager, World Concern	26014
11/27	Patrice White	Nurse/midwife, World Concern at Prey Veng	
11/29	Dr. Di Bun Chhem	Vice Dir, Siem Reap Prov. Health Department	
11/30	Palus Santosa	World Vision Health Coordinator	(015) 912-196, 26052
11/30	Deborah Brodie	Executive Secretary, Cooperation Committee for Cambodia (CCC)	26009
11/30	Tami Ito	Director, World Education	(015) 911-428
11/30	Mary Lynn	World Education, Prey Veng	
12/1	Ria Koawyn	MSF/HB nurse at Svay Rieng Dist. Hosp	
12/1	Bert Voelewun	Gen. Coord, MSF/HB Svay Rieng	
12/1	Dr. Ton van der Velden	Medical Coord, MSF/HB Svay Rieng	
12/1	Dr. Kanika Shaw	MSF/HB physician at Sisophon	
12/1	Dr. Maurice Hours	UNICEF advisor at Svay Rieng	
12/2	Dr. Eric Mercier	UNICEF Health Program Officer	26283, 26214-5
12/2	Andrew Morris	UNICEF Essential Drugs Project Officer	26283, 26214-5

12/2	John Humphreys	IFRC, Head of Delegation	26370
12/2	Nina de Rochefort	IFRC, Asia and Pacific Department, Geneva	
12/2	Dr. Pehr-Olov Pehrson	IFRC Medical Coordinator	26370
12/2	Ms. Thida C. Khus	Director, Cambodian American National Development Organization	27872
12/3	Dr. Eng Huot	Director of MCH Center, Dept of Health, MOH	
12/3	Dr. Cecile de Sweemer	WHO advisor at faculty of medicine	26211
12/4	Dr. Koum Kanal	Vice-Director of MCH Center, Director of Birth Spacing	
12/6	Dr. Makiko Kinoshita	JICA resident medical advisor	(015) 911-352
12/6	Helga Larsson-Franzel	UNDP Asst. Res. Rep.	26257, 26295, 26167, 26429
12/7	Dr. Doug Mendosa	UNICEF training advisor	
12/8	Dr. Sun Baunat	Chief Technical Officer, Faculty of Medicine	
12/8	Dr. Ang Sarun	Director of Human Resources Development, MOH	
12/9	John Grundy	Nurse, SCFA, training advisor at MCH center	26204
12/11	Penn Thol	Member of Parliament, Kampong Speu	25944
12/15	Dr. Hong Sun Huot	Secretary of State for Rural Development	22425, (018) 811-401

NEW PROJECT DESCRIPTION

KHMER FAMILY HEALTH (Project No. 442-0015)

Funding
Initial FY: FY94
ABS Reporting Year: FY94
LOP Funding: $20 million
FY94 Obligation: $2.4 million
PACD: 9/30/98
Appropriation Account: PN and DA

Development Problem: The Khmer people are beset with severe problems at the same time that the fragile new democracy is trying to retain the confidence of its electorate. Eighty percent of the people are poor farmers, survivors of a holocaust, attempting to re-create a society, and surviving on little else than the rice they grow.

Khmer women bear particularly heavy burdens. Thirty five percent became heads of households when their spouses were killed. Many of the surviving husbands were maimed - most of Cambodia's 30,000 amputees are male - and depend on their wives.

Nearly one quarter of the population is under the age of four. The average mother has 6-7 children during her lifetime. Maternal deaths are frequent, estimated at 1-2 percent of deliveries. Fewer than 10 percent of births are attended by a trained health worker. Infant mortality is reported at 120 per thousand, but it is surely higher among the 80 percent of Khmer who do not go to health facilities for medical care.

Induced abortions by village midwives are a leading cause of maternal death. Among the 91% of women in Svay Rieng who wanted birth spacing in 1993, abortion was the only method known to 60% of them. Numerous public and private health providers report great demand for contraception despite widespread misunderstanding and scarce availability of services. 85% of women interviewed in Kandal Stung wanted no more children during the next two years (1994-1995). Women seeking IUDs and depo-provera travel great distances for services, and requests for tubal ligations are common.

The Cambodian government has come to appreciate the growing demand for birth spacing. Wishing to offer needed services to the constituents of this new democracy, the government has dropped pronatalist rhetoric and has supported the Ministry of Health in promoting birth spacing. Moreover, both the government and the donor community view the Ministry of Health as a promising channel for delivering effective services to the countryside as a means of promoting confidence and stability during the process of rebuilding a shattered society.

Project Description **Project Purpose:** The purpose of this project is to empower Khmer women with the knowledge and means to space their births.

Expected Accomplishments: Throughout the course of the project,

- the Ministry of Health and allied organizations will gain greater competence in birth spacing program design and implementation;

- health care providers will acquire improved skills and will deliver higher quality care from upgraded service outlets;

- Khmer women and their spouses will better understand and will gain greater access to safe and effective methods of birth spacing and STD prevention.

How it will work: AID support will concentrate on training, education, renovation, and commodity distribution. Competency based training will focus on service providers and the development of reproductive health curricula for pre-service and in-service training institutions. Specialized training may also be required in management, administration, evaluation, research methodology and other components of program support. Training programs will take full advantage of the AID-supported capabilities of Indonesia, Thailand and other appropriate venues.

Education activities will concentrate on promptly redressing the paucity of knowledge of safe and effective means of birth spacing. The bilateral project will build on the work of PSI, FPIA and PACT, recent recipients of USAID/Cambodia support, in developing effective messages and channels for dissemination. Training and education activities will include information on STD and HIV prevention.

AID will support limited renovation of selected health care facilities to offer clean and inviting settings for service provision. Typically this will involve minor upgrading of one or two rooms at service outlets, but will also include safe environments for implant services and, when approved by the government, sterile areas for voluntary surgical contraception.

Commodity support will fill major gaps in existing and planned birth spacing programs. All methods will be supported through both public and private channels -- the PSI experience in contraceptive social marketing will guide program design vis-a-vis the private sector, and FPIA and other NGO experience will help determine public sector design parameters.

Implementation mechanisms: The Ministry of Health will be the lead collaborating agency in USAID's first post-war bilateral project. Additional implementation channels will give USAID the flexibility to respond to new opportunities and to accommodate changing circumstances as the project matures. Such secondary implementation channels may include provincial, municipal or district health departments, Khmer and third country NGO's, AID cooperating agencies, international organizations, U.N. specialized agencies and private sector entities. AID will also utilize the Regional Technical Support Project and the East Asian Regional Training Project to support program objectives. But the primary intent will be to strengthen the MOH in birth spacing program design and implementation at both central and peripheral levels.

Program elements will be designed to complement the assistance in MCH and birth spacing currently underway or planned by UNFPA, WHO, UNICEF, UNDP, JICA and NGO's. Contraceptive supplies from AID, for example, may be distributed through the EPI logistics network supported by UNICEF at the Central Medical Stores and by UNICEF medical advisors posted in five key provincial headquarters. Careful coordination of inputs and analysis of specific foci for AID assistance will be very

important during the design process and throughout the implementation of the project.

AID support will also allow promising pilot activities developed in a few districts to be replicated in other areas. Facility renovation sponsored by AID, for example, can build on the experience of UNFPA in refurbishing birth spacing outlets in 25 of Cambodia's 176 districts. AID's comparative advantage in advanced OB/GYN training can complement curriculum development at the new national MCH teaching hospital to be built by the Japanese Government. AID's strengths in implant and VSC training, in operations research and in social marketing can help fill major gaps in the overall national program.

Most importantly, the strength of AID's worldwide expertise can position AID as the leader among donors to the Cambodian national birth spacing program.

Sustainability will depend primarily on increased Cambodian government political and financial support, and on the availability of contraceptive supplies through private markets and public programs. It is probable that a follow-on project will be required to support the shifts in method mix which will occur and to assure sustainability beyond 1998.

Policy and other project issues: The change from pronatalist policy is recent, and AID should support policy development (through RAPID, for example) to assure program managers of a favorable policy environment. Although government policy support is clear for reversible methods of birth spacing, AID support for service provision of non-reversible methods must await changes in MOH policy.

USAID/Cambodia encourages the participation of G/POP in the design of this project and invites appropriate backstop officer for PID design in Jan-Feb, 1994.

USAID anticipates an FY94 obligation of $2 million in POP funds and $0.4 million in DA. As noted in Phnom Penh 4045, however, these figures are based on ESF levels sufficient to fund the Emergency Roads, Democracy and Technical Support Projects.

Waivers will be required for third country sources of technical assistance, training and commodities.

Management and workforce considerations: Given the small USAID staff, it will probably be necessary to secure the services of a full time US PSC for overall program management. It is also likely that the Regional Technical Support Project will be tasked to provide a resident advisor for the program.

Design Strategy: PID development: USAID proposes a PID design team as follows, under the direction of the S/GDO: (Approximately $11,000 OE should be reserved for this purpose).

Team Leader/PDO	Robertson	1/18 - 2/18	RSM/EA
PVO Officer	Huvos	1/1 - 2/18	Mission
FP Specialist	McKeithen	1/18 - 2/18	RTSP
FP Specialist	Unnamed	1/18 - 2/18	G/POP
Procurement	Stephens	1/31 - 2/3	RSM/EA

PP Development: USAID proposes to prepare, review and approve the PP in the field with appropriate involvement of Regional Legal Advisor, Regional Contracts Officer, and Controller. Exact team composition will be detailed during development of PID. The overall design schedule is presented below:

Action	Date	Action Offices
RTSP Buy - in for PID Preparation	o/a January 1	USAID & RSM
NPD Approval	o/a January 14	AID/W
PID Preparation	January/February	USAID, RSM, G/POP & RTSP Contractor
PID Review and Approval	March	USAID & RSM
Buy - in to RTSP for PP Preparation	April	USAID & RSM
PP Preparation	May/June	USAID, RSM & RTSP
PP Review & Approval	July	USAID & RSM
PROAG Negotiations	August	USAID, GOC & RSM
PROAG Signed	August	USAID & GOC

Illustrative Budget Line Items:

Ministry of Heath & Cooperating Agencies	$9.0 million
Facility Upgrading	$2.0 million
Commodities	$3.0 million
Sub-grants	$4.0 million
TA/PSCs	$1.5 million
Audit and Evaluation	$0.5 million
	$20.0 million

Obligation Schedule: The tentative obligation schedule for the project is as follows:

FY94	$2.4 million	FY96	$6.0 million
FY95	$6.0 million	FY97	$5.6 million

Initial Environmental Examination: A categorical exclusion will be prepared for this project at the PID stage.

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World Vision Relief & Development, Inc., Cambodia HIV/AIDS Prevention and MCH/FP Project, a Project Proposal, May 1993.

ANNEX D

PERSONS INTERVIEWED

ANNEX D

PERSONS INTERVIEWED

Within each category, names are listed in order of the first interview according to the calendar of the team. This was determined according to the arrival dates of team members and availability of persons to be interviewed and in no way suggests a priority among persons interviewed. We apologize that other persons present at these meetings are not always listed. Due to our close work with USAID, its employees are not listed as resource persons. The Assessment Team apologizes for mis-spellings of names or incorrect attribution of titles, which are given here only to indicate affiliation.

1. MINISTERS OF THE GOVERNMENT OF CAMBODIA

Sam Rainsy	Minister of Finance
Keat Chhon	Senior Minister in charge of rehabilitation and reconstruction
Chea Chanto	Minister of Planning
Dr Hong Sun Hout	Minister of Rural Development
Var Hout	Minister of Commerce
Thar Pengleat	Governor of the National Bank
Keat Chhun	Minister of State
Kong Sam	Minister of Agriculture
Chea Thang	Minister of Health
Pou Sothirak	Minister of Industry
Ieng Mouly	Minister of Information

2. GOVERNMENT OF CAMBODIA

Ms Somo Saumura	Vice-Governor of the National Bank
Chea Peng Chheang	Undersecretary of State for Finance
Yim Sovann	Charge de Mission, Ministry of Finance
Mrs Khlot Toug Plika	Director of Organization, Ministry of Finance
Keo Norin	Director of Economic Research, NBC
Malay Khem Soly	Research Department, NBC
Cheak Sok	Direct or Bank Supervision and Examination, NBC
Tha Yao	Director of Relations with Provincial Banks, NBC
Heng Pao	Director of Computer and Planning, NBC
Ms Mao Son	Director of Personnel, NBC
Ms Tim Samy	Director of Accounting, NBC
Huy Navy	Director of Foreign Exchange, NBC
Mrs Chantana	Assistant to the Vice-Governor, NBC
Toc Sam	Undersecretary of State for Domestic Trade, MOC
Kir Rada	Undersecretary of State for State Owned Enterprises, MOC

Mal Tobah	General Director for Trade, Ministry of Commerce
My Sam	Undersecretary of Ministry of Agriculture

3. ADVISORS TO THE GOVERNMENT OF CAMBODIA

Edward Krowitz	Ministry of Planning
Michael Brown	National of Cambodia
Alain Benicy	National Council for the Reconstruction and Development of Cambodia
Dr Vin McNamera	Ministry of Education (ADAP)
Paula Santosa	National Pediatric Hospital
Cecile De Sweemer	Phnom Penh University Faculty of Medecine (WHO)
Koy Kanthren	UNDP TOKTEN program
Dr Kamal	PMI [MCH] Center
Joe Gartner	Ministry of Agriculture (ADAP)
Dr Makiko Kinoshita	Ministry of Health (JICA)

4. U.S. EMBASSY

Ambassador	Charles Twinning
EMB Refugees	Michael Sheinkman

5. USAID

Lee Twentyman	USAID Representative to Cambodia
Edward Greeley	Direct, Projects Office
Ronald Briggs	Project Manager
Anne Huvos	PVO Grants Manager
Juanita Darmono	Assistant PVO Grants Manager
Dominic D'Antonio	Program Officer

6. Other DONORS

Someth Suos	Asian Development Bank
Ms Nancy Happe	IMF
Owen Evans	IMF
Guy Darlan	World Bank
Yoshio Sanaka	World Bank
Arnand Gniard	World Bank
Rajeev Pilay	Resident Representative UNDP
Michael Adair	CARERE Program of UNDP
Robert Piper	UNDP

Joyce Smith	WHO
Laura Hawken	WHO
Penny Keys	WHO
Tim Martineau	WHO
Richard Englehardt	UNESCO
Doran Bernhard	UNESCO
Ann Dykstra	UNESCO
Bridgette Sanois	UNICEF
Dr Mercier	UNICEF
Helga Larson	Assistant Resident Representative, ILO
John Humphries	International Red Cross (ICRC)

7. PRIVATE SECTOR

William Motes	Sparks Commodities Inc.
Richard Wheeler	Sparks Commodities Inc.
Iay Ngy	Chairman, Lay Group
Richard Lane	Phoenix Import-Export Co.

8. NON-GOVERNMENTAL ORGANIZATIONS

Dr My Sun Thai	American Red Cross
Samdy	American Red Cross
Mikki Blatti	American Red Cross
Mr Anderson	Save the Children Fund - UK
Mr Biakalb	Save the Children Fund - UK
Darius Teter	(Institution?)
Am Sothea	CCC
Dr My Samedy	Cambodian Red Cross
Dr Uy Sam Ath	Cambodian Red Cross
Tim Williams	CARE
John Grundy	SCFA
Gregg Keen	World Concern
Deborah Brody	Director, CCC
Tami Ito	World Education
Mary Linn	World Education
Steve Shore	Cambodia Development Research Institute (CDRI)
Claire Thorne	Director of Education, REDD
	BARNA (Norwegian Save the Children Foundation)
Cecile de Sweemer	WHO, NPH
Barbara Fitzgerald	Australian People for Health Education and Development Abroad
Thida Khus	Director, Cambodian-American

	National Development Organization (CANDO)
Sarah Newhall	Country Director, Private Agencies Collaborating Together (PACT)
Denley Pike	Director, Australian Center for Education
Helga Larson	UNDP
Harry Franks	FAO advisor Human Resource Development
William Field	FAO advisor Irrigation
Lorent Thomas	FAO advisor Agronomy
Pierre Monnard	ICRC
Margaret Bouring	Director of Studies
Jeff Cayne	Project Team Leader
Dr Steve Mendoza	UNICEF
Steve Duggan	Asian Development Bank
Dr Sok Moeuthong	CDRI Economics Professor
Jim Klein	Resident Representative for Asia Foundation
Hans Becker	International Office of Migration

ANNEX E

SCOPE OF WORK OF ASSESSMENT TEAM

ANNEX E

SCOPE OF WORK OF ASSESSMENT TEAM

The AID Representative for Cambodia requests an assessment team to explore opportunities for long-term technical assistance to the government of Cambodia to improve macroeconomic management and donor coordination, health and education and rural development. This team will work for approximately one month with government ministries to identify technical assistance that will improve economic development through improved donor coordination, macroeconomic management and rural development.

1. MACROECONOMIC MANAGEMENT AND DONOR COORDINATION

The Assessment Team will examine key ares in which the Cambodian government can improve its management of macroeconomic policy and the coordination of resource inflows from many donors. A key USAID input could be to provide technical assistance to the newly formed Cambodian government entity that would serve as the counterpart to the Secretariat of the International Commission on the Reconstruction of Cambodia (ICORC). Elements of this technical assistance should include the following:

* Practical and empirical macroeconomics, to look at other aid recipient countries experienced with the impact of external resources on national development. The experience of Indonesia, for example, may be applicable to Cambodia in creating the capability of government to manage inputs and guidance from the World Bank, the IMF and other international donors.

* Strategies for stabilizing the conditions necessary for the inflow of foreign investment capital, particularly foreign direct investment that will stimulate productive sectors.

* Developing management capabilities for monetary and fiscal policy.

* Training in cost/benefit analysis techniques among government policymakers so there is an understanding of proactive management of the policy environment.

* Staff development so that the government can effectively participate in ICORC.

USAID could also provide institution building through academic programs and other training in economic management that is closely tied to technical assistance. Other area that will require additional work include land law, labor laws, a commercial code, foreign investment laws and financial markets enabling legislation. The Assessment Team will work closely with other donor agencies, including the UNDP, ADB and the World Bank, who provide

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technical assistance and other support. Any proposed long-term technical assistance provided by USAID should be complementary to the activities supported by other donor organizations.

Technical assistance should be focussed on practical tools and capabilities for agencies within the government that will manage policy and donor inflows. The Assessment Team will design scopes of work for long-term advisors that would work directly with government agencies in the following areas, among others:

* manage the budge, including expenditures and revenues, develop and implement a tax system and manage both internal and external debt - the essential elements of fiscal policy;

* control the money supply to permit stable economic growth with low inflation, manage and regulate the foreign exchange market, as well as the banking system, interest rates and local currencies - the important elements of monetary policy;

* set national development priorities and design programs to implement them, within the constraints of sound fiscal and monetary policies. The planning functions should be coordinated with the real resource constraints determined by policies set by other agencies;

* establish policies that relate to the role of the private sector in national development.

2. HEALTH, EDUCATION AND RURAL DEVELOPMENT

Agriculture will be the leading sector of the economy for the foreseeable future, and any long-term technical assistance should concentrate on this sector. USAID assistance should provide benefits to Cambodians in the entire country, and should be implemented in conjunction with the ongoing humanitarian and reconstruction effort. The recommendations for technical assistance to promote rural development will operate parallel to macroeconomic management and donor coordination to provide the framework for economic and political stability for balanced and sustainable economic development that will also benefit rural populations such as farmers and lower income groups.

The government of Cambodia faces serious challenges in delivering education and health services to a population that has marginal nutrition and health standards, high infant mortality rates, and enormous limitations in basic skills and education. Cambodia will have to embrace an aggressive strategy, supported by international donors, to improve the human capital base required for economic development.

The government faces severe challenges:

* A growing gap between the income of rural and urban populations, with a large proportion of the population below the poverty level.

* Failure to deliver social services, particularly health care.

* The deteriorated and partially destroyed economic infrastructure needs to expand rapidly, to provide the basis for sustainable growth.

* The rapid depletion of forest resources is not sustainable. The introduction of more saw mills and wood manufacturing is important to expand this potential and create more value added.

* An illiterate population that will require accelerated human resource development programs, at all levels.

* The development of an effective and efficient government apparatus that can respond to the enormous needs of the Cambodia people.

The Assessment Team will explore these challenges, as well as donor efforts in health, education and rural development, and recommend appropriate long-term technical assistance that will support agriculture and local government. Areas for technical assistance might include:

* Community development activities that organize social services and support productive sectors.

* Agricultural policy and rural credit.

* Employment and income generation.

* Rural infrastructure for roads and water sanitation.

* Health and education programs.

3. RECOMMENDATIONS FOR LONG-TERM TECHNICAL ASSISTANCE

The design team will assess and make recommendations for long-term technical assistance that include:

* Priority areas and objectives for USAID technical assistance in macroeconomic management and policy coordination, health, education and rural development that complement other donor activities.

* Specific scopes of work for long-term advisors placed in the government ministries.

* Recommendations for a broadly agreed-to organizational structure to support ICORC, and a management structure to coordinate all technical assistance in macroeconomic management.

* USAID technical assistance inputs into the rural development and reconstruction effort and improved health and education programs.

* A management plan for the mobilization, logistics and administrative support of a team of long-term advisors in Cambodia, including procedures and costs to set up and operate a support office, telecommunications, housing, transport, and other logistic support.

4. ASSESSMENT TEAM

The design team will consist of the following individuals:

* Team Leader who will write the final assessment of technical assistance opportunities and priorities for USAID, conduct overall discussions with government officials and AID Representative staff, and manage the work of other team members.

* Macroeconomic Management Specialist who will be primarily responsible for assessing fiscal and monetary policies, existing donor inflows, as well as recommend planning, research, cost/benefit, and policymaking capabilities that can be strengthened through technical assistance.

* Development Economist who will assess the institutional capabilities of existing government ministries for policy analysis and management, and recommend technical assistance and training to strengthen the institutional and human resource capabilities of government ministries. This specialist will also recommend institutional relationships between government ministries and donor programs that will maximize the planning and policymaking functions.

* Education Specialist who will assess the current education programs and capabilities of the Ministry of Education. Working closely with officials of the Ministry, the specialist will assess and recommend long-term advisory assistance to the Minister of Education.

* Heal Specialist who will work closely with officials of the Ministry of Health to assess health problems in the country and define technical assistance to develop practical health programs and policies to be managed by the Ministry.

* Social Scientist will conduct analysis of social and economic effects of rapid changes in donor programs and policies that affect migration, urban and rural populations, and at risk populations.

* Management and finance Specialists who will provide a management plan for logistic, administrative, and overall support for the proposed long-term technical advisors in Cambodia.

This assessment will begin on or about November 15 1993, and last for approximately eight calendar weeks with individual team members mobilized as government ministries are settled and ready to work with the team. The Team Leader will probably have to travel several times to Cambodia to meet with government officials in designing scopes of work for long-term technical advisors, and to manage the assessment team. A draft document analyzing current technical constraints and recommended technical assistance will be presented to the AID Representative approximately 45 days after initiation of activities in Phnom Penh.

The Team Leader will make a presentation to the AID Representative at the mid-point of this short-term consultancy on the initial findings and recommendations. The Team Leader will also work out a work plan, schedule of meetings and other activities of the assessment team with the AID Representative. The team will work a six-day week in Cambodia.

SCOPE OF WORK

POSITION: Social Scientist, RTSP Cambodia Technical Assistance Assessment Team

DURATION OF ASSIGNMENT: January 18 - February 11, 1994

Under the Regional Technical Support Project, the AID Representative for Cambodia has requested a team to assess the long term technical assistance requirements of the Government of Cambodia for support to macroeconomic management, donor coordination, health, education and rural development. The assessment team has identified a preliminary set of rural development activities that would have swift and significant impact for the rural population of Cambodia. These are:

- development of a labor-based rural road construction program;
- promotion of community-based small-scale rural infrastructure construction and maintenance;
- promotion of community-based veterinary care;
- promotion of rural credit to support small-enterprise;
- development of public service agricultural production and market information programs for radio and television.

The Assessment Team requires the services of a Social Scientist to assist in evaluating the feasibility of each of these activities. This evaluation will enable the Team to prioritize the activities, and to recommend those that will best meet USAID's strategic development objectives in Cambodia.

The Assessment Team Social Scientist will assess the soundness and the prospects for sustainability of the proposed rural development activities within the contemporary social and economic context of rural Cambodia. The assessment will focus on the capacity of government institutions, non-governmental institutions, and national and indigenous organizations to provide a framework for the effective implementation of the proposed activities.

The Social Scientist will survey Phnom Penh-based NGOs that are implementing projects similar in scope to the proposed activities summarized above. The primary purpose of this survey will be to identify lessons learned in project design and field implementation by NGO's that will guide the investment of USAID, other donors and the Government of Cambodia in rural

development on a country-wide scale. The secondary purpose of this survey is to identify field sites suitable for rapid reconnaissance of project implementation by the Social Scientist during the remainder of his assignment.

Following his survey, the Social Scientist will visit two-three NGO field sites to assess project implementation, and to conduct independent rapid appraisal of local socio-economic conditions. This appraisal will identify the key socio-economic and socio-cultural groups, organizations and institutions that are likely to participate in, and benefit from, rural development initiatives supported by USAID. In addition, this appraisal will collect data on small-farmer production patterns, including resource management and labor allocation strategies, to determine the capacity of farmers to participate in the proposed development initiatives.

The results of the Social Scientist's survey and field reconnaissance will be incorporated into the overall assessment of technical assistance needs being prepared by the RTSP Team for USAID/Cambodia.

ANNEX F

MEMORANDA OF MEETINGS

MEMORANDUM OF MEETING

LIMITED DISTRIBUTION

Nov. 22, 1993

Place: Ministry of Economy and Finance--Minister's Office
Date: Nov. 16, 1993
Attendees: Minister of Economy and Finance, Sam Rainsy
Mr. Yim Sovann, Secretary to Minister
Mr. Ned Greely, AID Representative (A)
Mr. John Greenough, RTSP Administrator
Mr. Peter Gajewski, RTSP Director

PURPOSE: TO DISCUSS THE MINISTER'S TECHNICAL ASSISTANCE AND TRAINING NEEDS

During the course of the discussion, which covered a broad range of topics including the current economic and political situation, the Minister made the following points in response to Mr. Gajewski's questions and comments.

1. The current economic situation is critical. Private sector trade and investment is in a chaotic state--not a market economy but like a "jungle economy." Laws and regulations are not adequate and their enforcement is almost nonexistent. Large investments have been made in trade, communications, services (including banking), and real estate in partnership with politicians who are protecting these investments from taxation and other public responsibilities, such as allowing competitive market entry. The Minister stressed the need for an improved commercial code and legal framework, as well as more aggressive enforcement.

2. There have been many recent changes in government, and the responsibilities among the ministries are not clearly defined, resulting in a weak management of the economy and a limited ability to plan a development program. Part of the reason for the slow progress in defining clear operational roles for government entities is the political interest of the CPP in maintaining certain pre-election arrangements and controls.

3. He criticized the operation of the Central Bank, focussing on the lack of control over the money supply and lack of strict accountability. He was clearly concerned about the foreign exchange market, and is seeking guidance on how to manage it. Mr. Gajewski promised him a paper on the subject.

4. He said the current organizational capacity of the government is severely hampered by the near absence of qualified staff. He praised the technical assistance rendered so far by the international community, but said that short-term "revolving experts" were not too productive, and did not train his staff nor build institutional capacity.

5. After an exchange of proposals with Gajewski, the Minister requested the following.

   a) A team of long-term technical advisors who would report directly to the Minister. The advisors would operate on a confidential basis within the Ministry, their reports would be made available through the Minister only.

   b) The Minister has set up working meetings for the DAI team with his senior staff to work out the details of the Ministry's needs on Nov. 22 and 23.

   c) The Minister requested that DAI formulate a long-term staff development program, and meet with him the week of Nov. 22-26 to review it.

   d) The Minister requested commodity support, including computers, generators, and construction services, which will be required to implement the institution building effort at the Ministry.

   e) The Minister requested that we explore options on how to finance returning native Cambodian experts from abroad.

November 23, 1993 **MEMORANDUM OF MEETING**

Place: Ministry of Economy and Finance
Date: November 23, 1993
Present: H.E. Sam Rainsy, Minister of Economy and Finance
Mr. Yim Sovann, Chargé d'Affaires, MEF
Mr. Chea Peng Chheang, Undersecretary of State, MEF
Mr. Eric R. Nelson, DAI
Mr. Gregory Gajewski, DAI

PURPOSE: Convoked by Minister

During a meeting between Mr. Sovann and Mssrs. Nelson and Gajewski, Minister Rainsy convoked the DAI team. He stressed transparency and effectiveness. He mentioned four major areas where long term technical assistance would be useful:

1. Training: The Ministry has a Financial Lycée which the Minister wishes to upgrade to meet Ministry training needs. Courses covered include economics, finance, customs, taxation and fiscal policy. A training needs assessment followed by curriculum reform and training program is requested. Discussion covered part-time training, and the value of custom-made on-the-job training/technical assistance programs directed at analysis responding to specific policy questions which upgrade the skills of intermediate staff in policy analysis without withdrawing them from their positions.

2. Audit capabilities: The MEF lacks capability both for financial audit and for performance audit. All Ministries and Public Corporations should be subject to audit. The MEF believes that some agencies are purchasing by international bidding at greater than competitive prices, and the existing audit capability is note sufficient to detect this.

3. Coordination and monitoring of international assistance: The Government of Cambodia has difficulty interpreting donor pledges in terms of the types and uses of resources made available. The Minister mentioned specifically monitoring the differences between cash transfer, commodity assistance, turnkey assistance, and aid through NGOs. The MEF does not know the operational meaning of such pledges; nor how to coordinate these pledges with its own budget.

4. Appraisal of private foreign investment: The PM and MEF earlier this morning decided to concentrate coordination within two committees, the Committee on Reconstruction (to manage foreign assistance), and the Committee on Investment (to assess private foreign investment projects [it was not clear in the discussion whether this committee would vett all investments, major investments, or selected investments]. As we understand the presentation, this would substitute for the NCRDC, i.e. it is a competing proposal. The committee requires the ability to perform project analysis including economic, financial, environmental, and cultural impact analysis; it seeks training to acquire this ability.

5. Senior Economic Advisor: The Minister has need for an economist capable of covering

"the general situation." He gave two examples: (a) assessment without available statistics, e.g. for the money supply where there are three currencies in circulation and two are outside the purvey of the government yet the government must project needs for money creation to support growth yet avoid inflation; and (b) budget analysis — the budget has unexpectedly been in surplus (at a very low level: 25 billion riels revenue, 20 billion riels expenditure) for the last four months but this is not expected to continue. He also mentioned that other ministers have long-term advisors paid by other donors (France, Australia) and that he valued U.S. advisors. He reiterated the promise by Peter Gajewski that these advisors, and the senior advisor in particular, would be discreet and keep a low profile; the DAI team confirmed this and suggested that moreover, much of the analysis would eventually be done by Cambodians with expatriate assistance, rather than by expatriates.

The Minister charged his staff to facilitate the team's work, and the short meeting was followed immediately by a productive meeting to discuss the Ministry's organization chart and to relate the requests to specific directorates.

MEMORANDUM OF MEETING

Place: Ministry of Health
Date: November 26, 1993
Present: Dr. Chhea Thang, Minister of Health
Dr. Mam Bun Heng, Under Secretary of State for Health
Dr. Edward Greeley, AID Representative, acting
Mr. Peter Gajewski, Development Alternatives Team Leader
Mr. Edwin McKeithen, Development Associates Health Specialist

Purpose: To explore potential collaborative assistance with the MOH

Dr. Greeley introduced the DAI team to the Minister of Health and gave an overview of the team's purpose. Mr. Gajewski described the sectoral foci of the team's interests during this preliminary visit to Cambodia.

Mr. McKeithen explained the two principal areas of interest to AID in the health sector -- unmet needs for long term technical assistance, and unmet needs for bilateral assistance. Mr. McKeithen noted that AID had a particular interest and a strong comparative advantage in supporting programs in maternal & child health and birth spacing.

The minister responded that his government gave high priority to maternal & child health and birth spacing because of the high levels of mortality and morbidity among women and children. He provided the following statistics to underscore his point:

- Infant mortality (deaths under 1 yr per 1000 pop.) 120/000
- Child mortality (deaths under 5 yrs per 1000 pop.) 210/000
- Maternal mortality (during deliveries, per 1000 pop.) 9/000

Noting that these data were from hospital records only, he stressed that the actual situation among the vast majority of people who do not visit health facilities is much worse. Some urban women, he said, may have the means to purchase birth spacing services, but most rural women do not.

In addition to MCH/birth spacing, the minister described the other priorities of the MOH in expanding immunization coverage, controlling diarrheal disease, treating acute respiratory infections and improving nutritional status -- all of which were important interventions for improving maternal and child survival.

With respect to birth spacing programs, he noted that Family Planning International Assistance [FPIA, the international branch of the Planned Parenthood Federation of America] was providing important assistance to the national MCH Center. [USAID Cambodia has funded an expansion of the FPIA program, to begin in early 1994]. The minister also mentioned potential assistance from the U.N. Fund for Population Activities. [The draft UNFPA project description was distributed by UNDP to MOH officials for comment during the week of Dec 6].

In response to a question about the role of non-governmental organizations in MOH programs, the minister noted the important role of NGOs in strengthening service delivery and health planning at the provincial level. Coordination and policy oversight is accomplished by the ministry through monthly coordinating meetings [COCOM] which include representatives from the NGOs active in health programs.

The greatest operational problem facing the ministry, he said, was the low salary level of staff throughout the health system, a situation which forced health workers to engage in private practice.

The greatest operational need, he said, was to upgrade the capabilities of staff at all levels to perform the nominal duties of their positions.

In response to a query as to the specific types of assistance which would be most beneficial to the MOH, the minister responded that in-service training and foreign diploma training would be top priorities. He referred us to his under secretary, Dr. Mam Bun Heng, for more specifics.

Limited Distribution

MEMORANDUM OF MEETING

Place: Ministry of Agriculture, Forestry, and Fisheries -- Minister's Office
Date: November 24, 1993 - 4:00 pm
Attendees:

Minister of Agriculture	Kong Sam Ol
Secretary of State	Tao Seng Bour
AID Representative	Ned Greely
RTSP Director	Peter Gajewski

Purpose: To discuss the Minister's technical assistance and training needs.

This was a long (1.5 hours) and productive meeting focusing on the functional role of the Ministry of Agriculture in Cambodia's near term development. Gajewski outlined the services that could be provided through the RTSP in long-term techncial assistance and training, funded by USAID. He further outlined USAID's program design effort to include support to the traditional rural development activities. Gajewski described his meetings with the Secretary of State for Rural Development and asked for the Minister's views on how to push forward a promotion of agriculture production, and how to support the social and physical infrastructure necessary for accelerated growth in the rural sector.

The Minister described the suffering and deprevation that he and the Cambodian farmer's had suffered over the past decade-it was extreme. His first priority is to reach a subsistance level of rural development to alleviate the hunger and suffering of the Cambodian people. In his view, the creation of an agricultural surplus is somewhere in the future. He felt strongly that social programs such as rural health, education and community development were "riding on the productive activities of farming and not adding to it"; his view of integrated rural development.

Where we finally came to agreement was on the need for rural roads if a surplus was to be created in agriculture. We agreed to further explore the design of an AID program to support a rural production and distribution program which would include roads.

The Minister invited us to join him on a field trip to see agricultural activities first hand - we accepted.

November 27, 1993 **MEMORANDUM OF MEETING**

Place: Hotel Cambodiana
Date: November 27, 1993
Present: H.E. Pou Sothirak, Minister of Industry, Energy, and Mines
Mr. Ned Greeley, Acting AID Representative
Mr. Peter Gajewski, DAI Director, RTSP
Mr. Eric R. Nelson, DAI

PURPOSE: TO DISCUSS THE MINISTER'S TECHNICAL ASSISTANCE AND TRAINING NEEDS.

Mr. Gajewski began the discussion by explaining the AID-RTSP technical assistance and training program, and possible assistance to the Ministry under this umbrella. He asked the Minister to elaborate on his needs. The Minister replied that human resource development is his first priority, in a ministry which is moving from physical planning of production under a socialist economy to market mechanisms; he noted that many of his employees lack any knowledge of costs, accounting systems, and market responsiveness. The GOC lacks a national policy. He discussed separately his needs in General Industry, in Energy, and in Mines and Minerals.

In **General Industry**, he stressed the need for "solid", rather than "spontaneous", privatization of industries. He seeks complete privatization, not joint ventures, leasing, or commercialization of public management of existing firms, noting that the State lacks both the capital and the know-how (production, sales, networks of contacts) to fulfill its part of any such arrangement. He requests assistance in valuing enterprises and in performing an inventory of State assets. Mr. Gajewski replied that the U.S. has considerable experience doing this in Eastern Europe which could be brought to bear here.

The Minister then discussed industrial estates and zoning regulations. The Minister sees a potential for much "offshore Thailand" production, but seeks a facilitative environment for manufacturers in terms of both special zones (both export and domestic production) and in improving zoning in the major urban centers to prevent industrial encroachment on residential habitat. He stressed possibilities in the medium term for Cambodia to provide labor intensive value added in textiles, assembly, and subcontracting. He also seeks industry which is based on the agricultural base. Mr. Gajewski noted that the skills he calls for in advisory assistance are highly specialized, but that such an expert could be identified and provided.

In **Energy**, the Minister stressed the need for "sustainable energy systems based on local acceptance", explaining the importance of each part of his phrase. He then discussed current generation, transmission and distribution of electricity. Pricing is a particular problem, since pricing was determined by a political process designed to win elections, not to cover costs; corruption is an acknowledged problem in the obtaining of distribution rights and in the price paid. The Minister noted that the World Bank insists on cost recovery in the form of (1) wholesale prices and tariff structure, and (2) payment for municipal uses of electricity (primarily municipal water supply pumping and non-metered consumption) as preconditions for any assistance. He also noted that complete privatization of this public utility is politically

unacceptable. The conversation revolved around the need for an advisor to establish a regulatory framework for any future work in the sector, and the recruitment of a specialist to develop this terms of reference. The Minister closed by stressing he has both urgent needs, to obtain a "quick fix" and minimize losses, and later assistance in rationalization and profitability.

In **Mines**, the Minister has two concerns: gold and gems (a political issue having to do with control by both the Khmer Rouge and the Military), and oil exploration (where technical problems remain on zones contested on the borders with Thailand and Vietnam). It was the consensus that technical assistance in this domain could be obtained from the multilateral institutions or private concerns and should not be a priority for USAID assistance at this time.

The parties present agreed that Mr. Nelson would draft a terms of reference for an assessment of the Ministry's needs both in the context of the overall macroeconomic management and in terms of the particular specialized assistance required in the electricity sector. This will be shared with the Minister on his return from Bangkok on Tuesday and then submitted for consideration by Mr. Greeley. Details of the needs of this infrastructure subsector, including questions of privatization and regulation, will be worked out by the expert.

LIMITED DISTRIBUTION

Nov. 23, 1993

MEMORANDUM OF MEETING

Place: Ministry of Plan--Meeting Room
Date: Nov. 17, 1993--9 AM
Attendees: Ministry of Plan, Chea Chanto
Mr. Ly Prohoa, Secretary
Mr. Ned Greeley, AID Representative (A)
Mr. John Greenough, RTSP Administrator
Mr. Peter Gajewski, RTSP Director

PURPOSE: TO DISCUSS THE MINISTER'S TECHNICAL ASSISTANCE AND TRAINING NEEDS

The Minister was receptive to the offer of technical assistance and training. He will confer with his staff and advisors and meet with us later to discuss details. He has one Japanese economic advisor and a UNDP-financed statistical advisor. There is also a newly arrived ADB-financed economic advisor with whom we are working.

We discussed the role of a Planning Ministry during a transition from a command economy to a market economy. The meeting was cordial, and conducted through a Ministry-provided interpreter.

LIMITED DISTRIBUTION

Nov. 24, 1993

Place: National Bank--Governor's Office
Date: Nov. 22, 1993
Attendees: Governor, Mr. Thar Pengleat
Mr. Michael Brown, Governor's Principal Advisor
3-4 other members of Governor's Staff
Mr. Ned Greeley, AID Representative (A)
Mr. Peter Gajewski, RTSP Director
Mr. Eric Nelson, DAI Senior Economist, COP
Mr. Greg Gajewski, DAI Senior Economist

PURPOSE: TO DISCUSS THE GOVERNOR'S TECHNICAL ASSISTANCE AND TRAINING NEEDS

Peter Gajewski began the discussion by explaining the AID-RTSP technical assistance and training program. He told the Minister that the program was to be designed to fit the Governor's needs, and asked the Governor to elaborate on those needs in general. Gajewski also said that Nelson and G. Gajewski would set up and meet with the Governor's staff to flesh out the specific needs to put together a coherent program.

The Governor was quite receptive to our offers of technical assistance and training. He has been in office for 4 months. His first priority is training. Mr. Brown now provides him with technical assistance, but Brown is his only foreign advisor. But he provides a good model. The Governor also was concerned that 20-30 years ago, foreign technical assistance was mostly short term, and when the advisors left, so did their knowledge.

The governor now wants our immediate technical assistance and training to help his staff do a better job. Long term, he is interested in also sending his staff abroad for training.

He said he had met with about 20 of the commercial banks in the nation, and felt their staffs also lacked needed technical skills. He felt that there was a need for a national training center that would train both commercial and national bank staff. He could not find anyone to run such a center. He requested an expert in banking to run such a center. No center exists now.

He also requested training for his National Bank staff. The meeting concluded when Nelson and G. Gajewski scheduled a follow up meeting for 5 pm with Mr. Brown to begin to work out the details of the training/technical assistance needs of the National Bank.

November 24, 1993 **MEMORANDUM OF MEETING**

Place: National Bank of Cambodia
Date: 24 November 1993
Present: Mr. Michael Brown, Advisor
Mr. Kir Narin
Ms. Sok Su Pah, Director of Training
Mr. Chi Chou Trah, Deputy Director of Training
Mr. ?, Advisor to the Governor
Mr. Greg Gajewski, DAI
Mr. Eric Nelson, DAI
Purpose: Working meeting to identify training needs of the Central Bank.

The DAI Team opened the meeting by presenting a summary sheet illustrating the Team's proposed approach to combined advisory services and training based on our discussion with Mr. Brown and our reading of the training needs paper he had given us, and illustrative examples of the topics which might be proposed under such an assistance package. The proposed approach included an audit specialist and a general economist; they must be qualified to develop training modules. The staff involved in the design of policies or procedures will be those who will implement them, so the understanding of the task is increased by generally untrained people.

Mr. Kir Narin opened the meeting (which was conducted in French) by expressing the principle needs of National Bank of Cambodia (NBC) as (1) training in banking systems (the essential theoretical part plus concrete experience) and (2) computerized management information systems to monitor and supervise the banking system. He repeatedly stressed the need for a trainer, to concentrate on theoretical and technical needs, and with courses of 3 to 6 months maximum length. Mr. Kir Narin stressed that the training is fundamental, not even at the university level.

Mr. Brown expanded on this by explaining that the bank is trained in banking systems within a centrally planned economy, and that the needs were for (1) understanding of market economics, and (2) how to fulfill each employee's specific tasks. He remarked that our summary proposal fits this, and stressed that the training in accomplishing specific tasks is the first priority.

Discussion focussed on a potential for two long term advisors — one in audit and one economist (generalist with money and banking concentration) — with commodities (computers, possibly a generator) to support their activity. Audit would extend to both an internal audit capability for the NBC and possible assistance to training of bank examiners. The advisor to the Governor expressed concerns about the cost of the program; he was reassured that there would be no cost to the Bank and we would attempt to minimize cost in time devoted to the team. He also expressed his hope that to the maximum extent possible USAID would develop local resources (and expatriated Cambodians as technical assistance) rather than foreign resources in implementing the program.

There was some discussion of the illustrative list of topics. Mr. Brown noted possible confusion raised by the discussion of consolidated foreign exchange reserves, which does not specify whether it is discussion voluntary consolidation or forced consolidation; the latter has been the regime until recently. He also noted that the *Monetary Survey* proposed is already functioning. Looking at the illustrative list, we discussed electronic cheque clearing mechanisms and other means to develop the use of cheques and other bank intermediation in the national currency.

Other donor assistance to NBC includes: the IMF recently completed a two-week seminar for middle level management, and a three-day seminar and debate on financial policy, which was led by Mr. Naran Kiti Tit of the IMF Institute; Mr. Tit will be long-term advisor to the Government. The IMF will soon have a permanent resident representative in Phnom Penh. The Swedish government is financing computer training using local firms, and a training program covering English language, banking, economics, management and technology for 180 NBC staff (implemented by the Australian Language Center); the program is beginning its third semester. France has been training staff in French since September. Mr. Brown expressed interest in the FDIC bank examiner course for those who meet the language requirement.

The DAI team will meet tomorrow with the Department Heads of the NBC to receive more specific guidance on training needs.

LIMITED DISTRIBUTION

Nov. 27, 1993

Place: Council of Ministers Office
Date: Nov. 23, 1993, 8 a.m.
Attendees: Senior Minister in Charge of Rehabilitation and Development, Mr. Keat Chhon
3-4 other members of Senior Minister's Staff
Mr. Ned Greeley, AID Representative (A)
Mr. Peter Gajewski, RTSP Director
Mr. Eric Nelson, DAI Economist
Mr. Greg Gajewski, DAI Economist

PURPOSE: TO DISCUSS THE MINISTER'S TECHNICAL ASSISTANCE AND TRAINING NEEDS, THE RTSP, AND COORDINATION ISSUES

Peter Gajewski began the discussion by explaining the AID-RTSP technical assistance and training program. He told the Minister that the program was to be designed to fit the Government's needs, specifically to help with the type of analysis required by the ICORC, and to help the Cambodian Government form its own position. P. Gajewski then asked the Governor to elaborate on those needs in general.

The Minister was quite receptive to our offers of technical assistance and training. He said he used some AID-provided materials for his participation in the Paris ICORC meeting. He went on to elaborate on the reconstruction and development strategy he envisioned for Cambodia. He said that the State would implement the development strategy and that he would take the centralized approach. The State used to function as ruler, landlord, and welfare provider. The State still needs to fill these roles, but that they are too limited. Now the State needs to move the nation towards an open-market economy. The State will not rule directly, but will be a partner with the private sector.

The government must consult with the private sector before forming policies on:

- macro management,
- human resources,
- civil administration, and
- law and regulation.

The Minister said that the Ministry of Economy and Finance needs to have an open dialogue with the business community. Businesses now often oppose government policy out of ignorance about their purposes and functions. There is a need to form a Chamber of Commerce (COC). Now there is no COC, and only one private business association, a banking association.

P. Gajewski responded that businesses influence government directly through contact with the Assembly, and that Assembly members were also businesspeople. Nelson said that the Chamber of Commerce in some countries was simply used as a rubber stamp for government policies. The Minister responded that the COC would only be used as a forum for consultation. However, most businesspeople in Cambodia do not see their common interests and do not want to join. He was hopeful that U.S. and foreign companies would take the lead and form such an association with Cambodian businesses.

He drew a diagram with four boxes (macro management, human resources, physical infrastructure, and integration of Cambodia into the world economy) as key priorities, with a corner of each box overlapping a middle box for the government as "central strategist and private-sector partner." The government together with the private sector will develop export-oriented industries. The government will support agriculture and industry through the development of physical infrastructure and utilities. The Minister emphasized that the government should be smaller and more economically neutral. He was emphatic about the need to educate the people about the importance of private property and fair markets.

The Minister drew a "rural development" box parallel to his diagram with linkages to each box, and said that rural development is critical to the security of the country. He stressed the need for private-sector development because the government faced pressures from employees of State Owned Enterprises who wished to remain government employees. These employees are more vocal about staying with the government when they learn about the size of donor assistance.

The Minister said he liked the foreign exchange "swap" mechanism facility described in the AID paper to maintain a stable exchange rate. He said he would like to coordinate this through the National Bank and help stabilize the money supply. Chhon said that they were considering this at the highest levels. Peter Gajewski said that such a facility is possible, but at the cost of high interest rates for private investors who wish to use the facility. Gajewski said that we could discuss the details later, because setting up such a facility is risky and could be costly.

Gajewski said that the issue is that regulations are needed quickly to allow markets to work fairly, and that temporary regulations could be issued by decree until permanent laws were passed by the Assembly. Gajewski said that for specific contracts the rules could be spelled out and countersigned by the Ministers of State and Justice. Nelson raised the idea of the Build Operate Transfer schemes, which the Minister seemed to favor. The discussion moved to public utilities; we said they could be private but with a regulated rate structure, following something like the World Bank marginal-cost pricing formula.

The Minister said the question of ownership of utilities is still

a political issue. The Minister then went on to reemphasize the need for rural development, and the need to close the rural-urban income gap.

The Minister also called for assistance in managing the donors. P. Gajewski described the long-term nature of the U.S. RTSP, combining technical assistance, commodities, and training.

The Minister said the government needed help prioritizing. He emphasized the need for macro management to be coordinated with the IMF, ADB and WB. Chhon said his top two priorities are macro management and rural development. He insisted on reviewing a draft of the RTSP needs assessment report.

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT PHNOM PENH, CAMBODIA

MEMORANDUM

TO: COM Charles Twining DATE: November 24, 1993

FROM: Ned Greeley Ned REF:

SUBJECT: 11/23/93 Meeting with Minister of Education

On Tuesday, November 23, 1993, a small USAID delegation met with the new Minister of Education, Mr. Ung Huot. The purpose of the meeting was to explain that USAID was conducting needs assessments of various public sectors, including education, and to solicit his guidance in this. Accompanying me to the meeting were Raymond San Giovanni, education consultant, Peter Gajewski, DAI assessment team leader, and Ron Briggs.

The needs of education in Cambodia are great, and the Minister seemed well informed of the challenges he faces, though he'd been on the job only seven working days. Because he is new to the job, however, he confessed to not having a strategy or a plan to get one at this point. He suggested that Mr. Vin McNamara, a consultant from the World Bank who has been working in the Ministry for about 9 months, would be the best person in his Ministry to talk with, especially about primary and secondary education.

The French vs. English subject was touched on: he simply said Cambodia was choosing the middle way. Students at francophone institutions would be offered the chance to study English and vice versa. He called it a political compromise, but said it was best for Cambodia because the French are the ones offering the most assistance in education and Cambodia cannot afford to lose their assistance.

He said that US assistance is most needed in secondary education, but that this opinion is not based on statistics, rather on a general sense he has that the other areas are better covered. [The education needs assessment will arrive at a conclusion on this subject]

The most fruitful exchanges between us dealt with Adult Continuing Education and the need to train government employees. Huot said he would support the use of the Economics Institute's classrooms, or any other under his control, for continuing education purposes after the regular instruction there had been completed late afternoons. This, in fact, fits in quite nicely to the plan of action being advocated by DAI team leader

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ANNEX G

EDUCATION SECTOR SUPPLEMENTAL INFORMATION

ANNEX G

EDUCATION SECTOR SUPPLEMENTAL INFORMATION

PERSONS/ORGANIZATIONS CONTACTED

USAID
Mr Edward Greeley, Deputy Representative
Mr Ron Briggs, Democratic Initiatives Officer
Ms Ann Huvos, PVO Project Director
Ms Juanita Darmondo, Asst. PVO Project Officer

GOVERNMENT OF CAMBODIA
Mr Ung Huot, Minister of Education
Sister Louise Ahearns, Assistant to Vice Rector, University of Phnom Penh
Mr Ieng Mouly, Minister of Information
Mr Pit Chamnan, Vice Rector, UPP
Mr Ung Huot, Ministry of Education, Ministry of Education, Youth & Sports
Mr Mon Chumhoy, Secretary of State, Ministry of Education, Youth & Sports

UNESCO
Mr Richard A Engelhart, Country Representative
Mr Doran Bernard, Education Consultant
Mr Supote Prasertsri, Education Specialist

OTHERS
Mr Greg Keen, Country Director, World Concern
Ms Anne Dykstra, Education Officer, UNICEF
Dr Vin McNamara, Educational Planning Advisor, MoE
Mr James Klein, Representative, The Asia Foundation
Mr Am Sothea, Admin Assit. - CCC
Mr Steven Shaw, English Language Coordinator, CDRI
Ms Thida Khus, Director, CANDO
Ms Helga Larsson-Franzel, Asst. Resident Representative, UNDP/ILO
Mr Kanthien Koy, Program Officer, UNDP
Ms Claire Thorne, Education Coordinator, Redd Barna, Cambodia
Mr Gregg Keen, Cambodia Country Manager, World Concern
Fr John Visser Director, Don Bosco Foundation, Cambodia
Ms Margaret Bywater, Library Advisor, UPP
Ms Brigette Sonnois, Women in Development Officer, UNICEF
Ms Tami Ito, Country Representative, World Education
Ms Sar Newall, Director, PACT
Ms Margaret Bouring, Director of Studies, International Development Programmes of Australia Universities
Mr Steve Duggan, Team Leader, Education Sector Assessment, Asia Development Bank

Mr David Miller, Public Affairs Officer, USIS
Mr Bumpen Sawaengdee, Adult Education Advisor, UNICEF

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ANNEX H

RURAL DEVELOPMENT ASSESSMENT SUPPLEMENTAL INFORMATION

ANNEX H

RURAL DEVELOPMENT ASSESSMENT SUPPLEMENTAL INFORMATION

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