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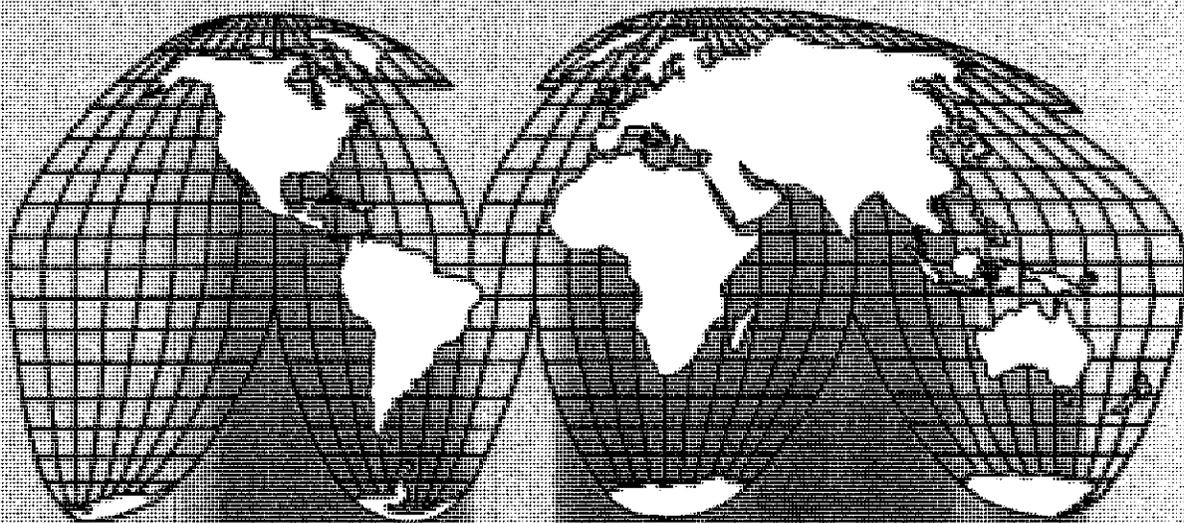
USAID

OFFICE OF INSPECTOR GENERAL

Audit of USAID's Placement of a Regional Office in Cambodia

Audit Report No. 5-442-01-003-P

June 26, 2001



U.S. Agency for International Development

Regional Inspector General



U.S. Agency for
INTERNATIONAL
DEVELOPMENT

RIG/Manila

26 June, 2001

MEMORANDUM

FOR: Director, USAID/Cambodia, Lisa Chiles
FROM: RIG/Manila, Paul Armstrong *Paul Armstrong*
SUBJECT: Audit of USAID's Placement of a Regional Office in
Cambodia, Report No. 5-442-01-003-P

This memorandum is our report on the subject audit. Your response to the draft report is included in Appendix II.

This report contains one recommendation for your action. Based on your comments, you have made a management decision regarding the recommendation. Please notify the Office of Management Planning and Innovation (M/MPI) in Washington when final action is completed and request closure of the recommendation.

I appreciate the cooperation and courtesies extended by USAID/Cambodia to my staff during the audit.

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Summary of Results

Beginning approximately in September 2000, USAID/Cambodia (the Mission) assumed responsibility as the regional support office for activities in the neighboring non-presence countries (NPCs) of Vietnam, Thailand, Laos, and along the Burma border.

The Office of the Regional Inspector General, Manila, audited USAID/Cambodia to assess the progress made in assuming this responsibility.

Our audit procedures indicated that although several Mission employees had assembled partial lists of activities in the NPCs, a complete list of the activities had not been prepared (see pages 6 - 7). Further, although the Mission had hired several Personal Services Contractors (PSCs) and received several new managerial employees to assume the additional duties of regional support, most of them were uncertain about their responsibilities for the NPCs. Also, their job descriptions had not been updated to reflect those responsibilities (see pages 7 - 10).

Our audit also considered security at the Mission, as discussed in its Federal Managers' Financial Integrity Act (FMFIA) report. The audit procedures indicated that the State Department and U.S. Embassy in Phnom Penh have taken several steps to enhance physical security in Cambodia and plan to take additional steps to address the issue (see page 10).

This report contains one recommendation, addressed to USAID/Cambodia, and designed to facilitate the preparation of a management plan for the activities in the NPCs for which the Mission has assumed regional support responsibility. Specifically, it calls for the Mission to:

- Prepare a complete list of activities for which it has responsibility in the NPCs served by its regional support office; and
- Identify who is responsible for each support duty for each activity listed.

Background

USAID has numerous activities in countries where it does not maintain resident U.S. direct hire employees – non-presence countries (NPCs). For example, USAID/Cambodia managed funding totaling about \$24.2 million in fiscal year (FY) 2000 for activities along the Burma border and in Laos, Thailand and Vietnam, although no USAID direct hire employees work there. The office also managed \$17.3 million of FY 2000 USAID funds for activities in Cambodia.

USAID and the State Department co-fund activities along the border of Burma and Thailand to support democracy and humanitarian assistance. In Laos, USAID funds an activity to develop silk production. In Thailand, USAID funds the Accelerating Economic Recovery in Asia (AERA) activity that was designed to deal with the aftermath of the Asian financial crisis. In Vietnam, USAID funds the U.S. – Asia Environmental Partnership (US-AEP) to coordinate work between the U. S. Environmental Protection Agency and its Vietnamese counterpart to protect the local environment. Such activities require various administrative and managerial support functions, including procurement, accounting, executive office services, strategy formulation and implementation management.

An activity in a non-presence country may be managed by a local PSC, supported by a regional mission, and funded by a Washington bureau which may also design its strategy. Considering the number of stakeholders involved in such a non-presence country activity, and some managers' confusion about the definition of a non-presence country activity, overall management of non-presence country activities can be a complex task.

In May 2000, the Asia and Near East (ANE) Bureau transferred the responsibility for USAID programs and operations in the NPCs of Vietnam, Thailand, Laos and Burma border from USAID/Washington and USAID/Philippines to USAID/Cambodia. The actual transfer of specific responsibilities (e.g., accounting, contracting, managing) was staggered over several dates during the approximate period of August through October 2000. USAID/Cambodia is now faced with the task of providing support to many USAID activities in its neighboring NPCs.

In addition, USAID/Cambodia identified a material weakness in physical security in 1997. That weakness, related to physical security issues which affect the entire U.S. Embassy in Phnom Penh, has been reported in subsequent Federal Managers' Financial Integrity Act (FMFIA) reports prepared by USAID/Cambodia.

Audit Objectives

The Office of the Regional Inspector General, Manila, audited USAID/Cambodia to answer the following audit objectives:

1. What progress has been made to establish a regional office in Cambodia?
2. What steps have been taken to specifically monitor activities in selected non-presence countries?
3. What is the status of correcting the physical security weakness?

This audit was included in the RIG/Manila FY 2001 Audit Plan. Appendix I contains a complete discussion of the scope and methodology for the audit.

Audit Findings

1. What progress has been made to establish a regional office in Cambodia?

The USAID/Cambodia Mission has made progress in establishing a regional support office for activities in the neighboring NPCs of Thailand, Vietnam, and Laos, as well as for activities along the border between Thailand and Burma. The Mission received a new Director in August 2000. Other new Mission staff include the Chief of the Office of General Development, who began work in Phnom Penh in January 2001, and the Supervisory Office of Public Health Officer, who began work in September 2000. A new Program Specialist was hired to work with humanitarian activities in November 2000. Further, three U.S. PSCs were hired in September 2000 to work in the NPCs of Vietnam and Thailand. The most recent new hires were two Foreign Service Nationals in Hanoi, to assist the PSCs there. Another PSC position requiring expertise in legal program areas may soon be filled as well. Some of these positions will work exclusively in supporting NPCs, while others will only dedicate a portion of their time to such tasks.

In addition to hiring new employees and contractors, USAID/Cambodia has established offices at U.S. Embassy facilities in Hanoi and Bangkok. USAID/Cambodia's Executive Officer has equipped the Hanoi office with computer and communication equipment, and continues to upgrade the facilities.

Another challenge that the Mission has worked to overcome in establishing a regional office is the shortage of skilled Foreign Service Nationals (FSNs) due to the genocide that decimated the professional workforce in Cambodia in the late 1970s. In keeping with USAID's goal of development, the Cambodia Mission has provided training to upgrade the skills of its FSN staff. Improved FSN skills have enabled the Mission to reduce its Third Country National (TCN) staff from seven to five in the last two years. The Mission hopes to reassign another TCN position to an FSN employee in 2002. The Mission currently has 63 employees, 43 of which are FSNs. Reassignment of TCN positions to FSN employees enables the Mission to reduce payroll expenses and further develop the skills of FSN employees. According to a study prepared by USAID's Personnel Operations Division of the Office of Human Resources in May 2000, the Mission should be able to meet its responsibilities as a regional office at existing staffing levels. In addition, the Mission should be able to eliminate most high-cost TCN positions within two to three years.

2. What steps have been taken to specifically monitor activities in selected NPCs?

An activity is a set of actions through which inputs such as commodities, technical assistance, and training are mobilized to produce specific outputs (e.g., number of vaccinations given, schools built, or micro-enterprise loans issued.)¹

USAID/Cambodia has taken steps to monitor activities in the NPCs, including hiring three U.S. PSCs and establishing offices for them in Thailand and Vietnam. In addition, USAID/Cambodia and USAID/Washington collaborated to review activities supporting Burmese refugees living along the Thai-Burma border, to review activities in Vietnam, and to review the regional Accelerating Economic Recovery in Asia (AERA) program. USAID/Washington also sponsored several temporary duty (TDY) assignments in Cambodia for its technical staff to review the AERA and HIV-AIDS programs. The monitoring of activities in the NPCs is, then, a work in progress.

However, USAID/Cambodia has not yet developed a complete system to specifically monitor activities in the neighboring NPCs for which it has regional support responsibilities. One logical approach to the task of managing the USAID-funded activities in NPCs would be to first assemble a complete list of the activities, and then determine who is responsible for each of the support functions associated with each activity.

Complete List of Activities Needed

The Mission has several opportunities for improving its management of activities in NPCs. The first priority should be to assemble a complete list of activities funded by USAID in the NPCs, Vietnam, Thailand, and Laos, and along the Burma border, including those funded by bureaus in Washington. To date, the Global Bureau has not responded to RIG/Manila and USAID/Cambodia requests for such information.

Our discussions with Mission personnel indicated that although they maintain many partial lists, they had not prepared a complete master list of activities in the NPCs, most of which are in Vietnam and Thailand. For example,

- The Program Coordinator in Thailand, a U.S. PSC, began work in October 2000. Before then, no USAID employees had worked in Thailand for approximately five years. He had begun assembling a list of USAID-funded activities in Thailand, but considered it incomplete. He had not received any other responsibilities at the time of the audit, in early 2001.

¹ ADS 201.3.6, "Activity Planning"

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- The Contracting Officer explained that his list of activities in NPCs would not include activities from the Global Bureau. Although he has received procurement files from Washington for activities along the Burma border, he believes he might not have all of them. Further, he is expecting files for the Kenan Endowment in Thailand, but will not include its activities on his list until he receives the files. Finally, he explained that his list would have fewer activities than the Controller's list, because hers would include activities funded by USAID/Cambodia but with procurement done elsewhere.
 - The Controller explained that some of the activities transferred from USAID/Philippines would not appear on her list because who would account for them had not been determined. Some of these activities were closing out, and the USAID/Philippines Contracting Officer had agreed to keep the files to close them. In addition, the Controller felt that responsibility for accounting for the Kenan Endowment and a Thai cash transfer fund should stay with USAID/Philippines. However, we noted that USAID/Cambodia did consider itself responsible for reviewing a non-Federal audit of the Kenan Endowment and attended the exit conference for that audit. Further, there were ANE Bureau activities she did not include on her list because their files are in Washington for migration from the New Management System to the Phoenix accounting system. She believes by the time she would receive the files, the activities would be completed.
 - USAID's Center for Development Information (CDIE) is also tasked with maintaining lists of activities in NPCs, in the form of activity information sheets. Our review of CDIE's inventory of activity information sheets indicated their list of activities in the NPCs was also incomplete.

The Mission had not prepared a complete list of activities because of other priorities since the assumption of regional support responsibilities in October 2000. Those priorities included preparing for a Presidential visit to Vietnam during the period, establishing new offices in Hanoi and Bangkok, the orientation of several new managers, and the hiring of several PSCs. The effect of not preparing a complete list of activities is increased risk that activities will not be properly monitored by USAID/Cambodia's new regional support office.

Responsibility for Support Functions

Proper management of the activities funded by USAID in the NPCs requires not only a complete list of those activities, but also consideration of each support duty that must be performed for each activity.

Our discussions with USAID/Cambodia employees identified numerous situations where the employee responsible for each support duty for an activity had not been clearly designated, and job descriptions for U.S. direct hire employees had not been updated to include regional responsibilities. For example,

- The Chief of the Office of General Development, who began working in January 2001, indicated he was not sure about his responsibilities for activities in NPCs. Although he manages all activities in Cambodia except those related to health, he was uncertain who would manage analogous activities in the NPCs. He noted that the PSCs in Vietnam do not report to him. In addition, he is uncertain about the extent of his management responsibilities for activities originating from the ANE and Global Bureaus in Washington.
- The Supervisor of the Office of Public Health, who began working in September 2000, was uncertain about her responsibilities for health activities in the NPCs, which are now managed by the ANE and Global Bureaus. She anticipates significant funding increases (e.g., quadrupling of Cambodia's budget for health activities) because of a new HIV initiative in the region, and she is concerned about the relation of costs and benefits in managing the funds. Our own attempts to analyze costs and benefits in the regional support office at USAID/Cambodia indicated the Mission does not account for regional support operating expenses separately from operating expenses required to manage the Cambodia bilateral program.
- One PSC in Vietnam, who began working in October 2000, has responsibility for three portfolios of activities (humanitarian, HIV, and health) and believes he has four supervisors. He reports to the other PSC in Vietnam, who works as the country manager. He also reports to the Supervisor of the Office of Public Health, and to the Program Specialist for humanitarian activities, and to the Chief of the Office of General Development. Recall that the Chief, mentioned above, says the PSCs in Vietnam do not report to him.
- The Program Specialist for humanitarian activities in the Asia region (see photo of one such activity on the next page), who began work in November 2000, believes he is responsible for activities in Cambodia and Vietnam. However, he may take on responsibility for managing activities in Laos. The management duties for humanitarian activities in Laos remain with USAID/Philippines for the moment. The Program Specialist has been unable to prepare a budget with Global Bureau for future funding of Vietnam activities because of his lack of familiarity with the activities, many of which he has not had time to visit. He relies on a PSC in Hanoi

for details about many activities in Vietnam, and is not certain he should be supervising that PSC. However, the PSC in Hanoi says he also has not visited some of the activities yet. The Program Specialist is considering assuming a monitoring role for some activities in the Ho Chi Minh City area, which is closer to his office in Phnom Penh than to the PSC's office in Hanoi. However, the PSC in Hanoi says that involvement by the North Vietnamese government in the activities necessitates their management from Hanoi.



This child's prosthetic device is a product of a humanitarian activity funded by USAID in Southeast Asia.

The Mission had not clearly identified who is responsible for each support duty for activities in the NPCs it serves because of other priorities since the assumption of regional support responsibilities in October 2000. Those priorities included a Presidential visit to Vietnam during the period, establishing new USAID offices in Hanoi and Bangkok, the orientation of several new managers, and the hiring of several PSCs. In addition, the Global Bureau and the ANE Bureau have not provided instructions regarding management duties for some activities. The effect of not clearly identifying who is responsible for each support duty for activities in the NPCs is increased risk that activities will not be properly monitored by USAID/Cambodia's new regional support office. Other risks include failure to manage for results, a lack of reliable and timely information for decision making, and inadequate accountability for resources. The lack of clear roles

and responsibilities could lead to duplication of effort, inefficiencies, increased travel costs, and lost synergies.

During our review of USAID/Philippines' prior management of activities in the NPCs, we noted that Mission had assembled a list of those activities, and clearly identified who is responsible for each support duty for each activity listed. In our opinion, a list of the type prepared by USAID/Philippines constitutes the best management practice for monitoring activities funded by USAID in NPCs.

Recommendation No. 1: We recommend that USAID/Cambodia:

- 1.1 Prepare a complete list of the activities for which it has responsibility in the non-presence countries served by its regional support office, and**
- 1.2 Clearly identify who is responsible for each support duty for each activity listed.**

3. What is the status of correcting the physical security weakness?

Our audit also included procedures dealing with security at the Mission, as discussed in its Federal Managers' Financial Integrity Act (FMFIA) report. The results of our procedures indicated that the State Department and U.S. Embassy in Phnom Penh have taken several steps to enhance physical security in Cambodia and plan to take additional steps to address the issue. We also collaborated with auditors from the Department of State in Phnom Penh during their audit of security issues at the U.S. Embassy there, comparing the results of testing each audit team performed. This report omits discussion of detailed steps taken and planned to mitigate the weakness at the Mission due to their sensitive nature.

**Management
Comments and
Our Evaluation**

USAID/Cambodia concurred with our audit recommendation and offered several informative observations regarding issues discussed in our report. We have included Mission comments in their entirety in Appendix II, and we have considered them in preparing the final report.

USAID/Cambodia has made a management decision regarding the audit recommendation. Upon completion of final action, the Mission should advise the Office of Management Planning and Innovation in Washington and request closure of the recommendation.

Scope and Methodology

Scope

The office of the Regional Inspector General, Manila, conducted an audit regarding the establishment of a regional support office at USAID/Cambodia, and the status of a previously identified physical security weakness. The audit was conducted in accordance with generally accepted government auditing standards and was part of RIG/Manila's approved Fiscal Year 2001 Audit Plan. We conducted the fieldwork at the USAID/Cambodia Mission in the U.S. Embassy in Phnom Penh, Cambodia, from January 30 through February 16, 2001.

The scope of the first two audit objectives included staffing at USAID/Cambodia and the neighboring NPCs supported by its regional office, as well as USAID-funded activities in those NPCs. The scope of the third audit objective included work with the physical security weakness that the Mission described in its FMFIA report.

Methodology

To accomplish these audit objectives, we interviewed officials working for USAID at its Missions in Cambodia and the Philippines, which had many of the regional responsibilities previously. We also interviewed U.S. PSCs who work in Vietnam and Thailand. In addition, we contacted officials at the Global and Asia and Near East Bureaus. We also collaborated with auditors from the Department of State in Phnom Penh during their audit of security issues at the U.S. Embassy there, comparing the results of testing each audit team performed. Additionally, we discussed the security issues with U.S. Embassy employees. During the interviews, we discussed and analyzed:

- USAID-funded activities in the NPCs.
- management responsibilities for the activities, and how the responsibilities were performed,
- the number and type of staff supervised,
- costs incurred to manage the activities, and

-
- concerns about managing the activities during and after the transfer of management responsibility from USAID/Washington and USAID/Philippines to USAID/Cambodia.

We also analyzed and discussed documentation regarding:

- how USAID/Philippines had managed activities in NPCs,
- official transfer of management responsibilities from USAID/Washington and USAID/Philippines to USAID/Cambodia,
- staffing patterns and organizational charts for USAID/Cambodia, as well as job descriptions for USAID/Cambodia staff and employment contracts for PSCs,
- cost information related to managing non-presence country activities,
- grants, cooperative agreements, and contracts for USAID-funded activities in the NPCs,
- the Mission's FMFIA report and Department of State cables about the security weakness,
- strategic planning and reporting for the NPCs, and
- funds obligated for activities in Cambodia and the NPCs.

Management
Comments

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13 JUN 2001

RIG/CAMBODIA

June 1, 2001

MEMORANDUM

FOR: RIG/Manila, Paul Armstrong

FROM: Director, USAID/Cambodia, *Lisa Chiles*
Lisa Chiles

SUBJECT: Audit of the Status of USAID's Establishment of a Regional Office in Cambodia, Report No. 5-442-01-003-P

My staff and I have reviewed RIG's draft Report, subject as above, dated May 3, 2001. We would like to thank you for the time and effort that you devoted to the report since your fieldwork at the Mission from January 30 through February 16, 2001. We would like to state at the outset that we concur in RIG's Recommendation #1 and believe that we have fully addressed it.

We appreciate your understanding that the establishment of USAID/Cambodia as a regional office remains a work in progress and that our extremely heavy workload from October – December made it difficult to pick up all the pieces immediately. Complicating the task is the requirement that new staff with Cognizant Technical Officer (CTO) regional responsibilities undertake specialized training. As you may appreciate, trying to schedule these busy people into the CTO courses is a time consuming process.

We believe that we have come a long way in dealing with non-presence countries (NPCs) since first being designated as a regional support mission. We have formalized our internal mechanisms in dealing with NPCs. We have organized weekly meetings focused on one NPC each week. In addition, lines of authority have been strengthened and working relationships have been firmly established. Mission staff frequently travel to NPCs, and PSC staff posted in Thailand and Vietnam and supervised by USAID/Cambodia, frequently travel to Phnom Penh to discuss program progress and issues.

The following example of a typical period, in this case mid-May to mid-June, illustrates how our regional responsibilities have been fully integrated into our Mission. In mid-May, two of our Vietnam personnel (our administrative assistant, Ms. Binh, and our senior Vietnam PSC, Jean Gilson) spent a number of productive days discussing the Vietnam program and possible

problem areas with the Mission in Phnom Penh. This followed a visit by a member of the Executive Office to provide support in finalizing the design of the newly allocated USAID Office space. The Mission focused discussions on the Thailand and Burma programs last week, and our Chief of the Office of General Development (OGD) is presently visiting the Burma border area in Thailand along with our Thailand PSC, Tom Elam. On June 6, the Mission has again scheduled Program Management discussions on Burma and Thailand as Tom Elam will visit the Mission in Phnom Penh; both he and our OGD Chief will then depart for Thailand to view and discuss activities there. This will be followed on June 13 by a Program Management meeting on Laos. Our OGD Chief and a Mission colleague will then visit Laos to view and hold discussions on USAID activities there. This example includes virtual teaming with our Washington counterparts as well. In mid-June, our EXO, who serves on the Hanoi ICASS Council, will attend their June meeting. He will also follow up with a number of administrative issues such as FSN personnel, IT communications and the installation of the new USAID DTS-PO bandwidth, procurement of administrative supplies, etc., with the Administrative Counselor and his staff. In addition, I will visit from June 15-21, and attend the Vietnam mid-year Consultative Group meeting in Hoi An.

USAID/Cambodia noted RIG/Manila's recommendation on page 10 of the report as stated below:

"Recommendation No. 1: We recommend that USAID/Cambodia:

1.1 Prepare a complete list of activities for which it has responsibility in the non-presence countries served by its regional support office; and

Identify who is responsible for each support duty for each activity listed."

We agree that such a list would be useful to USAID/Cambodia. In fact, we have finalized a chart that contains a complete list of activities in Vietnam, Laos, Thailand and Burma for which we have responsibility. The chart also clearly identifies who is responsible for each major support activity. Please see the "USAID/Cambodia Regional Activities Responsibilities" chart attached. Please also note that the chart is accurate and complete as of this date but will remain a work in progress. There will be a need for the chart to be continually updated as new programs come on line and as lines of authority change.

The Mission believes that with our submission of the list attached, we have fully complied with Recommendation No. 1. We, therefore, request that the recommendation be considered resolved upon issuance of the final report.

We also have several comments we would like to make on the draft report itself. On page 3, paragraph 3, the draft audit notes that the "Mission had hired several managerial employees...most of them were uncertain about their responsibilities...and their employment contracts were not updated to reflect those [NPC] responsibilities." Actually, based on a previous analysis by USAID/Manila and with USAID/Washington's concurrence, the Mission initiated

action in June 2000 to hire three US PSCs to provide assistance in management of the NPC programs in Vietnam and Thailand. As with any change, the Mission is continuing to define their work objectives in consultation with USAID/W as we accept the added responsibilities of these new programs. Currently we do not do program development for any of the NPCs, but only provide oversight and monitoring. Program development and the NPC budgets are currently managed in the ANE Bureau. We currently have shared responsibilities for these programs.

In the Background section on page 3, the draft audit states that: "...USAID provided funding totaling about \$14.2 million in fiscal year (FY) 2000 for activities along the Burma border and in Laos, Thailand and Vietnam. ..." According to our records, FY 2000 obligations totaling \$17.9 million were recorded for activities on the Burma border, Laos, Thailand/Regional and Vietnam, with an additional \$6.3 million carried over for FY 2001 obligation.

On page 4 the draft audit notes that "In Vietnam, USAID funds the U.S. - Asia Environmental Partnership (US-AEP) to coordinate work between the U.S. Environmental Protection Agency and its Vietnamese counterpart to protect the local environmental." While that statement may be true, USAID/Cambodia has no responsibility for the US-AEP program. All support for US-AEP from administrative to implementation management is provided either from Manila where the US PSC is based or from the Director of the US-AEP in the ANE Bureau. In addition, the ANE Bureau plans funding for all NPC programs, not USAID/Cambodia. We would also like to point out that while "USAID/Cambodia is now faced with the task of providing support to USAID activities in its neighboring NPCs", we do not provide support for all USAID activities in our neighboring NPCs. Some activities remain under the control of the Global Bureau in Washington, and some under the control of the Department of State, i.e., Burma border ESF with obligation being done by them.

There are a number of USAID/Washington activities that are funded and/or controlled by Washington. These are regional programs primarily initiated by the Global Bureau and presently beyond our scope of responsibility as with all Global programs. We are not certain that we have a full accounting of all Global funded programs in Cambodia and the region. We have been in contact with the Global Bureau to see if we can get a fuller accounting of their activities. However, to date, we have not yet received a full listing. Such a list would give all of us a better appreciation of the full spectrum of activities being undertaken in the region in general, and in the mission and NPCs specifically. We will continue to pursue this matter with the Global Bureau.

RIG notes on page 5 that the Mission hired "new employees and contractors" in making "considerable progress" in establishing a regional support office for activities in neighboring NPCs. Actually, only the three US PSCs were hired to manage the NPC programs. The other staff changes were either under normal rotation cycle or the replacement for a departing US PSC for USAID/Cambodia. Also on page 5, paragraph 2, the draft audit describes the equipping of the Hanoi office but makes no mention of the Bangkok office. For your information, the Bangkok Office is within the Embassy and all equipment and office space has been provided under a negotiated ICASS agreement.

On page 6, last paragraph, we would like to note that the Kenan Endowment's program manager resides in the ANE Bureau. This activity oversight ends in September 2001. The only oversight the Mission has is to work with the external auditors to schedule work, respond to questions and assist the grantee in responding to recommendations. The Mission has agreed to, and has followed up on, the open audit recommendations and monitoring of Kenan's compliance with the audit requirements for the remainder of the oversight period. That audit is now closed.

On page 7, paragraph two, please note that the issues on accounting and audit monitoring responsibilities for closed activities have since been settled between USAID/Philippines and USAID/Cambodia. USAID/Philippines will remain responsible for maintaining the accounting records for the closed projects. In fact, as of February 2001, they have restored the pertinent records in their MACS database.

In response to RIG's comments on "Responsibility for Support Functions," on pages 7 - 9, we would like to state that as the Mission works through the transition from a country mission to a regional support mission, newly hired or newly arrived employees' reporting and supervisory responsibilities are being addressed. The transfer of oversight responsibilities for the Lao activities did not take effect until the departure of the Manila based PSC, which provided substantial overlap time for the officers. With regard to accounting and financial management, the Mission does account for NPC support in the MACS through designation of a specific office code for each NPC. As of now, we only have one operating expense budget for Cambodia and the NPCs. The OE budget also includes funding for ANE Bureau travel to monitor activities in the NPCs. Designation of a specific code provides us with the flexibility to develop historical operating costs for each NPC.

Thank you for your consideration of the Mission's comments. We hope that you find our comments and suggestions helpful. We look forward to reading your final report.

USAID/Cambodia Regional Activities Responsibilities

Country	Sector Activity	Description	Agreement Number & Contractor/Grantee	Est. Contract Cost Obt. To Date Average Annual Exp.	Funding Period	Funding Type(s) Source(s)	Management and Admin Support								
							CTO	AID/W or Mission Contact	Activity Manager	Monitor & Reporting	Policy Devol. Strategy	Procurement	Financial Mgt.	EXO	Regional Legal Advisor
Burma	Health HIV/AIDS	Provides basic training in health delivery to reduce the spread of HIV/AIDS and addresses the growing problem of trafficking of women and girls into prostitution in Thailand	AEP-G-00-99-00019-00 ACILS	465,587 436,331 175,000	1/1999 - 7/2001	DA	Caroline Connolly **	Kai Spratt, AID/W	Thomas Elam	Del McCluskey, AID/W	Del McCluskey, AID/W	Carey Gordon	Linda Martin	---	Michael Williams
Burma	Education	Provides education and training activities for Burmese refugee educators which will develop skills and knowledge that can be used to implement an effective education system upon return to Burma	AEP-G-00-99-00024-00 World Education	4,785,026 2,757,574 970,000	9/1999 - 9/2002	DA & CSD	Kevin Rushing	Del McCluskey, AID/W	Thomas Elam	Del McCluskey, AID/W	Del McCluskey, AID/W	Carey Gordon	Linda Martin	---	Michael Williams
Burma	HA	To assist Burmese refugees, displaced and pro-democracy groups improve access to basic preventive and primary health-care; improve nutrition and food security; and improve the capacity and management skills of national NGOs and refugee community leaders.	AEP-G-00-99-00028-00 Int'l Rescue Committee	5,519,877 4,266,597 1,710,000	7/1999 - 11/2002	DA & CSD	Kevin Rushing	Del McCluskey, AID/W	Thomas Elam	Del McCluskey, AID/W	Del McCluskey, AID/W	Carey Gordon	Linda Martin	---	Michael Williams
Burma	DG	To address the needs of Burmese refugees and other students whose college education was disrupted due to the political instability and closing of most urban universities in Burma. The goal of the program is to enable students to complete their education, as well as to assist students just beginning their economic careers.	442-A-00-01-00008-00 Open Societies Institute	400,000 400,000	1/2001 - 2/2003	ESF	Kevin Rushing	Del McCluskey, AID/W	Thomas Elam	Del McCluskey, AID/W	Del McCluskey, AID/W	Carey Gordon	Linda Martin	---	Michael Williams
Burma	DG	Assist Burmese pro-democracy organizations in improving the quality and dissemination of news and information reaching Burmese citizens, refugees and exiles.	442-A-00-01-00009-00 Internews	500,000 500,000	12/2000 - 1/2002	ESF	Kevin Rushing	Del McCluskey, AID/W	Thomas Elam	Del McCluskey, AID/W	Del McCluskey, AID/W	Carey Gordon	Linda Martin	---	Michael Williams

USAID/Cambodia Regional Activities Responsibilities

Country	Sector Activity	Description	Agreement Number & Contractor/Grantee	Est. Contract Cost Obl To Date Average Annual Exp.	Funding Period	Funding Type(s) Source(s)	Management and Admin Support								
							CTO	AIDAW or Mission Contact	Activity Manager	Monitor & Reporting	Policy Devel. Strategy	Procurement	Financial Mgt.	EXO	Regional Legal Advisor
Laos	HA Leahy War Victims Fund	To improve the medical care, increase UXO awareness among primary school children, and decrease the risk of future accidents in Xieng Khouang, Houaphan, Savannakhet and Salavane Provinces, and provide the physical, social and economic livelihoods of war affected people in Laos.	442-A-00-99-00051-00 World Education/ World Learning Consortium/ Save the Children, U.S.	2,661,904 1,781,721 450,000	5/2000 - 5/2003	DA	Kevin Rushing	Lloyd Feinberg, AIDAW	Lee Forsythe	Lee Forsythe	Lee Forsythe	Carey Gordon	Linda Martin	----	Michael Williams
Laos	Econ. LEAPSS	To provide a foundation of technical support to all levels of the silk industry in Laos in order to increase the volume and profitability of existing enterprises and micro enterprises engaged in the production, processing, and marketing of silks in Laos.	442-A-00-99-00051-00 World Education/ World Learning Consortium	1,500,000 1,500,000 275,000	6/1999 - 9/2002	DA	Kevin Rushing	Kevin Rushing	Lee Forsythe	Lee Forsythe	Lee Forsythe	Carey Gordon	Linda Martin	----	Michael Williams

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USAID/Cambodia Regional Activities Responsibilities

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							CTO	AID/W or Mission Contact	Activity Manager	Monitor & Reporting	Policy Develop. Strategy	Procurement	Financial Mgr.	EXO	Regional Legal Advisor
Thailand	Democracy	To provide technical assistance to promote good governance and increase civil society participation in Thailand.	442-A-00-00-00105-00 The Asia Foundation	500,000 500,000 340,000	9/2000 - 2/2002	ESF	Kevin Rushing	Del McCluskey, AID/W	Thomas Elam	Del McCluskey, AID/W	Del McCluskey, AID/W	Carey Gordon	Linda Martin	---	Michael Williams
Thailand	Democracy	To provide support for a program to build a sustainable citizens grass-roots network in support of economic/political reform in Thailand.	442-A-00-00-00059-00 ACILS	500,000 500,000 250,000	7/2000 - 7/2002	ESF	Kevin Rushing	Del McCluskey, AID/W	Thomas Elam	Del McCluskey, AID/W	Del McCluskey, AID/W	Carey Gordon	Linda Martin	---	Michael Williams
Thailand	Malana	The purpose of the project is to improve the national capacity to monitor and respond to multi-drug resistant malana.	442-A-00-99-00072 Kenan Institute Asia	725,000 725,000 248,000	9/1999 - 10/2002	CSD	Caroline Connolly **	Dennis Carroll, AID/W	Thomas Elam	Del McCluskey, AID/W	Del McCluskey, AID/W	Carey Gordon	Linda Martin	---	Michael Williams
Thailand	Econ. Growth	To support AERA's broader objectives to help to create the conditions under which rapid, effective, and sustainable economic recovery and restructuring can proceed in Thailand.	under SEGIR ICCs	13,000,000 9,902,843 1,940,000	9/1999 - 10/2002	DA & ESF	Rebecca Maestri	Rebecca Maestri, AID/W	Rebecca Maestri, AID/W	Rebecca Maestri, AID/W	Rebecca Maestri, AID/W	Carey Gordon	Linda Martin	---	Michael Williams
Thailand	Environment	To implement an Environmental Support Program (ESP) to address the environmental needs and opportunities that Thailand faces including Urban Environment, Good governance and public participation and Clean Energy.	442-A-00-99-00072 Kenan Institute Asia	423,584 423,584 142,000	9/1999 - 10/2002	DA	Jeremy Haggler	Dennis Zvanakis, US-AEP/ Manila	Thomas Elam	Dennis Zvanakis, US AEP/ Manila	Dennis Zvanakis, US AEP/ Manila	Carey Gordon	Linda Martin	---	Michael Williams
Thailand	Bank Training	To strengthen USAID's capacity to assist developing countries in introducing, developing and maintaining appropriate economic policies and institutional reforms at the macro, sectoral and project level.	PCE-I-00-98-00008 Deloitte, Touche &ohnmatsu	918,159 918,159	Completed 11/2000	DA	Rebecca Maestri	Rebecca Maestri, AID/W	Rebecca Maestri, AID/W	Rebecca Maestri, AID/W	Rebecca Maestri, AID/W	Carey Gordon	Linda Martin	---	Michael Williams
Thailand	Bank Training	To strengthen USAID's capacity to assist developing countries in introducing, developing and maintaining appropriate economic policies and institutional reforms at the macro, sectoral and project level.	PCE-I-00-98-00016 Nathan Assoc.	781,885 781,885	Completed 9/2000 - 4/2001	DA	Rebecca Maestri	Rebecca Maestri, AID/W	Rebecca Maestri, AID/W	Rebecca Maestri, AID/W	Rebecca Maestri, AID/W	Carey Gordon	Linda Martin	---	Michael Williams
Thailand	Bank Training	To strengthen USAID's capacity to assist developing countries in introducing, developing and maintaining appropriate economic policies and institutional reforms at the macro, sectoral and project level.	PCE-I-00-99-00006 Barents Group	121,409 121,049 121,409	Completed 7/2000	DA	Rebecca Maestri	Rebecca Maestri, AID/W	Rebecca Maestri, AID/W	Rebecca Maestri, AID/W	Rebecca Maestri, AID/W	Carey Gordon	Linda Martin	---	Michael Williams

USAID/Cambodia Regional Activities Responsibilities

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Thailand	DG Technical Ass't	To acquire quick-response advisory services and technical assistance in the area of democracy and governance.	PCE-I-00-99-00009-00 DAI	729,942 729,942 112,009	3/2000 - 5/2001	DA	Rebecca Maestri, AID/W	Kevin Rushing	Thomas Elam	Rebecca Maestri, AID/W	Rebecca Maestri, AID/W	Carey Gordon	Linda Martin	----	Michael Williams
Thailand	Econ. Strategic Int'l Assistance and Matchmaking	To accelerate the recovery and growth of Thai small and mid-sized enterprises by helping them establish business linkages with U.S. firms on a cost-share basis.	AEP-G-00-99-00039-00 U.S. Chamber of Commerce	1,252,560 860,026 530,000	9/1999 - 8/2002	ESF & DA	Del McCluskey, AID/W	Kevin Rushing	Thomas Elam	Del McCluskey, AID/W	Del McCluskey, AID/W	Carey Gordon	Linda Martin	----	Michael Williams
Thailand		Country Program Coordinator	Thomas Elam	294,507	9/13/00 - 9/12/02	DA	Del McCluskey, AID/W	Lisa Chiles		Del McCluskey, AID/W	Del McCluskey, AID/W	Carey Gordon	Linda Martin	John Martin	Michael Williams

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Country	Sector Activity	Description	Agreement Number & Contractor/Grantee	Est. Contract Cost Cbl. To Date Average Annual Exp	Funding Period	Funding Type(s) Source(s)	CTO	AID/W or Mission Contact	Activity Manager	Management and Admin Support					
										Monitor & Reporting	Policy Devet. Strategy	Procurement	Financial Mgt.	EXO	Regional Legal Advisor
Vietnam	HA	Provide vocational training and job placement to disabled adolescents with disabilities and a small percentage of other adolescents in especially difficult circumstances	492-G-00-98-00042-00 World Concern	1,184,064 1,104,064	9/1998 - 9/2001	CSD	Kevin Rushing	Lloyd Feinberg, AID/W	Mark Rasmuson	Lee Forsythe	Lee Forsythe	Carey Gordon	Linda Martin	---	Michael Williams
Vietnam	HA	Provides services to ensure the inclusion of children with disabilities and their families in their communities by increasing awareness, community support and training educators	492-G-00-97-00035-00 CRS	1,149,712 1,140,712	8/1998 - 6/2003	CSD	Kevin Rushing	Lloyd Feinberg, AID/W	Mark Rasmuson	Lee Forsythe	Lee Forsythe	Carey Gordon	Linda Martin	---	Michael Williams
Vietnam	HA	Provides inclusive education designed to integrate hearing-impaired and deaf children into the mainstream school system in Vietnam.	492-G-00-98-00040-00 Pearl S. Buck	1,448,656 1,448,656	8/1998 - 12/2001	CSD	Kevin Rushing	Lloyd Feinberg, AID/W	Mark Rasmuson	Lee Forsythe	Lee Forsythe	Carey Gordon	Linda Martin	---	Michael Williams
Vietnam	HA	Provides food, clothing, shelter, social guidance, education, and vocational training services to children in Vietnam living without or under the imminent threat of losing the benefit of daily care.	410-G-00-94-00548-00 Health and Education Volunteers	1,180,030 1,171,000	Completed 8/1994 - 3/2001	CSD	Kevin Rushing	Lloyd Feinberg, AID/W	Mark Rasmuson	Lee Forsythe	Lee Forsythe	Carey Gordon	Linda Martin	---	Michael Williams
Vietnam	HA	Provides state-of-the-art limbs using a computer-assisted design and manufacturing system installed at the Hanoi Orthopedic Center called Automated Fabrication of Mobility Aids (AFMA)	492-G-00-98-90010-00 Prosthetics Outreach Foundation	100,000 100,000	Completed 2/1998 - 12/2000	DA	Kevin Rushing	Lloyd Feinberg, AID/W	Mark Rasmuson	Lee Forsythe	Lee Forsythe	Carey Gordon	Linda Martin	---	Michael Williams
Vietnam	Health	Promotes accident prevention through improved policy and enhanced public awareness to reduce child and adolescent deaths and disability due to injury	442-G-00-00-00114-00 UNICEF	100,000 100,000	8/2000 - 8/2001	CSD	Caroline Connolly **	Douglas Heisler, AID/W	Mark Rasmuson	Douglas Heisler, AID/W	Douglas Heisler, AID/W	Carey Gordon	Linda Martin	---	Michael Williams
Vietnam	HA	Improves the skills of doctors, nurses and physical therapists and develops institutional ties between U.S. and nursing schools and Vietnamese counterparts.	429-G-00-98-00011-00 Health Volunteers Overseas	2,434,468 1,439,568	7/1998 - 12/2003	DA	Kevin Rushing	Lloyd Feinberg, AID/W	Mark Rasmuson	Lee Forsythe	Lee Forsythe	Carey Gordon	Linda Martin	---	Michael Williams
Vietnam	HA	1) Supports the formulation of appropriate national policy and guidelines for barrier free access. 2) Supports one rehabilitation center in the south serving war victims in the production of prosthetic devices and wheelchairs.	492-G-00-98-00046-00 Vietnam Assistance for the Handicapped	2,833,033 1,716,818	9/1998 - 12/2002	CSD & DA	Kevin Rushing	Lloyd Feinberg, AID/W	Mark Rasmuson	Lee Forsythe	Lee Forsythe	Carey Gordon	Linda Martin	---	Michael Williams

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Vietnam	HA	Supports two satellite clinics at two hospitals in Hanoi in providing thermoplastic braces for children with polio and other childhood diseases and provides outreach services to patients who can afford to come to the clinics through the mobile outreach truck	492-G-00-98-00014-00 Vietnam Veterans of America Foundation	1,695,870 1,695,870 274,000	1/1998 - 12/2001	DA	Kevin Rushing	Lloyd Feinberg, AID/W	Mark Rasmuson	Lee Forsythe	Lee Forsythe	Carey Gordon	Linda Martin	---	Michael Williams
Vietnam	HA	Provides funding and technical training in the fabrication of prosthetic and orthotic devices for in and outreach patients in four rehabilitation centers	492-G-00-98-00048-00 World Vision	801,744 801,744	Completed 9/1998 - 12/2000	DA	Kevin Rushing	Lloyd Feinberg, AID/W	Mark Rasmuson	Lee Forsythe	Lee Forsythe	Carey Gordon	Linda Martin	---	Michael Williams
Vietnam	HA	Provides displaced and disabled children and their families protection from exploitation, improved living conditions, and better access to education, health and income generation opportunities	492-G-00-98-00039-00 World Vision	712,514 712,514 89,000	9/1998 - 9/2001	CSD	Kevin Rushing	Lloyd Feinberg, AID/W	Mark Rasmuson	Lee Forsythe	Lee Forsythe	Carey Gordon	Linda Martin	---	Michael Williams
Vietnam	Econ.	To strengthen the newly-established National Economic University's Business School to enable the Business School to become self-sustaining and to support trade and investment reform	442-A-00-00-00070-00 Boise State University	1,500,000 750,711	7/2000 - 7/2002	DA	Kevin Rushing	Del McCluskey, AID/W	Jean Gilson	Kevin Rushing	Del McCluskey, AID/W	Carey Gordon	Linda Martin	---	Michael Williams
Vietnam	Econ.	To assist key Vietnamese officials charged with commercial and investment code reform to gain a better understanding of legal and economic concepts.	AEP-G-00-99-00029-00 The International Center	2,235,334 2,235,334	8/1999 - 8/2001	DA	Kevin Rushing	Del McCluskey, AID/W	Jean Gilson	Kevin Rushing	Del McCluskey, AID/W	Carey Gordon	Linda Martin	---	Michael Williams
Vietnam	Econ.	Senior USAID Program Manager	Jean Gilson	191,300	8/7/02	DA	Lisa Chiles	Lisa Chiles				Carey Gordon	Linda Martin	John Martin	Michael Williams
Vietnam	HA/Health	Deputy USAID Program Manager	Mark Rasmuson	188,800	9/30/00 - 9/23/02	DA	Jean Gilson		Jean Gilson			Carey Gordon	Linda Martin	John Martin	Michael Williams
Vietnam	HA/Health	DA Assistant (Health & HA)	Ngo Tien Lo	13,295	5/5/06	CSD	Jean Gilson		Jean Gilson			Carey Gordon	Linda Martin	John Martin	Michael Williams
Vietnam	Trade/Inv/I	DA Assistant (Trade, Investment & Banking)	Pham Thi Le Dung	13,295	4/25/01 - 4/24/06	DA	Jean Gilson		Jean Gilson			Carey Gordon	Linda Martin	John Martin	Michael Williams

* Not officially appointed CTO.
 ** On completion of CTO training
 HA - Humanitarian Affairs
 DG - Democracy and Governance
 Econ - Economic