

PD-ABF-135  
80492

CAMBODIA  
TECHNICAL SUPPORT PROJECT

Project No. 442-0110

September 18, 1992

AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT DATA SHEET

1. TRANSACTION CODE

A = Add  
 C = Change  
 D = Delete

Amendment Number

DOCUMENT CODE

3

COUNTRY/ENTITY

Cambodia

3. PROJECT NUMBER

442-0110

4. BUREAU/OFFICE

USAID/Cambodia

5. PROJECT TITLE (maximum 40 characters)

Cambodia Technical Support Project

6. PROJECT ASSISTANCE COMPLETION DATE (PACD)

MM DD YY  
 09 30 98

7. ESTIMATED DATE OF OBLIGATION  
 (Under "B" below, enter 1, 2, 3, or 4)

A. Initial FY 92 B. Quarter 4 C. Final FY 96

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

A. FUNDING SOURCE	FIRST FY 1992			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total						
(Grant)	( 850 )	( 150 )	( 1,000 )	( 8,500 )	( 1,500 )	( 10,000 )
(Loan)	( )	( )	( )	( )	( )	( )
Other U.S.						
1.						
2.						
Host Country						
Other Donor(s)						
<b>TOTALS</b>	<b>850</b>	<b>150</b>	<b>1,000</b>	<b>8,500</b>	<b>1,500</b>	<b>10,000</b>

9. SCHEDULE OF AID FUNDING (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) PSEB								5,000	
(2) CS						1,000		5,000	
(3)									
(4)									
<b>TOTALS</b>						<b>1,000</b>		<b>10,000</b>	

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

11. SECONDARY PURPOSE CODE

12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)

A. Code  
 B. Amount

13. PROJECT PURPOSE (maximum 480 characters)

Support Cambodia's transition through the current peace process to a newly-elected democratic government and from a centrally-planned economy to a market-oriented economy by providing technical assistance aimed at development planning, macro-economic policy formulation, and program implementation.

14. SCHEDULED EVALUATIONS

Interim MM YY | MM YY | Final MM YY  
 05 95 | | 08 97

15. SOURCE/ORIGIN OF GOODS AND SERVICES

000  941  Local  Other (Specify)

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

17. APPROVED BY

Signature

Title Lee Twentyman  
 AID Representative  
 for Cambodia

Date Signed MM DD YY  
 09 11 98

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

MM DD YY

**CAMBODIA**

**TECHNICAL SUPPORT PROJECT**

Project No. 442-0110

**TABLE OF CONTENTS**

	Page
Project Authorization	i
I. Background	1
A. Project Rationale	1
B. Relationship to A.I.D. Development Strategy	2
C. Host Country and Other Donors	3
II. Project Description	3
A. Project Goal and Purpose	3
B. Project Activities	3
III. Financial Plan	5
A. Cost Estimate and Financial Plan	5
B. Methods of A.I.D. Financing	7
C. Methods of Implementation and Financing of A.I.D. Funds	7
D. Flow of A.I.D. Funds	7
E. Recurrent Costs	8
F. Audits	8
IV. Implementation Arrangements	8
A. Implementation Plan and Arrangements	8
B. Technical Assistance Contracting Arrangements	8
C. Commodities	9
D. Gray Amendment Alert	9

V.	Evaluation Plan and Monitoring	9
A.	Evaluation Plan	9
B.	Monitoring	9
VI.	Project Analyses	10
A.	Economic	10
B.	Social Soundness	10
C.	Technical	10
D.	Administrative	11
E.	Environmental Determination	11
VII.	Conditions Precedent, Covenants and Waivers	11
A.	Conditions Precedent and Covenants	11
B.	Waivers	11
VIII.	Annexes	12
A.	Gray Amendment Certification	13
B.	Initial Environmental Examination	14
C.	Statutory Checklist	16

**TECHNICAL SUPPORT PROJECT - 442-0110****I. BACKGROUND****A. Project Rationale**

Cambodia is considered to be the country most adversely affected by the conflicts which have plagued Indochina over the past twenty years. Since the early 1970s, it has suffered from protracted fighting, economic disruption, and massive displacement of the population, resulting in the subsequent loss of its human resource base.

After nearly 20 years of unsuccessful efforts to bring about peace between warring factions, a cease fire was formally agreed upon on October 23, 1991, when the main political factions signed an accord in Paris which provides for a UN-organized cease fire, repatriation of refugees, disarmament and demobilization of armed forces, and nationwide parliamentary elections. The four separate political factions will, under the terms of the Peace Accord, continue to administer the areas currently under their control until the election of a single national government, scheduled for April 1993. In the interim, the Supreme National Council, composed of representatives from each of the factions, will be the nominal ruling body in Cambodia.

In response to the Paris agreement there has been a massive scaling up of international relief efforts. Since the signing of the Peace Accord, there has been a substantial increase in the donors' levels of economic and humanitarian assistance flowing into Cambodia. Major multilateral and bilateral donors met in Tokyo in June 1992. To demonstrate their support for the peace process, they pledged an estimated \$880 million for resettlement and reconstruction efforts in Cambodia. The level associated with A.I.D. is approximately \$25 million in FY 1992, and \$70 million in FY 1993.

Because of the loss of the human resource base, the Supreme National Council and any future elected government will need support from a cadre of technically competent and experienced professionals. Thus, there is a need to provide a mechanism which will allow A.I.D. to (a) provide policy oriented technical assistance to the Supreme National Council and eventually an elected government on issues and ideas affecting Cambodia's development, and (b) manage program development and implementation.

This project will provide advisors to the ministries of a newly elected democratic government. These advisors will provide counsel to pertinent ministries on the myriad of issues and ideas affecting Cambodia's transition and economic development. Both long-term and short-term advisors will perform the required analyses needed to keep abreast of the needs to effectively impact on the rapidly changing policy and economic development environment. Further, the

project will provide the AID Mission with the capability to respond to a wide variety of unique, highly specialized, or one time technical assistance or study requirements that are needed in designing and monitoring project investment activities. It is envisioned that the project will remain flexible enough to allow for undertaking analyses, studies, and project planning activities related to the development and monitoring of U.S. economic and humanitarian assistance programs in Cambodia. It will also provide technical assistance inputs for other donors to draw upon if such an approach would be beneficial and merited, and lead to a funded activity. This project will in view of existing staff limitations, be used to provide additional resources needed to implement selected projects and the program in general.

Finally, should Project Development and Support (PD&S) funds become available, this project would be the vehicle for their obligation. However, these funds would be used and accounted for separately in accordance with Agency and Bureau annual guidance. Because PD&S will only be channeled through this project as an obligation mechanism, and used in accordance with separate guidance, this Project Paper will not address PD&S uses as such. Rather, the procedures, mechanisms and uses described in this document pertain to annual bilateral program funds.

Although funds will be obligated bilaterally with the Supreme National Council, the Grant Agreement will be written in such a manner that the funds will remain under the complete operational control of the Office of the AID Representative for Cambodia. Funds will be earmarked, committed and used without the further authority or involvement of a host government implementing entity, i.e., funds will be programmed and administered unilaterally by the AID Mission.

#### **B. Relationship to A.I.D. Development Strategy**

At the present time, there is no approved development strategy for Cambodia as such. The objective of A.I.D. assistance in Cambodia has been to meet urgent humanitarian needs, to promote the peace process, and to support the development of democratic principles. This project primarily promotes the peace process, and indirectly the other two objectives, by using A.I.D. resources to support the process of transition.

This project will remain flexible enough to support any future development strategy involving supporting government development planning and macro economic policy formulation and needed studies, analyses, and project identification, development and monitoring efforts, including developing the strategy itself.

### **C. Host Country and Other Donors**

It is widely recognized among the donor community that technical assistance aimed at development planning and macro economic policy formulation are urgently needed to guide the transformation of Cambodia. Further, feasibility studies, research and analyses in a wide range of development fields and sectors are also required to keep the development momentum going in Cambodia. Other donors recognize the value and importance of the planned activities. The Asian Development Bank and the United Nations Development Programme have a joint project to help manage the economy. The World Bank is also expected to be an important source of similar technical assistance. The AID Mission is coordinating activities with these other donors.

## **II. PROJECT DESCRIPTION**

### **A. Project Goal and Purpose**

The goal of the project is to affect a positive transition for Cambodia to a newly elected democratic government, and to a market oriented economy. The purpose of the project is to provide technical assistance aimed at development planning, macro economic policy formulation, and program design and implementation.

### **B. Project Activities**

Cambodia has lost its human resource base. Currently, the Supreme National Council (SNC) is the nominal ruling body for Cambodia. It, together with the United Nations Transitional Authority for Cambodia (UNTAC), are striving to supervise and control the government. While UNTAC is not in need of technical resources, the SNC needs technical assistance as will any future elected government.

The SNC and an elected government will have to rely on a base of trained human resources for advice on development issues including but not limited to matters of economic policy reform, legal codes, and development planning. To effectively and efficiently plan for development, many specialized and highly qualified experts will be needed. It is envisioned that the most effective way to provide the expertise needed to any newly elected government will be to position policy-oriented advisors in selected, key ministries. To do this, the project will finance long-term and short-term consultant services to provide advice on the myriad of issues and ideas affecting Cambodia's transition and economic development. Further, the project will provide the AID Mission with the capability to respond to a wide variety of unique, highly specialized, or one time technical assistance or study requirements that will be of great value in designing and monitoring activities. It will also provide technical assistance inputs for other donors to draw upon if such an approach would be beneficial and merited,

and lead to a funded activity. Further, in view of existing staff limitations, this project will be used to provide additional resources needed to implement selected projects and the program in general.

This assistance will enable the AID Mission, other donors, and selected governmental entities to satisfy special technical assistance requirements or obtain studies needed by the development process, but for which financing is not provided under other funded activities. At times, the project may also fund technical assistance and related commodities required to monitor AID-assisted projects and to a limited extent, technical assistance for other donor assisted projects and programs based on complementarity and other pertinent criteria.

In addition to the technical advisors to the ministries, other types of activities which might be financed by the project include, but are not limited to, the following illustrative areas:

1. Policy and strategy studies in support of development planning efforts. Included in this category are research and analysis related to economic reform, democratization, policy and strategy analyses for design, implementation, monitoring and evaluation of A.I.D. assistance, both planned and ongoing. Studies could address such diverse subjects as: economic reform strategies; agricultural strategy development; sectoral studies; national health and related nutrition and child care strategies; studies related to law, governance and democratic ideals; and fiscal and financial sector policy studies.
2. Project preparation, design, feasibility and evaluation studies which facilitate the preparation and design of projects funded by A.I.D. Included are specialized technical or engineering assistance required for feasibility studies, final project design to conduct environmental, economic and social impact assessments, and financial analysis. Studies to improve the technical and operational quality and capability of PVOs and NGOs could also be done.
3. Project assistance needed for implementation for ongoing and new projects or redesigns. Normally technical assistance should be funded from a particular project. However, there may be instances when either special assistance from outside a project will be required or assistance to implement and monitor projects will be needed because of the limited staffing resources of the AID Mission. Further, a variety of administrative support including financial, procurement, and logistical support may be provided. A limited amount of commodities related to these implementation activities may also be procured.

4. Specialized research and technical support on a short-term basis along with related commodities, if required, to assist in carrying out research or to provide specialized advice on overcoming specific and acute technical or management problems related to economic development activities. Activities included could address such subjects as: specialized assistance for local revenue generation; integration of a child survival element into an overall health strategy; fisheries or aquatic disease research; and credit union development, etc.

5. Seminars and symposia and similar fora to support enhanced technology transfer. Funding of limited invitational travel for selected Cambodians to attend meetings deemed important to the overall development effort will be allowed. However, no participant training, long-term, short-term or academic training of any kind will be funded under this project.

Any and all technical assistance funded under this project will be fully justified in terms of meeting a development need related to the transition of Cambodia and its economic development, supporting the program and project design, and monitoring of our planned and ongoing portfolio. Further, technical assistance under this project will not promote, sustain, or augment, directly or indirectly, the capacity of the Khmer Rouge or any of its members.

### **III. FINANCIAL PLAN**

#### **A. Cost Estimate and Financial Plan**

The total life of project cost is estimated at \$10 million. Project funds will be provided totally by A.I.D. There are no counterpart funds anticipated. Illustrative project financial information is presented in the following tables (see below):

Table 1, Planned Yearly Obligations

Table 2, Summary of Cost Estimates and Financial Plan

Table 3, Projections for Expenditures.

It is expected that most of A.I.D.'s costs will be foreign exchange. However, there will be some local currency costs associated with support services and limited amounts of supplies and equipment.

TABLE 1

**PLANNED YEARLY OBLIGATIONS (\$000)**

<u>FUNCTIONAL ACCOUNT</u>	<u>FY 92</u>	<u>FY 93</u>	<u>FY 94</u>	<u>FY 95</u>	<u>FY 96</u>
ARDN	0	0	500	750	500
HEALTH	0	0	400	400	500
EDUCATION	0	0	100	0	0
POPULATION	0	0	0	100	0
CHILD SURVIVAL	1,000	2,250	300	50	0
PSEE	0	0	2,200	700	250
ESF	0	0	0	0	0
TOTALS:	<u>1,000</u>	<u>2,250</u>	<u>3,500</u>	<u>2,000</u>	<u>1,250</u>

TABLE 2

**SUMMARY OF COST ESTIMATES AND FINANCIAL PLAN (ALL YEARS) (\$000)**

Long-term Technical Assistance	4,000
Policy and Strategy Studies	2,000
Design, Feasibility and Evaluation Studies	1,250
Project Implementation and Administrative Support	1,000
Research and Technical Support	750
Related Commodities	750
Seminars and Symposia	250
TOTAL:	<u>10,000</u>

TABLE 3

**PROJECTIONS OF EXPENDITURES FY FISCAL YEAR (000)**

<u>FISCAL YEAR</u>	<u>AMOUNT</u>
1992	0*
1993	1,250
1994	2,250
1995	2,500
1996	2,500
1997	1,000
1998	500
TOTAL	<u>10,000</u>

\*The initial obligation is planned for the fourth quarter of FY 1992; consequently no expenditures are being projected until the second year (FY 1993) of the project.

### B. Methods of A.I.D. Financing

The methods of A.I.D. disbursement envisioned under this project are as follows:

1. **Direct Payment:** The AID Mission may make direct payment to project implementing contractors or suppliers for services and/or goods delivered.
2. **Reimbursement:** The AID Mission may elect to reimburse the contractor or entity for prior approved funds which they disburse from their own resources. The Mission will then reimburse upon submission and approval of the appropriate documentation.
3. **Bank Letter of Credit:** In the event that the letter of credit payment method is advantageous, the AID Mission may authorize such payments for the procurement of commodities. This method would only be used in these limited circumstances.

### C. Methods of Implementation and Financing of A.I.D. Funds

It is anticipated that the AID Mission will finance the majority of the funds provided under this project using the direct payment procedure. Only in rare cases would either of the other two methods be used.

#### METHODS OF FINANCING (\$000)

<u>FINANCING METHOD</u>	<u>AMOUNT</u>
Direct Payment	9,250
Reimbursement	500
Letter of Credit	250
TOTAL	<u>10,000</u>

### D. Flow of A.I.D. Funds

Funds will be obligated bilaterally through an obligating document with the Supreme National Council. However, the AID Mission will maintain complete and direct control over the use of the funds. Once funds are obligated under the project, earmarks, commitments, and disbursements will follow the normal pace of the project activity. The flow of A.I.D. funds will be subject to standard rules and regulations. None of the funds made available under this project may be made available, directly or indirectly, for the Khmer Rouge.

### **E. Recurrent Costs**

The importation of a selected commodities in support of the technical assistance, principally vehicles and computer hardware, will necessitate recurrent costs in the form of maintenance expenses to the entity which uses and eventually will own the commodity. These expenses will be the responsibility of the contractor. In most cases any commodities will revert to A.I.D.

### **F. Audits**

It is anticipated that most contracts will be AID-direct with U.S. firms and thus will be within the A.I.D./Inspector General system. Project funds may be made available for Non-Federal Audits if required.

## **IV. IMPLEMENTATION ARRANGEMENTS**

### **A. Implementation Plan and Arrangements**

The Office of the A.I.D. Representative for Cambodia will execute an obligating instrument with the Supreme National Council. Once the funds are obligated, it will be the responsibility of the AID Mission to program and monitor the resources unilaterally. There will be no requirement to bilaterally earmark, commit, or otherwise require a bilateral arrangement to use funds obligated under this project.

There are no Conditions Precedent to Disbursement required; consequently earmarking and commitment is expected to begin early in Fiscal Year 1993 and disbursements shortly thereafter. The Project Assistance Completion Date (PACD) is September 30, 1998.

The AID Mission will be responsible for managing the project with support services being provided from the regional AID offices in Bangkok.

### **B. Technical Assistance Contracting Arrangements**

Contract services provided by U.S. contractors will be procured under A.I.D. direct contracts. Locally hired contractors will also be procured under A.I.D. direct contracting procedures. In instances where it is deemed necessary and in the interest of expediency, the Indefinite Quantity Contracting (IQC) mechanism will be used. In some cases funds will be used for "buy-ins" to centrally and regionally funded projects as the source of services.

Normally services will be obtained using the Project Implementation Order/Technical Assistance (PIO/T) method of earmarking. In some cases, where appropriate and within the authority of A.I.D. regulations, purchase orders will be used to obtain services.

### **C. Commodities**

A limited amount of commodities related to project implementation will be acquired under this project. These may be vehicles, household items, and office supplies and equipment, such as computer hardware and software, needed by the technical assistance teams or others involved in implementing this project. Eligible source/origin countries for project funded goods are the U.S. and Cambodia. As U.S.-made vehicles are available from a local distributor, the host country is an authorized source for vehicles.

### **D. Gray Amendment Alert**

The Office of the A.I.D. Representative for Cambodia has fully considered the potential involvement of small and economically and socially disadvantaged enterprises. It has determined that U.S. technical assistance required under this project will be provided through open competition, with special consideration given to firms submitting proposals that utilize the resources of small and/or disadvantaged firms. Some of the technical assistance may be obtained directly from Gray Amendment-qualifying firms which possess the required capabilities. In addition, for project evaluation and project related commodity procurement, efforts will be made to award contracts to small and/or disadvantaged firms. See Annex 1, Gray Amendment Certification.

## **V. EVALUATION PLAN AND MONITORING**

### **A. Evaluation Plan**

The Technical Support Project will be evaluated a maximum of two times during the LOP. The initial evaluation will take place at the end of the third year and the second evaluation at the end of project life. It is anticipated that the primary focus of the evaluations will be on performance and effectiveness of the technical assistance to support the transition and development of Cambodia. The evaluations will also assess implementation constraints in order to improve project management as well as emphasize the selection process used to obtain the services and satisfy each technical assistance requirement. It is recognized that a diverse range of activities are proposed under the project and there is an absence of benchmarks.

### **B. Monitoring**

The project will not require monitoring in the traditional sense. The focus of project monitoring will be for financial programming purposes. To ease the management burden on the AID Mission, each activity will have a built in monitoring mechanism, as appropriate, to ensure timely and meaningful progress occurs. It will be the responsibility of the Mission to monitor individual contractor performance.

## **VI. PROJECT ANALYSES**

Given the current state of Cambodia, the diversity of anticipated project activities, and the present inability to more specifically define the activities, the analyses normally done for a project cannot be completed. Therefore, analyses are discussed in very general terms. A financial analysis was not done because of the nature of the project.

### **A. Economic**

To determine the social profitability of this technical assistance project is not practical. To subject its individual elements to standard economic analyses is also not useful. The criteria for priority activities and the selection process assure that overall economic soundness and cost effectiveness will be achieved for the activities being supported under this activity.

The project budget provides funding for the AID Mission to directly contract for the required technical assistance to either appropriately assist the SNC or newly elected government or to analyze new project concepts in the context of economic soundness and rate of return. It is anticipated that the individual activities to be funded will be reviewed for their feasibility and anticipated economic value.

### **B. Social Soundness**

The subproject activity design of this project makes conventional social soundness analysis unnecessary. Project outputs--policy, design, implementation related activities, are expected to enhance the effectiveness of development efforts. A.I.D. experience worldwide and within the Bureau indicates that these types of projects can and are being implemented successfully.

Since the project will support and improve the quality of the and donor development activities, the ultimate beneficiary will be the target group associated with each sub-activity. Intangible benefits are expected to accrue once project outputs allow better bases for policy making and for the design and implementation of sustainable and sound development projects and programs.

### **C. Technical**

The technical feasibility of a given sub-activity will be made as activities are identified. No technical problems are envisioned with implementing this project.

#### **D. Administrative**

The AID Mission will be responsible for managing the project, and providing overall project direction. Individual technical offices in Bangkok, such as the Regional Procurement, Legal, and Controllers offices, etc. will be instrumental in assisting with implementation, contracting and disbursements under the project.

#### **E. Environmental Determination**

Pursuant to the Initial Environmental Examination (Annex 2), there will be no negative environmental impact as a direct result of this project. When appropriate, an environmental assessment will be included as part of the scope of work for any assessment or project development study initiated under this project.

This project could be used to fund environmental analyses required for other ongoing and proposed projects as required.

### **VII. CONDITIONS PRECEDENT, COVENANTS AND WAIVERS**

#### **A. Conditions Precedent and Covenants**

There are no Conditions Precedent to initial disbursement. The obligating instrument will contain all and any applicable covenants as required by Handbook 3. In addition, a special covenant in which the SNC agrees that A.I.D. has unilateral authority to implement the project and control the funds will be included in the Agreement instrument.

#### **B. Waivers.**

Because of the financial condition of the host country, the 25 percent matching contribution will not be required. The host country will provide (a) personnel to participate in the various activities to be financed under the project, and (b) 'in-kind' support services.

There are no other waivers contemplated at this time.

**TECHNICAL SUPPORT PROJECT**

**(442-0110)**

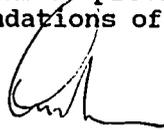
**A N N E X E S**

- |         |   |
|---------|---|
| Annex 1 | Gray Amendment Alert                                    |
| Annex 2 | Initial Environmental Examination                       |
| Annex 3 | Statutory Checklist<br>(Country and Project Checklists) |

## ANNEX 1

CERTIFICATION PURSUANT TO UTILIZATION OF  
GRAY AMENDMENT ORGANIZATION

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



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LEE TWENTYMAN  
A.I.D. Representative  
for Cambodia

9/23/92

---

Date

## INITIAL ENVIRONMENTAL EXAMINATION

- (A) PROJECT COUNTRY: Cambodia
- (B) ACTIVITY: Technical Support Project
- (C) A.I.D. FUNDING: \$10 million
- (D) PERIOD OF FUNDING: FY 1992 - FY 1996
- (E) STATEMENT PREPARED BY: Thomas Marr  
Thomas Marr, ASIA/DR/PD/EA
- (F) ENVIRONMENTAL ACTION RECOMMENDED: Negative Determination
- (G) ENVIRONMENTAL OFFICER CLEARANCE: N/A
- (H) AID/Rep/Cambodia's DECISION: APPROVED: Eugene Minic, Acting Director  
DISAPPROVED: \_\_\_\_\_  
DATE: Sept. 18, 1992
- (I) DECISION OF ASIA BUREAU'S ENVIRONMENTAL COORDINATOR: APPROVED: Thomas H. Pierce, Acting Coordinator  
THOMAS H. PIERCE  
DISAPPROVED: \_\_\_\_\_  
DATE: 9/18/92

Examination of Nature, Scope and Magnitude of Environmental ImpactsA. Description of Project

The project will provide approximately \$10 million of technical assistance to support the transition of Cambodia to a newly elected democratic government and to a market oriented economy over the next seven years. The technical assistance will be long and short-term consultant services to assist the ministries of any future elected government; to provide studies in support of development planning; and to identify, analyze, develop, implement, monitor and evaluate selected economic development and humanitarian assistance projects.

## B. Identification and Evaluation of Environmental Impact

Environmental Procedures, 22 CFR 216 discusses applicability of procedures in Section 216.2. In Section 216.2 (c) (2) the following classes of actions may be excluded from the procedures, except to the extent provided herein:

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

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

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

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

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

## C. Activities

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

## II. Recommendation:

This project should receive a "Negative Determination" because its likelihood of having any significant detrimental impact on the environment will be negligible. Therefore, no further analysis is required at this time.

**STATUTORY CHECKLIST**

(Country checklist to be done by GC/ASIA, AID/W)

Project checklist being developed by T. Marr.

## 5C(2) ASSISTANCE CHECKLIST

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

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

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

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

Project activities directly promote development with special emphasis on macro economic policy reform.

2. U.S. Private Trade and Investment (FAA Sec. 610(b)): Information and conclusions on how assistance will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise).

The use of U.S. technical assistance will encourage the development of the U.S. as a permanent source of technical support. Economic reforms will allow U.S. investment.

### 3. Congressional Notification

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

Yes.

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

N/A

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

N/A

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

Yes.

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

N/A

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

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

N/A

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

N/A

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

N/A

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

Project activities will promote economic policy reform which will create the conditions for increased trade and privatization efforts.

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

The use of technical assistance will encourage the development of the U.S. as a permanent source of technical assistance.

## 11. Local Currencies

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

N/A

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

N/A

c. Separate Account (FY 1991 Appropriations Act Sec. 675): If assistance is furnished to a foreign government under arrangements which result in the generation of local currencies:

N/A

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

N/A

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

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

N/A

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

N/A

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

N/A

## 12. Trade Restrictions

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

N/A

b. Textiles (Lautenberg Amendment) (FY 1991 Appropriations Act Sec. 521(c)): Will the assistance (except for programs in Caribbean Basin Initiative countries under U.S. Tariff Schedule "Section 807", which allows reduced tariffs on articles assembled abroad from U.S.-made components) be used directly to procure feasibility studies, prefeasibility studies, or project profiles of potential investment in, or to assist the establishment of facilities specifically designed for, the manufacture for export to the United States or to third country markets in direct competition with U.S. exports, of textiles, apparel, footwear, handbags, flat goods (such as wallets or coin purses worn on the person), work gloves or leather wearing apparel?

No.

13. Tropical Forests (FY 1991 Appropriations Act Sec. 533(c)(3)): Will funds be used for any program, project or activity which would (a) result in any significant loss of tropical forests, or (b) involve industrial timber extraction in primary tropical forest areas?

No.

14. PVO Assistance

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

N/A

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

N/A

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

N/A

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

In its procurements, grants, and other business-related activities, except to the extent that such use is impractical or is likely to cause significant inefficiencies or loss of markets to United States firms? Are bulk purchases usually to be made in metric and are components, sub-assemblies, and semi-fabricated materials to be specified in metric units when economically available and technically adequate? Will A.I.D. specifications use metric units of measure from the earliest programmatic stages, and from the earliest documentation of the assistance processes (for example, project papers) involving quantifiable measurements length, area, volume, capacity, mass and weight), through the implementation stage?

Yes.

N/A

N/A

17. Women in Development (FY 1991 Appropriations Act, Title II under heading "Women in Development"): Will assistance be designed so that the percentage of women participants will be demonstrably increased?

No.

18. Regional and Multilateral Assistance (FAA Sec. 209): Is assistance more efficiently and effectively provided through regional or multilateral organizations? If so, why is assistance not so provided? Information and conclusions on whether assistance will encourage developing countries to cooperate in regional development programs.

No.

19. Abortions (FY 1991 Appropriations Act, Title II, under heading "Population, DA," and Sec. 525):

a. Will assistance be made available to any organization or program which, as determined by the President, supports or participates in the management of a program of coercive abortion or involuntary sterilization?

No.

b. Will any funds be used to lobby for abortion?

No.

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

21. U.S.-Owned Foreign Currencies

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

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

22. Procurement

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

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

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

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

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

N/A

e. Construction or Engineering Services (FAA Sec. 604(g)): Will construction or engineering services be procured from firms of advanced developing countries which are otherwise eligible under Code 941 and which have attained a competitive capability in international markets in one of these areas? (Exception for those countries which receive direct economic assistance under the FAA and permit United States firms to compete for construction or engineering services financed from assistance programs of these countries.)

No.

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

N/A

g. Technical Assistance (FAA Sec. 621(a)): If technical assistance is financed, will such assistance be furnished by private enterprise on a contract basis to the fullest extent practicable? Will the facilities and resources of other Federal agencies be utilized, when they are particularly suitable, not competitive with private enterprise, and made available without undue interference with domestic programs?

Yes.

Yes.

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

Yes.

carriers be used to the extent such service is available?

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

Yes.

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

Yes.

k. Metric Conversion (Omnibus Trade and Competitiveness Act of 1988, as interpreted by conference report, amending Metric Conversion Act of 1975 Sec. 2, and as implemented through A.I.D. policy): Does the assistance program use the metric system of measurement in its procurements, grants, and other business-related activities, except to the extent that such use is impractical or is likely to cause significant inefficiencies or loss of markets to United States firms? Are bulk purchases usually to be made in metric, and are components, sub-assemblies, and semi-fabricated materials to be specified in metric units when economically available and technically adequate? Will A.I.D. specifications use metric units of measure from the earliest programmatic stages, and from the earliest documentation of the assistance processes (for example, project papers) involving quantifiable measurements (length, area, volume, capacity, mass and weight), through the implementation stage?

Yes.

N/A

N/A

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

Yes.

except where applicable procurement rules allow otherwise?

## 23. Construction

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

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

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

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

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

## 26. Narcotics

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

- b. Assistance to Narcotics Traffickers (FAA Section 407): Will arrangements take "all reasonable steps" to preclude use of financing to or through individuals or entities which we know or have reason to believe have either: (1) been convicted of a violation of any law or regulation of the United States or a foreign country relating to narcotics (or other controlled substances); or (2) been an illicit trafficker in, or otherwise involved in the illicit trafficking of, any such controlled substance? Yes.
27. Expropriation and Land Reform (FAA Sec. 620(g)): Will assistance preclude use of financing to compensate owners for expropriated or nationalized property, except to compensate foreign nationals in accordance with a land reform program certified by the President? Yes.
28. Police and Prisons (FAA Sec. 660): Will assistance preclude use of financing to provide training, advice, or any financial support for police, prisons, or other law enforcement forces, except for narcotics programs? Yes.
29. CIA Activities (FAA Sec. 662): Will assistance preclude use of financing for CIA activities? Yes.
30. Motor Vehicles (FAA Sec. 636(i)): Will assistance preclude use of financing to provide for purchase, sale, long-term lease, exchange or guaranty of the sale of motor vehicles manufactured outside U.S., unless a waiver is obtained? Yes.
31. Military Personnel (FY 1991 Appropriations Act Sec. 503): Will assistance preclude use of financing to pay pensions, annuities, retirement pay, or adjusted service compensation for prior or current military personnel? Yes.
32. Payment of U.N. Assessments (FY 1991 Appropriations Act Sec. 505): Will assistance preclude use of financing? Yes.

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

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

Yes.

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

Yes.

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

Yes.

36. Publicity or Propaganda (FY 1991 Appropriations Act Sec. 516): Will assistance be used for publicity or propaganda purposes designed to support or defeat legislation pending before Congress, to influence in any way the outcome of a political election in the United States, or for any publicity or propaganda purposes not authorized by Congress?

No.

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

N/A

38. Exchange for Prohibited Act (FY 1991 Appropriations Act Sec. 569): Will any assistance be provided to any foreign government (including any instrumentality or agency thereof), foreign

person, or United States person in exchange for that foreign government or person undertaking any action which is, if carried out by the United States Government, a United States official or employee, expressly prohibited by a provision of United States law? No.

**D. CRITERIA APPLICABLE TO DEVELOPMENT ASSISTANCE ONLY**

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

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

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

4. Indigenous Needs and Resources (FAA Sec. 201(b)): Describe extent to which the activity recognizes the part-

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

The project will promote the country's transition through the peace process to a newly elected democratic government and provides human resources to develop capabilities of the decimated by war.

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

6. Special Development Emphasis (FAA Secs. 102(b), 113, 201(a)): Describe extent to which activity will: (a) effectively involve the poor in development by extending access to economy at local level, increasing labor-intensive production and the use of appropriate technology, dispersing investment from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using appropriate U.S. institutions; (b) encourage democratic private and local governmental institutions; (c) support the self-help efforts of developing countries; (d) promote the participation of women in the national economies of developing countries and the improvement of women's status;

The project promotes the transition from a (1) centrally planned economy to a market oriented economy and (2) communist regime to a democratically elected government.

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

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

Waived.

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

Yes.

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

a. Are any of the funds to be used for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions?

No.

b. Are any of the funds to be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations?

No.

c. Are any of the funds to be made available to any organization or program which, as determined by the President, supports or participates in the management of a program of coercive abortion or involuntary sterilization?

No.

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

N/A

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

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

N/A

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

No.

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

No.

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

Yes.

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

The project will utilize standard A.I.D. procurement processes to obtain technical assistance services.

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

The project will provide technical assistance for policy formulation on a variety of topics including possibly environmental concerns.

-37

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

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

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

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

Therefore it is possible training related to biological diversity may be included.

No.

No.

No.

Since this project provides technical assistance, the determination with respect to AID Reg 16 is: a negative impact on the environment is not anticipated.

Yes.

The project supports development and economic reforms across a variety of sectors.

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

<p>Will assistance be used for: (1) the procurement or use of logging equipment, unless an environmental assessment indicates that all timber harvesting operations involved will be conducted in an environmentally sound manner and that the proposed activity will produce positive economic benefits and sustainable forest management systems;</p>	No.
<p>(2) actions which will significantly degrade national parks or similar protected areas which contain tropical forests, or introduce exotic plants or animals into such areas;</p>	No.
<p>(3) activities which would result in the conversion of forest lands to the rearing of livestock;</p>	No.
<p>(4) the construction, upgrading, or maintenance of roads (including temporary haul roads for logging or other extractive industries) which pass through relatively undegraded forest lands;</p>	No.
<p>(5) the colonization of forest lands; or</p>	No.
<p>(6) the construction of dams or other water control structures</p>	No.

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

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

N/A

e. Environmental Impact Statements: Will funds be made available in accordance with provisions of FAA Section 117(c) and applicable A.I.D. regulations requiring an environmental impact statement for activities significantly affecting the environment?

Yes.

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

N/A

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

N/A

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

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

N/A

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

N/A

Senate Appropriations Committees been properly notified?

18. Loans

a. Repayment Capacity (FAA Sec. 122(b)): Information and conclusion on capacity of the country to repay the loan at a reasonable rate of interest. N/A

b. Long-range Plans (FAA Sec. 122(b)): Does the activity give reasonable promise of assisting long-range plans and programs designed to develop economic resources and increase productive capacities? N/A

c. Interest Rate (FAA Sec. 122(b)): If development loan is repayable in dollars, is interest rate at least 2 percent per annum during a grace period which is not to exceed ten years, and at least 3 percent per annum thereafter? N/A

d. Exports to United States (FAA Sec. 620(d)): If assistance is for any productive enterprise which will compete with U.S. enterprises, is there an agreement by the recipient country to prevent export to the U.S. of more than 20 percent of the enterprise's annual production during the life of the loan or has the requirement to enter into such an agreement been waived by the President because of a national security interest? N/A

19. Development Objectives (FAA Secs. 102(a), 111, 113, 281(a)):  
Extent to which activity will: (1) effectively involve the poor in development, by expanding access to economy at local level, increasing labor-intensive production and the use of appropriate technology, spreading investment out from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using the appropriate U.S. institutions; (2) help develop cooperatives, especially by technical assistance, to assist rural and urban

The project promotes the country's transition from a (1) centrally planned economy to a market oriented economy and (2) communist regime to a democratically elected government.

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

20. Agriculture, Rural Development and Nutrition, and Agricultural Research (FAA Secs. 103 and 103A):

a. Rural Poor and Small Farmers:

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

The project is designed to provide policy-oriented technical assistance which may indirectly impact the rural poor.

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

The project does not have a nutrition component, but the development of a national health policy should lead to improved health and nutrition.

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

N/A

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

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

N/A

c. research into, and evaluation of, economic development processes and techniques;

The project may fund studies on macro-economic development to move Cambodia into a market-oriented economy.

d. reconstruction after natural or man-made disaster and programs of disaster preparedness;

N/A

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

N/A

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

N/A

C. CRITERIA APPLICABLE TO ECONOMIC SUPPORT FUNDS ONLY

N/A

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

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

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

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

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

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

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

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

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

Project's studies and analysis may touch on health and other issues of the poor.

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

N/A

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

Assistance may address the full plate of development issues.

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

N/A

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

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

## AGENCY FOR INTERNATIONAL DEVELOPMENT

## ADVICE OF PROGRAM CHANGE

COUNTRY: Cambodia

PROJECT TITLE: Technical Support Project

PROJECT NUMBER: 442-0110

FY 1992 CP REFERENCE: None

APPROPRIATION CATEGORIES: Private Sector, Environment and Energy (PSEE); Child Survival (CS)

LIFE-OF-PROJECT FUNDING: \$5,000,000 PSEE  
5,000,000 CS  
10,000,000

INTENDED FY 92 OBLIGATION: 1,000,000 CS (G)

This is to advise that A.I.D. intends to obligate \$1,000,000 in Child Survival grant funds this fiscal year for the Technical Support Project in Cambodia. The FY 1992 Congressional Presentation does not propose any obligations this year. This is a new project which will support Cambodia's transition to a democratic government. The Life-of-Project (LOP) funding is \$10,000,000.

The purpose of this project is support the peace process, Cambodia's transition from a centrally-planned to market-oriented economy, and political liberalization. The assistance will be used to fund technical assistance, long-term technical advisors to Cambodia's ministries, feasibility and evaluation studies, and specialized research and analyses supportive of macro-economic policy reforms, and which are needed for future project design and implementation activities.

Attachment: Activity Data Sheet

144

**AGENCY FOR INTERNATIONAL DEVELOPMENT  
ACTIVITY DATA SHEET**

PROGRAM: Cambodia

CP 91-05 (4-85)

<b>TITLE</b> Technical Support Project		<b>FUNDING SOURCE</b>  CS, PSEE	<b>PROPOSED OBLIGATION (in thousands of dollars)</b>		
			<b>FY 1992 \$1,000</b>	<b>LIFE OF PROJECT (Auth.)</b> \$10,000	
<b>NUMBER</b> 442-0210	<input type="checkbox"/> <b>GRANT</b> <input type="checkbox"/> <b>LOAN</b>	<input checked="" type="checkbox"/> <b>NEW</b> <input type="checkbox"/> <b>CONTINUING</b>	<b>PRIOR REFERENCE</b> None	<b>INITIAL OBLIGATION</b> FY 1992	<b>ESTIMATED FINAL OBLIGATION</b> FY 1996
					<b>ESTIMATED COMPLETION DATE OF PROJECT</b> FY 1996

**Purpose:** To support Cambodia's transition: (a) through the current peace process to a newly elected democratic government, and (b) from a centrally planned economy to a market oriented economy, by providing technical assistance aimed at development planning, macro economic policy formulation, and program implementation.

**Background:** Cambodia is considered to be the country most adversely affected by the conflicts which have plagued Indochina over the past twenty years. A cease fire was formally agreed upon on October 23, 1991, when the main political factions signed in accord in Paris which provides for United Nations-organized cease fire, repatriation of refugees, disarmament and demobilization of armed forces, and nationwide parliamentary elections. In response, there has been a massive scaling up of international relief efforts. The level associated with A.I.D. is approximately \$25 million in FY 1992. Consequently, there is an urgent requirement to put into place a mechanism allowing A.I.D. to (a) provide a policy oriented technical assistance to the Supreme National Council and the future elected government on issues and ideas affecting Cambodia's development, and (b) manage program development and implementation.

**Project Description:** The project will provide long-term and short-term consultant services to assist the mission affect the transition and development of Cambodia. This assistance will enable the mission to satisfy special technical assistance requirements or obtain studies of great value to the transition and development process, but for which financing is not provided under other funded activities. Types of activities which might be financed include: long-term technical advisors to ministers of the future elected government; policy and strategy studies in support of development planning or macro-economic reform efforts; design, feasibility, and evaluation studies which facilitate project design activities; project implementation assistance for selected projects; specialized research and technical support needed to overcome specific or acute technical or management problems; and seminars and symposia to support enhanced technology transfer.

**Relationship of Project to Country Strategy:** At the present time, the objective of A.I.D. assistance in Cambodia has been to meet urgent humanitarian needs, to promote the peace process, and to support the development of democratic principles. This project primarily promotes the peace process, and indirectly the other two

objectives, by using A.I.D. resources to affect the process of transition.

**Host Country and Other Donors:** Neither the current host government nor the Supreme National Council are planning to contribute additional funding. Even after the formation of a new democratic government, funding is not expected from the host government. While other donors recognize the value and importance of the planned activities, only the World Bank is planning similar technical assistance in coordination with USAID/Cambodia.

**Beneficiaries:** The project will provide technical assistance and carry out activities critical to the democratic transition in Cambodia and economic development. Cambodians living in Cambodia will be the indirect beneficiaries as this project aims to bring about a transformation of socio-economic policies and practices.

A.I.D.-financed Inputs:

Life-of-Project (\$000)

- Technical Assistance
  - long-term (240 pm) 5,300
  - short-term (450 pm) 4,500
- Commodities needed to support related technical assistance

Total 10,300

**U.S. FINANCING (in thousands of dollars)**

	Obligations	Expenditures	Unliquidated
Through September 30, 1990	0		0
Estimated Fiscal Year 1991	0		
Estimated Through September 30, 1991	0		0
		<b>Future Year Obligations</b>	<b>Estimated Total Cost</b>
Proposed Fiscal Year 1992	1,000	9,000	10,000

**PRINCIPAL CONTRACTORS OR AGENCIES**

To be determined.

I.F.L. No.

8/8

Sep 15, 92 14:55 No. 006 P.09