

**USAID/Regional Development Mission-Asia  
(RDM-Asia)**

**Annual Report**

**FY 2005**

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## **Regional Development Mission-Asia (RDM-Asia)**

### **Performance:**

Background: East Asia and the Pacific is one of the world's most important real and metaphorical crossroads. It is home to the most important world trading routes, and consequently, a key region for facilitating the spread of HIV/AIDS and other infectious diseases, along with trafficking of persons and illicit narcotics. Native social customs mix with Islam to produce progressive Muslim societies, although this Asian accommodation has provided refuge for fringe radical Islamic elements. It also brings together some of the poorest populations of the world with some of the world's fastest growing economies. This has led to seriously polluted urban areas and ecological destruction in one of the world's most diverse environments. Lastly, some states are firmly integrated into the society of free nations, while others continue to hold fast to their unique pariah status.

The Regional Development Mission/Asia (RDM/A): USAID's Regional Development Mission/Asia (RDM/A) opened in Bangkok, Thailand in June 2003. The new Mission manages regional and country specific programs in mainland East Asia (Burma, China/Tibet, Laos, and Vietnam) as well as HIV/AIDS and environmental programs that extend into the Pacific and South Asia. The RDM/A also acts as the regional hub for services including contracting, administration, and disaster response.

This new Mission has the potential to play a unique role among donors in mainland East Asia. The RDM/A plans to strengthen its partnership with the Royal Thai Government to mobilize the expertise of Thailand to assist countries in the region in addressing specific development challenges. In addition, the RDM/A plans to act as a regional facilitator of "best practice" information, a clearing house that will allow countries to build on each others' successes. The RDM/A will also support regional institutions that encourage countries to liberalize their markets, improve governance, protect human rights, and clean-up their environment. The RDM/A is identifying regional needs to determine how USAID can best make the most contribution in the region. Based on these findings, the Mission will develop new action plans and refine existing ones in areas where current programming gaps exist. The Mission is also looking for additional opportunities to create public-private alliances.

U.S. Interests and the RDM/A Programs: United States foreign policy priorities in East Asia include supporting the war on terrorism, promoting transparency and democracy, expanding trade and investment, stopping the spread of HIV/AIDS, and halting environmental degradation. The RDM/A supports these priorities and contributes directly to the success of President Bush's Clean Energy Initiative; the Global Climate Change Initiative; the Global Fund to Fight AIDS, TB and Malaria; and the Mother and Child HIV Prevention Initiative.

USAID's RDM/A manages programs funded in response to Congressional earmarks in China/Tibet, Burma, and Laos. It also supervises and supports USAID's office in Vietnam. The RDM/A works to improve governance in Southeast Asia, increase effective responses to HIV/AIDS and other infectious diseases, promote cleaner cities and industries in Asia, and respond to U.S. foreign policy priorities, notably by supporting programs that help refugees and migrants and that fight against trafficking in persons.

Donor Relations: USAID coordinates closely with other donors in the region when implementing regional activities. The HIV/AIDS and environment activities have especially benefited from regional partnerships with multilateral and bilateral donors that have helped to bolster the results achieved by USAID initiatives. Major donors in the region include the World Bank, the Asian Development Bank, the European Union, the Japan International Cooperation Agency, and the United Nations. USAID coordinates with these donors at both the country and regional levels.

Challenges: Overall, East Asia's economies are growing at their swiftest pace since before the financial crisis with fewer people than ever living in extreme poverty. Economic growth is expected to top seven percent in 2004 for the region (excluding Japan); developing economies in the region are expected to expand by more than eight percent. Exports have been buoyant since late 2002, supported by unexpected strong recovery in the developed world, cyclical rebound in the global high tech industry, and a surge in intra-regional trade, led by booming exports from countries in the region to China.

The latest World Bank report on East Asia and the Pacific (Nov 2004) estimates that the number of people living on less than US\$2 a day in East Asia will fall below one third of the population by 2005. As recently as 1999 that proportion was 50 percent. That is, around 300 million people will have escaped from poverty in the years of recovery since the financial crisis. More strikingly, in addition to the economic and social progress, remarkable political advances have been made also. This year saw a sweep of legislative and presidential elections across the region, including in Cambodia, Indonesia, Malaysia, Korea, Philippines and Taiwan. Most were peaceful transitions of authority.

Despite these successes, many challenges remain for the region. China's landmark trade accord with Southeast Asian leaders in Vientiane in November 2004 signals a new era of cooperation between the ten Association of Southeast Asian Nations (ASEAN) countries and China. The agreement aims to create the world's largest free trade area by 2010, with a market of nearly two billion people, and about \$130 billion in trade. While the trade accord is generally viewed positively, rising China's dominance is a concern for the United States and Japan as well as a number of smaller countries in Asia.

Furthermore, many countries in mainland Southeast Asia are still unitary states with relatively centralized systems of government. Vietnam, Laos, and Cambodia are essentially authoritarian states. The military junta of Burma continues to prevent political participation by its citizens through means of torture, rape, forced labor and slavery, and have contributed to growing numbers of internally displaced persons (IDPs) in Burma and refugees in neighboring countries. Trafficking in persons (TIP) is rampant. According to the Asian Development Bank, about 225,000 persons from Southeast Asia are trafficked yearly. There are also vertical linkages between trafficking networks and criminal syndicates that institutionalize this modern form of slavery.

Another present threat is the health and economic impact of poor air quality, unclean water, and lack of safe sanitation. Weak or non-existent environmental management combined with poverty have led to continued degradation of forests and exploitation of endangered species. Lack of integrated regional planning in the region's major river systems, as evidenced by myopic planning of upstream dams in China, could further stress these areas. Both the push from razed rural areas and the pull of the economic opportunity in urban ones have led to rapid urbanization, so fast that countries have been strapped to provide additional access to urban populations. Sixty-three percent of the population of Asia does not have access to clean water and 80 percent are without access to sanitation. Most countries in the region have also been behind in putting into place adequate transport networks, cleaner industries and vehicles to keep air pollution at safe levels.

Likewise, countries in the region will continue to suffer from the scourge of HIV, malaria, and tuberculosis. Already, more than six million persons are estimated to be infected with HIV in Southeast Asia, making this the region with the second largest living-with-HIV population outside of sub-Saharan Africa. Each day in this region, 1,192 people die of AIDS and about 2,685 people become infected. Although infection rates have been declining in Thailand, the war against this disease in the region is far from won. Likewise, previous regional gains against malaria and tuberculosis are in danger of being reversed through the emergence of drug-resistant strains of both throughout the Asia Pacific region.

Key Achievements: Through its programs, USAID's Regional Development Mission in Asia (RDM/A) is countering many of the threats above to this crossroads that impact on US strategic interests. Our successes include:

Accelerated Economic Recovery in Asia (AERA). FY 2004 marks the sixth year of operation of the AERA

program in Thailand. To date, this local partner demand driven program has worked in a variety of areas that, had appropriate regimes been in place, Thailand would have averted or at least had suffered less from the Asian Financial Crisis of 1997-8, sometimes referred to as "Tom yam kung" since it originated in Thailand with massive capital flight as investors recognized Thai assets and businesses were falsely inflated.

Support to ASEAN. After implementing a variety of disparate programs supporting the US-ASEAN Cooperation Plan over the past two fiscal years, in FY 2004 USAID enhanced its engagement with the ASEAN Secretariat and the U.S. State Department by establishing more effective means of programming technical assistance and training strategically and cooperatively with State and the ASEAN Secretariat.

United States - Asia Environmental Partnership (US-AEP). US-AEP is a regional program that promotes environmentally sustainable growth and improved quality of life in Asia. Since its inception, US-AEP has facilitated hundreds of partnerships between the U.S. and Asian government agencies, businesses and NGOs to address the environmental challenges associated with rapid urban and industrial growth. In recent years the program has focused on six Asian countries - India, Indonesia, the Philippines, Sri Lanka, Thailand, and Vietnam. In FY 2004, USAID assisted the program in developing a new five-year strategy. A Strategic Assessment Report found that expected growth in urban areas in Asia, along with the increasing impact of environmental degradation on urban populations, suggested a need to focus the program in the future on urban environmental problems. The Report further recommended that program resources be focused on two key urban environmental issues that have significant health, economic and gender impacts - water supply/sanitation and air quality. The Report also recommended that environmental governance be retained as a cross-cutting issue. The FY 2005 and 2006 programs are planned in accordance with these recommendations and with a view to promote the regional sharing of best practices among practitioners. US-AEP will also collaborate with and mobilize resources from other donors such as the Asian Development Bank, the World Bank, United Nations, the ASEAN initiative for Environmentally Sustainable Cities, bilateral organizations, U.S. states, the private sector, and other U.S. Government agencies, such as the U.S. Environmental Protection Agency.

HIV-AIDS and Infectious Diseases. During FY 04, the RDM/A worked closely with its partners throughout the region to bring a strategic focus to activities, and by so doing, a significant number of achievements can be demonstrated. More than 1.2 million people were reached through USAID prevention programs consisting of community outreach activities, sexually transmitted infection (STI) management, voluntary counseling and testing (VCT), and preventing mother-to-child transmission (PMTCT) services. Over 86 million people were reached through mass media. USAID increased access to services for most-at-risk populations living in the GMR, reaching about 70,000 prostitutes, 12,000 IDU and 13,000 MSM. During the past year, care and support activities have been expanded and ARV treatment interventions pilot-tested. USAID provided basic clinical care, TB/HIV care, and home- and community-based care to over 6,700 PLWHA and started 140 people on life-saving ARVs in Burma and Thailand. Supporting the capacity building interventions across all the IRs, over 8,600 people was trained and capacity to conduct state-of-the-art second generation surveillance and to use the results in program planning was built in China, Laos and Vietnam.

Trafficking in Persons (TIPs). The emphasis of the TIP programs is to develop stronger ties among countries in the region on issues related to trafficking and to direct more resources to cross border initiatives. This includes working closely with the GTIP funded country program activities that focus on prosecution, protection and prevention efforts. In addition, an attempt will be made to put in place a "regional mechanism" for improving data collection, capacity building, standardization of research, and monitoring and evaluation tools. The specific objectives will be to operationalize a multi-year regional strategic framework within the Mekong Region (Thailand, Laos, Vietnam, and Cambodia) to develop and maintain: standardized data collection techniques; a workable, standardized, multi-country monitoring and evaluation system; a "focal" resource center to collect, store, disseminate, and analyze relevant TIP information; standardized training and technical assistance for in-country program implementers; and a regional "plan of action" for addressing "demand dynamics" in the TIP sector.

Global Development Alliances: The RDM/A is fully committed to creating public-private partnerships as a

way of maximizing results achieved through development efforts. RDM/A is identifying gaps in programming and developing new projects to fill these gaps. US-AEP activities in FY 2004 leveraged \$1.5 million in non-government funds and \$8.8 million in Global Development Alliance funds (\$2.3 million in GDA awards and \$6.5 million in additional leveraged funds).

**Gender:** Gender is intrinsic to all programs managed by the RDM/A. Many projects empower women by actively involving them as organizers and mobilizers of community groups. USAID's HIV/AIDS and infectious disease programs specifically target women to prevent the spread of sexually transmitted diseases and mother-to-child transmission as well as provide care and support for infected women. USAID's program with the Burma Women's League in Chiang Mai, Thailand trains women leaders from several different ethnic groups from inside Burma. This program builds inter-ethnic relationships while giving women leadership and practical management skills to use in their home communities. Because women do the bulk of the work in Laos' silk sector, USAID's LEAPPS Program is raising the income of women in farming communities. USAID's rainwater harvesting project in India resulted in increased localized water supply, easing the burden of female water collectors. The USAID-funded CHANGE Project in Vietnam has addressed gender differences in relation to stigma and discrimination associated with HIV/AIDS. These findings, and technical assistance from the USAID-funded POLICY Project, have helped to assure the incorporation of gender issues in Vietnam's National HIV/AIDS Strategy for the years 2003-2010. USAID is also designing a strategy to prevent and protect female victims of trafficking and prosecute the perpetrators.

**Trade Capacity Building:** The RDM/A is designing a new program aimed at improving regional governance and economic reform in South East Asia. As part of this program, USAID plans to provide technical assistance to improve the capacity of targeted countries in Asia to trade with the United States. USAID would likely focus on improving the policy, legal, and regulatory environments within countries.

The potential for trade capacity building activities in Laos became more apparent with President Bush's signature of a free trade agreement with Laos. The U.S. Congress will consider offering Normal Trade Relations status to Laos. Should this happen there will be opportunities to work with the Government of Laos to build its capacity to live up to the standards of economic reform demanded by its agreement with the United States.

## Results Framework

### **486-001 Special Foreign Policy Interests Addressed in Southeast Asia**

- 1 Increased prosecution of traffickers
- 2 Increased numbers of TIP victims offered services and repatriation options
- 3 Information on TIP more widely available to potential victims
- 4 Increased employment opportunities and skills training for potential victims

### **486-XXX Improved Regional Governance and Economic Reform**

### **486-YYY Special Foreign Policy Interests Addressed in South East Asia**

### **486-ZZZ Improved Regional Environmental Conditions**

### **498-009 Cleaner Cities and Industries in Asia**

#### **SO Level Indicator(s):**

Number of individuals from Asia participating in US-AEP supported exchanges

Number of new (N), continuing (C), and self-sustaining (S) US-Asian partnerships

Number of US and Asian institutions participating in US-AEP supported knowledge transfer activities

Percentage of total resources (used to support US-AEP activities) that are leveraged from non-

USAID resources

1.1 Improved public policy and environmental regulations

1.2 Improved urban environmental management

1.3 Improved industrial environmental performance

1.4 Increased transfer of US environmental technology, expertise, and practices to Asia through trade and investment

### **498-022 Effective Responses to HIV/AIDS and Other Infectious Diseases**

### **498-036 Improve East Asia Regional Stability Through Democracy and Human Rights**