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Mission Strategy Fiscal Year 1996 to 2000: Regional Support Mission for East Asia

United States Agency for International Development
Regional Support Mission for East Asia

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ACRONYMS

AAFLI	Asia-American Free Labor Institute
ADB	Asian Development Bank
AIDAB	Australian International Development Assistance Bureau
AIDSCAP	AIDS Control and Prevention (centrally-funded USAID project)
ANE	(USAID) Asia/Near East Bureau
ARI	Acute respiratory infections
ASEAN	Association of Southeast Asian Nations
CBO	Community-based organization
CDIE	(USAID) Center for Development Information and Evaluation
CIDA	Canadian International Development Agency
CSW	Commercial sex worker
DAI	Development Alternatives Inc. (RSM/EA contractor)
DANIDA	Danish International Development Agency
DTEC	(Thai) Department of Technical and Economic Cooperation
EARTP	East Asia Regional Training Project (RSM/EA project)
EPD II	Emerging Problems of Development II (USAID/Thailand project)
EEC	European Economic Community
ESCAP	(UN) Economic and Social Development Commission for Asia and the Pacific
EXO	Executive Office (RSM/EA office)
FAO	(UN) Food and Agriculture Organization
FDI	Foreign direct investment
FINNIDA	Finnish Development Agency
FPIA	Family Planning International Assistance
FSN	Foreign service national
FTE	Full time equivalent (employee)
GEF	Global Environmental Facility (World Bank)
GIS	Geographic information system
GTZ	German agency for technical cooperation
HHE	Household effects
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
ICRC	International Committee of the Red Cross
IDRC	International Development Research Center
IIE	International Institute of Education (RSM/EA contractor)
IMF	International Monetary Fund
IRC	International Rescue Committee
ISP	Information Systems Plan
IUCN	International Union for the Conservation of Nature
IVDU	Intravenous drug user
JICA	Japanese International Cooperation Agency
MANRES	Management of Natural Resources and Environment Project (USAID/Thailand)
MCH	Maternal and child health

Acronyms

MSF	Medicins Sans Frontieres
NAD	(USAID) New activity description
NGO	Non-governmental organization
NMS	New Managment Systems (USAID software suite)
NXP	Non-expendable property
ODA	Official development assistance or Overseas Development Administration (UK)
OE	Operating expenses
OFDA	(USAID) Office of Foreign Disaster Assistance
OYB	(USAID) Operational year budget
OXFAM	Oxford Famine Relief
PACT	Private Agencies Cooperating Together (US NGO)
PDI	Population and Community Development International (Thai NGO)
PHN	Population, health and nutrition
POV	Privately owned vehicle
PSC	Personal services contractor
PPC	(USAID) Bureau for Policy and Program Coordination
PVO	Private voluntary organization
REDSO	(USAID) Regional Economic Development and Support Office
RGC	Royal Government of Cambodia
RHUDO	(USAID) Regional Housing and Urban Development Office
RLA	Regional Legal Advisor (RSM/EA office)
RP	Regional Procurement Office (RSM/EA office)
RSM/EA	(USAID) Regional Support Mission for East Asia
RTG	Royal Thai Government
RTSP	Regional Technical Support Project (RSM/EA project)
SIDA	Swedish International Development Authority
SLORC	(Burmese) State Law and Order Restoration Council
SO	Strategic Objective and SSO Support Strategic Objective
STD	Sexually transmitted disease
TAF	The Asia Foundation
TDY	Temporary duty
UNDP	United Nations Development Program
UNFPA	United Nations Fund for Population Activities
UNEP	United Nations Environment Program
UNIDO	United Nations Industrial Development Organization
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Emergency Fund
UNTAC	United Nations Transitional Authority for Cambodia
USAEP	US-Asia Environmental Partnership (USAID/ANE project)
US/CDC	US Center for Disease Control
USDH	US direct hire (USAID employee)
USPSC	US personal services contractor
WHO	World Health Organization and WHO/GPA WHO Global Program on AIDS
WWF	World Wildlife Foundation
WFP	United Nations World Food Program
WRI	World Resources Institute

EXECUTIVE SUMMARY

This document presents the FY 1996-2000 Strategic Plan of the Regional Support Mission for East Asia (RSM/EA). Located in Bangkok, operational responsibilities of the Mission encompass program planning, implementation, and support for seven East Asian countries including Burma, Cambodia, China, Laos, Mongolia, Thailand and Vietnam. In addition, the Mission provides administrative support to USAID missions and offices in Cambodia, Japan, Mongolia, Nepal, Singapore, Sri Lanka and Thailand.

The RSM/EA's responsibilities place it at the center of what is perhaps the most dynamic region of the world. The World Bank estimates that East Asian economies grew by an average of 7.5 percent annually between 1974 and 1993 and that their growth rates will average 7.6 percent between 1994 and 2003. East Asia's high average growth rate, however, masks the grossly uneven pattern of growth and development in the region. Many development needs remain unaddressed.

The HIV/AIDS epidemic is, perhaps, the most severe development threat facing the region. World Health Organization projections estimate that by the year 2000 incidence of new HIV infections will be greater in Asia than the rest of the world combined. Rapid population growth also poses a continuing threat; two-thirds of the world's poor continue to reside in Asia. Consequently, poverty alleviation remains one of the major needs of the region today. In the environmental sector, economic growth has combined with population growth to create a series of potentially catastrophic threats linked to deforestation, sharply increased levels of air and water pollution, unsustainable use of water resources and the proliferation of toxic wastes. Related development problems include the need to improve the health status of the region's poor, to promote human resource development, to combat gender disparities and to secure political rights and civil liberties.

Most of the nations for which the RSM/EA has programmatic responsibilities have lagged far behind the progress of the rest of East Asia. The uneven nature of development in the region, combined with enormous investment and export opportunities, and continuing threats to US national security, argue for a continued US development assistance role in the East Asia region.

Between 1990 and 1993 alone, US exports to the ASEAN region grew by 26 percent. Export opportunities will continue to grow, not only because of continued growth within the ASEAN economies, but also because of new opportunities in other countries of the region such as Vietnam, Burma and China. With more and more countries in the region reducing their restrictions on foreign investment to levels below other parts of the world, these opportunities are expected to extend to investments as well.

East Asia poses both "hard and "soft" security threats to the US. The hard threats include the presence of four of the five remaining communist countries in the world namely, China, Laos, North Korea and Vietnam; the presence of two potential nuclear threats, North Korea and China;

and the presence of the largest heroin production and distribution center in the world in northern Burma (60 percent of the heroin in the US comes from Burma). Other, softer threats to US security are posed by the HIV/AIDS epidemic, overpopulation, and environmental degradation. These softer threats are closely linked to the region's continuing development.

Even a relatively small USAID development assistance program has the potential to make a significant difference - both in advancing US interests in the region and in promoting sustainable development. East Asia is an area where the US possesses a reputation as an honest broker. As Japan and China compete for regional influence, the United States has an opportunity to intervene and voice its concerns about HIV/AIDS, democracy, human rights, overpopulation, the environment and the flow of illegal drugs in an attempt to insure that these concerns are shared by developing countries of the region as they emerge from authoritarianism and poverty to become part of what promises to become the new center of gravity for the world's economy in the next century.

The RSM/EA's status as a regional mission offers USAID an opportunity to maximize the impact of its limited development assistance dollars. Regionalization offers USAID a chance to increase both the efficiency and effectiveness of its overseas operations. The following are some of the opportunities for increased efficiency realized through regionalization:

- some mission functions do not require a full-time US direct-hire (USDH) on site; a few USDHs can serve many missions from a central location;
- other mission functions, which might require a USDH in a country with limited human resources, can be shifted to a regional support mission, where the functions can be performed by technically proficient FSN staff; and
- yet other mission functions lend themselves to economies of scale, reducing the number of USDH and FSN staff by shifting the functions to a central location - from where resources can be allocated according to changing needs.

In addition to efficiency gains, regionalization also offers considerable potential for increasing the effectiveness of USAID's development programs. This is a powerful argument that, unfortunately, has been overlooked by many within the Agency. One of the advantages of regional missions vis-a-vis bilateral missions is that their "raison d'etre" and their size/importance are not tied to developments in a single host country. Regionalization thus effectively decouples the size and importance of a mission from program performance in a single country, encouraging greater mission objectivity in reporting on program performance. Regionalization also encourages host-country governments to spend development assistance dollars more wisely. Under a regional mission arrangement, a single host-country government is not the sole consumer for a mission's "product." Hence, host-country governments must "pay more" for development assistance through greater program impacts and accountability or risk being out-bid by other host-country governments served by the regional mission. Lastly, regionalization offers opportunities to accelerate the transfer of project-related "lessons learned" throughout a region, to achieve economies of scale in implementing similar programs in neighboring countries and to devise regional solutions to problems that cross national borders (such as HIV/AIDS and the environment).

Regionalization is particularly well suited to the East Asian context. From a geopolitical standpoint, the countries covered by the RSM/EA constitute a well defined area, and these countries are moving rapidly towards closer regional cooperation. In addition, considerable uncertainty surrounds the ultimate scale and scope of USAID's presence in East Asia. These uncertainties include the timing of a potential expanded USAID role in Vietnam and Laos, the future size of USAID's program in Cambodia, Indonesia and the Philippines, as well as the possibilities of providing assistance to other countries in the region. This situation obviously calls for the ability to respond flexibly to changing circumstances in the region rather than the all-or-nothing response implied by opening/closing a bilateral mission. Furthermore, there are a limited number of USDHs available for placement in Asia/Near East Bureau missions. Because of its central location and its growing role as a regional economic, financial, communications, transportation and institutional center, Bangkok is an ideal location for a regional mission. And lastly, locating the support mission in Thailand allows USAID to build upon its 40-year development investment in Thailand by promoting collaborative development assistance activities in the region and by capitalizing on the Royal Thai Government's regional development assistance policies. (Regional development assistance is an explicit component of Thailand's foreign policy, and its development assistance budget is steadily increasing).

Although the regional mission concept offers exceptional opportunities for operational efficiency and effectiveness, the Mission recognized that its strategic objectives needed to be shaped to take advantage of its organizational strengths for these opportunities to be realized. In particular, the RSM/EA's strategic objectives should address problems that are truly regional in character or problems which are best addressed on a regional level because they offer potential economies of scale and/or regional synergies and complement the program activities of bilateral customer missions. Furthermore, as a support mission the Mission should have a strategic objective related to its support activities. The support SO should set firm, objective targets aimed at improving the efficiency and effectiveness of Mission support operations and seek to test and validate the expectation that regional mission support is more cost-effective than full mission staffing at several missions.

The Mission's choice of programmatic strategic objectives took into account the following: a) the region's tremendous development needs; b) the United States' significant economic, political and security interests in East Asia; c) USAID's increasingly constrained development assistance budget; d) US government policy which sharply limits USAID's program activities in certain countries in the region; e) other donors in the region; f) USAID's comparative technical advantages and g) the policy environment and institutional capabilities in USAID's priority areas in East Asian countries.

After consideration of the above factors, the Mission concluded that it is likely to have adequate resources available during the strategy period to pursue only a single programmatic strategic objective. (The Mission assumes that it will have approximately $3 million annually to spend on regional programming.) It has chosen to focus its available funds on the HIV/AIDS problem in Southeast Asia. (Nonetheless, the Mission believes a much broader development assistance effort is warranted and has included in Annex B additional strategic objectives focusing on the environment, reproductive health and democracy for consideration by USAID/Washington for funding during the strategy period.)

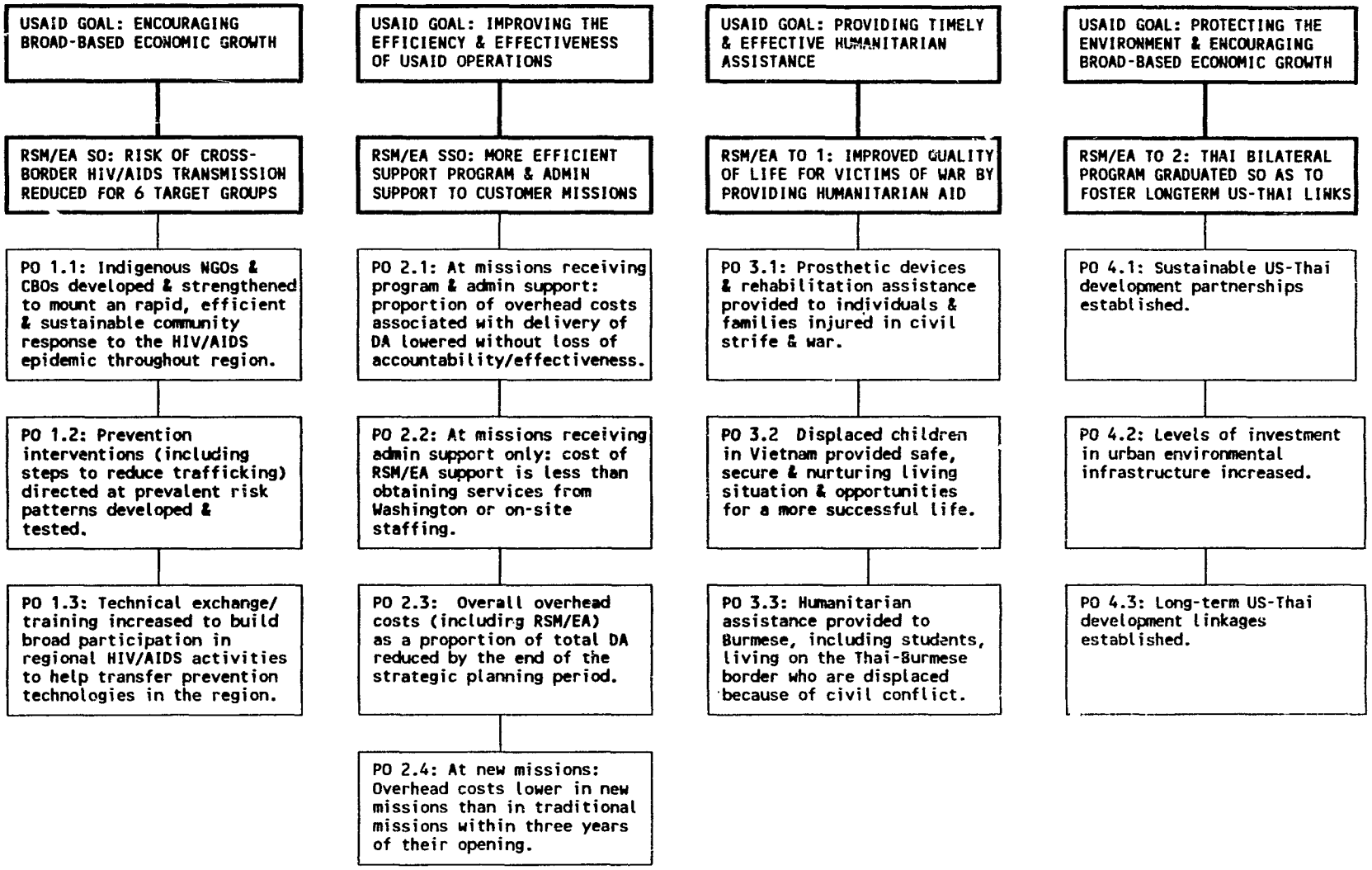
In addition to its HIV/AIDS SO, the RSM/EA strategic plan includes a customer mission support strategic objective, a "Victims of War" target of opportunity and a Thai bilateral target of opportunity. A discussion of each follows and the Mission's Program Objective Tree appears on the next page.)

The HIV/AIDS SO. The decision to focus on HIV/AIDS is the product of the following considerations: a) by the year 2000 incidence of new HIV infections will be greater in Asia than the rest of the world combined; b) the social political and economic consequences of the HIV/AIDS epidemic may set back past development gains and hinder future opportunities, thereby having a destabilizing impact on East Asian societies c) HIV/AIDS is unquestionably a regional issue which respects no national boundaries and affects every country in Southeast Asia as well as southern China; d) US government and USAID policies permit the Mission to work on the HIV/AIDS issue in five of the seven countries where it has programmatic responsibilities and this authority may be extended to the other two countries during the strategy period; e) the issue has strong horizontal linkages with other areas of USAID programmatic interest including economic growth (through labor force impacts) and democracy (through links to trafficking in women and children) as well as the general political stability of the region; f) the strategy focuses on program outcomes which are not being addressed by other donors but which are indispensable to reduce the risk of HIV/AIDS transmission; g) the strategy lends itself well to integration into the Regional Technical Support Project and the East Asia Regional Training Project as well as existing and planned Global Bureau and ANE Bureau projects; h) activities in this area are expected to offer many opportunities to cooperate with other donors, especially Japan and the UNDP; i) the initiative can be expanded quickly and cost-effectively to cover other countries in the region; and j) the strategy complements existing USAID activities in Cambodia as well as remaining USAID activities in Thailand.

The HIV/AIDS strategic objective seeks to reduce the risk of cross-border HIV/AIDS transmission in Cambodia, Laos, Mongolia, Thailand and Vietnam (and by association, the entire East Asia region and southern China). The following six groups are the primary beneficiaries of activities undertaken in pursuit of this strategic objective: a) clients of commercial sex workers; b) commercial sex workers, especially women and children sex workers who are trafficked or enslaved; c) ethnic and highland minorities; d) mobile and migratory labor, including single males, cross-border traders, transport workers, fishermen, and displaced populations; e) intravenous drug users (IVDUs) and their sexual partners; and f) adolescents. The first five groups have been targeted because they are the primary vectors of cross-border HIV transmission in the region. The last target group (adolescents) has been chosen for two reasons: first, adolescents (particularly hilltribe adolescents) are especially at risk of being trafficked into the commercial sex industry; second, their risk-associated behavior is still in a formative stage and thus the potential impact of interventions during this period is especially great. The text of the Mission's HIV/AIDS strategic objective is as follows:

> **Risk of cross-border transmission of HIV/AIDS infections (sexual, intravenous, perinatal) reduced among six critical target groups in Cambodia, Laos, Mongolia, Thailand and Vietnam.**

USAID/RSM/EA Program Objective Tree[1]



[1] Space limitations precluded inclusion of the full text of the SOs and POs. The precise language of the SOs and POs can found in Section 3.

The Support SO. The RSM/EA provides program and project support to its customer mission via RSM/EA staff as well through the Regional Technical Support Project (RTSP) and the East Asia Regional Training Project (EARTP). The two regional projects are designed to: reduce the number of USDHs and FSNs needed overseas; take advantage of economies of scale by aggregating certain project functions in a central location; create opportunities for synergies and cross-fertilization through a regional approach to project design and implementation; and permit the Agency to respond quickly and efficiently to rapidly changing requirements and circumstances in the region. RSM/EA administrative support responsibilities include providing contracting, financial, legal and executive office services to a variety of USAID missions and offices in the East Asia region. The table below identifies the types and locations of Mission program and administrative support.

RSM/EA Support by Country

Country	RC	RP	EXO	RLA	PDE	TR	PSP	RHUDO
Thailand	✓	✓	✓	✓	✓	✓	✓	✓
Cambodia	✓	✓	✓	✓	✓	✓	✓	✓
Mongolia	✓	✓	✓	✓	✓	✓	✓	✓
Vietnam	✓	✓		✓	✓	✓	✓	
Laos	✓	✓		✓	✓	✓	✓	
Burma-Thai Border	✓	✓		✓	✓	✓		
Singapore	✓	✓	✓					
Japan	✓		✓					
Sri Lanka		✓						
Nepal		✓						

RC = Regional Controller; RP = Regional Procurement; EXO = Executive Office; RLA = Regional Legal Advisor; PDE = Project Development and Evaluation; TR = Technical Resources; PSP = Program and Strategic Planning; and RHUDO = Regional Housing and Urban Development Office (which includes environmental sector activities).

The RSM/EA's support SO is founded on two basic imperatives: first, the Mission should strive to improve the efficiency and effectiveness of its support, and second, it should document the efficiencies of the regional mission concept. Thus, the RSM/EA's support SO seeks to set standards that will encourage the Mission to improve customer mission support while testing and validating the expectation that regional mission support is more cost-effective than full mission staffing at several missions.

The Mission proposes to measure the value of its support efforts in terms of the cost efficiencies it generates for USAID. The challenges associated with formulating such an SO, however, are significant. It is much more difficult to meet the "manageable interest" criterion for a support SO than a programmatic SO. Support missions lack the levers of influence over their customer missions. A second critical difficulty is associated with the measurement of support SO results. Intuitively, the purpose of a regional support SO is clear: it should guide efforts to lower overhead costs associated with the delivery of development assistance. However, measurement problems abound. The RSM/EA provides a variety of support services including full

administrative and program support to missions in Cambodia and Mongolia; b) contracting support only to missions in Sri Lanka and Nepal; c) administrative support only to USAID offices in Japan and Singapore which lack a program budget; and d) administrative and program support to RSM/EA programs in Vietnam, Laos, the Thai-Burmese border, as well as remaining bilateral activities and new regional activities.

Efficiency calculations for the RSM/EA are subject to many distortions. On the one hand, the fact that Japan and Singapore have no development assistance budgets would understate the efficiency of the operation, On the other hand, the partial support to Sri Lanka and Nepal, measured against their full development budgets, overstates efficiency. In addition, support costs can be distorted by a variety of non-routine factors such as mission openings and closings. The RSM/EA proposes to overcome these difficulties by: a) adopting REDSO-like planning procedures to guide the support efforts; b) requesting ANE's Office of East Asia Affairs to adopt the RSM/EA support SO in partnership with the RSM/EA and commit itself to working with the RSM/EA to meet the objective; and c) addressing measurement problems through the use of a combination of objective indicators and insightful interpretation to provide both rigor and flexibility in the measurement of progress. Such an approach will expand the reach of the RSM/EA's manageable interests while keeping the monitoring process both rigorous and flexible. It is anticipated that the imminent field implementation of the Agency's new Managment Systems will be of tremendous significance in this regard.

The RSM/EA plans to schedule its PRISM exercise for the fall of 1995 and take this opportunity to fully develop the baseline measures that will be used for the support SO. The text of the support strategic objective is as follows:

> **More efficient administrative and programmatic support provided to customer missions by the RSM/EA without any significant loss of operating accountability or effectiveness.**

Target of Opportunity 1. The RSM/EA's first target of opportunity focuses on providing Congressionally mandated assistance to victims of war and civil strife in the region. The conflict in Vietnam and Laos ended two decades ago, but it continues to take a toll because of the continued existence of millions of unexploded land mines and bombs in these countries. The conflict in Burma is also decades old but it continues with over 100,000 displaced Burmese residing along the Thai-Burmese border where basic human needs are not being adequately met.

The RSM/EA currently manages NGO grants in Vietnam, Laos, and on the Thai-Burma border. The grants are provided under the Asia Regional Rehabilitation and Prosthetics Assistance Project, the Vietnam Displaced Children's Project and the Displaced Burmese Assistance Project. Grants provided to date total $10.4 million for Vietnam, $800,000 for Laos and $1.0 million for displaced Burmese. The specific language of the Mission's first TO is as follows:

> **Quality of life of civilian victims of war and civil strife in Vietnam, Laos and on the Thai-Burmese border improved by providing urgently required humanitarian assistance.**

Target of Opportunity 2. The RSM/EA's second target of opportunity focuses on completing Thai bilateral activities and assisting in the implementation of continuing Global Bureau and ANE activities in Thailand. The two continuing bilateral activities are the US-Thai Development Partnership Project and the Urban Environmental Infrastructure Guaranty Project. The Partnership Project seeks to create sustainable US-Thai partnerships to facilitate the resolution of environmental problems associated with rapid growth in Thailand and to address the rapid spread of the HIV/AIDS virus. The Guaranty Project seeks to increase levels of investment in municipal environmental infrastructure in secondary cities of Thailand. The Mission also has limited of involvement in ten regional or worldwide Global Bureau or ANE Bureau projects located in Thailand. The specific language of the Mission's second TO is as follows:

> **Thai Bilateral Assistance Program graduated in a manner that fosters long-term US-Thai development linkages.**

Mission Management Issues. Effective October 1, 1995 the RSM/EA will consist of 78 staff as follow: 14 USDHs, 1 offshore USPSC, 1 Michigan Fellow, 4 local-hire USPSCs, 18 FSN professionals and 40 FSN support personnel. The new staffing pattern represents a net reduction of 21 positions since October 1994. With these personnel changes, the RSM/EA expects to meet its SO and TO requirements for the immediate future, although uncertainties associated with the impact of the possible RIG move from Bangkok to Singapore, the effects of the introduction of NMS, the workload from possible additional programming in Vietnam and Laos and other possible increased administrative and/or programmatic responsibilities means that it is impossible to definitively predict long-term staffing needs. Accordingly the RSM/EA requests that its FTE ceiling of 16 (14 for the Mission, 2 for RHUDO) and its USPSC ceiling of 2 be retained.

Following the Thai bilateral closeout, the RSM/EA will manage five regional projects (RTSP, EARTP and the three discussed under TO 1), the Thai bilateral US-Thai Development Partnership Project and the Urban Environmental Infrastructure Guaranty and continue to be involved in a variety of centrally-funded projects. Nonetheless, proposed new obligations during the period FY 1995-1997 Action Plan cover only the HIV/AIDS activity and the two regional support projects. All other activities will be financed out of existing pipelines. The Mission assumes that program resources through FY 2000 will be straightlined at $3.0 million.

The Mission, however, could justify programs totaling far more than the annual $3.0 million allowed under ANE guidance. The RSM/EA is convinced that far more should be done by the US in the region. The massive health and environmental problems, the lack of basic political freedoms, the widespread poverty and fundamental development problems falling within the core USAID mandate all point to a need for increased development assistance. United States security considerations, economic opportunities for US businesses, the receptiveness of most governments in the region to economic and political reform, and the potential offered by low cost and innovative development mechanisms (such as the Partnership Project), constitute a compelling rationale to increase development assistance to a plane well above the existing $3.0 million level. In what is perhaps the most dynamic region of the world, this figure is short-sighted in terms of the US's long-term political, economic and security interests. Accordingly, the RSM/EA urges the ANE Bureau to reconsider the potential trade-offs of moving an additional $5-10 million per year from other parts of the ANE region to the RSM/EA for regional programming.

SECTION 1:

THE RSM/EA AND US INTERESTS

1.1 THE IMPORTANCE OF DEVELOPMENT ASSISTANCE IN EAST ASIA TO US INTERESTS

One of the most impressive events of the late 20th century has been the rapid modernization of the two billion people that reside in the area that extends from Japan to the border of India. Countries in this region have been growing at rates well above those common in the West. The World Bank estimates that East Asian economies grew by an average of 7.5 percent annually between 1974 and 1993 and that their growth rates will average 7.6 percent between 1994 and 2003. Within 25 years, 7 of the world's 10 largest economies will be situated in the region, and in a decade America's strategic interests in East Asia may surpass its interests in Europe.

East Asia's high average growth rate, however, masks the uneven character of growth and development in the region. Many nations, including most of the nations for which the RSM/EA has programmatic responsibilities, have lagged far behind the rest of East Asia. The uneven nature of development in the region, combined with enormous investment and export opportunities, and continuing threats to US national security, argue for a continued US development assistance role in the East Asia region.

With 328 million people and a gross domestic product of $350 billion, the six ASEAN nations of Thailand, Philippines, Indonesia, Singapore, Malaysia and Brunei are already the United States' fifth largest export market (after Canada, Japan, the European Community and Mexico). Between 1990 and 1993 alone, US exports to the ASEAN region grew by 26 percent. Indeed, many US products possess a cachet among regional consumers that is not shared by their Japanese or European competitors. Opportunities for US exporters will continue to grow, not only because of continued growth within the ASEAN economies, but also because of new opportunities in other countries of the region such as Vietnam, Burma and China. These opportunities extend to investments as well. With more and more countries in the region reducing their restrictions on foreign investment to levels below other parts of the world, the region is likely to become a magnet for US investment in the next century.

The East Asia region poses both "hard" and "soft" security threats to the US. The hard threats include the presence of four of the five remaining communist countries in the world, namely China, Laos, North Korea and Vietnam; the presence of two potential nuclear threats, North Korea and China; and the presence of the largest heroin production and distribution center in the world in northern Burma (60 percent of the heroin in the US comes from Burma). Other, softer threats to US security are posed by the HIV/AIDS epidemic, overpopulation, and environmental degradation. These softer threats to US security are closely linked to the region's continuing development needs.

The HIV/AIDS epidemic is, perhaps, the most severe development threat facing the region. Projections by WHO indicate that by the year 2000, the annual incidence of HIV infections in Asia might be greater than the entire number of cases in the world at the present time. Rapid population growth also poses a continuing threat, and because of it, two-thirds of the world's poor continue to reside in Asia.[1] Consequently, poverty alleviation remains one of the major needs of the region today. In the environmental sector, economic growth has combined with population growth to create a series of potentially catastrophic threats linked to deforestation, sharply increased levels of air and water pollution, unsustainable use of water resources and the proliferation of toxic wastes.[2] Related development problems include the need to improve the health status of the region's poor, to promote human resource development, to combat gender disparities and to secure political rights and civil liberties.

These and other development needs impose major burdens on all seven countries where the RSM/EA has programmatic interests, namely, Burma, Cambodia, China, Laos, Mongolia, Thailand and Vietnam.[3] (While Thailand's rapid economic progress means that it faces fewer development obstacles than the other six countries, it is situated at the center of Asia's HIV/AIDS epidemic and faces acute environmental problems which have an impact on its neighbors.) The problems faced by the seven countries not only threaten the health and welfare of their own citizens, but they also hinder overall growth in the region through lost opportunities for economic synergy and pose a continuing threat to the economic, political and social stability of the region.

Even a relatively small USAID development assistance program has the potential to make a significant difference - both in advancing US interests in the region and in promoting sustainable development. East Asia is an area where the US possesses a reputation as an honest broker. As Japan and China compete for regional influence, the United States has an opportunity to intervene and voice its concerns about HIV/AIDS, democracy, human rights, overpopulation, the environment and the flow of illegal drugs in an attempt to insure that these concerns are shared by developing countries of the region as they emerge from authoritarianism and poverty to become part of what promises to become the new center of gravity for the world's economy in the next century.

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[1] Both the HIV/AIDS and the poverty statistics include the Indian subcontinent as part of Asia.

[2] A recently published study prepared by the East-West Center in Hawaii found that due to its rapid growth, Asia will account for nearly half of the world's greenhouse gas emissions by 2010, a 133 percent increase over present levels. By 2050, resulting rising sea levels could displace 76 million people in China alone.

[3] USAID has a full program in Cambodia and Mongolia, and limited activities in Laos and Vietnam. The majority of USAID's activities in Thailand are due to be closed out by September 30, 1995 although limited activities will continue after that date. Although USAID is not permitted to engage in activities in Burma and China at the present time, they are discussed in this document because Burma and China's Yunnan Province are an integral part of the Southeast Asia region and cannot be ignored when regional problems (such as HIV/AIDS and the environment) are examined.

1.2 RESPONSIBILITIES OF THE REGIONAL SUPPORT MISSION FOR EAST ASIA

Operational responsibilities of the RSM/EA encompass program planning, implementation, and support for seven East Asian countries, including Burma, Cambodia, China, Laos, Mongolia, Thailand and Vietnam.[4] In addition, the Mission provides administrative support[5] to USAID missions and offices in Cambodia, Japan, Mongolia, Nepal, Singapore, Sri Lanka and Thailand. More specifically, the Mission's responsibilities include:

- managing the Thai bilateral program closeout (also known as "graduation") by September 30, 1995 and implementing two major bilateral projects and overseeing several Washington-funded activities that will continue beyond FY 1995;
- designing and implementing USAID's non-resident programs in Laos and Vietnam;
- designing and implementing USAID's Burmese displaced persons program;
- engaging in strategic planning, project design and project evaluation activities in the region covered by the RSM/EA;
- providing program/project support to East Asian USAID offices where there are resident staff but not complete missions, including Cambodia and Mongolia; and,
- providing administrative support to Mongolia and Cambodia as well as to USAID offices in Japan, Singapore, Sri Lanka, Nepal and Thailand.

In addition to RSM/EA staff, the primary vehicles through which the Mission provides program and project support are the Regional Technical Support Project (RTSP) and the East Asia Regional Training Project (EARTP). Both have been designed to capitalize upon the strengths of regionalization. More specifically, the projects are designed to: reduce the number of USDHs and FSNs needed overseas; take advantage of economies of scale by aggregating certain project functions in a central location; create opportunities for synergies and cross-fertilization through a regional approach to project design and implementation; and permit the Agency to respond quickly and efficiently to rapidly changing requirements and circumstances in the region.

More generally, the projects are designed to endow small missions with many of the strengths of large missions including personnel to assist in project design, monitoring, and evaluation, as well as the labor-intensive tasks associated with participant training and human resource development. In addition, they are designed to deliver technical assistance and participant training services directly to host-country governments. Although the projects are not a complete substitute for a large USDH staff, they do provide small missions with many of the virtues of a large mission staff at a fraction of its cost. Thus, the benefits of the projects accrue not only to customer missions but also to the entire Agency, helping USAID to keep small missions small, conserving scarce human and financial resources, and permitting the Agency to deploy its resources optimally.

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[4] Currently, USAID maintains development assistance offices, headed by USAID Representatives, in Cambodia and Mongolia. A U.S.-Japan Coordination Office, staffed by a Development Counselor, is located in Tokyo. The Regional Inspector General's Office is located in Singapore. China, Burma, Vietnam and Laos have no in-country USAID presence.

[5] As used in this document, the term "administrative" refers to the services provided by the RSM/EA's contracting, executive, finance and legal offices.

RSM/EA administrative support responsibilities include providing contracting, financial, legal and executive office services to USAID missions in Cambodia and Mongolia as well as the RSM/EA itself. (See Table 1.1.) In addition, it provides financial, legal and executive office services to USAID offices in Japan and Singapore as well as contracting office services only to USAID missions in Sri Lanka and Nepal. Contracting office services include: full procurement support in contracts and grants negotiation, execution and management, as well as advice in planning and implementation of USAID contract policies for program and project assistance. Executive office services include personnel management; residential and office property leasing and management; procurement of operating expense items; general services including property maintenance and repair, warehouse management, and security; travel and transportation arrangements; motor vehicle management; and communications and records. Financial office services include: financial management; project and OE accounting services; payments/ collections review; financial analysis services; audit management services; and computer operations and services. Lastly, the legal advisor provides counsel to customer missions and the RSM/EA on all legal matters under US and host-country bilateral agreements an other assistance instruments such as grants and cooperative agreements, as well as laws and regulations pertaining to the foreign assistance program.

Table 1.1: RSM/EA Support by Country

Country	RC	RP	EXO	RLA	PDE	TR	PSP	RHUDO
Thailand	✓	✓	✓	✓	✓	✓	✓	✓
Cambodia	✓	✓	✓	✓	✓	✓	✓	✓
Mongolia	✓	✓	✓	✓	✓	✓	✓	✓
Vietnam	✓	✓		✓	✓	✓	✓	
Laos	✓	✓		✓	✓	✓	✓	
Burma-Thai Border	✓	✓		✓	✓	✓		
Singapore	✓	✓	✓					
Japan	✓		✓					
Sri Lanka		✓						
Nepal		✓						

RC = Regional Controller; RP = Regional Procurement; EXO = Executive Office; RLA = Regional Legal Advisor; PDE = Project Development and Evaluation; TR = Technical Resources; PSP = Program and Strategic Planning; and RHUDO = Regional Housing and Urban Development Office (which includes all environmental sector entities.

A more detailed discussion of RSM/EA operating responsibilities as well as a description of the Mission's on-going program activities can be found in Annex D.

1.3 STRENGTHS AND ADVANTAGES OF REGIONAL MISSIONS

Regionalization offers USAID an opportunity to increase both the efficiency and effectiveness of its overseas operations. The highest levels of US government have recognized the virtues of the regional approach. The Report of the National Performance Review (the Gore Report) urges USAID to place more emphasis on the regional mission concept, stating that "AID should regionalize missions and staff services overseas."

The virtues of regionalization have also been widely appreciated by those who have looked at "big picture" management issues within USAID. However, interviews and a literature search reveal that regional support has largely been a "common sense" undertaking with relatively little formal managerial analysis. A quote taken from a 1992 USAID management study helps to explain why regional support has remained a neglected topic despite its enormous potential to conserve OE dollars:[6]

> *[Field] interviews tended to confirm an impression of a system that encourages the expansion and proliferation of free-standing, relatively self-sufficient field posts, as opposed to optimum use of subregional or regional support services. The incentive system (which includes performance pay, promotion, access to the Senior Foreign Service, onward assignment and visibility) seems to award program size and volume and field post size as positive performance factors. Performance [ ] with a minimum staff making efficient and cost-effective use of subregional [ ] services is not necessarily viewed negatively, but neither is it viewed as a contribution to one's career. Irrespective of what AID/W says or does, one finds a pattern of activity proliferation, fueled by a mix of genuine development concern, career ambition, and special interests [ ]. What follows are incremental staff increases (executive officer, controller, project development officers, etc.) which over time lead to and support a full mission status....*
>
> *The result is a less than efficient and cost-effective use of scarce human resources and operational expense funds, manifesting itself in over-staffing some field posts and a less-than-optimal use of pooled resources. This pattern of activity also seems to result in increased difficulty in attracting quality staff to regional organizational units because they are not viewed as attractive career options. In short, many smaller field posts are tending to be staffed to perform functions that could be done elsewhere; regional service staffs are not being utilized as well as they could be; and Agency efforts to make the best use of human and OE resources are being thwarted.*

The following are some of the opportunities for increased efficiency realized through regionalization:

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[6] "A.I.D.'s In-Country Presence: An Assessment." October 1992, page G-4.

- some mission functions do not require a full-time US direct-hire (USDH) on site; a few USDHs can serve many missions from a central location;
- other mission functions, which might require a USDH in a country where qualified FSNs are absent, can be shifted to a regional support mission, where the functions can be performed by technically proficient FSN staff; and
- yet other mission functions lend themselves to economies of scale, reducing the number of USDH and FSN staff by shifting the functions to a central location - from where resources can be allocated according to changing needs.

Regionalization also tends to be more efficient than providing administrative and program support from Washington. The reasons include: reduced travel costs; reduced travel time; lest costly communications; and lower operating costs since many functions can be performed by FSNs rather than higher-cost, Washington-based personnel.

In addition to efficiency gains, regionalization offers considerable potential for increasing the effectiveness of USAID's overseas programs. This is a powerful argument that, unfortunately, has been overlooked by many within the Agency. One of the advantages of regional missions vis-a-vis bilateral missions is that their "raison d'etre" and their size/importance are not tied to developments in a single host country. Regionalization thus effectively decouples the size and importance of a mission from program performance in a single country, encouraging greater mission objectivity in reporting on program performance.[7] Regionalization also encourages host-country governments to spend development assistance dollars more wisely. Under a regional mission arrangement, a single host-country government is not the sole consumer for a mission's "product." (Being a sole customer places the customer in a strong bargaining position.)[8] Hence, host-country governments must "pay more" for development assistance through greater program impacts and accountability or risk being out-bid by other host-country governments served by the regional mission. Lastly, regionalization offers opportunities to accelerate the transfer of project-related "lessons learned" throughout a region, to achieve economies of scale in implementing similar programs in neighboring countries, and to devise regional solutions to problems that cross national borders (such as HIV/AIDS and the environment).

Field-based, regional programming is likely to be more effective than centralized (ie, Washington-based) programming. Field based regional programming has the advantage of providing a better understanding of the on-the-ground situation through increased contacts and closer collaboration with host-country officials, other donors and area experts. It also increases opportunities to adapt projects to new events and changing circumstances. Furthermore, the RSM/EA believes that the entire Agency might benefit if the Global Bureau integrated itself more fully with overseas mission operations. Many of the more routine program functions of the Global Bureau could be performed in the field by talented and relatively inexpensive FSNs located in a limited number of regional missions throughout the world in cities that possess large

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[7] In order for regional missions and the Agency to take full advantage of this organizational strength, existing policies and procedures may need to be changed to facilitate the reprogramming of USAID resources within a region.

[8] It is recognized that a host-country government is not always the consumer of the mission's product, but when it is not, it usually is positioned to arbitrate/influence consumption.

possess large pools of highly talented human resources. Under this scenario, G/Washington would be staffed by a leaner core of exceptionally talented individuals who could not be duplicated by high caliber FSN experts. The tighter links between G/Washington and the field would have the potential of increasing the developmental effectiveness of Global programming while simultaneously lowering overall operating costs for the Agency.

Regionalization is particularly well suited to the East Asian context. From a geopolitical standpoint, the countries covered by the RSM/EA constitute a well defined area, and these countries are moving rapidly towards closer regional cooperation.[9] In addition, considerable uncertainty surrounds the ultimate scale and scope of USAID's presence in East Asia. These uncertainties include the timing of a potential expanded USAID role in Vietnam and Laos, the future size of USAID's program in Cambodia, Indonesia and the Philippines, as well as the possibilities of providing assistance to other countries in the region. This situation obviously calls for the ability to respond flexibly to changing circumstances in the region rather than the all-or-nothing response implied by opening/closing a bilateral mission. Furthermore, there are a limited number of USDHs available for placement in Asia/Near East Bureau missions. Because of its central location and its growing role as a regional economic, financial communications, transportation and institutional center, Bangkok is an ideal location for a regional mission. And lastly, locating the support mission in Thailand allows USAID to build upon its 40-year development investment in Thailand by promoting collaborative development assistance activities in the region and by capitalizing on the Royal Thai Government's regional development assistance policies. (Regional development assistance is an explicit component of Thailand's foreign policy, and its development assistance budget is steadily increasing).

Other donors are also beginning to recognize the virtues of regionalization in East Asia. Several are already working on a regional or subregional basis in East Asia to address common or joint problems. UNDP manages a number of such initiatives, one of which is a sub-regional program encompassing Southeast Asia. It is coordinated by the UNDP regional office in Bangkok in collaboration with UNDP country offices in the subregion. Activities include: support to the newly reorganized Mekong Committee; support for seminars on macroeconomic management issues including inflation management, mobilization of domestic savings, and preparation for entry into ASEAN; support for civil aviation advisory services; support for hilltribe development; and support for biodiversity conservation and development intended to address aspects of biodiversity conservation that transcend national boundaries. Similarly, the U.N. Economic and Social Development Commission for Asia and the Pacific (ESCAP), also situated in Bangkok, funds invitational travel to permit experts, NGOs and others from the countries concerned to participate in regional fora and training activities.

The Asian Development Bank also supports several regional and subregional programs. One of the most important is the Greater Mekong Subregion project involving Cambodia, Laos, Burma, Thailand, Vietnam and China's Yunnan Province. It addresses what the Bank considers to be the most significant impediments to expanded economic cooperation in the region: basic infrastructure (especially transportation and energy), trade and investment, tourism linkages,

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[9] Arguably, Mongolia is an exception to this generalization, although it has been a participant in a number of recent Southeast Asian forums and sees itself as having much in common with countries in the Southeast Asian region.

environment and human resource development. In addition, the Bank is planning to address policy impediments such as trade barriers and exchange controls.

Bilateral donors are also engaging in regional activities. Japan has initiated the Forum for the Comprehensive Development of Indochina to strengthen cooperation mechanisms for technical and capital assistance. The Canadian International Development Agency (CIDA), the Australian Development Aid Bureau (AIDAB), and the Swedish International Development Agency (SIDA) all provide funding for regional activities or organizations. (Australia's assistance in funding the Friendship Bridge between Thailand and Laos is a particularly high profile example.)

Thailand has also begun to provide development assistance to its less developed neighbors in the region. The Department of Technical and Economic Cooperation (DTEC) manages a program that provides training, technical assistance and other development support to countries in the region with priority placed on Mekong basin countries. Thailand's development assistance budget reached $9.2 million in 1994 and is likely to continue to grow.

Thus, there is considerable momentum behind the regional mission concept not only within USAID and the US government, but also among other bilateral and multilateral donors active in the region, a fact which furthers enhances the value of a USAID regional mission in East Asia.

1.4 THE RSM/EA STRATEGIC PLAN: CAVEATS AND QUALIFIERS

To capture the many advantages of a regional mission in East Asia, the RSM/EA's strategic plan must be more complex than a bilateral strategic plan. The RSM/EA has broader responsibilities (providing both development assistance and mission support) and must cope with considerable uncertainty with respect to the level of service demand and development assistance. Thus, this plan is submitted with the following caveats and qualifiers:

- Strategic planning guidelines assume that missions are delivering development assistance to one country. The RSM/EA has responsibility for seven countries and a number of them (including Cambodia, China, Mongolia and Vietnam) are undergoing significant economic and social changes.
- The Mission's multiple layers of operational responsibility mean that it is necessary to develop a unique strategy document that includes an on-going regional program, humanitarian assistance activities funded on a year-to-year basis, program and project support to a small group of USAID offices, administrative support to a much larger group of USAID offices, and the closeout of the Thai bilateral program. In addition, it must plan for possible expanded USAID activities in the region and be ready to implement those plans on short notice. The Mission is also playing a growing role in donor coordination in the region and is likely to become more involved in the US-Japan Common Agenda.
- The nature and extent of the market for RSM/EA support services is highly uncertain. Uncertainties include: a) the number of countries in which bilateral programs will exist, b) the levels and types of programming in these countries, c)

the levels and types of staff in client missions, and d) the levels and types of transnational programming. The uncertainty is complicated by the fact that the RSM/EA must "compete" to deliver certain types of support services. Although customer missions may need a broad spectrum of services that cannot be provided by their own staff, they do not necessarily have to obtain these services either from RSM/EA staff or through the regional support buy-in projects managed by the RSM/EA. Instead, client missions can turn to private sector suppliers for such services. (Client missions have the greatest discretion in the use of project, program, and strategic planning services and the least in the use of legal, contracting, and financial services.)

- RSM/EA staffing decisions must balance an array of factors including: a) the size and complexity of client mission programs, b) the level and mix of client mission program staffing, c) the speed/financial efficiency trade-offs associated with the delivery of client mission support services, and d) the extent of RSM/EA managed activities elsewhere within the region.

The collective effect of these factors leads the RSM/EA to have to choose between submitting a document that meets the length and content guidelines for strategic plans but sacrifices essential information or to submit a more detailed document that reflects the complexity of RSM/EA operations. The Mission has opted for the latter approach in the preparation of this document.

SECTION 2:

THE ENVIRONMENT FOR RSM/EA ASSISTANCE

2.1 ECONOMIC AND SOCIO-POLITICAL TRENDS

As an area that accounts for more than a third of the world's population, East Asia defies easy generalizations. Nonetheless, the emergence of a number of transnational trends in the region can be distinguished. They include: rapid, export-led economic growth; declining fertility rates; improved health and social welfare, including increased literacy and longer life expectancies; increasing concern over environmental issues; and increasing democratization. Exceptions to these generalizations abound, however, and, other than Thailand, the countries for which the RSM/EA has programmatic responsibilities have tended to lag far behind the rest of East Asia.

Economic Performance. That said, the economic performance of all of the RSM/EA countries[10] except Mongolia has been fair to excellent in recent years. Table 2.1 demonstrates that per capita income grew strongly in 1992 and 1993 in Burma, China, Thailand and Vietnam. The economic performance of the countries weakens, however, if either a longer-term time horizon is adopted or if the overall average growth rate of Asian Development Bank members is used as a basis for comparison. This is a reflection of the relatively recent shifts toward more liberal economic policies in many of the RSM/EA countries. Only Thailand has demonstrated consistently strong economic performance over the long term.

Even in Thailand, however, where export-led growth has been a major factor contributing to prosperity, the benefits of growth have been unevenly distributed, being largely concentrated in the Bangkok Metropolitan Area and the Eastern Seaboard. China has followed a similar policy of encouraging export-led growth with similar resulting spatial inequities. (In China's case, growth has primarily benefitted southern, coastal regions.) Like Thailand and China, Vietnam also appears committed to a policy of export-led growth. However, the rewards of this strategy are just beginning to be felt and have largely failed to reach the majority of Vietnamese society. Laos is following a more cautious strategy of gradual economic liberalization. Surrounded by larger, more powerful nations, Laos has sought to integrate itself into the economies of its neighbors, particularly since the collapse of the Soviet Union. Mongolia is committed to a more aggressive policy of economic liberalization but faces the burden of undoing nearly 70 years of Soviet economic and political domination. (In 1993, the public sector still accounted for 43.6 percent of the Mongolian economy compared with only 16.7 percent in China.) Economic performance is likely to continue to lag behind the other RSM/EA countries until it finds stable

[10] The term "RSM/EA countries" will be used frequently in this report. The term refers to the seven countries where the RSM/EA has existing program responsibilities (Laos, Thailand and Vietnam), program support responsibilities (Cambodia and Mongolia) or potential program responsibilities (Burma and China).

markets for its rather unusual mix of export products. Burma has taken steps to attract foreign investment but its actions suggest that it is seeking to promote economic development in a way that ensures the State Law and Order Restoration Council's (SLORC) continued grip on the political and economic levers of power. (Analysts have suggested that SLORC is seeking to follow the Indonesian model of development.) Cambodia has also followed a policy of economic liberalization and most analysts are optimistic about the country's future even though the government exercises less than full control over the countryside and official corruption and smuggling remain endemic.

Table 2.1: GDP Growth Per Capita 1988-93
(Measured in Percent)

Country	1988	1989	1990	1991	1992	1993	Net GDP Change 1988-93	GDP Per Capita 1992
Burma	-13.0	1.8	0.9	-2.8	8.9	3.9	-1.7	LT$500[1]
Cambodia	...	1.0	-1.2	5.2	1.7	3.3[2]	10.3	LT$500
China	9.4	2.5	1.5	6.4	11.5	11.6	50.7	$380
Laos	-4.5	8.5	3.6	1.6	4.1	1.2[2]	14.9	$250
Mongolia	2.9	1.8	-1.6	-12.2	-9.8	-3.6	-21.3	LT$500
Thailand	11.4	10.5	9.9	6.4	6.4	6.6	63.3	$1,840
Vietnam	2.8	5.9	2.8	3.5	5.9	5.7	29.7	$220
ADB Member Avg.	8.0	4.1	4.5	4.6	5.8	5.8	37.6	N.A.[3]

[1] "LT" refers to "less than." The Asian Development Outlook 1994 reports a staff estimate of $893 for this figure but it appears to be based on the official, overvalued rate of the Burmese currency.

[2] Estimated. [3] Not available.

Source: Asian Development Bank. Asian Development Outlook 1994.

Despite their recent economic progress, all of the RSM/EA countries except Thailand remain poor. With per capita incomes estimated to be less than $500, Burma, China, Cambodia, Laos, Mongolia and Vietnam are among the poorest nations of the world. The current situation is particularly grim for Mongolia, which has plummeted from the moderate-income ranks into the low income category since the collapse of the Soviet Union. Only Thailand, with a 1992 per capita income of $1,840, has progressed into the ranks of the moderate-income countries.

Health and Social Welfare. Depending on the time horizon adopted, it can be argued that health and social welfare has tended to improve in all of the RSM/EA countries. Since the 1960s, life expectancies have lengthened and infant mortality has declined in all seven countries. (See Table 2.2.) In terms of basic food consumption, the record is somewhat more mixed. Between 1965 and 1990, food consumption (measured as a percentage of Western calorie consumption) has increased in Burma, China and Laos, while remaining constant in Thailand and Vietnam. Relative consumption has actually declined in Cambodia and Mongolia reflecting

Table 2.2: Trends in Human Development

Country	Life Expectancy 1960	Life Expectancy 1992	Infant Mortality (per 1,000) 1960	Infant Mortality (per 1,000) 1992	Calorie Consumption West = 100% 1965	Calorie Consumption West = 100% 1988-90
Burma	43.8	56.9	158	83	72%	90%
Cambodia	42.4	50.4	146	117	79%	74%
China	47.1	70.5	150	27	69%	86%
Laos	40.4	50.3	155	98	69%	85%
Mongolia	46.7	63.0	128	61	85%	75%
Thailand	52.3	68.7	103	26	77%	77%
Vietnam	44.2	63.4	147	47	78%	78%

Source: UNDP. 1994 Human Development Report.

the severe problems faced by both countries. Although reliable time series data are unavailable for most of the RSM/EA countries, the data that are available, as well as anecdotal information, suggest that literacy has improved since 1970 in all of the RSM/EA countries except Cambodia. Overall progress on health and welfare issues, however, becomes somewhat more cloudy if a shorter time horizon is adopted. For example, the quality of health care is reported to have suffered in Cambodia, Laos, Mongolia and Vietnam since the cutoff of Soviet aid. The situation is particularly severe in Mongolia where the social safety net that existed prior to 1990 lies in tatters. Burma is also reported to have suffered a decline in quality of life measures since the cutoff of Western aid in 1988.

Table 2.3: Trends in Fertility

Country	Estimated Population 1960	Estimated Population 1992	Population Growth Rate 1960-92	Population Growth Rate 1992-00	Population Doubling Date
Burma	21.7	43.7	2.2	2.1	2023
Cambodia	5.4	8.8	1.5	2.4	2019
China	657.5	1,187.4	1.9	1.1	2040
Laos	2.2	4.5	2.3	2.8	2014
Mongolia	1.0	2.3	2.8	2.6	2017
Thailand	26.4	56.1	2.4	1.1	2046
Vietnam	34.7	69.5	2.2	2.0	2025

Source: UNDP. 1994 Human Development Report.

Fertility rates are high in all of the RSM/EA countries except Thailand and China. (See Table 2.3) Indeed, fertility rates for Cambodia, Laos and Mongolia are currently among the highest in the world, while those for Vietnam and Burma are in the moderately high range. The rapid

increase in population reflected in these rates promises to compound the need for additional jobs, infrastructure and services for years to come in the region. Population doubling rates provide further evidence in this regard. These dates range from 2014 in Laos to 2046 in Thailand. Other countries that will double their population in the relatively near future include Mongolia (2017), Cambodia (2019), Burma (2023) and Vietnam (2025).

Political Freedom. With respect to the growth of political and civil freedoms in East Asia, Thailand, Mongolia and Cambodia have participated in the trend toward increasing democratization, while Burma remains in the grip of an authoritarian regime. China, Laos and Vietnam also continue to deny basic political freedoms but economic freedom is increasing. In addition, there has been some loosening of political controls in all three countries, although they remain one-party states that tolerate little dissent.

Four of the seven RSM/EA countries (Burma, China, Laos and Vietnam) received the lowest possible ratings from Freedom House in their survey of political freedom around the world. Only Thailand and Mongolia are rated as being relatively free, with Cambodia being rated at the lower end (less free) of the middle range. Thailand is the only RSM/EA country that has had much experience with democracy and its record is marred by frequent military coups. These observations suggest that the prospects for further democratic development in these countries remains uncertain at the present. Thus, actions to promote political rights and civil liberties remain a pressing development need in the region. (See Table 2.4.)

Table 2.4: Political Freedom

Country	Political Rights	Civil Liberties
Burma	7	7
Cambodia	4	5
China	7	7
Laos	6	7
Mongolia	2	3
Thailand	3	4
Vietnam	7	7

Source: Freedom House. As reported in Democracy Sector Assessment: Democracy Needs in the East Asia Region, January, 1995.

Environmental Concerns. The pursuit of economic gain has tended to take precedence over environmental concerns in the RSM/EA countries. Nonetheless, instances of increasing environmental awareness can be found in all of the countries. Laos, for example, has agreed to ban timber exports in an effort to preserve its remaining forests. In addition, China's legislative body is drafting a new, relatively stringent, air pollution law. (Nonetheless, it is expected to have little impact in the current political/economic environment; its policy of promoting the consumption of cheap coal seems likely to result in annual sulfur dioxide emissions in excess of 10 million tons in the not-too-distant future - an ecological disaster in the

making.) Vietnam has also sought to contain environmental degradation in the new industrial parks it is developing. On balance, however, environmental issues have emerged as a major concern only in Thailand, largely because its free media, active NGOs and large middle class have succeeded in forcing the government to pay greater attention to the issue.

Humanitarian Assistance Needs. Lastly, with regards to trends in humanitarian assistance needs, rapid population growth, combined with industrialization and urbanization, has heightened the region's vulnerability to disasters of all forms. Of particular concern are the growing technology-related hazards of fire, explosion, structural collapse and hazardous chemical release. The risk of natural hazards is also rising because of economic growth. Floods, landslides and drought are increasingly being traced to activities that have altered natural systems in the region. It is the poor who are most frequently affected by disasters and who are least capable to deal with such events.

To summarize, the information presented in this section demonstrates that although many of the fundamentals for economic growth are present in the region, most of the RSM/EA countries remain at a basic stage of development and a majority of the countries remain unconvinced about the mutually enforcing linkages among economic, political and social growth. (Additional statistics on the region can be found in Annex E.)

2.2 OVERALL DEVELOPMENT PROSPECTS

Prospects for overall growth in the East Asia region generally look good. Stable prices and continued low interest rates should provide a reliable environment for investment and growth. In recent years, growth in the developing economies of East Asia has been twice as high as the world's industrialized countries and nearly ten times as high as Africa. The highest levels of growth in recent years have been recorded in China, Malaysia, Thailand and Vietnam.

The economically successful countries of the region have been able to maintain macroeconomic stability and low inflation rates. Governments have been fiscally responsible, restraining the level of their deficits. Many have adopted an outward-looking export orientation and have created environments conducive to foreign investment. Savings rates exceed 30 percent in most countries of Southeast Asia (compared with about 3 percent in the United States), permitting much of the demand for investment capital to be met internally.

East Asian countries have also done much to help each other develop. There has been a rapid increase in intraregional trade within Asia, which has risen from 30 percent of all trade in 1986 to 40 percent in 1992. (This pattern has not been seen in other developing regions of the world.) The growth of intraregional trade first began with the flow of primary products from poorer countries of the region to Japan and a lesser extent to Korea and Taiwan. As industrialization has advanced, two-way flows have grown and trade in manufactured products within the region has increased.

A more recent trend has been the emergence of intraregional foreign direct investment (FDI). Countries that were once largely the recipients of FDI are now the source of it. Thailand and

Singapore are investing in Laos and Vietnam. Indonesia, Thailand and Singapore are investing in China. And China is investing in Burma, Hong Kong and elsewhere. Much of this investment represents the relocation of industry to low-wage countries from other countries in the region that have lost this advantage as wages have risen. The emergence and development of financial markets in East Asia has also helped to accelerate growth by directing domestic and foreign capital to more productive investments.

These trends have been reflected in, and furthered by, the emergence of new regional organizations and arrangements including the ASEAN Free Trade Area, the Asia-Pacific Economic Conference and the East Asian Economic Caucus as well as numerous growth triangles and quadrangles with official or quasi-official status. Among the more notable of the latter groupings are the Growth Triangle consisting of Malaysia, Thailand and Northern Indonesia, the "Golden Quadrangle" consisting of Burma, China, Laos and Thailand, and the "Greater Mekong Subregion" consisting of Burma, Cambodia, Laos, Thailand, Vietnam and China's Yunnan Province.

For many, the explanation for East Asia's economic success is simple: the Asian values of hard work, thrift, and reliance on family rather than government. The statistical evidence, however, tells a different story. As a recent article by Paul Krugman demonstrated, the rapid growth in output in many Asian countries (particularly the "tigers," ie, Hong Kong, Singapore, South Korea, and Taiwan) can largely be explained by rapid growth in inputs: expansion of workforce (eg to include increased numbers of women), increases in education levels, and especially, massive investment in physical capital.[11] Economic growth that is based on expansion of inputs, rather than on growth in output per unit of input (ie, increased efficiency) is inevitably subject to diminishing returns.[12] (Increased efficiency may result from better management or better economic policy, but in the long run it is primarily due to increases in knowledge.) As Krugman notes:

> *Recent economic research into the sources of Pacific Rim growth give the few people who recall the great debate over Soviet growth a strong sense of deja vu. The newly industrializing countries of Asia, like the Soviet Union of the 1950s, have achieved rapid growth in large part through an astonishing mobilization of resources. Asian growth like that of the Soviet Union in its high-growth era, seems to be driven by extraordinary growth in inputs like labor and capital rather than by gains in efficiency....The future prospects for [Asian] growth are more limited than almost anyone now imagines.*

This is not meant to suggest that the Asian growth model will implode along the lines of the Soviet model or that Asia will not continue to grow. Rather, the point is that straight line growth projections for the region are probably unrealistic. Although exceptions exist in particular industries, the overall technological gap between the West and East Asia is not

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[11] Paul Krugman, "The Myth of Asia's Miracle," Foreign Affairs, Volume 73, No. 6. December 1994.

[12] Robert Solow has calculated that technological progress accounts for 80 percent of the long-term rise in U.S. per capita income, with increased investment explaining the remaining 20 percent.

narrowing. Therefore, while growth in the region will probably continue to outpace the West over the next decade, the rate of growth is likely to diminish and approach Western rates, probably well before the region reaches the West's level of wealth. Thus, while the region's long-term prospects for economic prosperity are good, they are not as bright as many have assumed.

In this vein, the region's relatively bright short- to medium-term prospects should not deflect attention from the very considerable long-term development needs that remain in many East Asian countries today. The health status of vast numbers of people in East Asia remains poor. Infant, child, and maternal mortality remains high in Burma, Cambodia, Laos and Vietnam. Malnutrition is still common in Laos and Vietnam. While some contraceptive methods are available, the total fertility rate remains high in Burma, Cambodia and Laos. Abortion (often unsafe) continues to be a common method of birth control in China, Vietnam and rural Thailand. Throughout much of Southeast Asia, many preventable diseases are not yet under control, including malaria, diarrheal diseases, acute respiratory infections, neonatal tetanus, and measles.

Relatively recently, a new major health problem, HIV/AIDS, has emerged in the region. The incidence of the disease has increased dramatically and projections show that Asia will soon have the largest number of HIV-cases in the world. HIV/AIDS is more than a medical problem. It is a disease with major socioeconomic implications. It creates enormous financial burdens on households, it affects men and women in the most productive years of their life and it destroys families, frequently killing mothers and fathers together, and turning children into orphans.

Thus, despite the economic progress of some countries in the region (and, in part, because of this progress) many development needs remain, particularly in the RSM/EA countries. As was noted in Section 1, perhaps the most severe threat is posed by the HIV/AIDS epidemic. Other pressing issues include the need to: reduce population growth; address potentially catastrophic environmental threats; alleviate poverty and reduce gross income disparities; improve the health status of the region's poor and expand the availability of social services; promote human resource development; combat gender disparities; and secure political rights and civil liberties.

2.3 CONSTRAINTS AND OPPORTUNITIES

This document has already highlighted some of the important constraints in implementing development assistance activities in the East Asia region. These include the rapid spread of HIV/AIDS which, in addition to its vast social impacts, is expected to kill a large percentage of the region's workers (RSM/EA countries impacted: all except Mongolia), insufficient concern about environmental degradation (all RSM/EA countries), a lack of commitment to democracy (Burma, China, Laos and Vietnam), and high fertility rates (Burma, Cambodia, Laos, Mongolia and Vietnam). Other serious constraints include political instability (Burma and Cambodia) and widespread corruption (all RSM/EA countries, but less so in Mongolia).

Other constraints can also be identified within in each country. The following are some additional country-specific obstacles facing development efforts in the RSM/EA countries.

- **BURMA**: a) insufficient government commitment to market-oriented growth; b) a severely overvalued exchange rate; c) pursuit of economic policies that encourage inflation; d) power shortages; e) shortages of basic manufacturing inputs; f) the poor state of the communications and transportation network; g) an underdeveloped banking system; and h) an authoritarian regime that does not respect human rights.
- **CAMBODIA**: a) continued political and economic uncertainties; b) a lack of effective institutions; c) acute shortages of skilled human resources; d) continued security problems; e) lack of a strong private sector; f) the presence of land mines in cultivatable areas; g) the poor condition of the agricultural irrigation network; h) continued power shortages; i) the poor state of the communications and transportation network; j) the poor state of public health infrastructure and services; k) limited number and capacity of medical and public health personnel; l) endemic corruption; m) limited professional ability among government officials except at the highest levels; n) widespread smuggling, particularly of export products; o) uncertainty over the future of political freedoms; and p) on-going factional infighting within the government.
- **CHINA**: a) declining levels of public investment in rural areas, especially in irrigation and flood control; b) lack of incentives to encourage farm production; c) great regional disparities in patterns of investment and growth; d) low levels of efficiency in state-owned firms; e) high levels of underemployment in the public sector and among state enterprises; f) strained relations between provincial governments and authorities in Beijing which has choked off revenue to the central government; g) an antiquated tax system whose revenues have failed to grow with the economy; h) uneven distribution and limited quality of health service delivery systems; i) growing income disparities; j) lack of political freedom and human rights; and k) lack of basic transportation and communications infrastructure, particularly in rural and inland areas.
- **LAOS**: a) a bloated civil service; b) lack of transparency in the trade regime and in efforts aimed at privatizing state firms; c) a low rate of domestic savings; d) domination of the economy by the agricultural sector leaving the national economy vulnerable to frequent drought and pest attacks; e) acute shortages of skilled human resources; f) widespread corruption; g) lack of a suitable legal framework conducive to private market development; h) the presence of land mines in cultivatable areas; i) uneven distribution and poor quality of health delivery system; j) the poor state of the communications and transportation network; and k) a landlocked geographic position, surrounded by larger, more powerful neighbors.
- **MONGOLIA**: a) the vulnerability of the nation to the lagging economic performance of Russia, its major trading partner; b) a relatively forbidding climate and disadvantageous geographic location, landlocked between two political and economic giants; c) the slow development of market-oriented organizations; d) relatively high transaction and production costs; e) obsolete machinery and shortages of intermediate goods and spare parts; f) power shortages; g) inadequate transportation and communications facilities; h) lack of legislation governing ownership of land and property rights; i) continued government control over privatized enterprises; j) the absence of a secondary market for the shares of newly privatized firms; and k) a relatively low (for East Asia) savings rate.

- **THAILAND**: a) internal regional economic imbalances; b) chronic congestion in the Bangkok metropolitan area; c) environmental problems including inadequate environmental infrastructure, air and water pollution, toxic wastes, marine pollution, deforestation and other threats; d) widespread underemployment in the agricultural sector; e) severe income disparities; and f) the presence of a large commercial sex industry that helps to spread HIV/AIDS and other sexually transmitted diseases, encourages the trafficking in women and children and undermines the place of women in Thai society.
- **VIETNAM**: a) relatively low levels of savings and investment; b) high import tariffs and illegal cross-border trade with neighboring countries; c) an antiquated tax system whose revenues have failed to grow with the economy; d) power shortages; e) uneven distribution and quality of health service delivery systems; and f) the poor state of the communications and transportation network.

Earlier sections of this document have highlighted some important opportunities in implementing development assistance activities in the East Asia region. These include: a commitment to market-oriented growth (particularly in Cambodia, Mongolia and Thailand); the adoption of outward-looking export-oriented trade policies (all of the RSM/EA countries except Burma); relatively high rates of household savings (particularly in China and Thailand);[13] and self-help in the form of intra-regional trade and investment. Other opportunities can also be identified within each country. The following are some additional country-specific opportunities:

- **BURMA**: a) growing foreign investment; b) good agricultural potential; c) good opportunities to expand tourism; d) potential untapped oil and gas reserves; e) high literacy rates; f) good public health service delivery in the center of the country; and f) large deposits of high quality gems.
- **CHINA**: a) macroeconomic policies that have generated some of the highest rates of economic growth in the world; b) high levels of foreign investment; c) new and sweeping financial sector reforms that are expected to transform the banking industry, control the money supply and establish a system of commercial law; and d) the availability of a large, relatively well-educated, low-cost workforce.
- **CAMBODIA**: a) a strong government commitment to market-oriented growth; b) new family land ownership laws that are expected to boost agricultural production; c) strong donor support of development efforts; d) good agricultural potential; e) a strong international NGO base; and f) good opportunities to expand tourism once the security situation improves.
- **LAOS**: a) new macroeconomic policies that have begun to boost economic growth; b) a liberal foreign investment law; c) relatively high levels of foreign investment, particularly in small enterprises; d) good opportunities to expand tourism; e) large untapped hydroelectric and forestry resources; f) substantial mineral reserves; g) a large land area in relation to its population; and h) a geographic position that provides it with common borders with China and every country in Southeast Asia.

[13] Nonetheless, Thailand's savings rate, which is close to 40 percent, is insufficient to meet domestic investment demand.

- MONGOLIA: a) a strong government commitment to market-oriented reforms; b) a strong commitment to democracy; c) a strong commitment to public health service delivery; d) substantial mineral resources; e) a relatively large land area in relation to the population (2.3 million people in an area the size of the US east of the Mississippi); and f) a relatively highly educated workforce.
- THAILAND: a) a relatively highly educated workforce; b) an economy that is in the midst of making a successful transition from low value, labor-intensive activities to high value manufactured goods; c) an economy well geared to exploit the expansion of trade opportunities presented by the successful conclusion of GATT negotiations; d) a well developed public health service delivery structure and experienced medical community; e) a government committed to democracy; f) public policies that seek to redirect growth away from Bangkok to outlying regions of the country; g) high rates of household savings and investment; and h) a low rate of population growth.
- VIETNAM: a) a strong government commitment to market-oriented growth; b) the availability of a relatively well-educated, low-cost workforce; c) substantial oil and gas reserves; and d) growing foreign investment.

Additional information about the various constraints and opportunities associated with implementing development assistance programs in the seven RSM/EA countries is presented in a series of studies commissioned by the RSM/EA in connection with the development of this strategy. References to the studies can be found in Annex F. Extracts from these reports, focusing on development opportunities in Laos and Vietnam, can be found in a document accompanying this plan entitled *Supplementary Support Materials*.

2.4 OTHER DONOR PROGRAMS

The following is a brief description of donor activities in the RSM/EA region, with emphasis given to other donor HIV/AIDS activities, the issue upon which the Mission proposes to focus its programmatic resources. A fuller description of these activities can be found in Annex C.

Population, Health and Nutrition (PHN) Sector. Major PHN multilateral donors in the region include UNFPA, UNICEF, UNDP, WHO, and the World Bank. The UNFPA is active in all seven countries with relatively large ongoing and planned projects, as are UNICEF and the World Bank (except in Burma).

Bilateral donors with the largest PHN programs include Australia, Sweden, and Japan. Other bilateral donors include Germany, the Netherlands, Norway, Italy, France, and Ireland. In recent years, Japan, through the Japan International Cooperation Agency (JICA), has become the largest single donor in the region. Japan has announced a "Global Issues Initiative on Population and AIDS," which will be part of the "US-Japan Common Agenda for Cooperation in Global Perspective." The Global Issues Initiative's $3 billion funding represents Japan's new bilateral assistance for population and AIDS over the next seven years. The broader Common Agenda includes Thailand as a priority country for HIV/AIDS assistance, and Cambodia, Laos, and Vietnam have been identified as possible candidates for future joint efforts in large scale child health programs.

Although numerous international NGOs operate in the region, most conduct a limited range of activities covering limited geographic areas. In the most notable example, Cambodia, more than 60 international NGOs are filling crucial roles in efforts to rebuild the health infrastructure of the nation. International physicians, nurses, and health technicians staff and supply virtually all hospitals, as well as district health stations, directly performing basic and advanced medical procedures, along with providing on-the-job training for indigenous medical and health workers. NGOs operating in other countries of the region have focused on underserved populations through extension of basic services in primary health care, mother and child health, and reproductive health.

Except for Thailand, relatively few indigenous NGOs exist in the region: Burma has only a few parastatals; Cambodia, with a growing number, has about twenty; Vietnam and Laos have none. Indigenous NGOs tend to be nascent, small, and with limited resources or experience. There will be a continuing need over the next decade to support development of local NGOs to provide services that the government and private sector are unable or unwilling to offer.

With regards to the HIV/AIDS issue, the following is a list of donor activities in all seven of the RSM/EA countries:

- **BURMA.** UNDP provides support to the National HIV/AIDS program in Burma. Two international NGOs (Save the Children and Care) have opened offices in Burma, and indigenous NGOs are being promoted as vehicles for STD and HIV/AIDS prevention programs.
- **CAMBODIA.** WHO supports MCH programs, anti-malarial, anti-tuberculosis, typhoid and cholera control, and anti-dengue programs in addition to HIV/AIDS control programs. A wide range of other donors support programs in specific geographic areas. See Appendix D for further details.
- **CHINA.** The United Nations Fund for Population Activities (UNFPA), the World Health Organization (WHO) and the United Nations Children's Emergency Fund (UNICEF) are active donors. The World Bank's eight-year, US$271 million "Infectious and Endemic Disease Control Project" will finance STD and HIV surveillance sub-components, equipment and reagents, training, technical assistance and operations research. The Ford Foundation, The Rockefeller Foundation, The Population Council, PATH, and The Japanese Organization for International Cooperation in Family Planning, Inc. (JOICFP) are among the private foundations and NGOs active in programs regarding issues of reproductive health.
- **LAOS.** In the area of HIV/AIDS reduction, USAID's AIDSCAP is conducting a three-year prevention project in five provinces along the Lao-Thai border. The World Bank's proposed Regional HIV/AIDS Center, to be located in Bangkok, will provide direct and indirect support to Laos in policy analysis, inter-agency and cross-country dialogue, and implementation of information, education and communication, training, and other activities. AIDAB supports two of the three international NGOs currently implementing AIDS prevention activities: CARE Australia and the Australian Red Cross. The third is Norwegian Church AID.

- MONGOLIA. AIDSCAP completed a site visit to Mongolia in May 1994, and has proposed to assist the Ministry of Health to strengthen STD services and provide training in information, education and communication and HIV/AIDS prevention.
- THAILAND. WHO and the World Bank have recently announced a joint HIV/AIDS Regional Center to be based in Bangkok. This project will promote regional policy analysis, policy dialogue and support for implementation of priority strategies and responses, particularly regional and multi-sectoral initiatives. USAID's AIDSCAP project, which focused on HIV/AIDS prevention in the Bangkok metropolitan area, is currently wrapping up its bilateral activities in Thailand.
- VIETNAM. There is significant and rising donor and international NGO activity in the area of STDs and HIV/AIDS prevention. On-going external assistance for HIV/AIDS prevention is provided by AIDAB, CIDA, the EEC, SIDA, UNDP, UNFPA, UNHCR, UNICEF, UNIDO, the US Center for Disease Control, and WHO. International NGOs are also active, including CARE, DKT, MSF, OXFAM, PDI, Radda Barnen, Red Cross, Save the Children, and World Vision.

Environmental Sector. Within Southeast Asia, the Asian Development Bank has taken a leadership role in the environmental sector for the Greater Mekong Subregion. (To date, this initiative has been largely underwritten with Japanese money provided to the Bank.) It has sponsored various conferences on intra-regional cooperation and commissioned a country-by-country review of project proposals. In this regard, the ADB will organize a donors conference in August 1995 to discuss which of these projects other donors might be interested in financing. The UNDP and the World Bank's Global Environment Fund have various regional programs, totalling nearly $40 million. These include programs for sustainable fisheries, disaster mitigation, geographic information systems and remote sensing for natural resource management, and greenhouse gas emissions reduction, among others. The UNDP has been the primary supporter for the Mekong Secretariat and will remain integral to the workings of the new Mekong River Basin Commission. It also plays a critical coordination and information dissemination role in the region.

Economic Growth Sector. The World Bank is the predominant lender in support of market transformation in the region, followed by the Asian Development Bank. In most countries of the region, the World Bank is involved in structural adjustment lending, technical assistance in macroeconomic management and critical sectors of the economy, and investments in social and economic infrastructure. The Bank provides some sector loans to improve areas of comparative advantage. The IMF has played a major role in exchange rate stabilization and keeping inflation under control.

Democracy Sector. The democracy sector is an area where relatively few donors are involved. Leading players include USAID (in Cambodia and Mongolia), CIDA, UNDP, The Asia Foundation and the Ford Foundation. No assistance specifically oriented towards promoting democracy is currently being provided by multilateral or bilateral donors to Burma. In contrast, Cambodia has a large number of donors active in this area. USAID may be the most important donor, with a democracy sector activity portfolio valued at more than $20 million. China has received support from several donors in the area of democratic development, with the Ford Foundation being particularly active. There is little donor activity in the field in Laos. USAID

is also an important democracy donor in Mongolia. USAID/Mongolia has contracted with the Center for Institutional Reform and the Informal Sector to identify needed legal reforms and to conduct workshops and seminars on relevant legal issues. In Thailand, donor support has been on the decline for a number of years. Most of the remaining activities focus on strengthening NGOs. Four agencies, including the UNDP, CIDA, TAF and the Ford Foundation are working in areas related to democratic development in Vietnam. Their work focuses on strengthening the rule of law, sponsorship of indigenous research on issues related to democracy and upgrading the operations of the National Assembly.

At the regional level, USAID has operated two democratic initiative programs: the Asia Democracy Program and the Women in Politics Program. The Asia Democracy Program has used the mechanism of a small grant competition to fund projects in various countries throughout the region. The Women in Politics Program, which is administered by The Asia Foundation, seeks to expand the role of women in politics at the national, provincial and local levels in the East Asia region.

Humanitarian Assistance Sector. The UNDP plays a leading role in the humanitarian assistance sector among donors in East Asian countries. Its country representatives coordinate the relief efforts of the UN (and frequently other donors) in time of disaster. In addition, the UN's World Food Program provides food, supplies and logistical support in time of crisis in all regional countries. UNHCR's role in refugee assistance is well-known to the East Asian region. ESCAP, UNFPA, UNICEF, UNIDO, and WHO also play important disaster-related roles in their respective areas of specialization.

The Asian Development Bank funds many disaster prevention infrastructure projects such as flood control dikes. In addition, the ADB has a mandate to include disaster reduction steps in all its projects in disaster prone countries.

Leading bilateral donors in the humanitarian assistance sector include Australia, Canada and Japan. Australia provides scholarships and support for Australian resource persons to regional disaster management training courses. Canada promotes prevention, mitigation and preparedness activities in regional countries and funds scholarships, resource persons and personnel for regional training activities. Japan has established disaster technical research institutes in a number of Asian countries. In addition, the Scandinavian countries of Denmark, Finland, Norway and Sweden as well as Great Britain have a long history of providing humanitarian assistance support in the region. South Korea is also emerging as an increasingly important player in the humanitarian assistance field in Vietnam, Cambodia and other countries.

2.5 ACCOMPLISHMENTS AND LESSONS LEARNED

The RSM/EA was formally established in May, 1993 and the current exercise represents its first strategic plan. As such, materials for this section will be included in the FY 1996 Action Plan. Nonetheless, lessons learned from the RSM/EA in its early stages of operation have been embodied in the operating principles that will guide the Mission over the life of its strategic plan. These are presented in Section 3 of this document.

2.6 THE ACCOUNTABILITY ENVIRONMENT

The capacity of governments within the RSM/EA region to implement development assistance programs varies enormously. However, even in countries where the government is a less than ideal development partner, the presence of many highly experienced international NGOs provides an attractive alternative. The following is a brief assessment of the accountability environment in each RSM/EA country.

- **BURMA.** At the present time, Burma's government firmly rejects any possibility of political change, defined as a minimum respect for human rights and the establishment of a system based on electoral choice. As such, it is currently an inappropriate development assistance partner.
- **CAMBODIA.** The USAID/Cambodia strategy includes the following statement about the accountability environment in Cambodia: "Given the capacity of governmental agencies as well as rampant corruption and lack of accountability, it is unlikely that traditional bilateral assistance programs can be pursued during the strategy period...NGOs [have] proven to be a satisfactory alternative for achieving early results in provision of services, meeting required levels of accountability until such time as appropriate program implementation can be gradually shifted from NGOs to the government."
- **CHINA.** At the present time, China's level of respect for political rights and civil liberties is considered less than acceptable by the US government. As such, it is an inappropriate development assistance partner. Nonetheless, a large number of multilateral and bilateral donors as well as US NGOs are active in China and the general consensus seems to be that the accountability environment is fairly good.
- **LAOS.** The level of corruption within the government has provoked the Prime Minister to publicly state that it is "causing a loss of faith in the party and the government." Further, as one of Asia's least developed countries, Laos has found foreign assistance economically attractive. This has led to a level of dependency that has raised concern among a number of donors (ODA accounted for 17.6 percent of the Lao GDP in 1992). Nonetheless, as in the case of Cambodia, required levels of accountability and technical competence can be realized through the use of international NGOs for activity implementation.
- **MONGOLIA.** The Government of Mongolia has demonstrated a strong commitment to democracy and market-oriented growth. Furthermore, its possesses a relatively skilled workforce and well-trained civil service. Corruption is not a major problem and donors have generally found the government to be competent and cooperative. Thus, the accountability environment in Mongolia appears to be excellent.
- **THAILAND.** US bilateral assistance to the RTG will end September 30, 1995. Hence, the accountability issue is not relevant. Nonetheless, USAID has found the RTG to be a competent and cooperative partner over the years. The Mission believes that this situation is only likely to improve in the future.
- **VIETNAM.** At the present time, a number of substantive issues stand in the way of normalized bilateral relations between the US Government and the Government of Vietnam. As such, it is premature to engage the Vietnamese government as a full development assistance partner. Generally speaking, donors have found the

Vietnamese government to be a competent and cooperative development partner, although some NGOs have encountered considerable bureaucratic red tape in establishing their in-country operations. In the interim, international NGOs represent an attractive alternative to the Vietnamese government in the delivery of development assistance.

Thus, with the exception of Burma, the overall accountability environment among the RSM/EA countries, inclusive of international NGOs, appears to be acceptable and steadily improving.

SECTION 3:

THE RSM/EA's STRATEGY

3.1 STRATEGIC OBJECTIVE SELECTION CRITERIA

The RSM/EA was established in order to provide USAID with the flexibility needed to respond to rapidly changing circumstances in the region and allow it to optimize the deployment of its overseas direct hires in the face of continuing budget constraints. Accordingly, the Mission will attempt to maximize operational efficiency and development effectiveness by closely adhering to Agency programming priorities and operational concepts in its operations. In addition, the Mission will manage its affairs in accordance with the following principles:

- The Mission will consistently apply resource leveraging principles in the design of strategies, programs, and projects. These principles include: a) focusing on critical policy change, institution-building and pilot-demonstration projects that will influence critical public and private resource allocation decisions, b) influencing how other donor resources are allocated, and c) encouraging private sector solutions and financing to public sector problems. The use of leveraging principles implies that most of the program will be "software intensive," consisting of short- and long-term advisors, training, and small quantities of materials and equipment.
- The Mission will make maximum use of regional institutions and capabilities (public, private, university, and NGO) to implement its programs in the East Asia region. This will include building upon USAID's 40-year development investment in Thailand by promoting collaborative US-Thai development assistance activities, using these resources for training and technical assistance where appropriate, and by capitalizing on, and possibly influencing, the RTG's regional development assistance policies (which are supported by increasing levels of its own resources).
- The RSM/EA will make integrated use of Mission staff and the Regional Support Projects to deliver support services in the region, drawing upon Mission staff and the core Regional Support Project staff before calling upon other contract resources.
- Cost efficiency (defined to include quality and timeliness of support services and program inputs delivered) and development effectiveness (as measured by approved strategic objectives, program outcomes, and performance indicators) will drive Mission programming and support service management decisions relating to OE, FTE, and program resource allocations.
- The RSM/EA will look first to designing single transnational activities before designing a collection of separate bilateral activities to accomplish the same objectives. Nonetheless, the Mission anticipates designing some bilateral activities in USAID non-presence countries and transnational activities in countries with AID representatives. (The transnational activities undertaken in the region will be designed to complement and add value to on-going USAID bilateral activities.)

The regional mission concept offers exceptional opportunities for operational efficiency and effectiveness. However, for these opportunities to be realized, the RSM/EA's strategic objectives must be shaped to take advantage of its organizational strengths. Besides the need for Mission objectives to be significant, sustainable, objectively verifiable, unidimensional, amenable to progress over the life of the plan and within the Mission's ability to influence at the proposed level of funding, they must possess certain additional qualities because of their status as regional mission strategic objectives. As such, the RSM/EA's programmatic SOs need to:

- strive to address problems that are truly regional in character, ie, problems that can not be solved without cooperation between neighboring countries, or problems that are best addressed on a regional basis because of potential economies of scale and/or regional synergies;
- complement the program activities of its bilateral customer missions;
- be amenable to being scaled up quickly in the event USAID is asked to expand its activities in the region;
- take maximum advantage of the Regional Technical Support Project and the East Asia Regional Training Project; and
- have program outcomes that are mutually independent, so that a budget action forcing the termination of one program outcome will not undermine the success of other program outcomes.

A second set of qualities follows from the Mission's status as a regional support mission and its need for an SO setting out its support objectives. The Mission has determined that the qualities of its support SO should include the following:

- it should set targets aimed at improving the efficiency and effectiveness of its support operations; and
- it should seek to test and validate the expectation that regional mission support is more cost-effective than full mission staffing.

The Mission's choice of programmatic strategic objectives took into account the following: a) the region's tremendous development needs; b) the United States' significant economic, political and security interests in East Asia; c) USAID's increasingly constrained development assistance budget; d) US government policy which sharply limits USAID's program activities in certain countries in the region; e) other donors in the region; f) USAID's comparative technical advantages and g) the policy environment and institutional capabilities in USAID's priority areas in East Asian countries.

After consideration of the above factors, the Mission concluded that it is likely to have adequate resources available during the strategy period to pursue only a single programmatic strategic objective. (The Mission assumes that it will have approximately $3 million annually to spend on regional programming.) It has chosen to focus its available funds on the HIV/AIDS problem in Southeast Asia. (Nonetheless, the Mission believes a much broader development assistance effort is warranted and has included in Annex B additional strategic objectives focusing on the environment, reproductive health and democracy for consideration by USAID/Washington for funding during the strategy period.)

In addition to its HIV/AIDS SO, the RSM/EA strategic plan includes a customer mission support strategic objective, a "Victims of War" target of opportunity and a Thai bilateral target of opportunity. A discussion of each follows and the Mission's Program Objective Tree appears on the next page.

The decision to focus on HIV/AIDS is the product of the following considerations:

- by the year 2000 incidence of new HIV infections will be greater in Asia than the rest of the world combined;
- the social political and economic consequences of the HIV/AIDS epidemic may set back past development gains and hinder future opportunities, thereby having a destabilizing impact on East Asian societies
- HIV/AIDS is unquestionably a regional issue which respects no national boundaries and affects every country in Southeast Asia as well as southern China;
- US government and USAID policies permit the Mission to work on the HIV/AIDS issue in five of the seven countries where it has programmatic responsibilities and this authority may be extended to the other two countries during the strategy period;[14]
- the issue has strong horizontal linkages with other areas of USAID programmatic interest including economic growth (through labor force impacts) and democracy (through links to trafficking in women and children) as well as the general political stability of the region;[15]
- the strategy focuses on program outcomes which are not being addressed by other donors but which are indispensable to reduce the risk of HIV/AIDS transmission;
- the strategy lends itself well to integration into the Regional Technical Support Project and the East Asia Regional Training Project as well as existing and planned Global Bureau and ANE Bureau projects;
- activities in this area are expected to offer many opportunities to cooperate with other donors, especially Japan and the UNDP;
- the initiative can be expanded quickly and cost-effectively to cover other countries in the region; and
- the strategy complements existing USAID activities in Cambodia as well as remaining USAID activities in Thailand.[16]

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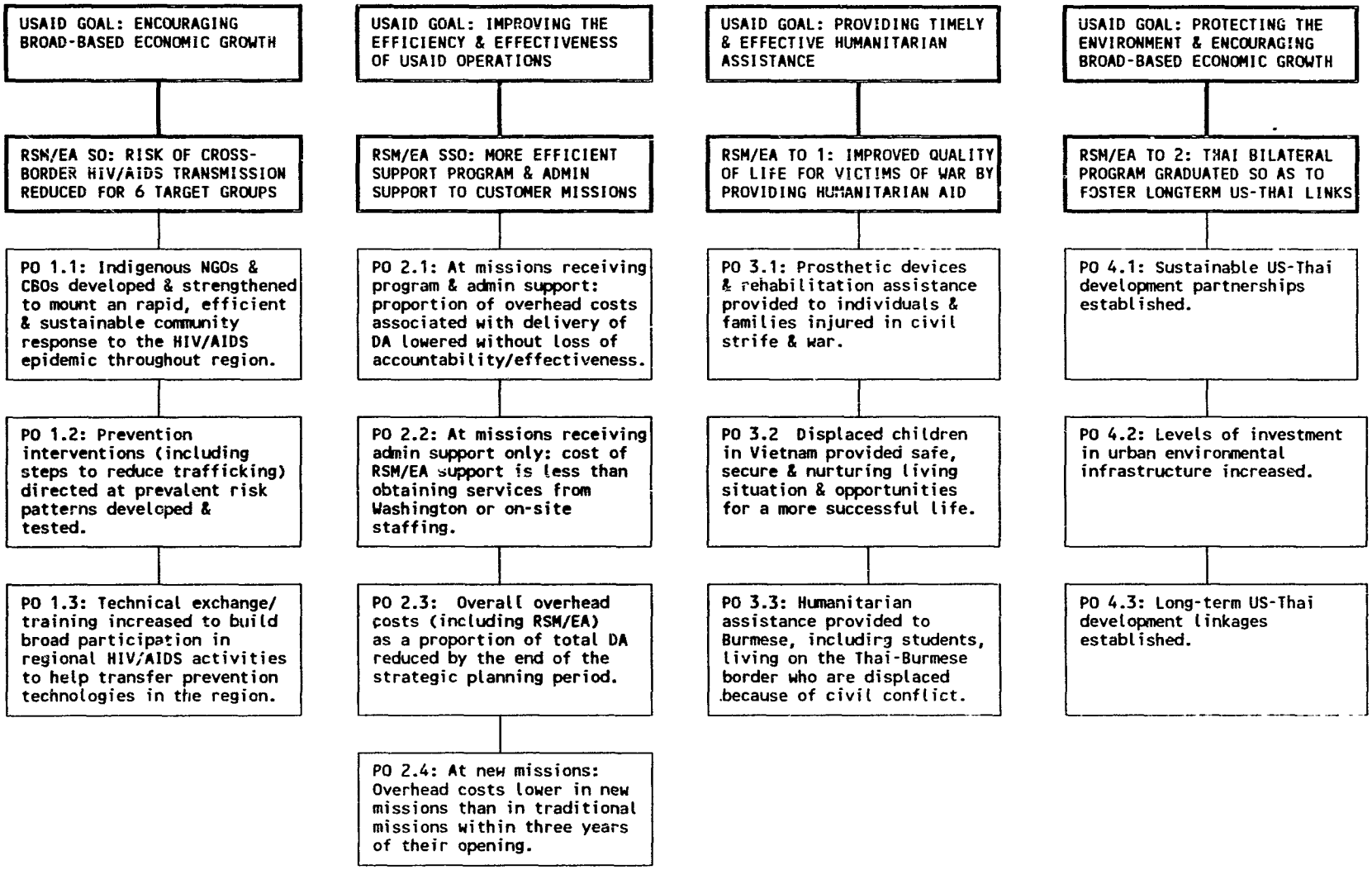
[14] These countries include: Cambodia, Laos, Mongolia, Thailand and Vietnam. However, permission from Congress may be required before USAID HIV/AIDS activities can be initiative in Vietnam.

[15] The HIV/AIDS issue is the source of much finger pointing and some political tension in the entire East Asia region.

[16] Some of these virtues are applicable to the potential strategies focusing on reproductive health, the environment and democracy. However, existing restrictions on USAID activities in Burma, China, Laos, and Vietnam largely preclude activities in these sectors at the present time.

Figure 3.1 USAID/RSM/EA Program Objective Tree[1]



[1] Space limitations precluded inclusion of the full text of the SOs and POs. The precise language of the SOs and POs can found in Section 3.

3.2 THE HIV/AIDS STRATEGIC OBJECTIVE

HIV/AIDS SO: Description. The RSM/EA's HIV/AIDS SO seeks to reduce the risk of cross-border HIV transmission in Cambodia, Laos, Mongolia, Thailand and Vietnam (and by association, the entire East Asia region and southern China).[17] The following six groups are the primary beneficiaries of activities undertaken in pursuit of this strategic objective: a) clients of commercial sex workers; b) commercial sex workers (CSWs), especially women and children CSWs who are trafficked or enslaved; c) ethnic and highland minorities; d) mobile and migratory labor, including single males, cross-border traders, transport workers, fishermen, and displaced populations; e) intravenous drug users (IVDUs) and their sexual partners; and f) adolescents. The first five groups have been targeted because they are the primary vectors of cross-border HIV transmission in the region. The last target group (adolescents) has been chosen for two reasons: first, adolescents (particularly hilltribe adolescents) are especially at risk of being trafficked into the commercial sex industry; second, their risk-associated behavior is still in a formative stage and thus the potential impact of interventions during this period is especially great.

The text of the Mission's HIV/AIDS strategic objective and subsidiary program outcomes and indicators[18] is as follows:

> **Risk of cross-border transmission of HIV infections (sexual, intravenous, perinatal) reduced among six critical target groups in Cambodia, Laos, Mongolia, Thailand and Vietnam.**

- **PROGRAM OUTCOME 1 AND INDICATORS.** Indigenous NGOs, CBOs and mass organizations developed and strengthened in order to mount a rapid, efficient and sustainable community response to the epidemic throughout the region.
  - 1.1: Number of new indigenous NGOs/CBOs actively working on HIV/AIDS prevention activities by the end of the five year activity period. (Few currently exist.)
  - 1.2: Number of new subregional coalitions of HIV/AIDS service organizations (including foreign and indigenous NGOs, CBOs and mass organizations) constituted and engaged in joint planning and implementation efforts. (No subregional coalitions currently exist.)
  - 1.3: Number of indigenous NGOs working on intra-regional HIV/AIDS prevention activities awarded small USAID grants.

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[17] To maximize the impact of this project, it is anticipated that the RSM/EA will seek permission to cooperate with the UNDP in China and Burma. No USAID money will be spent in those countries; rather, it is envisioned that UNDP will engage in parallel and complementary activities in these countries.

[18] The program outcomes presented here are not hierarchical but necessary and sufficient activities to achieve the SO. The subsidiary indicators are largely process oriented and are meant to be illustrative. The RSM/EA expects to invite PRISM staff and evaluation experts familiar with the HIV/AIDS issue to Bangkok in the Fall of 1995 to further refine these indicators. It is anticipated that consultations with NGO and CBO leaders in the early stages of the project will lead to a further refinement of the indicators. In all instances where it is possible and appropriate, indicators will be disaggregated by gender and ethnicity.

- **PROGRAM OUTCOME 2 AND INDICATORS.** Prevention interventions (including behavior change and efforts associated with reducing trafficking of women and children for commercial sex) directed at prevalent risk patterns and practices developed and tested.
  - 2.1: Seroprevalance rates among the six beneficiary groups in years one, three and five of the initiative.
  - 2.2: Development of at least one pilot prevention intervention for each of the six beneficiary groups.
  - 2.3: Replication of at least three successful pilot interventions among appropriate target groups.
  - 2.4: Development and implementation of at least one anti-trafficking model that intervenes at all of the following levels: women, children, traffickers and organized brothel owners, and clients.
  - 2.5: Participation in the design, testing, and replication of the pilot interventions by a minimum of six indigenous NGOs/CBOs.
  - 2.6: Establishment of a region-wide HIV/AIDS prevention information network that includes human rights groups, child watch groups, women's empowerment organizations, and indigenous NGOs/CBOs.
  - 2.7: Establishment of a region-wide network that gathers and distributes trafficking information provided by border patrol, police and tourist industry representatives.
  - 2.8: Translation and distribution of appropriate low-literacy materials on trafficking to selected hilltribe populations including school children, adolescents and adults.
  - 2.9: Preparation of a statement on the rights of trafficked persons by primary advocacy groups in each country of the region.

- **PROGRAM OUTCOME 3 AND INDICATORS.** Technical exchange and training increased to build broad participation in regional HIV/AIDS activities and to help transfer prevention technologies and other resources throughout the region.
  - 3.1: Addition of at least twelve information network server-hubs (in Cambodia, Laos, Mongolia, Thailand, and Vietnam) to existing public access bulletin boards.
  - 3.2: Provision of basic equipment and training necessary for access to this network to a minimum of 50 community-based groups.
  - 3.3: Establishment of an intra-regional master trainer pool with participation from at least five countries in the region.
  - 3.4: Creation of a "South-to-South" technology transfer mechanism and technical assistance resource base by a collective input of youth groups, women's groups and indigenous NGOs and CBOs.
  - 3.5: Sponsorship of at least three region-wide conferences for technical exchange among NGOs, researchers, and other international entities.

HIV/AIDS SO: Problem Statement. AIDS was not recognized as a significant health threat in Asia until the early 1990s. Yet projections by WHO indicate that by the year 2000, the annual incidence of HIV infections in Asia might be greater than the entire number of cases in the world at the present time.[19] This regional HIV epidemic is distinguished from those in other parts of the world by its general pattern of transmission, behavioral patterns of sexual relations, the size of the population potentially affected, and its uniquely rapid rate of spread. The socioeconomic impacts of the HIV/AIDS epidemic have been studied in detail in Thailand, and plausibly, can be extrapolated to the rest of the region. Making conservative assumptions about the type and level of health care provided, Viravidya et al.[20] estimated that the total direct and indirect costs of the disease would range between $7.3 and $8.7 billion in Thailand during the 1990s. The same study reported that the long-term decline in Thailand's infant mortality rate was likely to be reversed and that the rate would actually begin to climb after 1995.

HIV infections were recorded in the region as early as 1984. Initially, however, governments dismissed the significance of the infections. The epidemic is now spreading into the general populace at an astonishing speed. Pockets of subpopulations in high risk areas, such as ethnic and highland minorities living near international borders and along trade routes, already have infection rates as high as those in the most affected parts of Africa. The projected social and economic impacts of an unimpeded epidemic are catastrophic.

The following risk factors are contributing to the spread of the disease in the region:[21]

- the region is a major source of opiates, with subpopulations of intravenous drug users being the driving force behind the initial spread of the disease;
- large numbers of males (beginning at young ages) participate in commercial sex, resulting in a pool of infected persons that fuels the rapid growth of the epidemic;
- large numbers of women and children are trafficked and/or enslaved for purposes of commercial sex and are subject to harsh treatment and working conditions that increase the risk of HIV infection, and subsequent transmission of the disease to their clients;

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[19] Brown, Tim and Peter Xenos. "AIDS in Asia: The Gathering Storm." Asia Pacific Issues, No. 16, East-West Center, August 1994. Slightly less catastrophic projections have recently been published by James Chin. In an article dated February 1995, Chin reported that, as of mid-1994, an estimated 2.5 million Asian adults were HIV infected, with 90 percent of those infected living in South and Southeast Asia. Using the EPIMODEL, Chin projected that the number of new AIDS cases in Asia will rise steadily over the next decade and level off at about 850,000 new cases annually by 2010. Chin, James. "Scenario for the AIDS Epidemic in Asia." Asia-Pacific Population Research Reports, No 2, February 1995.

[20] Viravidya, Mechai, S.A. Obremsky and C. Myers. "The Economic Impact of AIDS in Thailand." Office of the Prime Minister, Royal Thai Government, Bangkok: October 1991.

[21] A recent East-West Center analysis of HIV infection trends in Asia classified countries of the region into one of three categories based on seroprevalance data, reported AIDS cases, and perceived levels of risk behavior from various populations. Six of the seven RSM/EA countries were included in this classification (Mongolia was not included). Thailand, Cambodia, and Burma were characterized as being at the epicenter of the Asian HIV epidemic while Vietnam, Laos, and southern China were characterized as being part of an area with the "potential for rapid increase."

- relatively high levels of STDs among commercial sex workers and clients enhance the probability of HIV transmission (within this "high risk" pool as well as among "low risk" females in particular);
- the region possesses a large migrant labor pool, engaged in highly mobile economic pursuits (eg, trade, fishing, transport);
- the early stage of the epidemic and the presence of few full-blown cases of AIDS permits the full dimensions of the epidemic to be ignored, further exacerbating the spread of the disease;[22]
- borders in the region are fairly porous, with numerous ethnic minorities or others with close cultural or family connections moving relatively freely between countries.

To date, the largest strategic interventions in this region have focused heavily on a relatively unique urban center, Bangkok. National screening programs, however, have found rates of infection in rural areas, particularly near high volume trading borders or opiate production areas, well in excess of those in urban centers. The relationships among trans-border trading zones; drug production, supply and consumption; migrant populations, traders, and transport workers; and youth, suggest that rural and sub-regional areas may be more rapidly - and more deeply - affected by HIV/AIDS than urban areas. The USAID-funded AIDSCAP project has been a front runner in addressing cross-border transmission. AIDSCAP's initial efforts were limited in scale and scope. Nonetheless, the lessons learned from these efforts have played an important role in the formulation of this strategy.[23]

HIV/AIDS deepens and complicates the traditional poverty cycle of the developing world: low farm incomes result in pressures to earn off-farm incomes, which lead to urban migration in search of seasonal and replacement jobs, and into low income squatter settlements where health conditions are poor and where opportunities for HIV infection are high. In addition, large-scale industrial and infrastructure investments have created a need for large construction crews of low-wage laborers, attracting those seeking to augment farm incomes, as well as migrants and low-income urban dwellers. Construction camps are often situated in or near villages and attract young village women looking for opportunities to earn additional income. These young women and the low-fee CSWs frequented by the workers are soon infected, and infections rapidly spread. Workers returning home bring with them HIV, as well as tuberculosis, which spread into the "low risk" populations.

Once introduced into rural communities, HIV threatens delicate balances of agricultural production, credit structures, labor supply, cropping patterns, irrigation systems, community stability, and food sufficiency. The impact of the disease at the family level is profound. Families with a member that has AIDS spend 25-30 percent of their household income on care and support costs. When combined with the lost income of the sick individual, nearly 75 percent of the family's annual income is lost due to AIDS. As death approaches, costs climb

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[22] In this regard, one AIDS activist captured the essence of the situation by saying simply: "No coffins. No tears."

[23] The AIDSCAP Project in Bangkok includes both an Asia Regional Office and a Thailand Bilateral Program. The bilateral program is scheduled for graduation September 30, 1995 although it may be extended for a year. AIDSCAP's regional office is expected to continue in operation at least until August 30, 1997. The regional AIDSCAP office is expected to play a prominent role in the HIV/AIDS SO.

to demand 100-165 percent of household income. Land and other assets are sold, impoverishing those remaining behind. A recent survey among poor rural households in Thailand experiencing an AIDS death found that families adopted one or more of the following coping strategies:

- almost all of the families depended upon government hospitals to treat their ill family member (most private and many public hospitals turn away AIDS patients);
- 60 percent of the families consumed all of their savings;
- 57 percent of the families caring for elderly family members cut them off from support (47 percent of the households surveyed supported elderly family members);
- 52 percent significantly reduced their day-to-day consumption;
- 19 percent had to sell assets including land, jewelry and livestock;
- 16 percent of the families dissolved with 83 percent of the children being placed with family members and 17 percent being placed in state care;
- 15 percent withdrew their children from school to bolster household income; and
- 11 percent borrowed funds to pay for medical care or for household consumption.

The impact of the disease on children is particularly severe. The loss of household income referred to above increases pressure on children to work and, at the same time, consumes funds that otherwise might have been spent to send these children to school. These factors are expected to reduce the pool of educated workers for generations to come. They are also expected to set the stage for increased exploitation of child labor, particularly in the sex industry.

It is estimated that by the year 2000, there will be 86,000 children orphaned in Thailand, alone, due to parents dying of AIDS. Many of these children will be placed in the care of their grandparents who have traditionally relied on their children, particularly their daughters, to support them in old age. This situation will create additional pressures for the children to work (to support their grandparents) and may increase the number of young girls entering prostitution.

The trafficking of young women and children enslaved for purposes of commercial sex is a closely related yet politically delicate issue throughout this region. This traffic in involuntarily bonded and enslaved humans shows regional patterns, particularly in the traffic of young girls and children of ethnic and highland minority groups. The particular border zones across which this traffic occurs include: Burma-to-Thailand, China-to-Burma, China-to-Laos, China-to-Thailand, Laos-to-Thailand, Cambodia-to-Thailand, and Vietnam-to-Cambodia.

Thailand is somewhat unique in that it is both a source and market for such trade. As a source, Thailand primarily exports young women outside the immediate region to wealthier countries, most particularly Japan, Taiwan, Northern Europe, Australia, and the United States. As a market, Thailand imports both young girls and children primarily from Burma and, to a lesser extent, from China and Laos. Vietnamese sex workers, including children and underaged girls, are found in port town brothels serving fishing fleets and merchant vessels, and along the Thai-Cambodian border. Ethnic Burmese and Indian-descent Burmese girls are brought to brothels in southern Thailand, primarily near Ranong Province, to service Burmese fishing fleets.

Studies show that, due in part to the higher "costs" of capture, detention and bribery payments surrounding their captivity, young girls in such brothels often must serve much higher numbers of clients than older CSWs in open brothels. With increased susceptibility, the high rates of infection expected are frequently confirmed when rescued girls are screened: the youngest prostitutes rescued in brothel raids routinely exhibit the highest rates of HIV infection.

In addition to relatively organized trade, women and children are circulated through elaborate yet informal networks of procurers and brothel owners. This lucrative underground economy and the constant circulation of its human commodities make tracking of the entrance of individuals brought into prostitution especially difficult.

The growing demand for this trade in young women and children is fueled in part by the rising fear of HIV/AIDS and demand for "fresh" sex workers, as well as a traditional market for "virgins." Consequently, the age norm of captive sex workers is becoming younger, a trend widely noted. In Vietnam, for example, prostitutes under 16 have risen from 1.2 percent of the total in 1992 to 11 percent in 1994 and now comprise 20-35 percent of all urban prostitutes. Coming from the poorest parts of the region, they are trafficked to service the lowest-fee segment of the commercial sex industry. As has been clinically documented, young women and girls are at a higher risk for HIV infection due to biological reasons, including a thinner mucosal lining and higher likelihood of tearing of the less-developed vaginal tract.

Primary victims of this trade come from ethnic minority groups residing in border "buffer zones" between the nations of the region. Generally, they do not speak the dominant language, are often illiterate, and, frequently, are legally stateless. When captured or "rescued" by police, they are more often treated as illegal aliens or criminals guilty of prostitution than victims of forced servitude. If not citizens of the country in which they are captured or rescued, they are repatriated at the closest border crossing - often into the hands of those who would simply further exploit them. If they do return to their native areas and take husbands or, due to economic destitution, exchange economic security for sexual favors; they contribute to the cross-border and regional flow of HIV infections. International and indigenous NGOs are working with national police and border patrols to increase awareness of the risks to basic human rights faced by trafficked persons, but efforts in this regard are very recent in origin. As the traffic in women and children is, in fact, increasing, support for these efforts is crucial. Trafficked persons are victims of the most serious of human rights abuse.

Interceding in the trafficking supply is crucial, as are efforts to raise public awareness, reduce demand, and reduce the passive acceptance of such practices. Given the critical role that young, enslaved women play in HIV infections (highest risk for infections, highest numbers of clients, lowest-fee brothels), interventions designed to directly counter this trade are amongst the most crucial for reducing the risk of HIV transmission in the region.

The Southeast Asia region is a prime candidate for the creation and rapid implementation of intervention models. Many of these countries have proven themselves eager to adopt and adapt technologies and methodologies from developed countries as economic and information barriers are removed. In addition, there is also an emerging regional identity from which a regional response to the epidemic can be built.

HIV/AIDS SO: Programmatic Approach and Rationale. The dimensions of the HIV epidemic in the region make it clear that a concerted, multi-faceted approach is needed to facilitate a wide-reaching response. An effective regional approach must unite national governments, national AIDS programs, NGOs, international agencies, human rights groups, and affected communities.

Although a number of donors are planning to collaborate with regional governments to address national planning and policy issues (eg, World Bank/WHO, UNDP), the RSM/EA will focus on organizations that intervene at the subpopulation level. The Mission's primary partners will be international NGOs paired with indigenous NGOs, mass grassroots organizations, community groups and affected communities. The RSM/EA's strategy addresses a crucial gap in existing efforts to address the epidemic in the region. By targeting the six beneficiary groups and working with the partners referred to above to mobilize a grassroots response and facilitate behavior change, USAID will help prepare the way for more effective government and private sector interventions. The prescience of this approach is highlighted by the current situation in Thailand, where after years of donors assistance and tens of millions of dollars spent on prevention, authorities are now recognizing the need to engage NGOs, CBOs and other community interest groups in HIV/AIDS prevention efforts.

The RSM/EA will adopt a multi-faceted approach, one that intercedes at multiple junctures critical to the ongoing transmission of HIV in the region. The initiative acknowledges, and responds to, the following on-the-ground realities: a) interventions focused on changing sexual behavior need to consider individual and partner characteristics, and address the psychological, social, and cultural aspects of that behavior; b) mechanisms need to be developed that can repeatedly reach people on personal and confidential levels in order to change behavior; c) other interventions need to focus on the "supply" side of market economies which promote the exploitation of women and children, rendering them at risk for HIV infection and transmission; d) using knowledge bases now available at WHO/GPA, AIDSCAP and elsewhere, every effort needs to be taken to identify prototype intervention models that are effective with regards to risk reduction among the target groups described earlier; and e) a sustained region-wide response to the epidemic is needed to: combat the underlying situations that predispose individuals to infection; promote sustainable behavior change; and build a resource base relevant to the region. This programmatic approach requires the rapid development of an information network and a technical base as a foundation for accelerated "south to south" transfer among countries in the region, and reduced need for outside technical assistance over time.

More details about the programmatic approaches associated with individual program outcomes can be found in Section 4 of this document.

HIV/AIDS SO: USAID Comparative Advantage. The knowledge base and expertise available within the United States, as well as extensive direct experience in HIV/AIDS prevention issues, especially via the AIDSCAP Project, represent an invaluable resource available in efforts to launch the multi-faceted and multi-layered approach required in the East Asia region. USAID is uniquely suited to assist in making that resource base available for timely technical assistance, and to support development of pilot interventions that both draw from the unique American experience yet are tailored to the specific needs of target audiences.

The RSM/EA has the ability to identify and make available expertise and seed resources, through its regional projects, through existing partnerships with contracting agencies, such as AIDSCAP, or through the provision of specific technical expertise. This might include pairings with regional collaborative partners, including Thai institutional resources developed during 40 years of USAID investment in the human and organizational resource base of Thailand. The regional approach undertaken by the Mission will build solidarity through a coordinated response among national governments, national AIDS programs, NGOs, multilateral organizations, human rights groups, CBOs, affected individuals and their communities.

USAID also has a wealth of expertise from other regions in the world available to it from other campaigns to reduce the spread of HIV/AIDS. Lessons learned can and will be made available to USAID's collaborative partners in the East Asia region.

HIV/AIDS SO: Complementarity with Other Donors. The AIDS epidemic is receiving increasing attention from both host governments and donors, as the rate of HIV incidence picks up and the first significant wave of symptomatic AIDS cases begin to fill hospital wards throughout the region. Several major donors are responding not only to assist establishment of national level programs, but are also providing support to regional mechanisms. The largest and most visible project may well be the newly created World Bank/WHO Regional HIV/AIDS Center, to be based in Bangkok, which will begin operation in June 1995 to support policy dialogue and address policy level implementation issues within the region. Several other programs are already in place or are proposed which also focus on regional cooperation and coordination, including the USAID-funded AIDSCAP project, the Australian Red Cross-funded regional network among Red Cross/Red Crescent societies, and the UNDP-led collective of UN programs. Also worth noting are opportunities for direct collaboration through the US-Japan Common Agenda program, which calls for direct collaboration on HIV/AIDS programs and provides for Japanese financial support to USAID-identified NGOs working in HIV/AIDS prevention.

The proposed RSM/EA program will provide a crucially important component that, to date, has been inadequately supported: direct interventions tailored to specifically targeted subpopulations identified as either especially at risk for infection or as significant vectors in the spread of HIV. The critical task of pilot implementation of direct intervention strategies and the rapid dissemination of lessons learned, are fundamental to the actual reduction of HIV incidence. While admittedly more difficult than, for example, information dissemination and diffusion-based programs, evidence is already clear that such interventions are the only mechanisms with a demonstrable record of success in achieving the sustained behavioral and normative change required to reduce the incidence of HIV infection.

HIV/AIDS SO: Political Will of Host Countries. While initially denied, the actual and potential impacts of the HIV/AIDS epidemic have been recognized by governments throughout the region. Further, all have established national AIDS bodies that are fully supportive of collaborative efforts to improve prevention programs and to reduce the threat that the epidemic poses to both national and regional economies. Not only have the governments agreed to collaborative efforts, but Ministers of Health from the most affected countries have agreed to

increase direct communication and cooperation specifically on the issues surrounding reduction and control of the spread of HIV/AIDS.

In addition to direct cooperation through formal government channels, multilateral and bilateral donors have agreed to collaborate in all levels of programming. It is possible that the level of cooperative planning and direct program collaboration among a wide spectrum of donor governments and agencies that is emerging is unmatched by any other issue in recent history. It is hoped that lessons learned from such extensive collaboration and cooperation will become valued lessons for collaboration across other sectoral arenas.

HIV/AIDS SO: Availability of Partners and Suitable Delivery Mechanisms. This initiative will utilize the organizations best equipped to intervene among the chosen subpopulations. USAID's primary partners for development and pilot implementation of region-wide HIV interventions will be international NGOs paired with indigenous NGOs, community-based groups, and mass organizations the at grassroots level and affected communities. Although key partners have been identified for collaboration on each of the program outputs, it is also the purpose of this project to support the development and expansion of the resource base of capable organizations, be they community-based or indigenous non-governmental organizations, able to participate in the full spectrum of prevention activities envisioned in this activity.

In order to rapidly mobilize and develop a coordinated, regionwide, community response to HIV/AIDS, the RSM/EA will approach specialized organizations with experience in participatory development, such as the Highlander Research and Education Center. Other major partners in institutional development and coalition building efforts may include the National Minority AIDS Council and the HIV/AIDS Alliance.

Potential partners include EMPOWER (Education Means Protection of Women Engaged in Recreation), ECPAT (End Child Prostitution in Asian Tourism), Child Workers in Asia, Center for the Protection of Children's Rights, ASIANET, as well as a variety of indigenous NGOs, CBOs, international NGOs, mass organizations, private sector organizations (coalitions/interest groups, professional groups), service organizations, women's groups and child watch groups.

HIV/AIDS SO: Critical Assumptions. This strategic objective as well as the program outcomes and programmatic approaches associated with it are based upon the following assumptions:

- The existing trend toward a more hospitable environments for NGOs in the region will continue.
- Regional condom distribution will be continued and expanded to regional target groups. The Mission will seek to collaborate with these and other condom social marketing efforts in the region.
- Regional STD prevention will continue to be addressed and efforts to control STDs will be expanded.
- The RSM/EA will be permitted to use a full range of regional resources (including non-governmental Thai resources where appropriate) to pursue activities under this initiative and to encourage increased South/South cooperation.

- The two existing RSM/EA institutional contracts as well as various Global and ANE projects will be utilized for technical assistance and to support complementary activities (ie, regional training and technical assistance, materials development for regionally important target groups).
- Other donor activities, especially the WHO/World Bank Project, UNDP and Government of Japan, will be complementary to the proposed activities.

3.3 THE RSM/EA SUPPORT STRATEGIC OBJECTIVE

Support SO: Description The RSM/EA's support strategic objective is founded on two basic imperatives: first, the Mission should strive to improve the efficiency and effectiveness of its support operations, and second, the Mission should document the efficiencies of the regional mission concept. Thus, the RSM/EA's support SO seeks to set standards that will encourage the Mission to improve customer mission support while testing and validating the expectation that regional mission support is more cost-effective than full mission staffing at several bilateral missions.

Support SOs are a relatively new area for USAID and one where limited guidance is available. To date, the Global Bureau has taken the lead in thinking about support SOs. Its general approach is to adopt SOs that mirror the objectives of its customer missions and to selectively adopt subsidiary program outcomes that fall with the Global Bureau's "manageable interest." Rather than seeking to justify its support in terms of cost efficiency, it uses improved development effectiveness as the basis for measuring the success of its support efforts. Although such an approach may be appropriate in the Global Bureau context, it is less helpful for guiding the development of a RSM/EA support SO. Viewed from the context of the RSM/EA, at least three difficulties with the approach can be identified: first, it is extremely difficult to measure the "value added" of the support being provided because of the near impossibility of assigning separate values to the inputs provided by the RSM/EA and those provided by customer missions; second, it assumes that the duration of support needs tends to coincide with the duration of a mission's strategic plan (RSM/EA experience has found that customer mission program support needs tend to be driven by situational factors that are difficult to predict over the long term); and third, it does not lend itself well to situations where administrative support constitutes a significant portion of the support being provided (the RSM/EA situation) because customer missions do not formulate administrative support SOs.[24]

Instead, the Mission proposes to measure the value of its support efforts in terms of the cost efficiencies it generates for USAID. The Mission believes this approach poses less formidable obstacles than those associated with the shared SO approach. Nonetheless, the challenges associated with such a regional support SO are vexing. Support SOs, like programmatic SOs

[24] The formulation of administrative support SOs by customer missions, however, should not be dismissed out of hand. Administrative support services tend to be predictable and stable over time. In addition, striving for, and retaining, efficient and effective services in contracting, finance, EXO and legal advice might be legitimate outcome-oriented objectives for the administrative side of USAID missions. Nonetheless, such an approach would require high level policy changes toward strategic planning within the Agency, and hence, this approach is not be pursued in this document.

involve partnerships and the outcomes of both are dependent upon the capabilities and good will of these partners. However, there is a crucial difference in the nature of the partnerships: under programmatic SOs, missions have the ability to choose and influence their partners, for example, by withholding resources and cooperation.[25] Under support SOs (particularly administrative support SOs) missions have relatively little ability to do so. Thus, it is much more difficult to meet the "manageable interest" criterion for a support SO (particularly one that incorporates a large measure of administrative support) than a program SO, because support missions lack the levers of influence over their customer missions.

A second critical difficulty is associated with the measurement of support SO results. Intuitively, the purpose of a regional support SO is clear: it should guide efforts to lower overhead costs associated with the delivery of development assistance. Thus, total mission overhead costs in an area served by a regional support mission should constitute a smaller percentage of total development assistance delivered than comparable percentages from missions staffed in a more traditional manner.

One of the most significant measurement problems for the RSM/EA is that it provides different combinations of support services to a variety of USAID organizations. Support services include: a) full administrative and program support to USAID missions in Cambodia and Mongolia; b) contracting support only to USAID missions in Sri Lanka and Nepal; c) administrative support only to USAID offices in Japan and Singapore which lack a program budget; and d) administrative and program support to RSM/EA programs in non-presence countries (Vietnam, Laos, the Thai-Burmese border), and remaining bilateral activities as well as new regional activities.

Therefore, efficiency calculations for the RSM/EA are subject to many distortions. On the one hand, the fact that Japan and Singapore have no development assistance budgets would understate the efficiency of the operation, On the other hand, the partial support to Sri Lanka and Nepal, measured against their full development budgets, overstates efficiency. In addition, support costs can be distorted by a variety of non-routine factors such as mission openings and closings.[26]

Nonetheless, neither the manageable interest issue nor measurement problems are insurmountable. The Mission believes that two potential levers exist to address the manageable interest issue. The first is to expand the role of planning in the delivery of regional support services. The RSM/EA proposes, after consultations with its customer missions, to adopt REDSO-like planning procedures to guide the delivery of its support efforts. In addition, the RSM/EA believes that, just as the Global Bureau is planning to adopt the SOs of its customer missions, ANE's Office of East Asia Affairs should consider adopting the support strategic objective presented below as its own and commit itself to working with the RSM/EA to meet

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[25] This logic can also be extended to apply to long-term, Washington-based program support. It is less applicable, however, to the situation-driven program support provided by regional missions. Thus, the character of the program support provided by regional missions tends to be more like the administrative support they provide than long-term program support provided from Washington.

[26] The manageable interest problem can also intrude here when OE costs rise because of decisions beyond the control of the RSM/EA (eg, the adoption of an OE intensive program strategy by a customer mission).

the objective.[27] This will encourage staffing and OE decisions to be based on a regional rather than bilateral perspective. (Thus, for example, considering the regional benefits that might accrue by placing a contracting officer at the RSM/EA, instead of just considering the benefits of placing the officer at a customer mission.

Fortunately, the inherent flexibility of the strategic planning process and the imminent field implementation of the Agency's New Management System will help to solve the measurement problem referred to above.

One of the greatest strengths of the strategic planning process is its ability to continue to provide meaningful programmatic guidance in circumstances where outcomes are difficult to measure, (for example, assistance aimed at institution building and policy change). In such situations, the system relies on a combination of objective indicators and insightful interpretation of the indicators to provide both rigor and flexibility in the measurement of progress toward a strategic objective. The RSM/EA believes that this inherent combination of rigor and flexibility is as equally applicable to the measurement of progress towards a support SO as it is to a programmatic SO. Indeed, such a combination is necessary to cope with the multitude of "what if" scenarios that can be envisioned under an administrative support SO.

For example, "what if" a customer mission adds USDH or USPSC staff to reduce the workload of its currently overburdened employees. Such additions will raise OE costs regardless of whether the cost effectiveness of RSM/EA support improves over the duration of the strategic plan. It is these types of situations that highlight the importance of the narrative interpretation that must accompany the measurable indicators. These situations can be adjusted for in at least two ways: through latitudinal comparisons (eg, to document that a customer mission does indeed have a small USDH staff in relation to the size of its program) and through adjustments to the baseline (eg, adjusting comparison measures to account for understaffing at a customer mission at the beginning of the measurement period). Thus, although these scenarios add some complexity to the evaluation of Mission progress toward its support SO, they do not preclude a rigorous measure of that progress. Furthermore, avoidance of over-simplification promises to add an element of realism in efforts to confirm the efficiencies associated with the regional mission concept.

The introduction of the New Management Systems also promises to offer new opportunities to measure the efficiency of support activities. In addition, the implementation of a common system of reporting standards around the world will make it possible to compare information across different missions operating on the system. (However, not all posts will be using all the systems, at least initially.) Although it is envisioned that progress toward improving RSM/EA

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[27] The RSM/EA considered partnerships with both customer missions and the entire ANE Bureau as alternatives but rejected both. Partnerships with customer missions were rejected because of the belief that the existing system of incentives which tend to encourage the expansion of self-sufficient mission operations would not be materially affected by a partnership agreement. A partnership with the entire ANE Bureau was rejected for the simple reason that rigor and objectivity must be retained in the review process - the reviewed and the reviewers must remain separate. Thus, the RSM/EA assumes that the Office of East Asia Affairs would be a partner in, rather than reviewer of, the support objective.

customer mission support will be primarily measured using variables that are longitudinal in character (ie, they measure change over time), latitudinal measures (many gathered by new systems) will be helpful in efforts to gauge the efficiency of the regional mission concept. Thus, the Mission feels that the introduction of ISP systems will provide additional rigor and flexibility in the RSM/EA's efforts to measure progress towards achieving its support SO. Nonetheless, even without the New Management Systems, the Mission is confident that enough indicators already exist to create a meaningful monitoring system for the support SO.

To sum up, the Mission feels that the combination of more rigorous planning and joint adoption of the support strategy by the Mission and ANE's Office of East Asia Affairs will expand the reach of the RSM/EA's manageable interests while the combination of objective indicators and narrative interpretation will keep the monitoring process both rigorous and flexible. (In this regard, it should be noted that the RSM/EA hopes to schedule its PRISM exercise for the fall of 1995 and that it will take this opportunity to fully develop the baseline measures that will be used for this SO. Therefore, until the completion of this exercise, the indicators presented in connection with this SO should be considered illustrative.)

The text of the programmatic strategic objective and subsidiary program outcomes are presented below.

More efficient administrative and programmatic support provided to customer missions by the RSM/EA without any significant loss of operating accountability or effectiveness.

- PROGRAM OUTCOME 1. Existing customer missions receiving program and administrative support from the RSM/EA will lower the proportion of overhead costs associated with the delivery of the mission's development assistance program without any significant loss of accountability or program effectiveness. (Target: Customer mission OE budgets will constitute a smaller proportion of their total program budget in FY 2000 than they did in the base year.)[28]

- PROGRAM OUTCOME 2. At existing customer missions receiving administrative support only from the RSM/EA (Japan, Nepal, Singapore, and Sri Lanka) the imputed costs of the support services provided by the RSM/EA will be less than the cost of providing the services from Washington and less than the cost of providing the services through on-site staffing.

- PROGRAM OUTCOME 3. Overall field mission overhead costs (ie, including those of the RSM/EA) associated with the delivery of development assistance will constitute a smaller proportion of the total field mission development budget at the end of the strategic planning period than it did at the beginning. (Target: The total

[28] The base year will be calculated as part of the RSM/EA's PRISM exercise, currently scheduled for September 1995.

regional OE budget will constitute a lower proportion of total program budget in FY 2000 than it did in the base year.)[29]

- PROGRAM OUTCOME 4. Within three years after they first open, new customer missions receiving program and administrative support from the RSM/EA will have lower overhead costs associated with the delivery of their development assistance program than a traditional mission with a comparable program portfolio without any loss of accountability or program effectiveness. (Target: New missions in the RSM/EA region will spend a smaller proportion of their total budget on OE than traditional missions.)

Support SO: Measurable Indicators. Pending the completion of the Mission's PRISM exercise, an illustrative list of the types of measurable indicators that will be used to measure progress under the support SO is presented below. NMS data promise to be a valuable addition to this list and it will be refined to include variables from these systems as they become available. (The RSM/EA already gathers, or can access, all of the variables listed below.)

- EXECUTIVE OFFICE INDICATORS (disaggregated by customer mission)
  - Number of and dollar value of local procurements annually.
  - Number of and dollar value of offshore procurements annually.
  - Number of residential leases annually.
  - Number of travel authorizations annually.
  - Number of FSN contracts prepared annually.
  - Number of FSN positions classified annually.
  - Number of NXP inventories taken.
  - Number of shipments of HHEs, POVs, etc.
  - Number of employees by type.
  - Number and total person days of TDY support and RSM/EA-based support.

- FINANCE AND INFORMATION SERVICES INDICATORS (dissaggregated by customer mission)
  - Number and dollar value of vouchers processed.
  - Number of program implementation documents processed.
  - Number of audit recommendations acted on.
  - Operating expense data (category embraces many individual variables).
  - Number of financial analyses of implementing agencies conducted.
  - Number and total person days of TDY support and RSM/EA-based support.

[29] This PO is targeted at internal RSM/EA efficiency but it is phrased to account for the possibility that support functions might be transferred from customer missions to the RSM/EA, thus raising RSM/EA OE costs, but presumably lowering overall OE costs in the region.

- REGIONAL PROCUREMENT INDICATORS (disaggregated by customer mission)
  - Number and dollar value of acquisition and assistance agreements negotiated.
  - Number and dollar value of delivery orders and buy-ins negotiated.
  - Number and dollar value of active contracts.
  - Number of amendments of acquisition and assistance agreements executed.
  - Number and total person days of TDY support and RSM/EA-based support.

- REGIONAL LEGAL ADVISOR INDICATORS (disaggregated by customer mission)
  - Number and total person days of TDY support and RSM/EA-based support.
  - Number of legal issues worked on by type.

- PROGRAM SUPPORT INDICATORS (disaggregated by customer mission)
  - Number and total person days of TDY and RSM/EA-based support.
  - Number and total person days of Regional Technical Support Project TA both TDY and Bangkok based.
  - Number of training activities, number of persons trained, number of person days of training under EARTP.
  - Dollar value of assistance provided under the regional projects.

- GENERAL INDICATORS (disaggregated by customer mission)
  - Total OE expenditures.
  - Total program expenditures by mission.
  - Average OE expenditure per USDH and OE-funded USPSCs and TCNPSCs.
  - Average program expenditure per USDH and program-funded USPSCs and TCNPSCs.

Support SO: Problem Statement. The decision to develop a regional support operation in East Asia was a response to two basic problems: first, considerable uncertainty surrounded the future of USAID's presence in East Asia and second, budget cuts and other pressures were expected to force USAID to economize its field presence. More generally, there was a desire to reduce the overhead costs associated with the delivery of development assistance and to test new ways of organizing USAID's overseas field presence.

Support SO: Programmatic Approaches and Rationale. The description of the RSM/EA's support activities presented above in Section 1.2, and spelled out in additional detail in Annex D, captures the essence of the programmatic approaches associated with this support SO. Essentially, the RSM/EA provides a wide variety of programmatic and administrative support activities in response to the needs of its customer missions and customer offices.

The rationale for regional missions and regional mission support was provided in some detail in Section 1.3. This discussion will not be repeated here. The specific support mechanisms that have been adopted by the RSM/EA reflect an evolution in thinking about the provision of regional support. Experience has demonstrated that some mission support functions need to be handled on site and do not lend themselves well to regionalization. Examples include property management, cashier functions, C&R functions and motor pool management. Other functions have been found excellent candidates for regionalization. Examples include contracting,

administrative procurement, legal advice, personnel classification, controller functions, voucher processing, short- and long-term technical assistance and short- and long-term training. Although the RSM/EA believes that some relatively minor modifications of existing support responsibilities might further increase the efficiency of its support operations its present approach represents a cost efficient division of responsibilities.

Support SO: USAID's Comparative Advantage. The advantages of regionalization are not confined to USAID alone, but extend to other donors as well. Section 1.3 has already demonstrated how regionalization is particularly well suited to the East Asian context and discussed how other donors are moving to adopt the approach.

Although the advantages of regionalization extend to other donors, USAID does possess some unique advantages. These include: an excellent and efficient internal Agency e-mail network with desk-to-desk communications; years of experience with regional service delivery throughout the world; an extensive network of US NGOs in the region that can be relied on for the delivery of development assistance; the existence of the US- Japan Common Agenda which promises to facilitate information gathering and distribution; and easy access to the Internet which will enhance communications not only with other USAID missions and offices in the region but with universities, other donors and other USAID business partners.

Support SO: Complementarity with Other Donors. Although many donors deliver development assistance through regional mechanisms, UNDP is currently the only other major donor, besides USAID, that provides regional administrative support. It too provides its support out of its Bangkok office, not only to Southeast Asia but throughout the East Asia and Pacific Region. In addition, RSM/EA discussions with AIDAB and CIDA suggest that they too are exploring the idea of providing regional administrative support. Further, the US Embassy in Bangkok also provides regional administrative support in such areas as personnel, procurement and finance to other US embassies in the region.

Support SO: Commitment to the Approach. Commitment to regional mission support on the part of the regional bureau and customer missions is essential if the regional mission concept is to work. To enhance this circle of commitment, the RSM/EA proposes to expand the role of planning in the delivery of regional support services through the adoption of REDSO-like planning procedures to guide the delivery of its support efforts. In addition, the RSM/EA recommends that ANE's Office of East Asia Affairs join with the Mission in adopting this support strategic objective as a collaborative undertaking. This arrangement will commit the ANE/EA to work together with the RSM/EA in making customer mission administrative and programmatic support more efficient. In addition, this approach will require ANE/EA to fully consider its commitment to this SSO when it evaluates requests for increased staffing, OE and other administrative resources from either the RSM/EA or its customer missions. More generally, it is expected that ANE/EA will articulate its commitment to this SSO within the Bureau and among other USAID bureaus engaged in decisions that affect the RSM/EA and its customer missions.

Support SO: Critical Assumptions. This strategic objective as well as the program outcomes and programmatic approaches associated with it are based upon the following critical assumptions:

- The RSM/EA's OE budget is likely to be constrained at or near its current level, measured in real dollars, unless USAID policy calls for a measurable expansion of program/project support and/or administrative support.
- The RSM/EA will continue to provide extensive program/project support to Cambodia and Mongolia. Current levels of program/project support and/or program/project design support may be expanded or initiated in other countries in the region.
- The RSM/EA will provide administrative support at a minimum to Cambodia, Mongolia, Tokyo, Singapore[30] and the RSM/EA itself for the duration of the strategy. Administrative support to other countries in the region will vary to the extent that USAID's mandate is extended to additional countries and the extent to which USAID's General Counsel, Office of Financial Management and Office of Procurement, in collaboration with ANE, modify coverage requirements.
- The RSM/EA's mandate to provide development assistance is likely to be expanded to include transnational (multi-country) assistance over the course of the plan.
- ANE/EA jointly adopts this SSO.
- The RSM/EA will remain in Bangkok and the types of services it provides to client missions will remain essentially unchanged - although the mix may vary.
- Cost efficiency (with adequate management controls) will be the key principle guiding the preparation of the RSM/EA's client mission support plan. Development effectiveness will be the key principle guiding the preparation of the development assistance plan.
- No increase in USDHs or USPSCs at the RSM/EA is anticipated during the planning period unless there are changes in coverage requirements, countries served, etc. However, retirements or departures of FSN and PSC staff who have been primarily involved in managing bilateral projects in Thailand may allow for the creation of positions to support extended or new activities without increasing overall staffing levels. (It is recognized that such actions with require the review and concurrence of USAID/W and the Ambassador.) In any event, it is assumed that the mix of professional skills among the USDH, USPSC and FSN staff is likely to change considerably over the life of the plan.
- Virtually all RSM/EA managed regional project activities will be implemented by US and indigenous NGOs, regional institutions and the regional and Global Bureau project contractors.
- The RSM/EA will look closely at possibilities for collaborative US-Thai efforts at addressing development problems in the region utilizing non-governmental sources of technical assistance and training where appropriate, thereby capitalizing on USAID's 40-year development investment in Thailand and the existence of the RTG's growing program of development assistance in the region, as well as

[30] The Regional Inspector General's Office located in Singapore may move to Bangkok in the second half of FY 1995.

numerous Thai research and educational institutions known region-wide for their excellence.

- The RSM/EA will also encourage past beneficiaries of US assistance in the region, including Japan, Malaysia and South Korea, to participate in USAID-funded projects as co-sponsors, particularly in the NGO sector.
- No major changes in the extent, level or types of USAID field presence in the region are anticipated during the planning period. Similarly, it is anticipated that the RSM/EA will continue to manage programs from Bangkok in Vietnam and Laos.

3.4 RSM/EA TARGET OF OPPORTUNITY 1

TO 1: Description. The RSM/EA's first target of opportunity focuses on providing Congressionally mandated assistance to victims of civil strife. The specific language of the target of opportunity and subsidiary program outcomes and indicators[31] is as follows:

Quality of life of civilian victims of war and civil strife in Vietnam, Laos and on the Thai-Burmese border improved by providing urgently required humanitarian assistance.

- PROGRAM OUTCOME 1 AND INDICATORS. Prosthetic devices and rehabilitation assistance provided to families and individuals who have been injured through civil strife and war.
  - 1.1: Number of prosthetic devices manufactured and fitted.
  - 1.2: Number of wheelchairs manufactured.
  - 1.3: Share of prosthetic devices fitted and wheelchairs placed through outreach.
  - 1.4: Number of certificates in prosthetics production and fitting awarded.
  - 1.5: Number of certificates of prosthetics center management awarded.
  - 1.6: Number of orthopedic surgeons trained in the fitting of prosthetic devices.
- PROGRAM OUTCOME 2 AND INDICATORS. Displaced children in Vietnam provided with a safe, secure and nurturing living environment and opportunities for a meaningful and successful life.
  - 2.1: Number of child care days provided.
  - 2.2: Number of permanent placement plans completed.
  - 2.3: Number of children returned to families or relatives.
  - 2.4: Number of local adoptions.
  - 2.5: Number of international adoptions.
  - 2.6: Number of certificates of vocational training.
  - 2.7: Number of job placements.

[31] The indicators presented here are meant to be illustrative. The RSM/EA expects to invite PRISM staff to Bangkok in the Fall of 1995 to further refine these indicators. In all instances where it is possible and appropriate, indicators will be disaggregated by gender and ethnicity.

- PROGRAM OUTCOME 3 AND INDICATORS. Humanitarian assistance provided to Burmese (including students), living on the Thai-Burmese border who have been displaced as a result of civil strife and warfare.
  - 3.1: Number of camp laboratories equipped.
  - 3.2: Number of lab technicians successfully completing the continuing education course.
  - 3.3: Number of anti-malaria bedding packages distributed.
  - 3.4: Number of patients seen at camp clinics.
  - 3.5: Number of USAID funded immunizations given.
  - 3.6: Number of health educators successfully completing training.
  - 3.7: Number of camp reproductive health programs established.
  - 3.8: Number of camp residents receiving reproductive health information or services.
  - 3.9: Number of camp residents referred and assisted through off-site reproductive health services.

TO 1: Problem Statement. The problems addressed under this target of opportunity are an outgrowth of civil strife and war. The conflict in Vietnam and Laos ended two decades ago, but it continues to take a toll because of the continued existence of millions of unexploded land mines and bombs in these countries.[32] The conflict in Burma is also decades old but it continues, with many new refugees arriving in Thailand in recent months. Specific problems are as follows:

- VIETNAM AND LAOS. Many live land mines and cluster bombs remain in Vietnam and Laos and continue to exact an enormous toll on farmers and curious children. The cluster bombs which were intended to serve as antipersonnel devices that maimed rather than killed, exact a particularly heavy toll. Because of this, child survival problems continue to be major issues in both countries. At 182 deaths per 1,000 live births, Laos has one of the highest under-five mortality rates in Southeast Asia. Vietnam has made considerable progress in this area. The infant mortality rate fell from 83/1000 in 1979 to 46 in 1990. However, there are still wide geographic variations with some parts of the country having rates as high as 87/1000 in 1990. Similarly, while the under-five child mortality rate is 81/1000, rates are as high as 148/1000 in some parts of the country.
- BURMESE-THAI BORDER. Between 1992 and 1994, the Burmese displaced persons population in Thailand rose from approximately 50,000 to 79,614, an increase of 59 percent. By June 1994, 63,700 Karen, 8,700 Mon, 5,300 Karenni, 860 Tavoyan and 2,000 students were seeking safety in camps along the border of Thailand and Burma. Recent SLORC offensives have increased the number of displaced Burmese to over 100,000. Displaced persons from Burma in Thailand are not officially

[32] Considerable opportunities exist to expand demining activities, particularly in Laos. Specific Congressional mandates and appropriations are already available to support such programs under the "War Victims Fund." Additional activities would complement current USAID efforts while meeting urgent unmet needs. A more detailed discussion of opportunities to expand USAID's demining activities in the region can be found in Supplementary Support Materials, Mission Strategy FY 1996-2000: Regional Support Mission for East Asia.

considered refugees by the RTG and consequently have no legal status while on Thai territory. Nonetheless, the RTG recognizes that there is sufficient cause for them to seek sanctuary and while UNHCR and the International Committee for the Red Cross have not been permitted to provide services on the border, the RTG has allowed a small number of NGOs to provide essential services and technical assistance to those seeking refuge.

TO 1: Programmatic Approaches and Rationale. All activities initiated under this target of opportunity are in response to Congressional earmarks. Specific rationales are as follows:

- VIETNAM AND LAOS. In 1989 Congress earmarked funds in the foreign assistance appropriations legislation for a "War Victims Fund" to provide urgently required prosthetic devices and rehabilitation assistance to individuals who had been injured or otherwise harmed (eg, orphaned) through civil strife and warfare. Funds under this earmark were made available for victims of war in Laos and Vietnam.
- BURMESE-THAI BORDER. In 1993 Congress earmarked $1 million for food, medical supplies, training, clothing, and other humanitarian assistance for Burmese in Burma or Thailand who were displaced as a result of civil conflict. This is Congress' fourth and largest humanitarian assistance earmark for displaced Burmese since a military junta defeated and forcibly dispersed a pro-democracy student movement in 1988.

TO 1: USAID's Comparative Advantage. USAID is able to capitalize upon the availability of experienced and efficient US NGOs for all activities in Vietnam, Laos and on the Burmese-Thai border, initiated under this target of opportunity. Furthermore, the RSM/EA's Bangkok location greatly facilitates the delivery of humanitarian assistance to neighboring countries.

TO 1: Complementarity with Other Donors. There are several donors providing prosthetic and rehabilitation services in Vietnam. These include: the International Committee for the Red Cross (ICRC), Terre des Hommes, and the German Government (GTZ). While ICRC and Terre des Hommes are providing support to provincial centers, GTZ, which has helped to develop a respected training program in Phnom Penh, is assisting the Vietnamese government in the development of a new three-year prosthetic and rehabilitation training school. In Laos, organizations such as the Mine Awareness Group (MAG) and the Mennonites are working to de-mine the countryside as well as increase hazard/mine awareness among local communities.

There are dozens of international NGOs, as well as donors such as UNDP and UNICEF, providing services or assistance programs for displaced children in Vietnam. Most NGOs follow narrowly defined mandates such as activities for street children and international adoption. Many international NGOs are supplying services to displaced Burmese in Burma and Thailand. USAID-supported NGOs are fulfilling needs in specific areas not currently reached by the other organizations.

TO 1: Political Will of Host Countries. The governments of Vietnam and Laos are committed to providing much needed services in prosthetics and rehabilitation. In Vietnam, services are coordinated directly through the Ministry of Labor, Invalids, and Social Affairs. In Laos, the

National Rehabilitation Center, the major coordinating body, has been afforded a wide mandate. Further evidence of Vietnam's commitment is the development and construction of the country's first prosthetics and rehabilitation training facility. This is being developed in coordination with the German government.

Vietnam was an early signatory of the Convention on the Rights of the Child. Their commitment to child welfare issues is demonstrated through the numerous government and quasi-government institutions working in this area. For example: the Vietnam Youth Association manages informal drop-in centers, open houses and residential facilities; the National Committee for the Protection and Care of Children is headed by ministerial-level officials and has over-arching responsibility for child welfare in the country; and the Ministry of Labor, Invalids, and Social Affairs supports numerous orphanages, vocational centers and residential centers for children and youth.

The Royal Thai Government has been very responsive to the humanitarian assistance needs of displaced Burmese. The NGOs, along with the RTG, have developed a closely coordinated service system. NGOs meet periodically with RTG provincial and ministerial officials and regularly amongst themselves. The NGOs have developed an extremely effective coordinating committee as well as sector-specific working groups.

TO 1: Availability of Partners and Suitable Delivery Mechanisms. As noted under USAID's comparative advantage, there are numerous NGOs experienced in implementing the activities initiated under the target of opportunity. Individual as well as umbrella grants to these NGOs are effective mechanisms for service delivery. Additionally, there are many resources within the region that can be tapped for specific expertise.

TO 1: Critical Assumptions. This target of opportunity as well as the program outcomes and programmatic approaches associated with it are based upon the following critical assumptions:

- The Mission will continue to manage programs from Bangkok in Vietnam and Laos and manage programs on the Thai-Burmese border.
- The refugees currently on the Thai-Burmese border will not be repatriated in response to ceasefire agreements in the near future.
- Other donor activities will continue to support and complement USAID's activities.

3.5 RSM/EA TARGET OF OPPORTUNITY 2

TO 2: Description. The RSM/EA's second target of opportunity focuses on wrapping up remaining Thai bilateral activities (US-Thai Development Partnership and the Urban Environmental Infrastructure Guaranty) and assisting in the implementation of continuing Global Bureau activities (such as AIDSCAP, research CRISPS, and two new research and development

projects) as well as continuing ANE activities (such as USAEP) in Thailand. The specific language of the TO and subsidiary program outcomes and indicators[33] is as follows:

Thai bilateral assistance program graduated in a manner that fosters long-term US-Thai development linkages.[34]

- **PROGRAM OUTCOME 1 AND INDICATORS.** Sustainable US-Thai partnerships established to facilitate the resolution of environmental problems associated with rapid growth in Thailand and to check the rapid spread of the HIV/AIDS virus.
  - 1.1: Creation of a sustainable institution to foster the creation of US-Thai development partnerships.
  - 1.2: Number of sustainable US-Thai development partnerships created.

- **PROGRAM OUTCOME 2 AND INDICATORS.** Increased levels of investment in urban environmental infrastructure in Thailand's secondary cities.
  - 2.1: Level of investments in urban environmental infrastructure financed by the private sector measured on an annual basis.
  - 2.2: Level of investments in urban environmental infrastructure financed by the public sector measured on an annual basis.
  - 2.3: Level of urban environmental infrastructure investment measured annually on a per capita basis.
  - 2.4: Percentage of urban dwelling units with individual water connections.
  - 2.5: Percentage of urban dwelling units with access to solid waste collection.
  - 2.6: Percentage of urban dwelling units with sewer connections.
  - 2.7: Proportion of urban solid waste being deposited in sanitary landfills.
  - 2.8: Proportion of urban liquid wastes being treated.
  - 2.9: Level of municipal borrowing in the capital markets.
  - 2.10: Proportion of local government revenue obtained from municipal taxes.

- **PROGRAM OUTCOME 3 AND INDICATORS.** Basic research and pilot demonstration projects with regional or worldwide applicability implemented.
  - This PO is designed to embrace the continuing Global Bureau and ANE activities referred to earlier. The RSM/EA will selectively adopt indicators from projects it is actively involved in and which fall within its manageable interests.

TO 2: Problem Statement. Thai bilateral graduation activities are addressing two development issues: resolution of environmental problems associated with rapid growth and containing the rapid spread of the HIV/AIDS virus.

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[33] The indicators presented here are meant to be illustrative. The RSM/EA expects to invite PRISM staff to Bangkok in the Fall of 1995 to further refine these indicators. In all instances where it is possible and appropriate, indicators will be disaggregated by gender and ethnicity.

[34] The USAEP project will active in assisting Mission efforts under POs 1 and 2.

Environmental issues are being addressed because the development of environmental infrastructure has not kept pace with population growth, rapid urbanization and the exceptional expansion of economic activity in Thailand. Until recently, Thailand was a nation without any wastewater treatment plants (Bangkok remains one of the largest cities in the world without a plant). Further, only 70,000 tons of an estimated two million tons of hazardous and toxic wastes produced annually are known to be disposed of by methods that are environmentally sound. Beach resorts and other tourism sites are being destroyed by failure to invest in wastewater treatment and solid waste disposal. Forest reserves have been ravaged, with serious implications for the preservation of biodiversity as well as proper watershed management and water use. Changes in institutional relationships at the national and local level and improvement in municipal and provincial governments' capability to manage the provision of environmental infrastructure are necessary if environmental infrastructure development is going to catch up with increased demand. Failure to make the necessary changes and investments now will have long-term adverse consequences for the environment and sustainability of development.

The HIV/AIDS issue is being addressed because Thailand is at the center of the AIDS epidemic sweeping Asia. Experts estimate that more than a half million Thais are currently infected with the HIV/AIDS virus. US and Thai researchers forecast that at least 2 million Thais will be HIV infected and 560,000 will have died of AIDS by the year 2000. Current estimates suggest that as much as 10 percent of the workforce in the northern part of the country will die from the disease in the next decade. The human tragedy will be immense and the impact on the economy severe. The global consequences also are potentially large. AIDS in Thailand is not only a Thai problem, but one of regional and global dimensions.

TO 2: USAID's Comparative Advantage. USAID is working with the Kenan Institute, University of North Carolina, to create a sustainable institute for Southeast Asia which will continue to foster US-Thai development partnerships. Both Kennan's and USAID's local networks are well established to work with Thai organizations. In the US the know-how and technology exist to help Thailand solve its environmental and HIV/AIDS problems. Local and US networks are used to seek out this know-how and create independently sustainable projects, implemented by US and Thai partners (private, public and NGO). In the area of environmental infrastructure financing, the US can share established financing mechanisms and successful programs. These mechanisms and programs could dramatically affect Thailand's decentralization process by providing municipalities with direct access to loan financing.

TO 2: Complementarity with Other Donors. Dozens of bilateral and most multilateral donors are heavily involved in the environmental sector. Many are still working in policy and planning, while others are focused on infrastructure. Forestry, coastal resources and biodiversity receive considerable attention and funding, as well. HIV/AIDS also receives much attention, focused on the entire spectrum of interventions. Thus, the two remaining bilateral programs fill an important niche and, in fact, have created paradigms for other donors to follow. The USAID-funded projects provide catalytic funding to allow US and Thai entities to join together to solve environmental problems and to address Thailand's HIV/AIDS epidemic. This mechanism provides for sustainable solutions unreachable through more traditional grant-making approaches. In the case of municipal finance, only USAID is working with the RTG to create a mechanism

for municipalities to borrow (backed by a USAID-assisted loan guarantee program) directly from private lending institutions to provide their own environmental infrastructure needs.

TO 2: Political Will of Host Countries. The US-Thai Development Partnership has witnessed remarkable success at "partnering" US and Thai entities (private companies, NGOs, educational institutions and government) to solve development problems on a sustainable basis. Over $8 million in projects are either underway or under active development. Each project requires a financial commitment by the partners before USAID funding is provided, and USAID has found that organizations are willing to sustain projects based on the facilitating or catalytic input from the Partnership Project. The environmental infrastructure guaranty program has received widespread support, especially from municipalities (the potential borrowers), as well as from the Ministry of Finance and lending institutions.

TO 2: Availability of Partners and Suitable Delivery Mechanisms. As noted above, this target of opportunity is premised on the availability and long-term commitment of partners. TO activities require partnerships to be in place and USAID and the Kenan Institute have found scores of willing private, public and NGO partners. The delivery mechanisms are now well established. In the case of the US-Thai Development Partnership, small amounts of catalytic funding have leveraged large amounts of private and other funding. In some cases, USAID expenditures of $50,000 or less have generated multi-million dollar activities which are helping to solve environmental and HIV/AIDS problems, with active participation by the private and NGO sectors who ensure the financial sustainability of the projects. The environmental guaranty program is, in essence, the creation of a delivery mechanism to allow municipalities to develop and finance local solutions to local problems.

TO 2: Critical Assumptions. This target of opportunity as well as the program outcomes and programmatic approaches associated with it are based upon the following critical assumptions:

- The RSM/EA's operational closeout plan for the Thai bilateral program will be approved with no major changes to remaining bilateral activities.
- RTG policies and activities and other donor activities will continue to support and complement USAID's activities.
- The RSM/EA will remain in Bangkok.

3.6 CONSULTATIONS

Existing restrictions on RSM/EA activities in Burma, China, Laos and Vietnam precluded site visits in the preparation of this document. In an effort to overcome this limitation the RSM/EA undertook a desktop analysis of needs in USAID's five areas of programmatic concentration in Burma, Cambodia, China, Laos, Mongolia, Thailand and Vietnam which involved detailed consultations with experts on the region and reviews of secondary source materials. The analysis focused most heavily on Vietnam and Laos. Moderate levels of effort were devoted to Cambodia, Mongolia and Thailand with less effort being devoted to Burma and China. In addition, the RSM/EA shared copies of draft documents with USAID staff in Cambodia and Mongolia. However, since there was no permanent AIDREP in Mongolia between October and

February and the new AIDREP in Cambodia just arrived in April, consultations with customer missions have been limited. This situation will be rectified in the next several months.

The analysis of sector needs was undertaken by Development Alternatives Inc. on behalf of the RSM/EA. Their efforts included a review of existing literature and research undertaken by: governments in the region; academic experts; US government officials; other donor organizations, especially the World Bank, the ADB, UNDP, and IMF; NGOs active in the region; area journalists; and other recognized authorities. The literature review was supplemented with interviews of officials from other donor organizations; officials from area NGOs; US government officials; academic experts in the US and the region; and other well informed individuals. The analysis focused on events and documents prepared within the last four years.

A more complete listing of the sources consulted in the course of this strategy can be found in the individual bibliographies of the documents prepared by the DAI consults. (See Annex F "Development Alternative Inc. References" for a listing of these documents.)

SECTION 4:

THE RSM/EA ACTION PLAN

4.1 INTRODUCTION

This section presents the action plan for implementing the proposed RSM/EA strategy during the period FY 1995-97. It seeks to follow the guidance on action plans presented in: PPC's "Guidelines for Strategic Plans," dated June 6, 1994; the ANE Bureau's "Final Draft ANE Action Plan Guidance" dated January 19, 1995; and the Administrator's FY 1997 budget guidance message dated February 23, 1995.[35]

The action plan is being submitted as part of the RSM/EA's overall strategic plan. Further, the Mission has yet to go through its PRISM exercise which is scheduled for fall 1995. Hence some of the information requested for inclusion in the action plan has either been provided earlier as part of Section 3 or will be delayed until next year when the requested information will be more readily available.[36] The following is a list of information requested in association with the action plan followed by a brief explanation of whether/how the information is provided in this action plan:

- **SO AND TO RATIONALE.** Readers are referred to Section 3 of this document for detailed discussions of why particular SOs and TOs have been selected by the RSM/EA.
- **SO AND TO TACTICS.** A brief discussion is provided for all SOs and TOs.
- **UPDATE ON OTHER DONOR ACTIVITY.** The information presented in Section 2.4 and Annex C is current as of the submission of this plan.
- **SO AND TO PERFORMANCE.** Activities under the HIV/AIDS SO have not been started and activities under the support SO are likely to undergo significant changes in the coming months for reasons outlined below. Brief performance discussions are provided for the Victims of War TO and the Thai bilateral TO even though formal indicators have not yet been established.
- **EXPECTED IMPACTS.** Brief discussions are provided for all SOs and TOs.
- **RESOURCE NEEDS.** Brief discussion are provided for all SOs and TOs.
- **ANNEXES.** Annexes outlining the Mission's Performance Monitoring Plan and its Monitoring and Evaluation Tracking System will be presented in next year's Action

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[35] Where appropriate, the guidance presented in these three documents was also woven into the material presented earlier. In particular, efforts were made to address the ANE Bureau's *Key Questions for the Action Plan Narrative* in Section 3 of this document.

[36] For purposes of clarity, this action plan does not discuss Thai bilateral activities that will be terminated by September 30, 1995. Information about these activities will be submitted as part of the Mission's closeout plan.

Plan after the Mission has completed its PRISM exercise. (A NAD for the HIV/AIDS SO is provided in Annex A.)

- **FIGURE 1.** The Program Objective Tree appears in Section 3.1 of this document.
- **FIGURE 2.** Program Activity Trees appear as Table 4.2 on page 65.
- **FIGURE 3.** Although the "Expected Impacts" sections below provide information on the timing of individual SO and TO activities, the development of exact schedules will depend on the outcome of the Mission's PRISM exercise in the fall of 1995.
- **FIGURE 4.** Information requested as part of "All Resources Table" appears in Table 4.3 below.
- **FIGURE 5.** Information requested as part of "Funding Breakout by Strategic Objective" appears in Table 4.4 below.

4.2 THE HIV/AIDS STRATEGIC OBJECTIVE NARRATIVE

HIV/AIDS SO: Tactics. This section provides additional narrative detail about the programmatic approaches related to the HIV/AIDS strategic objective. The material is organized by PO. Individual activities associated with this SO will be pursued under a single programmatic vehicle (project) although the East Asia Regional Training Project and various Global Bureau projects are expected to be an integral part of the initiative. See Annex A for the text of the NAD associated with this SO.

- **ADDITIONAL DETAILS ON HIV/AIDS PO 1 APPROACHES.** Programmatic approaches for this outcome will include identification and mobilization of community organizations interested in participating in a regionwide HIV/AIDS prevention effort. A series of "community forums" will be held in countries throughout the region. They will be conducted to maximize participation and heighten awareness among individuals and groups coming together around the problem of HIV/AIDS in their communities. Goals of forums include: a) providing an instrument around which communities, including individuals, indigenous NGOs, CBOs, mass organizations, community-based international NGOs, traditional advisors and community leaders, and health care workers, can identify critical issues and needs regarding HIV/AIDS; b) providing an environment in which community groups can be engaged in a self-assessment process in order to identify major organizational, technical and other needs that might be addressed through skills building (see details on a regional skills building conference below); c) providing sufficient information on the complexity of HIV/AIDS issues and the economic impacts of the disease to engage the private sector; d) focusing attention on factors in HIV transmission which are regional in nature; and e) building working relationships between organizations interested in addressing similar HIV/AIDS issues in their communities.

  These country-specific community forums constitute the first in a series of steps intended to build information and resource networks and active coalitions mobilized against the epidemic throughout the region. Some of the partnerships might emerge

from the need to combine different resources of local partners; others might emerge from the pairing of NGOs sharing similar goals but located in different countries. By the end of the project period such liaisons will help to redefine "community" in terms much larger than just a locale or a country, and "HIV issues" as pertinent to all members of that wider community.

Participants for each community forum will be identified through a variety of routes including NGO/CBO registries, information provided by locally-based international organizations, membership lists for professional and business associations, directories of mass organizations and local university contacts.[37] Partnerships identified through community forums will be supported throughout the project period in a number of ways, including the transfer of experiences and assistance between Thai NGOs and NGOs in neighboring countries. Support for continuing information and technical exchange will also be provided through training, technical assistance, and electronic communication networks. The forums will be organized and conducted by a team that is likely to include technical officers from RSM/EA and its institutional training contractor, staff from capacity building and social change organizations (eg, the Highlander Research and Education Center, the National Minority AIDS Coalition, or the HIV/AIDS Alliance), staff from members of the Thai Coalition Against AIDS, and regionally-based university staff well informed about HIV/AIDS and skilled in community organization.

A second program approach will involve providing training and technical assistance to develop community-based organizations to address regional HIV issues. A number of venues will provide a mechanism for gradual institutional capacity building among groups of community-based partner organizations, based on the results of the community forums. An example is a Regional Skills Building and Planning Conference. This would be conducted early in the project period in order to lay the foundation for specific organizational competencies including: a) management and financial systems, b) program development, intervention design and implementation, c) evaluation and program adjustment/redesign, d) methods of community mobilization, and outreach, e) methods of formative and rudimentary behavioral research, f) advocacy, g) fund-raising, h) proposal writing and marketing strategies, and i) inter-regional networking and coalition building.

This conference will be critical in continuing the participatory development process begun through the community forums. By providing a highly interactive and supportive learning environment, working partnerships will be built. Interest groups will be encouraged to develop around prevention issues related to specific regional target groups; this will become the basis for the award of grants to groups of community-based organizations and the gradual development of sub-regional

[37] Pending available resources and political changes necessary to allow direct support of government activities, the RSM/EA will take an informal approach to coordination with the various ministries of health associated with governments of the region. The Mission's efforts will include close cooperation with the UNDP and other donors as well as informal contacts at regional conferences.

coalitions. (Coincidentally, the RSM/EA will collaborate with the policy efforts of such multilaterals as the World Bank/WHO Regional AIDS Center and UNDP in order to coordinate community organizations' levels of need and capacity with funding mechanisms being established for NGOs within government systems throughout the region.)

Particular emphasis will be placed on building financial and planning systems crucial to organizational development. Standards for project conceptualization and resource identification and allocation (including links with other community organizations) will be incorporated into proposal writing sessions of this conference. Another area of emphasis will be that of joint planning; exercises will be designed to allow organizations to learn to collaboratively plan integrated programs for target groups of regional importance which might require multiple interventions in more than one country.

One of the major outcomes of the conference will be the issuance of a request for application (RFA) for a regional Small Grants Program. With newly-learned skills, participant organizations will be able to leave the conference substantially better prepared to respond to the RFA. The ultimate outcome of this effort will be the ability of at least 20 community groups (which may contain more than one CBO as well as US NGOs, international AIDS Service Organizations and related groups such as the Red Cross societies) to meet the standard requirements set forth by the RFA and receive grant awards over the life of the project.

A Regional Skills Building and Planning Conference has the additional advantage of being directly responsive to the need to rapidly mount a community-based response to the HIV epidemic in the region. Although the tradition of community organization is highly evolved because of a history of commune systems and collectives in the region, the organizational accountability remains deficient. The conference is a mechanism to build and share resources while allowing individual input and innovation.

A third approach will involve fielding Regional Technical Assistance (TA) Teams composed of regional nationals to the maximum extent possible. Through this mechanism, regional support will be provided to community organizations over the course of the entire project. Technical assistance will be tailored to the stage of institutional development and programs being carried out. Types of assistance might include help with: a) the design of program intervention concept papers; b) formative research, including mapping of community needs, ethnographic and behavioral research; c) management plans, staff training, reward systems, and project sustainability planning; d) resource identification; e) community outreach techniques or implementation of peer education programs; and f) design of evaluation systems.

The identification and design of Regional TA Teams, will be conducted with the advice of such groups as AIDSCAP, WHO, and the Asia Pacific Coalition of AIDS

Service Organizations. USAID's Global and ANE Bureaus will also assist by identifying assistance available through contracting agencies. Since the gradual development of institutional capacity is crucial to the success of the community-based responses to HIV across the region, TA will be closely managed and evaluated. Regional TA Teams will be assigned to limited subsets of community organizations grouped according to level of institutional development, need, and type of anticipated HIV projects to be implemented.

The Government of Japan will also be invited to participate in lending coordinated regional technical assistance. Opportunities for additional financial and operational support of community organizations may arise from such collaboration.

- **ADDITIONAL DETAILS ON HIV/AIDS PO 2 APPROACHES.** Programmatic approaches will include developing a competitive bid process to provide support for one or more regional-based groups capable of conducting behavioral and ethnographic research, designing HIV interventions pertinent to each regional target group, and pilot testing the designs quickly (ie, within the first 2-3 project years). This award will most likely support university-based social and behavioral scientists and communication specialists who are familiar with the cultural characteristics and communication channels (media, human resources) available in the region. The group(s) will be required to convene a working advisory group consisting of relevant community organizations and individuals familiar with each regional target group.

  A second approach will involve RSM/EA collaboration with such international AIDS projects as AIDSCAP and WHO/GPA to ensure that evaluations of HIV interventions relevant to regional target groups are provided to those developing pilot intervention models. The RSM/EA will rely on these entities to provide programmatic overviews and useful lessons learned early in the project period.

  A third approach will involve designing and testing pilot intervention models for each of the six regional target groups by the end of FY 1998.[38] Ongoing experiences of project design and final results of the tests will be shared with community-based organizations via the Regional TA Teams, through the electronic information network, and through the three technical exchange conferences. The end of project conference (described below) will focus on lessons learned throughout the region regarding adaptability and replication of these pilot intervention models among different regional target groups.

  With regards to the trafficking issue, programmatic approaches will include support for expanded efforts by indigenous NGOs and community-based organizations to develop strategies, advocacy materials, pilot interventions, and training of child watch groups, particularly in border areas and other sites of known high incidence

[38] The Mission also envisions working closely with the Embassy Narcotics Affairs Section in efforts to target IV drug users.

of such traffic. Strategies, materials, interventions and training will focus on both expanding short-term interdiction efforts and on longer-term promotion of awareness and attitude shifts. These might include support for wide training of model school curriculum materials for both young girls and young boys currently being produced by ASIANET.

A related approach will involve facilitating the exchange of information with border patrols, police, and the tourist industry - taking advantage of the relatively sophisticated information systems maintained by these groups. Both indigenous and international NGOs are active in efforts to encourage the police and travel industry to track both traffickers and clients of child sex. Although some successes have been achieved through international cooperation, increased engagement of regional officials and travel operators will improve information flow about both suppliers and clients.

Another approach will promote better education and employment opportunities, especially for girls, to reduce the availability of those women and children without economic options and to change public attitudes about trafficking for commercial sex. Child prostitution and the trafficking of women and children are products of poverty, illiteracy, ignorance, a lack of economic opportunity and a cultural mandate for daughters to take care of their parents in their old age. Improved educational and employment opportunities reduce the number of women and children without alternative life options. Pilot projects, such as the Thai Women of Tomorrow project, demonstrate that opportunities to extend education are eagerly sought by girls who might otherwise enter the commercial sex industry.

Yet another approach will be to support indigenous NGO and CBO advocacy groups campaigning for recognition of rights of trafficked persons, including rights for training and rehabilitation in the country of rescue rather than immediate deportation/ repatriation. As many of the children and women come from ethnic minority areas or from repressive circumstances, repatriation does not represent "rescue" but, rather, return into the hands of those initially responsible for their enslavement. Advocacy groups promote the provision of training, counseling, and rehabilitation in the country of rescue. The rationale is that opportunities in the "importing" country are invariably superior to those available in the "exporting" country. Such opportunities allow the victims of enslavement chances to recover and to improve marketable skills which will better equip them to avoid being enslaved again.

A final approach will be to support efforts to revise the U.N. Convention for the Suppression of Traffic in Women and Exploitation of Prostitutes and Others, including a request for appointment of a Special Rapporteur on Traffic in Women by the U.N. Commission on Human Rights.[39] While many efforts to reduce

[39] The Mission envisions working with the Embassy Economics Section and the Labor Attache on this issue.

trafficking are required at the local and regional levels, advocacy by indigenous groups at the international level is necessary to give voice to the significance of the problem. The language of the existing UN Convention, written in 1949, is very narrow. It focuses on prostitutes only, contains few human rights protections for the victims of trafficking, treats women as objects of government action rather than individuals with civil rights, and provides a minimal basis for international cooperation or information sharing.

- **ADDITIONAL DETAILS ON HIV/AIDS PO 3 APPROACHES.** Programmatic approaches will include direct and sustained interventions to reduce the impact and spread of HIV/AIDS. Exchanges of views, experiences, and pertinent information are required to replicate aspects of pilot interventions that work and to refine and adapt those aspects which are specific to particular settings, practices, attitudes and behaviors. Technical exchange and training necessary to induce community level participation will be supported. Beyond an awareness of HIV risk, this participation will directly address normative changes which support reduction of personal risk-associated behaviors and communal risk.

  A second approach will be to provide direct support by master trainers and training of trainers workshops to insure crucially needed technical expertise is provided to raise regional standards of both project design and implementation. Initial output will include three standardized curricula for peer education, outreach, and training of community-based trainers.

  A third approach will be to conduct technical exchange conferences that focus on materials from other community forums and from pilot interventions unknown to many participants. Successive conferences will focus on mutual exchanges of experiences within the region, in a direct "South- to-South" forum for technology exchange. To facilitate broad participation, an electronic network will be established.[40] Features will include a region-wide bulletin board system, electronic mail between project sites and individuals, and on-going forums for sharing current information and lessons learned. The network will provide gateway access to the Internet (and through it to vast information resources), as well as a gateway to the Thai Ministry of Public Health system for health care and medical information.[41]

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[40] The network will "piggy-back" on the existing SalaThai public access bulletin board which is linked to both the Internet (@sala.icn.net) and to the Thai Ministry of Health. The regional expansion of this network will allow for local telephone line access for NGOs, CBOs and related organizations. In addition to direct access to each other, access to expert medical advice from the Thai MoPH will complement the enormous resources available through the Internet. Expanding access to the Internet will promote South-to-South transfers and will provide smaller NGOs with access to worldwide resources. The SalaThai network provides for local language and dialect scripts, with front-end software easily tailored to local needs. For bandwidth, speed and efficiency the network is linked to the Hong Kong Internet hub. Thus the SalaThai system is unlikely to encounter many of the problems faced by early efforts to set up such systems in Africa, including English-only access, high local access costs, and slow command-line interfaces.

[41] This will not require providing any money to the Ministry.

A fourth approach will involve providing approximately fifty NGOs and CBOs with the basic equipment necessary to have address accounts and access to a networked bulletin board system, and the training necessary to understand and participate in its use. The primary barrier that has kept most local community-based groups away from this technology has been the costs of access and simple base equipment. (The Mission envisions seeking Japanese assistance to meet this need.) The multiple hub sites will allow local telephone dial-up access, a crucial requirement for expanding grassroots participation. In addition it will permit links between related projects both intra-regionally and inter-regionally.

A fifth approach will be to develop and deploy an inter-regional pool of master trainers to provide technical assistance to projects when required. The pool of master trainers will support the Small Grants Program, forming the programmatic backbone of the strategy. This pool of master trainers will further serve as direct agents in the process of regionalizing awareness of HIV/AIDS and ensuring success in replication of specific interventions and requisite adaptations of materials and methods. Timely and competent technical assistance to improve delivery success, raise overall technical standards, and assure the broadest base of regionally shared skills will remain a critical component throughout the life of this strategic program.

HIV/AIDS SO: Expected Impacts. Most of the efforts involved with strengthening NGOs and CBOs (Program Outcome 1) and changing behaviors (Program Outcome 2) are envisioned as being continuous throughout the life of the initiative and hence have targets associated with the end of the initiative.[42] In contrast, Program Outcome 3, involving technical exchanges and training, is envisioned as a means of putting in place the framework required to sustain and propagated the results of POs 1 and 2 and hence has more immediate targets falling within the time frame of the action plan. These targets include:

- By the end of the first year of the project, at least twelve network server-hubs in Cambodia, Laos, Mongolia, Thailand, and Vietnam will be established.
- By the end of the second year of the project, a minimum of 50 community-based groups will be provided with basic equipment and training necessary for access to this network.
- By the end of the third year of the project, an intra-regional master trainer pool will have been established with participation from at least five countries in the region.
- By the end of the third year of the project, a "South-to-South" technology transfer mechanism will be created in the region (by a collective input of youth groups, women's groups, indigenous NGOs, representatives of the private sector such as pharmacists, traditional advisors, and concerned others).

[42] It should be noted, however, that under PO 2 at least one pilot intervention (preventive or palliative) will be implemented for each of the six target groups by the end of year three.

HIV/AIDS SO: Resource Needs. The activities under this strategic objective will be managed by the RSM/EA's Office of Technical Resources, headed by a USDH BS-50 officer. The Mission's existing University of Michigan Population Fellow/HIV/AIDS specialist will also work on the project as will one FSN health professional. In addition, these individuals will be assisted by the Mission Director and staff from the Office of Program and Strategic Planning.

The proposed strategic objective will require $13.5 million in economic growth funds over the next five years FY 1996-2000. The majority of the funds will be provided via OYB allowances. Some funds may be available from the two existing pipelines of the RSM/EA-managed region projects (RTSP and EARTP). The project paper will assess and include specific needs for Global Bureau services (eg, G/HPN, SEAT II, ACCESS).

4.3 THE RSM/EA SUPPORT STRATEGIC OBJECTIVE NARRATIVE

Support SO: Tactics. The RSM/EA has formally existed since 1993, but it is still undergoing a metamorphosis from being the Thai bilateral mission to being a regional support mission. This process will be largely completed by the end of FY 1995. Over and above its programmatic responsibilities, the RSM/EA has, since its inception, managed the closeout of the Office of Khmer Affairs, assisted with the opening of new USAID offices in Phnom Penh and Ulanbaataar, assisted in the design of strategic plans for Mongolia and Cambodia, provided numerous inputs on customer mission project design and implementation issues, designed and managed the RTSP and EARTP projects, provided essentially all financial, contractual, and legal services, and a large portion of EXO related services to Mongolia, Cambodia, and Thailand, and provided an array of administrative support services to Tokyo, Singapore, Nepal, and Sri Lanka.

Nonetheless, with the recent arrival of new USAID representatives in Mongolia and Cambodia, the possible move of the RIG from Singapore to Bangkok, the closeout of the majority of the Thai bilateral program and the imminent fielding of the reengineering-related New Management Systems, the nature of RSM/EA support is likely to undergo many changes in the coming months. Hence, it is premature to talk about specific tactics associated with the Support SO. The RSM/EA intends to hold a planning conference with its customer missions in the fall of 1995. Based upon the results of this conference, as well as initial experience with the New Management Systems and consultations with ANE/EA,[43] a series of specific support tactics will be developed as part of the Mission's PRISM exercise which will precede the planning conference.

Support SO: Expected Impacts. Specific short- to mid-term targets will be prepared as part of the fall 1995 initiative to develop support tactics. In the interim, the targets outlined in the four POs will guide work under this SO. Readers are referred to Section 3.3 for the text of the POs.

[43] It would be appropriate to have someone from ANE/EA attend the planning conference.

Support SO: Resource Needs. The resources required to achieve the service support strategic objective include staffing, OE (which is largely influenced by staffing), and the core operating budgets of the Regional Technical Support and East Asia Regional Training Projects.

The provision of customer mission support at envisioned levels requires approximately 70 staff members. These numbers are subject to refinement after the Thai bilateral mission closeout. (RSM/EA staff efforts are apportioned by strategic objective and target of opportunity in Table 4.5 below.) It is anticipated that with the exception of one USPSC working on the Thai Urban Environmental Guaranty initiative and two FSN professionals in the Office of Technical Resources, every RSM/EA staff person will be partially or full engaged in the provision of support to customer missions and/or the RSM/EA itself.

By the end of FY 1995 the RSM/EA will have reduced the size of its staff to 78, down from 99 in October 1994. Reductions include a major cut in the size of the motor pool, elimination of a number of USPSCs and FSN DH and PSCs associated with the bilateral program and a reduction in the size of the secretarial pool. Nonetheless, support SO resource needs are subject to a number of uncertainties including the impact of the possible RIG move from Bangkok to Singapore, the effects of the introduction of the New Management Systems, and the resulting workload from possible additional programming in Vietnam and Laos and the possibility of the RSM/EA taking on regional support functions in additional sites.[44]

4.4 RSM/EA TARGET OF OPPORTUNITY 1 NARRATIVE

TO 1: Tactics. USAID has been able to capitalize upon the availability of experienced and efficient US NGOs for all activities initiated under this target of opportunity. USAID-supported NGOs are fulfilling needs in specific areas not currently reached by other organizations, whether governmental or voluntary. Individual as well as umbrella grants to NGOs have proven to be highly effective mechanisms for this type of service delivery.

The RSM/EA manages NGO grants in Vietnam, Laos, and on the Thai-Burma border. NGO programs in Vietnam are funded under a special Congressional appropriation for Victims of War and grantees work in cooperation with the Government of the Socialist Republic of Vietnam's Ministry of Labor, Invalids and Social Affairs (MOLISA). Grants are divided between the Asia Regional Rehabilitation and Prosthetics Assistance Project (including Laos and Vietnam) and the Vietnam Displaced Children's Project. Current grantees in Vietnam include: a) World Vision (two grants), b) Vietnam Assistance to the Handicapped, c) Prosthetics Research Foundation, d) Health Volunteers Overseas, e) Holt International Children's Services, f) World Concern (with a sub-grant to East Meets West), g) Vietnam Veterans of American Foundation, and h) Health and Education Volunteers. Grants also have been awarded for work in Laos to World Vision and funds have been provided to AIDSCAP via an OYB transfer.

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[44] The RSM/EA will take on Pakistan financial accounting functions as of April 1995 with the closeout of the Pakistan Mission. During the Plan period it is conceivable that the RSM/EA may take on additional responsibilities for other missions.

The Displaced Burmese Assistance Project (410-0006) was authorized on September 28, 1994 with a LOP funding level of $1,000,000. The purpose of the Project is to provide humanitarian assistance to Burmese, including students, who are displaced as a result of civil conflict. Two grants have been awarded under this project to the International Rescue Committee and the American Refugee Committee. Both are US PVOs with several years of experience working along the border and members of the Burma Border Consortium (BBC) which coordinates NGO assistance along the border.

TO 1: Performance. With the exception of the Burma program, activities under this target of opportunity have been ongoing for some time and hence performance information is provided below. Nonetheless, the Mission has yet to undergo its PRISM exercise. The information generated by this exercise will permit the inclusion of more detailed project performance information in next year's Action Plan.

- PROSTHETICS AND REHABILITATION. Since 1991, much has been accomplished through the Asia Regional Rehabilitation and Prosthetics Project. In Vietnam, the projects support seven regional centers as well as outreach activities that extend into more than 20 provinces. In Laos, in addition to supporting the National Rehabilitation Center in Vientiane, the project assists four rural outreach facilities. Combined, the centers in Vietnam and the facilities in Laos have been equipped with the ability to produce over 10,000 artificial limbs per year. To date, the project has directly supported the production and distribution of approximately 28,000 prosthetic limbs, 1,000 orthotic devices and 500 wheelchairs. Additionally, over 500 Vietnamese and Laotian staff have been trained in areas such as prosthetics, orthopedic surgery, and rehabilitation center management and administration. Land mines and unexploded ordinance, major causes of limb loss, remain a serious threat in Vietnam and Laos. In Xieng Khouang, a province in northeast Laos, more tonnage of conventional explosives were dropped on this one province alone than in all of world war two combined, the equivalent of three tons for each person. Therefore, in Laos, a major component of the project has been hazard awareness training of trainers. Over 50 persons have received training in the recognition and dangers of unexploded ordnance and in basic first aid. Approximately 9,000 persons in over 31 villages have received secondary training. Although not quantifiable, the human accomplishments of the project, the ability to walk again, the self-esteem associated with becoming a productive member of the family and community, and the number of lives and limbs saved through hazard awareness are significantly more important than the statistics above.

- DISPLACED CHILDREN. Like the prosthetics project, the accomplishments of the Vietnam Displaced Children's Project cannot be measured by statistics alone. The love, caring and improved quality of life that the affected children have experienced is immeasurable. Nevertheless, statistics do illustrate the magnitude of USAID assistance. For example, over 1,000 orphaned, abandoned and displaced children have been provided with daily sustenance (food, shelter, etc.) and over 700 children, a large percentage of which are homeless and are living on the streets, have received vocational training. In providing vocational training, the project has

equipped over six vocational training centers with the ability to offer yearly training to approximately 600 persons. Additionally, the project has been instrumental in facilitating the implementation of income generating projects which are contributing to the sustainability of both vocational training centers and child care facilities. Still further, the Vietnam Displaced Children's Project has facilitated disfiguring burn treatment for over 800 children, helped over 100 children return to their families and communities, processed over 100 local and international adoptions, and provided extensive training to over 100 Vietnamese nationals in issues directly affecting the daily lives of children. The project has also provided assistance for the development of textbooks and the enhancement of the bachelor degree program in social work at the Ho Chi Minh City Open University. As well, scholarship assistance has been provided to over 30 needy students enrolled in the Open University program.

- DISPLACED BURMESE. There are approximately 100,000 displaced Burmese living on or around the Thai-Burma border. Although relatively new, the USAID program is providing much needed health and education assistance. Not yet quantifiable are the ways in which over 10,000 displaced Burmese are receiving direct assistance through laboratory technician training, immunizations and the training of community health educators.

TO 1: Expected Impact. This target of opportunity is focused on achieving three program outcomes outlined in Section 3.4 above. These POs are framed to cover the five-year time horizon of the strategic plan. Specific interim targets have not yet been set and will be determined during the PRISM exercise.

TO 1: Resource Needs. One local-hire USPSC, working under the supervision of a USDH supervisory project officer, will manage all NGO related activities throughout the Action Plan period. Assistance will be required by one FSN professional. All current activities will have terminated by the end of the FY 1995-97 Action Plan, unless additional resources are provided. The RSM/EA has made no provision for new resources, however, because of the congressionally mandated nature of this target of opportunity. Although the Mission expects additional resources to be committed for these purposes during the planning period, it has no basis under current procedures to either request or project the availability of new resources. The humanitarian effort in the region is readily expandable given the need and the NGO modalities used to deliver this type of assistance. However, the RSM/EA and NGO collaborators would be able to better program and manage these resources if there were greater lead time and certainty involved in future resource commitments. The unexpended pipeline for the three projects financing grant activities under this target of opportunity was $7.2 million as of March 31, 1995.

4.5 RSM/EA TARGET OF OPPORTUNITY 2 NARRATIVE

TO 2: Tactics. The closeout strategy for the Thai bilateral program is spelled out in the *Thai Bilateral Graduation Strategy* dated February 1994 prepared by the RSM/EA. In brief, except for the activities discussed here, the Thai bilateral program will close out at the end of FY 1995.

The US-Thai Development Partnership Program will continue through FY 1996, with no additional resources. The Environmental Infrastructure Guaranty will continue through FY 1998 and will involve $100 million of guarantied loans and project management funding in support of infrastructure. The RSM/EA will manage these activities in the interim between the Thai bilateral program closeout at the end of FY 1995 and the scheduled termination of the activities. In addition, a total of ten centrally funded projects located in Thailand will continue past FY 1995. All of these projects have regional or worldwide significance and applicability.

TO 2: Performance. Activities under this target of opportunity have been ongoing for some time and hence performance information is provided below. Once again, however, it should be noted that the Mission has yet to undergo its PRISM exercise. The information generated by this exercise will permit the inclusion of more detailed project performance information in next year's plan.

- **US-THAILAND DEVELOPMENT PARTNERSHIP.** Since its inception in July 1993, the Partnership has played a catalytic role in the transfer of US environmental and HIV/AIDS related technology to Thailand. Technology transfer has resulted from more than twenty-eight US-Thai business partnerships or strategic alliances, in which the Partnership Project introduced the principals, nurtured a business relationship, and/or enhanced the developmental aspect of the technology transfer. In addition to these 28 technology transfers, more than twenty additional US-Thailand Development Partnerships are currently under development.

  The Partnership Project has also made significant progress in institutionalizing the "partnership process." The Kenan Institute has made final plans for the creation of a Thailand-based NGO, the Kenan Institute for Southeast Asia. A Board of Directors has been selected, consisting of prominent Thais and Americans from the private sector, university community, and former high-ranking civil servants. The Chairman of the Board is former Thai Prime Minister Anand Panyarachun. The registration process is under way with the assistance of a local legal firm and Kenan is formalizing its relationships with local universities and other NGOs. In the US, the Kenan Trust has approved $200,000 in cash per year to support the operating costs of the new Kenan Institute for Southeast Asia. Combined with Kenan's track record to date, the outlook for sustaining the "partnership model" looks promising. It now appears that the institutionalization process may be completed before the end of FY 1996, with the balance of funding in the cooperative agreement with Kenan being used to establish a "project fund" which will be used by the University of North Carolina and Kenan to complete partnership projects without USAID or RTG involvement. Additional funding will be forthcoming through a new plan whereby Kenan will recover some project costs from successful joint ventures, based on a profit formula agreed to by Kenan and the partners. Simultaneously, Kenan will secure other funds and expand its sectoral mandate beyond the environment and HIV/AIDS to include such areas as human capital, telecommunications, power, and infrastructure development. This expansion will broaden the participation base and increase the likelihood of creating private sector and NGO partnerships which can be sustained with private and other non-USAID funding.

- URBAN ENVIRONMENTAL INFRASTRUCTURE GUARANTY PROJECT. Since the project's inception on September 30, 1993, RHUDO/Bangkok has worked with the Thai government to establish a privately managed guaranty agency which would provide credit enhancements for debt instruments extended to municipalities and private companies investing in urban infrastructure facilities in Thailand's secondary cities. To date, the Mission and the RTG have signed a Housing Guaranty Implementation Agreement which authorizes the RTG to borrow up to US$40 million out of the total project amount of US$100 million. RHUDO/Bangkok has also contracted US experts in the fields of municipal finance and the financial guaranty insurance business to provide technical assistance to the Ministry of Finance and major municipalities across Thailand. A proposal to establish a local infrastructure credit guaranty corporation in Thailand has been approved in principle by the RTG Cabinet with Parliamentary deliberations to follow in June, 1995.

- OTHER ACTIVITIES. The RSM/EA has limited involvement in nine of the ten centrally funded projects that will be operating in Thailand after September 30, 1995. (See Table 4.1) The tenth project, entitled Innovative Scientific Research is managed by the Mission's Technical Resources Office. The project has six grants: Leguminous Tree Leaves; Bacterial Fish Sauce; Agriculture Biotechnology Workshop; Genetic Thai Dengue Fever (2); and Catfish. Additional USAID basic research and pilot demonstration projects, with regional or worldwide applicability, are also likely to be located in Thailand, involving non-governmental research and training organizations. They include health research projects with Mahidol and Chiang Mai Universities, as well as a five year, $3 million disaster prevention and mitigation technical assistance project covering South and Southeast Asia.

Table 4.1: Centrally Funded Projects in Thailand Expected to Continue After 9/30/95

Project Title[1]	Project No.	PACD	Funding	Scope	RSM Involvement
1. Peanut Collaborative Research	935-4028	TBD	$1,714,000	Regional	Little/None
2. Pond Dynamics	936-4023	TBD	2,000,000	Regional	Little/None
3. Contraceptive Research and Development	936-3044	09/30/96	--	Worldwide	Little/None
4. Dengue Fever Research	936-5600	08/31/97	150,000	Regional	Limited
5. Catfish Research	936-5600	09/30/97	139,000	Regional	Limited
6. Regional Disaster Advisor	968-2701	TBD	800,000	Regional	Limited
7. Univ. Development Linkages	936-5063	09/30/96	1,000,000	Regional	Limited
8. Univ. Development Linkages	936-5063	09/30/96	750,000	Regional	Limited
9. AIDSCAP Regional Office	936-7972.31	09/30/97	750,000	Regional	Limited
10. Innovative Scientific Research	936-5600.06	08/31/97	593,554	Regional	RSM/EA Mgmt

[1] The AIDSCAP project includes a bilateral component which will be terminated either at the end of FY 1995 or 1996. TBD To be determined. The Global Bureau and the Humanitarian Resources Bureau are currently examining possible extensions of these projects.

TO 2: Expected Impact. This TO is focused on achieving three program outcomes outlined in Section 3.5 above. These POs are framed to cover the five year time horizon of the strategic plan. Specific interim targets will be determined during the PRISM exercise.

Table 4.2: Activities or Projects Supporting RSM/EA SOs and TOs

HIV/AIDS SO: Reduced Risk of Cross-Border Transmission of HIV/AIDS Among 6 Target Groups

- Projects Associated with POs 1, 2 and 3
  - East Asia Regional Training Project (EARTP)
  - HIV Prevention in Laos (AIDSCAP)
  - HIV/AIDS New Activity

Support SO: More Efficient Support Provided to RSM/EA Customer Missions

- Projects Associated with POs 1, 2, 3 and 4
  - East Asia Regional Technical Support Project (RTSP)
  - East Asia Regional Training Project (EARTP)

TO 1: Improved Quality of Life for Victims of War and Civil Strife

- Program Outcome 1 Projects (followed by grantee)
  - Vietnam Prosthetics (World Vision)
  - Prosthetics Rehabilitation in Vietnam (Vietnam Assistance to the Handicapped)
  - Outreach Prosthetics Services (Prosthetics Research Foundation)
  - Vietnam Rehabilitation and Prosthetics (Health Volunteers Overseas)
  - Laos Rehabilitation and Prosthetics (World Vision)
- Program Outcome 2 Activities (followed by grantee)
  - Vietnam Displaced Children (Holt International Children's Services)
  - Vietnam Displaced Children (World Vision)
  - Vietnam Displaced Children Vocational Education (World Concern)
  - Orthotics Training Program in Vietnam (Vietnam Veterans of America Foun.)
  - Dalat and Bao Loc Children's Centers (Health Education Volunteers)
- Program Outcome 3 Activities (followed by grantee)
  - Burmese Displaced Persons (International Rescue Committee)
  - Burmese Displaced Persons (American Refugee Committee)

TO 2: Thai Bilateral Program Graduated in Manner Fostering Long-Term US Linkages

- Program Outcome 1 Project
  - US-Thai Development Partnership
  - US-Asia Environmental Partnership
- Program Outcome 2 Projects
  - Urban Environment Infrastructure Housing Guaranty Loan
  - US-Asia Environmental Partnership
- Program Outcome 3 Projects
  - Innovative Scientific Research

TO 2: Resource Needs. One USDH supervisory project officer, two USPSCs, one FSN professional and part-time work by the Mission Director and Deputy Mission Director are required to achieve TO 2. The USDH supervisory project officer and the two USPSCs are required to implement the Environmental Infrastructure Guaranty through FY 1998. Limited work by the Deputy Mission Director as well as an FSN professional is required to manage the US-Thai Development Partnership Project. The FSN professionals also will be responsible for closeout and evaluation of other Thai bilateral activities through the end of FY 1996 as well as ongoing coordination of USAEP activities. One FSN professional in the Office of Technical Resources will spend part-time managing the Innovative Scientific Research Project.

No new program resources are required for any of these activities during the strategic plan period, beyond the self-insurance premiums that will be deposited as resources are drawn down against the $100 million guarantee.

4.6 RESOURCE REQUIREMENTS

Program Resource Requirements. Following the closeout of the Thai bilateral program at the end of FY 1995, the RSM/EA will continue to manage the five regional projects, the Thai bilateral US-Thai Development Partnership Project and related Urban Environmental Infrastructure Support Guaranty. It will also continue to be involved in a variety of centrally funded projects as outlined in Table 4.1. Table 4.3 lists all of the program resources that will be managed by the Mission after the Thai bilateral program close-out on September 30, 1995.

Table 4.3: RSM/EA Managed Activities as of 10/1/95

Project Title	Project No.	Start Date	PACD	Pipeline
EA Regional Program				
Displaced Children & Orphans	410-0001	09/30/92	12/31/97	2,908,457
Rehabilitation & Prosthetics	410-0002	09/30/92	12/31/97	3,566,681
Regional Technical Support	410-0004	08/17/93	09/30/00	2,821,950
East Asia Regional Training	410-0005	09/30/93	09/30/98	2,969,591
Displaced Burmese Assistance	410-0006	09/30/94	09/30/98	1,000,000
Thailand Program				
US-Thai Dev. Partnership	493-0350	07/30/93	09/30/96	7,993,923
Urban Env. Infrastructure HG	493-HG-005	09/30/93	09/30/98	0

One additional activity in the Mission's Strategic Plan is proposed to implement the HIV/AIDS Strategic Objective. (Nonetheless, the Mission believes that additional activities are warranted if funds are available. See Annex B for a discussion.) It is anticipated that Global Bureau support may be solicited (eg, G/HPN, AIDSCAP, SEAT II, ACCESS), pending review and finalization of the HIV activity, although firm plans do not currently exist.

RSM/EA program resource requirements will be limited during the action plan period, given the highly uncertain nature of the humanitarian assistance component of the regional program, and the stricture on programming new resources for bilateral activities that are phasing out. In consequence, proposed new obligations during the period FY 1995-97 cover only the HIV/AIDS activity and the two regional support projects. All other activities will be financed out of existing pipelines. Table 4.4 reflects the RSM/EA's anticipated source and use of program resources over the period FY 1995-97, based on ANE action plan guidance. Although not shown in the table below, the Mission has assumed program resource requirements through FY 2000 will be straightlined at $3.0 million to have a programmatic basis for complying with the Administrator's request to forecast personnel and OE requirements through that period.

The Mission, however, could justify programs totaling far more than the annual $3.0 million allowed under ANE guidance. The RSM/EA is convinced that far more should be done by the US in the region. The massive health and environmental problems, the lack of basic political freedoms, the widespread poverty and fundamental development problems falling within the core USAID mandate all point to a need for increased development assistance. United States security considerations, economic opportunities for US businesses, the receptiveness of most governments in the region to economic and political reform, and the potential offered by low cost and innovative development mechanisms (such as the Partnership Project), constitute a compelling rationale to increase development assistance to a plane well above the existing $3.0 million level. In what is perhaps the most dynamic region of the world, this figure is short-sighted in terms of the US's long-term political, economic and security interests. Accordingly, the RSM/EA urges the ANE Bureau to reconsider the potential trade-offs of moving an additional $5-10 million per year from other parts of the ANE region to the RSM/EA for regional programming.

EARTP and possibly RTSP will be used to help implement the HIV/AIDS SO and both regional projects will be used to finance activities under the support SO. Program resource requirements in support of TO 1 over the FY 1995-97 Action Plan period will be met out of the existing humanitarian assistance project pipelines and additional funds if they become available. Program resource requirements for TO 2 will be met out of the existing project pipeline for the Partnership Project through FY 1996 and by premium deposits made in Washington on the $100 million in guaranteed loans as the guaranty facility is drawn down over the FY 1995-1998 period.

Sensitivity analysis for FY 1997 in terms of a 3 percent increase and 5 percent and 25 percent decreases in the straightlined FY 1996 Congressional Presentation, produces inconsequential results for the +3 percent and -5 percent scenarios. However, a 25 percent decrease would be significant and, if continued into the future, would likely require scaling back on the number of countries, number of target groups, or both. Dropping a PO to meet a 25 percent decrease, is highly undesirable, since the three POs are designed to generate mutually reinforcing outcomes.

Table 4.4 USAID/RSM/EA Program Objective Tree
(In Millions of Dollars)

Project Title	PACD	Pipeline 9/30/94	OYB	Expend.	Pipeline 9/30/95	OYB	Expend.	Pipeline 9/30/96	OYB	Expend.	Pipeline 9/30/97
HIV/AIDS Strategic Objective[1]											
East Asia Regional Training	9/30/98	1.200	0.000	0.000	1.200	0.000	0.500	0.700	0.000	0.500	0.200
Regional HIV/AIDS	9/30/00	0.000	0.000	0.000	0.000	2.000	0.500	1.500	2.000	2.500	1.000
Subtotal		1.200	0.000	0.000	1.200	2.000	1.000	2.200	2.000	3.000	1.200
Support Strategic Objective											
Regional Technical Support	9/30/00	2.822	0.000	1.000	1.822	0.500	1.500	0.822	0.500	1.000	0.322
East Asia Regional Training	9/30/98	1.470	0.000	0.480	.990	0.500	1.000	0.490	0.500	0.800	0.190
Subtotal		4.292	0.000	1.480	2.812	1.000	2.500	1.312	1.000	1.800	0.512
Target of Opportunity 1											
Displaced Children & Orphans	12/31/97	2.908	UNK	1.000	1.908	0.000	1.000	0.908	0.000	0.908	0.000
Rehabilitation & Prosthetics	12/31/97	3.567	UNK	1.200	2.367	0.000	1.200	1.167	0.000	1.167	0.000
Displaced Burmese	9/30/98	1.000	0.000	0.200	0.800	0.000	0.300	0.500	0.000	0.300	0.200
East Asia Regional Training	9/30/98	0.300	0.000	0.200	.100	0.000	0.100	0.000	0.000	0.000	0.000
Subtotal		7.475	0.000	2.600	5.175	0.000	2.600	2.575	0.000	2.375	0.200
Target of Opportunity 2[2]											
US-Thai Devel. Partnership	9/30/96	7.994	0.000	3.700	4.294	0.000	4.294	0.000	0.000	0.000	0.000
Urban Env. Infrastructure HG[3]	9/30/98	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Innov. Scientific Research[4]	08/31/97	0.206	0.000	0.075	0.131	0.000	0.131	0.000	0.000	0.000	0.000
Subtotal		8.200	0.000	3.775	4.425	0.000	4.425	0.000	0.000	0.000	0.000
TOTAL		**21.467**	**0.000**	**7.855**	**13.612**	**3.000**	**10.525**	**6.087**	**3.000**	**7.175**	**1.912**

[1] The pipeline for EARTP has been apportioned between the HIV/AIDS SO, the support SO and TO 1.

[2] Thai bilateral and centrally funded projects closing out by the end of FY 1995 are excluded.

[3] This is a $100 million loan guarantee facility No pipeline exists in the usual sense

[4] This project appears here because it is a centrally funded project managed by the RSM/EA.

Program Management Resource Requirements. Program management requirements flow directly from the RSM/EA's two strategic objectives, the two targets of opportunity, and the operations of the RSM/EA itself. Achievement of the SOs and TOs dictate minimum staffing levels which directly and indirectly determine the bulk of OE requirements. Core costs of the two regional projects should also be considered part of the program management requirement.

Table 4.5: RSM/EA Staff Resources

Staff Positions	SO	SSO[1]	TO 1	TO 2
Directors Office				
Director (USDH)	.10	.70	.10	.10
Deputy Director (USDH)		.70	.10	.20
Regional Legal Advisor (USDH)		1.00		
Secretary (1)		1.00		
Office of Technical Resources				
Office Director (USDH)	.50	.25	.25	
Michigan Fellow (USPSC)	.75	.25		
Local hire USPSC		.25	.75	
FSN Professionals (2)	1.00		1.00	
Secretary		1.00		
Office of Project Development and Evaluation				
Office Director (USDH)	.10	.80	.10	
Deputy (USDH)	.10	.80	.10	
FSN Engineer		.80	.20	
Secretary		1.00		
Office of Program and Strategic Planning				
Office Director (USDH)		1.00		
Local hire USPSC	.10	.90		
Secretary		1.00		
Office of Environment and Urban Programs				
Office Director		.25		.75
Local hire USPSC		.25		.75
Offshore USPSC				1.00
FSN Professional		.25		.75
Secretary		1.00		
Executive Office				
Office Director (USDH)		1.00		
Local hire USPSC		1.00		
FSNs (24)		24.00		
Office of Financial and Information Management Services				
Office Director (USDH)		1.00		
Deputy (USDH)		1.00		
FSNs (20)		20.00		
Office of Regional Procurement				
Office Director (USDH)		1.00		
Deputy (USDH)		1.00		
Contract Officer (USDH)		1.00		
FSNs (5)		5.00		
TOTAL (78)	**2.65**	**69.20**	**2.60**	**3.55**

[1] Includes support provided to the RSM/EA itself.

Requirements for core RSM/EA staff and OE can be tentatively outlined over time but clearly depend on several critical assumptions. These include the number of countries and extent of operations to be supported, the flexibility and speed at which support responses must occur, and the degree to which the RSM/EA is to be geared up to respond to multiple support requests simultaneously.[45] Table 4.4 shows the estimated minimum core staffing required to accomplish the two strategic objectives, two targets of opportunity, and manage the RSM/EA itself. The table is premised on straightlining new program resources at $3.0 million per year, phasing out the Thai bilateral and selected regional activities as scheduled (and discussed above), and maintaining the present status quo with respect to regional support operations. Nevertheless, the Mission has assumed that the RSM/EA must be equipped to respond flexibly and rapidly to both existing and near-term needs and that limited scope for dealing with contingencies (eg, simultaneous requests from customer missions) is expected. We have projected RSM/EA staff and OE through FY 2000, as requested in the Administrator's FY 1997 Budget Guidance.

By the end of FY 1995, the RSM/EA projects that its staffing will consist of 14 USDHs, 2 offshore USPSCs, 4 local-hire USPSCs, 18 FSN professionals and 40 FSN support personnel. Table 4.5, illustrates how RSM/EA staff will be organized. The October 1, 1995 staffing pattern represents a net reduction of 21 positions since October 1994 when the Mission had 99 staff members. This reflects the elimination of 22 positions as well as the creation of one and the conversion of another. The new position is an FSN health professional (referred to earlier) to help manage activities under the HIV/AIDS SO. The converted position involves the creation of a third contracting officer position. This position is requested for the following reasons:

- The two existing regional contracting officer positions are insufficient to provide proper procurement coverage and support in the region. This is based not only on the dollar amounts and numbers of obligating actions, but also takes into consideration the full range of contracting responsibilities including contract and grant administration, audits, contract/grant close-outs, procurement planning, training, TDY travel, etc. While the RSM/EA's regional contracting office has been able to meet the essential requirements of obligating funds, it is unable to fully meet the requirements laid down by USAID policy and federal regulations thereby increasing the vulnerability of the US government.
- Posting of a third CO in Bangkok is the most economical and efficient way for the Agency to address the nature and volume of contracting needs in the region. A Bangkok location will provide the flexibility (in the form of excellent communication and transportation links) to meet contracting needs throughout the region. Further, the RSM/EA possesses an experienced cadre of FSN contracting professionals, permitting a more efficient distribution of workload between FSN and USDH staff. Locating regional contracting officers in a common post also provides USDH and FSN with an opportunity to keep abreast of contracting activities throughout the region, encouraging more effective coverage of customer mission needs during TDYs and vacations. The presence of a supervisory contracting officer in Bangkok would also permit the assignment of a junior CO to post.

[45] See Section 3.3 for a more complete set of the assumptions on which the support service strategic objective is premised.

With these personnel changes the RSM/EA expects to meet its SO and TO requirements for the immediate future, although, as was pointed out earlier the combination of uncertainties associated with impact of the possible RIG move from Bangkok to Singapore, the effects of the introduction of the New Management Systems, the resulting workload from possible additional programming in Vietnam and Laos and the possibility of the RSM/EA assuming additional support responsibilities for other countries in the region, means that it is difficult to predict the RSM/EA's exact staffing needs over the full life of the action plan. Accordingly the RSM/EA requests that its FTE ceiling of 16 (14 for the Mission, 2 for RHUDO) and its USPSC ceiling of 2 be retained.

Table 4.6: Organizational Chart
Regional Support Mission for East Asia as of October 1, 1995

	USDH	Offshore USPSC	Local-hire USPSC[46]	FSN Professional[47]	FSN Support	Total
· Office of the Director	3				1	4
— · Program & Strategic Planning	1		1		1	3
— · Project Devel. & Evaluation	2			1	1	4
— · RHUDO/Office of Environment	1	1	1	1	1	5
— · Office of Technical Resources	1	1	1	2	1	6
— · Executive Office	1		1	3	21	26
— · Office of Regional Procurement	3			2	3	8
— · Office of Fin. & Info. Serv.	2			9	11	22
Total	14	2[48]	4	18	40	78

4.7 MONITORING AND REPORTING

As has been noted repeatedly throughout this report, the RSM/EA has not undergone its PRISM exercise. This exercise will be scheduled for the fall and at that time a monitoring and action plan will be developed. This plan will be submitted as part of next year's action plan.

The RSM/EA Office of Technical Resources will be responsible for monitoring performance under the HIV/AIDS SO, and the Victims of War TO, and the reporting of activities under PO 3 of TO 2. The Office of Program and Strategic Planning will be responsible for monitoring performance under the Support SO. The RHUDO/Environmental Team will monitor the performance POs 1 and 2 of the Thai bilateral TO and those activities related to disaster mitigation under PO 3.

[46] All of the local hire USPSCs are professionals.

[47] This chart considers positions classified as FSN 9 or above to be "professional."

[48] One of these PSCs, in the Office of Technical Resources, is actually a University of Michigan Population Fellow.

ANNEXES

Annex A: HIV/AIDS New Activity Description

Annex B: Description of Potential Strategic Objectives

Annex C: Activities of Other Donors

Annex D: Description of the Current Mission Program

Annex E: Descriptive Statistics for the Countries Served by the Mission

Annex F: Selected References

ANNEX A:

Reducing the Risk of HIV/AIDS Transmission in East Asia
410.0008
New Activity Description

Project Title:	East Asia Regional HIV/AIDS Project
Project Number:	410.0008
Project Duration:	FY96-2000
Funding Source:	Development Assistance (Economic growth)
LOP Resources Required:	$13,500,000

A.1 PROJECT RATIONALE

Strategic Objective and Program Outcomes. The Regional Support Mission for East Asia (RSM/EA) has chosen to focus its available programmatic resources on HIV/AIDS in the East Asia region. The choice of this strategic focus is compelling for the following reasons:

a) by the year 2000 incidence of new HIV infections will be greater in Asia than the rest of the world combined; b) the social, political and economic consequences of the HIV/AIDS epidemic may set back past development gains and hinder future opportunities, thereby having a destabilizing impact on East Asian societies; c) HIV/AIDS is unquestionably a regional issue which respects no national boundaries and affects every country in Southeast Asia as well as southern China; d) US government and USAID policies permit the Mission to work on the HIV/AIDS issue in five of the seven countries where it has programmatic responsibilities and this authority may be extended to the other two countries during the strategy period; e) the issue has strong horizontal linkages with other areas of USAID programmatic interest including economic growth (through labor force impacts) and democracy (through links to trafficking in women and children) as well as the general political stability of the region; f) the strategy focuses on program outcomes which are not being addressed by other donors but which are indispensable to reduce the risk of HIV/AIDS transmission; g) the strategy lends itself well to integration into the Regional Technical Support Project and the East Asia Regional Training Project as well as existing and planned Global Bureau and ANE Bureau projects; h) activities in this area are expected to offer many opportunities to cooperate with other donors, especially Japan and the UNDP; i) the initiative can be expanded quickly and cost-effectively to cover other countries in the region; and j) the strategy complements existing USAID activities in Cambodia as well as remaining USAID activities in Thailand.

Through this Project the RSM/EA will address its priority Strategic Objective to reduce the risk of cross-border transmission of HIV infections among six key target groups in Cambodia, Laos,

Mongolia, Thailand and Vietnam. This can best be accomplished through a regional approach with the following major deliverables:

- Develop and strengthen indigenous NGOs, CBOs and mass organizations in order to mount a rapid, efficient and sustainable community-based response to the epidemic throughout the region;
- Develop and pilot test prevention interventions (including behavior change and efforts associated with reducing trafficking of women and children for commercial sex) directed at prevalent risk patterns and practices; and
- Increase technical exchange and training to build broad participation in regional HIV/AIDS activities and to help adapt/transfer prevention technologies and other resources throughout the region.

Project Goal and Purpose. The project goal and strategic objective are identical. The purpose of the project is to build the organizational and technical capacity needed to mobilize and sustain a regional, community-based response to the transmission of HIV/AIDS in East Asia. This presents a unique opportunity for USAID's role as a key regional player in HIV prevention in a way which also capitalizes on USAID's traditional strengths in promoting participatory development processes and expanding democratization as part of community development throughout the region. This unaddressed need for grassroots mobilization and organization as part of the necessary overall approach to effectively reduce regional HIV transmission is now recognized by virtually all regional donors. Whereas many donors are seeking to address policy and health care planning issues with government agencies, USAID can fulfill this critical niche with the RSM/EA uniquely positioned to shape and influence the nongovernmental and nascent private sector role in order to partner with government agencies benefitting from this support by other donors.

Expected Results. AIDS was not recognized as a significant health threat in Asia until the early 1990s. Despite the late recognition of this potentially devastating problem,. World Health Organization projections estimate that by the year 2000 incidence of new HIV infections will be greater in Asia than the rest of the world combined. This regional HIV epidemic is characterized by heterosexual transmission and rapidly penetrated high risk populations, and is now spreading into the general populace at an astonishing speed. Pockets of sub-populations in high transmission areas, such as some ethnic and highland minorities along regional borders and trade routes, already have infection rates as high as those in the most seriously affected regions of Africa. The projected social and economic impacts of an unimpeded epidemic among the very large population potentially affected throughout this region are catastrophic.

A recent East-West Center survey of HIV-infection trend rates examined East Asian countries on the basis of sero-prevalence data, reported AIDS cases, and perceived levels of risk behavior from various populations. All of the countries within the RSM/EA's purview (except Mongolia) fell within the two most disease progressive categories. According to this analysis, Thailand, Cambodia, and Burma represent the epicenter of the epidemic in all of Asia. Vietnam, Laos, and southern China are considered countries with "potential for rapid increase".

To date, most national and donor-supported programs have focused on urban centers and planning/policy concerns. These are critically important focus areas which will continue to receive considerable support. However, there is a growing amount of persuasive information which indicates that much more emphasis should be placed directly on cross border transmission, focussing on high volume trade border areas, migrant populations and traders, and the inhumane trafficking of women and children for commercial sex. The borders of the region are "porous", with laborers, traders and others, including many groups of various ethnic minorities, moving freely throughout many parts of the region. With commercial sex industries existing in every country (albeit at various levels), traders and other migrants are now carrying and spreading the HIV virus around the region at an astounding rate.

The RSM/EA's proposed response will provide the critical missing piece to a comprehensive, regional effort to stem cross-border HIV transmission rates. Since many existing and planned government and donor programs focus on planning, policy and urban interventions, the RSM/EA has determined that a community-based approach, implemented initially through both local and regional networks of NGOs, other community organizations, and segments of the private sector is key to addressing this problem on a regional basis. To accomplish the Mission's strategic and program objectives, six target groups have been identified which represent the "core" of the cross-border transmission phenomenon regionally: (1) clients of commercial sex workers; (2) commercial sex workers, especially women and children who are literally "traded" and often enslaved regionally; (3) ethnic and highland minorities; (4) mobile and migratory laborers (e.g., single males, cross-border traders, transport workers, fishermen, and displaced persons); (5)injecting drug users; and (6) adolescents. The first five groups are clearly an integral part of the region's freely moving cross-border populations or represent a source of HIV infection associated with these populations. The last target group, adolescents, was selected because they are at particular risk of being induced or actually "sold" into the commercial sex industry. A program to reach this population at an early stage is essential since risk-associated behaviors are still in the formative stage.

The Project will have the following measurable results:

- At least 100% increase in indigenous NGOs/CBOs and mass organizations in each target country will be implementing community-based HIV/AIDS programs;
- Effective regional intervention models that apply to each of the six target groups will be tested and at least three of the most successful, cost-effective interventions will be adapted and replicated throughout the region; and
- At least one regional coalition of community-based groups (with representatives from each target country) will be established and effectively planning and coordinating intra-regional HIV/AIDS programming efforts and resources.

Relationship to Other Operating Unit Programs, Host-Country Priorities, and/or Other Donor Activities. The RSM/EA's proposed Project resonates strongly with the goals and proposed activities of virtually all key players in the regional endeavors to reduce HIV/AIDS transmission. The analogy is to provide the missing fourth leg of a chair; the other legs, defined by other major donors are: policy development with governments, planning with National AIDS Committees, and strengthening of government health care service delivery systems.

The largest pertinent activity in this regard is the soon to be established World Bank/WHO Regional HIV/AIDS Center in Bangkok which will support policy dialogue and address policy level implementation issues within the region. It will also provide a collaborative framework for implementation throughout the region; the RSM/EA's priority Project provides grassroots capacity building and support within this framework.

Several other programs are already in place or are proposed which also focus on regional cooperation and coordination, including the USAID-funded AIDSCAP/Asia Regional Office project, the Australian Red Cross-funded regional network among Red Cross/Red Crescent societies and affiliates, and the UNDP-led collective of United Nations programs. The proposed Project will incorporate and build on initial RSM/EA-funded AIDSCAP HIV prevention efforts in Laos. This three year program will provide a "comprehensive program approach" for such target groups as service workers, border officials, youth, truck drivers, and selected ethnic groups within ten districts along the Thailand-Laos border.

Additionally, the U.S.-Japan Common Agenda has targeted Thailand as a priority country for HIV/AIDS-related assistance. The RSM/EA plans to work in concert with the Common Agenda by providing technical assistance and capacity building to NGOs eligible for the award of small grants programs which provide equipment, facilities, and supplies.

The proposed RSM/EA program will provide a crucially important component that has not been adequately addressed: strategically tailored interventions which target sub-populations identified as either high-risk or as significant parts of a complex regional HIV transmission puzzle. Ample evidence suggests that targeted interventions sustained over time are the only mechanisms with a demonstrable record of success in achieving the behavioral and normative changes required to reduce the incidence of HIV infection.

A.2 PROPOSED PROJECT INTERVENTIONS

The dimensions of the HIV epidemic in this region necessitate a concerted, multi-faceted and multi-layered approach that fosters a coordinated response to HIV/AIDS issues among national governments, national AIDS programs, NGOs, international agencies, human rights groups, community organizations, and affected communities. The Project's six target groups will be the focus of all three program outcomes (NGO and community capacity building, testing and replicating interventions, and building an effective regional network).

Primary implementation partners will be: international NGOs paired with indigenous NGOs; mass grassroots organizations; community groups in affected communities; representatives of professional associations and private businesses. The RSM/EA will use a mechanism of umbrella grants to engage specialized technical intermediary agents in such critical program areas as: a) regional capacity building of indigenous NGOs/CBOs by such intermediaries as the National Minority AIDS Council and/or the HIV/AIDS Alliance; b) electronic networking of NGOs by such intermediaries as SalaThai; c) regional training system and trainer pool development by such intermediaries as EARTP/IIE; d) pilot testing of model prevention interventions by such intermediaries as AIDSCAP and WHO/GPA; and e) administration of a small grants program by a regionally-based international NGO, or consortium of NGOs.

Together, these organizations will:

- lead the effort by which communities can identify their major issues and needs regarding HIV/AIDS and provide a community-based framework for participatory program design processes, including technical assistance and training;
- engage private sector organizations in the participatory process (described above) so that businesses in the region identify themselves as part of the community-based prevention effort;
- develop a regional resource base, including a regional training capacity and system of structured, time-phased technical assistance to rapidly build community-based organizations;
- build country-specific community and regional networks to increase community-based partnerships to catalyze action;
- implement programs to change attitudes towards and passive acceptance of trafficking of women and children for commercial sex;
- identify successful prototypes and evaluate their adaptability in order to design interventions (HIV prevention interventions; prevention of trafficking interventions) among "regional target groups";
- finalize design and pilot test efficacy of interventions among each regional target group, using a participatory process which includes indigenous NGOs/CBOs, mass organizations, and private associations; and
- replicate and adapt successful intervention models among the six target groups.

Implementation mechanisms may include grants to existing or soon-to-be established regional organizations and grants to NGOs (individually or to an "umbrella" group or consortium which would then make subgrants). These grants would be complemented by training and the development of regional workshops, which can be made available through the RSM/EA-managed East Asia Regional Training Project. This regional project is in place and operating, and has already been used to effectively support training needs for programs in RSM/EA customer missions. The project offers the flexibility to assess, design, implement and evaluate activities which can feed into the NGO capacity building, intervention testing and particularly the regional networking components of this HIV/AIDS project.

Expected Management Costs. The activities under this strategic objective will be managed by the RSM/EA's Office of Technical Resources, headed by a USDH BS-50 officer. The Mission's existing University of Michigan Population Fellow/HIV/AIDS specialist will also work on the project as will one FSN health professional. In addition, these individuals will be assisted by the Mission Director and staff from the Office of Program and Strategic Planning.

The proposed activity will require $13.5 million over the next five years FY 1996-2000. The new FY 1996 regional HIV/AID project will be funded at $10.0 million. Some of the funds required may be available from the pipelines of existing RSM/EA-managed regional projects. The project paper will also assess and include specific needs for Global Bureau services (eg, G/HPN, SEAT II, ACCESS).

Statement of Mission Policy Agenda. As noted above, the World Bank and WHO are aggressively pursuing a comprehensive regional policy dialogue on HIV/AIDS issues. As such, the RSM/EA will not focus resources in this area. However, the Mission anticipates that this Project's NGO capacity building interventions will strengthen the ability of grassroots organizations to participate in this dialogue. The interventions tested under the project will provide NGOs and communities with information to positively influence government policies toward HIV prevention and mitigation efforts through creative partnerships which include both community-based organizations and government agencies. Furthermore, this enhanced capacity of communities to address their self-defined priority problems, will have spread effects, i.e., communities will be empowered and will have increased technical expertise with which to affect other issues relevant to their localities. Thus, the project will have "democratic" development benefits, as well.

Design and Analytical Work to be Completed. In order to develop the Project Paper, the RSM/EA will conduct in-country assessments in each of the target countries to: a) ascertain the needs for HIV/AIDS assistance and local resources available; b) assess the availability and appropriateness of prospective purveyors of technical assistance and training; c) assess other donor activities in order to better focus this project and to facilitate better regional coordination; and d) assess political receptivity to NGO/CBO-based initiatives.

Community groups motivated to rally around HIV prevention issues and affected target group members will define the parameters, content, and mechanisms for assessments, facilitated by the types of technical expertise outlined below. The RSM/EA will also request assistance of ANE and Global Bureau technical staff in facilitating these assessments, including behavioral, ethnographic, epidemiologic, and operational research.

The design effort will utilize the following types and sources of expertise: a) organizational capacity building expertise (which can be obtained from the International Institute of Education, the contractor for the regional training project); b) regional donor coordination expertise (potentially from the HIV/AIDS Alliance); c) "community forum" development expertise (possibly DAI, the contractor for the regional technical support project); d) project development leadership (from the RSM/EA); e) health program design and implementation expertise (from the RSM/EA); f) regional contracting, administrative and legal advice (from the RSM/EA); g) technical assistance from ANE and the Global Bureau.

While assistance will not be directed to governments, assessments prior to and during the final project design will include input from National AIDS Committees and their plans, other donors and international organizations already working on HIV prevention in the region, as well as appropriate government officials involved in health care and prevention delivery services.

Preliminary Identification of Key Stakeholders, Beneficiaries, Partners; Participation Plan for Project Paper Preparation. The principal stakeholders in this project are NGOs, CBOs, mass organizations, representatives of professional associations and the private sector who are working collectively toward a regional and community-based response to HIV transmission issues. Sub-regional coalitions will be built for intervention at the grassroots level directed at

a number of regionally significant target groups. The members of these target groups (described above) constitute the end users or ultimate beneficiaries.

Regional and global partners best equipped to provide technical expertise and facilitate institutional capacity building will include such project resources as AIDSCAP/ARO, WHO/GPA, the World Bank/WHO Regional AIDS Center, and UNDP efforts in specific countries. The Thai NGO Coalition on AIDS will be a partner and catalyst, making "south to south" transfer possible in this region, with the support of such entities as the HIV/AIDS Alliance, the Highlander Research and Education Center or the National Minority AIDS Coalition. Through these mechanisms, local and regional resources (university researchers, communication specialists, etc.) can be included in the project.

Issues. The complexity of implementing a regional HIV/AIDS project in East Asia raises several issues which will be addressed during the next stage of analysis and design. These issues include:

- Currently the RSM/EA is restricted from direct working relationships with government agencies and officials, except in Cambodia and Mongolia. The Project compensates for this restriction by working closely with those donors, such as the UNDP and its related agencies, who are assisting governments in the region. The RSM/EA will use the opportunities presented by ongoing regional conferences to continue dialogue with government representatives. As restrictions are lifted, mechanisms for technical exchange and networking will include appropriate government agencies and officials.
- The graduation of Thailand to a "non-presence" USAID country as of September 30, 1995, should still allow for use of local (Thailand-based) resources during implementation of the Project. The RSM/EA will selectively support Thailand-based NGOs, e.g., the Thai NGO Coalition Against AIDS, when that support has the means to benefit other countries in the region.
- The U.S.-Japan Common Agenda and its focus on HIV prevention suggests that the best way to engage the GOJ is through opportunities for parallel financing with this Project. Without creating an undue burden on the RSM/EA during design and implementation phases, GOJ aid representatives will be invited to observe on assessment teams.
- The requisite design of a community-based, regional response to HIV/AIDS is labor intensive. The design teams, which are purposefully large and broadly encompassing of numerous technical resources, will carefully craft an implementation plan which reduces the management burden on the RSM/EA's relatively small staff.
- The RSM/EA plans to work closely with the AIDSCAP contractor from the very outset of the project, as well as during the design phase. Since the AIDSCAP project is scheduled to end in FY 1996 or FY 1997, the Mission should ensure that continuity of technical assistance during implementation is not adversely impacted.

- The RSM/EA should work closely with the USAID Cambodia Mission to ensure that the proposed activity adds value and compliments the new Family Health and Birth Spacing Project in Cambodia.

Other important first steps will include:

- further discussions with WHO and other (especially regional) donors to ensure program complementarity, to avoid duplication, and establish mechanisms for future information sharing and coordination;
- identification of US PVOs/NGOs currently implementing HIV/AIDS programs in the region, as well as those with potential to do so;
- identification of international and regional resources available to rapidly deliver capacity building assistance to NGOs/CBOs and their coalitions;
- appraisal of participatory capacities and capabilities of target groups and community issues, needs, and key players in a way which is responsive to most affected target group members; and
- identification and analysis of prototype interventions undertaken by AIDSCAP, WHO/GPA, and others worldwide for relevance and effectiveness among selected target groups.

Timetable and Resource Requirements. The Project is a five-year, $13.5 million LOP activity with an initial obligation of $2.0 million in FY 1996. The existing RSM/EA-managed regional projects are adequately funded to complement selected training and technical assistance activities during the first years of the new regional HIV/AIDS project. In addition, possible funding of approximately $1.0 million may be used to award one or two grants in FY 1995 to initiate an HIV/AIDS program in Vietnam. An important benefit of these grants will be the provision of information which will feed into the design of the regional project for FY 1996.

Recommendations for Review, Waiver Approval, and Project Authorization Authority. The RSM recommends that authority to review and authorize the Project be delegated to the Director, RSM/EA. Limited procurement might include computers and software. Currently, the RSM/EA does not anticipate that this project will require any source/origin or other procurement waivers.

An Initial Environmental Examination will be prepared and submitted to USAID/W prior to PP approval. The Project qualifies for a Categorical Exclusion under 22 CFR 216, Section 216.2(c)(2), which excludes from the procedures "educational, technical assistance, or training programs (except to the extent such programs include activities directly affecting the environment [such as the construction of facilities])".

Strategic Objective 1: Illustrative Budget Estimates

FY 1996 = YEAR 1	
Community forums (participatory processes)	300,000
Network servers and set-up (12 sites, up to 5 countries)	170,000
On the job training for server operators	80,000
Computer with modem for 50 NGOs/CBOs	200,000
Development of Request for Application	5,000
Organization/training of core region-based TA and resource team	500,000
Development & award of grants for model trafficking intervention project(s)	210,000
Five year grant for development of regional network on trafficking intervention	500,000
Adaptation of materials for hilltribe children of ToTs program	100,000
Develop and pilot test interventions for regional target groups	600,000
Total FY 1996	$2,665,000
FY 1997 = YEAR TWO	
Regional skills building conference (n=100 x 18 days + 4 consultants + prep)	600,000
In-the-field TA/project design	500,000
Small Grants Program (1st five + NGOs)	500,000
Curricula design and training (x 3: peer, outreach, training of community based trainers)	300,000
School training for hilltribes adolescents	25,000
Develop and pilot test interventions for regional target groups	600,000
Total FY 1997	$2,525,000
FY 1998 = YEAR THREE	
Small Grants Program (15 NGOs)	1,500,000
Master Trainers / Technical Assistance	500,000
First Technical Exchange conference (regional master trainer pool, n=25 x 12 days)	300,000
School training for hilltribes adolescents	25,000
Develop and pilot test interventions for regional target groups	600,000
Total FY 1998	$2,925,000
FY 1999 = YEAR FOUR	
Small Grants Program	1,500,000
Master Trainers / Technical Assistance	500,000
Second Technical Exchange conference (South-to-South exchange, n=25 x 12 days)	200,000
School training for hilltribes adolescents	25,000
Replication of three pilot interventions for regional target groups	450,000
Total FY 1999	$2,675,000
FY 2000 = YEAR FIVE	
Small Grants Program (final TA for existing grants)	1,500,000
Master Trainers / Technical Assistance	500,000
Third Technical Exchange Conference (n=25 x 5 days)	75,000
School training for hilltribes adolescents	25,000
Replication of three successful interventions for regional target groups	450,000
Total FY 2000	$2,550,000
TOTAL FY 1996 - FY 2000	$13,340,000[1]

[1] $10.0 million of this total will come from the new HIV/AIDS project, the remaining $10.340 will come from other RSM/EA managed regional projects and from Global Bureau projects.

ANNEX B:

POTENTIAL RSM/EA STRATEGIES ADDRESSING REGIONAL ENVIRONMENTAL, REPRODUCTIVE HEALTH AND DEMOCRACY NEEDS

B.1 ENVIRONMENTAL SO: DESCRIPTION

Over the last several months, the RSM/EA has engaged in a desk-top information gathering exercise on development problems in seven countries in East Asia. The environmental assessment was particularly complex. Seven country profiles were completed with information gathered on the entire spectrum of environmental problems, "green", "blue", and "brown", and efforts to address them. While information is largely from secondary sources and is, in some cases, anecdotal, the profiles cover a wide range of topics including biodiversity, forestry, land rights, coastal zone management, fisheries, potable water, industrial pollution, power plant inefficiencies, and municipal environmental management.

From this exercise, the RSM/EA derived a list of potential focus areas. Every area of the environment requires assistance in some form or another. Given staffing and funding constraints, the RSM/EA has narrowed down the environmental issues to one Strategic Objective. To do so, numerous factors were considered, including:

- linkages between proposed activities and the overall objectives of the Agency as well as those of the ANE and Global Bureaus;
- the appropriateness of regional programming vis-a-vis the problems;
- resource availability;
- opportunities to collaborate with other donors;
- current efforts by national governments and other donors to address the problems, ie, absorptive capacity within the countries;
- cross-sectoral complementarities; and
- the feasibility of achieving reasonable goals within the planning period.

Weighing these factors, the RSM/EA selected water, the region's most disputed natural resource, as the most appropriate focus for its environmental strategy. Considered a free good by many peoples and nations, it is not used efficiently or sustainably. Furthermore, as a transnational resource, addressing water issues lends itself to a regional approach and, being potentially politically contentious, can have significant impacts on regional stability.

The cross-sectoral aspects of water interventions prove appealing. Water and sanitation issues directly impact public health; hydropower promotes economic growth yet requires responsible economic (as well as environmentally sound) planning; river and groundwater management have direct implications for flood and drought mitigation; and water issues could not be more central to local level decision-making and community participation.

The future well-being of the nations and peoples in the region depends on better management of this resource. Efficient use of water can be derived through more informed decision-making; promotion of efficient technologies, which also reduces waste production: public education campaigns; and the use of "green financing" mechanisms which attempt to redirect funding resources toward more sustainable management practices. The text of the strategic objective is as follows:

Increase the efficiency of water use in the RSM/EA region.

This objective coincides with both the ANE Environmental Priority to focus on "improved management of water resources" and the Global/Environment Strategic Objective to "promote sustainable use of natural resources."

B.2 ENVIRONMENTAL SO: PROBLEM STATEMENT

The Mekong River is the major shared natural resource of the region, flowing through seven countries. Four other major rivers flow from China through either Vietnam (Black and Red rivers) or Burma (Irrawaddy and Salween). The headwaters of the five major river systems in the region lie in China. Though competition exists for water resources between countries in the region, competition within national boundaries may be even more fierce. Serious water shortage problems are already commonplace in Thailand and are foreseen as issues in China as well. In Thailand, rationing, or threats of rationing, for agricultural producers, industries and cities has focused attention on the need for more efficient use of water and for a better system of allocation. The high rate of economic growth projected for the region portends significantly increased demand for agricultural irrigation, and urban and industrial water supply. As possible solutions, there is increasing discussion of various inter-basin water transfers. The largest would move Yangtze River surpluses to the north China plain. Thailand is also considering diverting cross-boundary waterways to provide greater resources to national dams, thus reducing availability to other areas. The quality of environmental assessment being incorporated into such studies is questionable.

Ten years from now, demand for water in several RSM/EA countries may reach the level that it is now in Thailand and China unless better policies and procedures to improve water management are put in place. Vietnam probably faces an overall shortage in the relatively near term; Mongolia and Cambodia may face such a shortage in the medium term. A country like Laos is at the other end of the water supply continuum. With vast amounts of water per capita, it is unlikely to ever have shortages. Nonetheless, competition for water is just as important since proposed dams and reservoirs will inundate scarce agricultural land and could dry up important wetlands.

Throughout the region, reservoirs and dams are proposed as solutions to single problems, such as the reduction of flooding, increased water supply for urban consumption, or the production of hydropower for local consumption and export. The many other effects and their costs are not always readily apparent. An interruption of a river's normal flow can affect fisheries which are dependent upon migratory species. Increased water use upstream, along with pollution discharged into rivers, damages wetlands and the rich diversity of species they support. Siltation of reservoirs, riverbeds, and estuaries reduces power production and irrigation capacity and exacerbates flooding. Reduction of groundwater recharge can lead to building damage from land subsidence, saltwater intrusion in coastal areas, and insufficient water supply. Blocking floods, on the other hand, prevents the transport of fertile sediment to downstream floodplains and the delta, which can result in the higher use of fertilizer which, in turn, causes even more problems when run off from these agricultural areas enters into river systems. Vector-borne diseases such as schistosomiasis and malaria are often associated with the standing waters of reservoirs. Dams in Vietnam are already losing capacity because of severe siltation, and Thailand and China are experiencing considerable social unrest related to dams, forced resettlement,and public concern over environmental impacts.

With energy demand growing exponentially in the region as a result of burgeoning industry and growing cities, major hydropower projects are under construction or design in Vietnam, Cambodia, Laos, China, and Burma. Hydropower offers the most readily available sustainable energy source for the region. While energy must be provided to sustain the economic growth of the region, serious attention must be paid to the effects of hydropower projects on watersheds which are also vital to agriculture and to flora and fauna in the rich ecological zones they sustain. Improperly designed hydropower dams constitute significant future new threats to freshwater fisheries, changes in sedimentation regimes, and loss of wetlands and other crucial ecosystems (such as mangroves and coastal aquifers, if the reservoirs are also used for major irrigation water withdrawals).

Thailand will continue to exert pressure and, no doubt, make certain inducements to neighbors to tap their potential for electricity production. The demand for more electricity in Thailand, Vietnam, and China is leading to heavy pressure for rapid development of the Mekong system's hydropower potential. The private sector is beginning to take over financing from donors so that projects will come on-line sooner. This development is occurring without the benefit of careful environmental assessments, which may allow for consideration of less damaging, potentially more technologically sound, alternatives.

Given the "inter-national" nature of the Mekong and adjoining watersheds, cooperation will be crucial among the riparian countries to ensure that activities in one part of the watershed will not adversely impact another. More simply stated, upstream excesses result in downstream insufficiencies and upstream pollution is downstream consumption.

Within countries, national bodies dealing with water issues need to view efficient water use within watershed management more comprehensively, incorporating consideration of user rights, hydropower issues, appropriate pricing, more efficient private sector use (which will in turn reduce the waste stream) and other areas. Decision makers must have information on both direct and indirect costs of the projects they approve. Direct economic costs are significant for lost

agricultural or industrial production, securing new water sources, treating illnesses caused by consumption of unsafe water, and treating polluted water to make it usable again. Costs involved in the loss of ecosystems and the services they provide are often the most difficult to measure. For instance, destruction of wetlands can lead to loss of water filtration, flood buffering, storm protection, and fish and shellfish productivity.

B.3 ENVIRONMENTAL SO: PROGRAM OUTCOMES

The RSM/EA is proposing a series of approaches and activities to achieve the Strategic Objective for the environment. The RSM/EA is not proposing to carry out every activity in every country. Rather, the RSM/EA would support the activities that are most appropriate to a particular setting, finding niches where collaborative efforts with USAID/Washington offices, particularly the USAEP and the Environment Center, and other donors would derive the greatest impact toward the indicators listed.

Three program outcomes have been identified as the most relevant: a) a regional network of institutions is created to influence policy on water use; b) private sector entities and households use water more efficiently; and the principles of green finance are applied to water use.

Program Outcome 1. The text of the first program outcome is as follows:

- **PO 1: Regional network of institutions created to influence water use policy.**

Program Outcome 1 Problem Statement. Policy makers lack data and policy options to institute appropriate measures. Environmental issues have become front page news in the region. Due to pressure from the international community and local groups in some countries, policy makers are being forced to address complicated issues and, thereby, are beginning to see the need for better data to make policy choices. Currently countries like Thailand and China have competent research capacity. However, research as it pertains to water management is often carried out by multiple institutions on parallel tracks. Bringing researchers and policy makers together to address the cross sectoral issues of water use is one of the primary challenges.

In countries like Mongolia, Laos and Cambodia, research institutions are much less developed. In some instances, even the most basic data is unreliable. The lack of data on the Tonle Sap, the most important fresh water lake in the region, is a case in point. The widely held belief that this inland sea is disappearing has yet to be scientifically verified. Research organizations are generally under funded and poorly staffed, though they often have highly motivated staff who are eager to develop greater capacity within the organization.

In Laos, an Environment Action Plan has been completed. It represents a starting point for the various broad themes of the government, but needs much more detailed plans of action in some instances and clarification where objectives run counter to overall development goals in others. For water issues, the primary focus is on hydropower with an understanding that efforts will be needed to address the loss of agricultural land and forest/biodiverse areas. Another case is

Mongolia's National Report to the UNCED conference which calls for the development of a comprehensive watershed protection and water resources management action plan that includes both surfacewater and groundwater resources. As in-house capacity is limited, these national bodies need the assistance of research institutions to help formulate the debate on the competitive uses of water.[49]

A primary problem related to the competition for water is the undervaluation of protected areas and the levels of water required to maintain ecological systems. More often than not, the competitors for water are listed as only those involving human demand, ie, agriculture, industry and urban. A missing part of the equation is the requirement for water by natural systems and protected areas. The depletion of water within ecosystems creates an imbalance that will be virtually irreparable. Relatively small investments now could prevent the need for much larger expenditures in 10 or 20 years. Reversing resource depletion and ecosystem degradation after they have occurred can be extremely difficult and expensive.

Hydropower planning in the region is quickly becoming an ad hoc process without adequate consideration of the ramifications on water supply for competing sectors. At present, 54 hydropower projects are in various stages of planning in the Mekong watershed area and plans have been mentioned to dynamite particular gorges to make the river navigable. Catchment degradation in these countries will affect the sustainability of the hydropower supply throughout the region. Neighboring governments appear inclined to sidestep proper environmental and social impact assessments for proposed hydropower projects in order to promote private sector investment. Such policies are likely to lead to a repetition of Thailand's own patterns of inequitable and unsustainable water distribution systems partially as a function of hydropower development.

Program Outcome 1 Approach. The RSM/EA will work with research institutions to develop their ability to collect and present data to policy makers and to share information regionally. This will include developing ways to put priorities on areas within the larger transborder watersheds, and to monitor systematically and report on changes which occur in these areas. Other possible points of focus could include surveys of existing water resources and identification of sustainable levels of water use; research on the hydrology of critical watersheds, and identification of watershed improvement measures; quantification of current and projected water resource demands, assessing the ability of current sources to meet these demands and ensure that demands do not exceed sustainable water use levels; the appropriateness of different hydropower schemes, ie, cascading versus reservoir; and development of improved water distribution infrastructure.

If appropriate, the RSM/EA could support the application of computer models such as the IRAS or DEMDESS models, and GIS mapping of target areas for the Mekong River Basin. Another

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[49]More often than not, the responsibilities of environment agencies are not very well defined. New environmental ministries in Laos and Cambodia require assistance in first understanding their roles vis-a-vis other ministries and implementing organizations, and then in drafting appropriate legislation which will affect the actions of the different players in the country. In the case of Cambodia, the USAID Mission will assist the new Ministry of Environment as it develops its mandate and the body of laws and decrees which it will put into effect.

computerized system, the Water Evaluation and Planning System, projects water flows and water requirements for different users thereby creating different scenarios for decision-makers.

The RSM/EA will also help form a regional network of research institutions to share and disseminate information and research findings among policy makers. Within particular countries, USAID would build upon the efforts of other donors. Networks of research organizations are beginning to develop, connected by computer through internet, and through the auspices of more advanced institutions in the region, particularly from China and Thailand. Greater dissemination of plans currently in process for the entire Mekong watershed would allow for more inputs into the decision-making process.

The RSM/EA will work with regional and eligible cross border bodies in developing agreements on the use of water resources. It will also provide assistance, as appropriate, to eligible national bodies charged with developing policy and legislation which affect the way the industrial, agricultural and urban sectors use water, guidance on conducting environmental assessments, and appropriate uses of water within these sectors, for example, the protection of ecosystems within watersheds, pricing policies, swamp forest conversion, destructive mining, staff training for enforcement, and other areas.

Illustrative targets associated with Program Outcome 1 include the following:

- Within five years, at least one institution in each country and one regional institution will have demonstrated capacity for presenting multisectoral analyses of water use.
- At least five studies on water use competition in critical watershed areas, including a major study of hydropower projects proposed on the Mekong, from China to Vietnam will have been done and the information will be in the public domain.
- A network which promotes sustainable water use and related topics will have been established among research institutions and universities, relevant public sector entities, and NGOs. Potentially the Thailand Development Research Institute Foundation or some similar organization would serve as the center.
- A bulletin board service on water issues for the Mekong and surrounding watershed areas will be established on the internet for interested parties.
- A computer module will be established perhaps with the new Mekong River Basin Commission's technical office which monitors water flows throughout the Mekong River and projects scenarios based on different hydropower projects planned.

Program Outcome 1 Illustrative Indicators. Illustrative indicators associated with Program Outcome 1 include the following:

- Problems are defined and strategies are outlined to achieve greater efficiency in water use among sectors. (Yes/No)
- Systems are in place for targeted areas to monitor quantity of surface and groundwater. (quantity)
- Environmental assessments carried out for projects which affect water and results shared regionally. (quantity)

Program Outcome 2. The text of the second program outcome is as follows:

- **PO 2: Private sector entities and households use water more efficiently.**

Program Outcome 2 Problem Statement. Mechanisms are not in place to promote the value of water and encourage more efficient use of the resource. As societies develop, greater demands are placed on natural resources. Water is no exception. With Southeast Asia having one of the highest economic growth rates in the world, demands on water will become dramatic in the near future. Urbanization rates in Laos, for example, of approximately six percent suggest that infrastructure systems will be stretched to the limit and the equation which allocates water to different sectors will change dramatically. Currently, incentive systems to promote water conservation do not exist throughout the region as water is generally considered a free commodity of inexhaustible supply. Given such attitudes it is not unlikely that shortfalls currently occurring in Thailand and China will also occur in one form or another in neighboring countries.

Though Laos has an abundant water supply, the questions for Laos will not be that of supply but rather of distribution. Major hydropower projects will create reservoirs in some of the most fertile lands in the country as well as important biodiverse areas slotted to become protected zones. Vietnam, on the other hand, may face severe problems in the Mekong Delta as upstream withdrawals create saltwater intrusion in the rice basket of the country. Mongolia, too, faces problems as distribution issues, compounded by a lack of incentives to conserve, have already begun to affect Mongolia's freshwater supply.[50]

Tackling the demand side of water use will also decrease the load of other harmful outputs. It is presumed that more efficient water use will deliver a reduced amount of wastewater to be treated. Water pollution problems caused by domestic and industrial discharges and agricultural run-off are becoming severe and compounding water shortages in cities in Thailand, China and Mongolia, and have the potential to do so in major Vietnamese cities. A number of large lakes throughout Southeast Asia and Mongolia are seriously polluted as are sections of rivers running through cities and towns. Domestic and industrial wastewater are seriously polluting water supply for the significant number of urban migrants living along waterways in Vietnamese cities. Poor water quality is beginning to have significant impact on fisheries and has the potential to spread water borne diseases. In China, 240 million Yuan (approximately $28 million) a year in fishery losses are caused by pollution; and 3.5 billion Yuan (approximately $410 million) were lost because of infectious diseases in coastal prawn farms in April 1993 alone. Damage to estuaries, coral reefs, and mangrove forests is quite serious in Vietnam and Thailand, and

[50]Surface water depletion in Mongolia is becoming widespread and a serious problem that will require increasing effort and resources to obtain water. At least six major freshwater lakes have dried up because of irrigation schemes on the rivers that feed them, and several others are dwindling in size. Flows of the major Selenge tributaries are reportedly down by 17-30 percent. A number of wells and springs installed in the semiarid southern provinces to support livestock herding no longer produce water. There is already competition between sectors for water, with real costs to the economy. This competition has necessitated investments to pipe water from upstream sources to cities and the restriction of two of three major fisheries. Inefficient use and waste are serious problems.

beginning in Cambodia and Burma. Changes in salinity are directly caused by reductions in freshwater flows reaching estuaries as a result of excessive withdrawals upstream. The lack of sewage treatment, as well as industrial pollution (both wastewater and solid waste), have direct implications for urban water supply. Thus reducing the per capita water demand and thereby decreasing the production of wastewater will begin to put in place both the conservation efforts and pollution reduction measures.

On another level, most of the countries in the region are competing for foreign investment to help them grow economically. Environmental regulation is a cost of doing business for industrial establishments. These establishments will seek the least costly place to locate to produce their products. Because the industries most often found in urban areas are the least tied to particular natural resources, and therefore the most mobile, urban and industrial environmental regulations in one country will have an effect on industrial location in another. Levelling the playing field to force environmental considerations into planning will certainly positively affect urban populations.

Program Outcome 2 Approach. Other USAID offices will be called upon to work with the Mission toward achieving this program outcome. Given limited resources, demonstration projects and technical assistance programs for water users and authorities would be developed. Demonstration projects could emphasize simple and appropriate technologies which promote water efficiencies for targeted urban areas, industry, and agriculture, as appropriate. Local paper and pulp factories, tanneries, and bottling companies are a few of the primary targets for water-efficient technology exchanges, perhaps through the USAEP Environmental Business Exchange program. Activities could also include successful USAID-supported projects in Thailand which use different technologies for irrigation, agriculture, or aquaculture areas as well as using the Environment Center's Urban Resource Cities program.

Policy dialogue and technical assistance could emphasize creating both incentive and enforcement systems to promote the introduction of more water efficient systems in all sectors. Courses, such as the USETI local trainings, could help formulate the discussions more coherently.

In conjunction with Program Outcome 1, an educational aspect will be incorporated to bring information more clearly into the public domain. Educational campaigns to change attitudes toward the value of water are essential for the region. The target group for these activities would be urban populations, as rural areas, given to frequent drought conditions, tend to be highly effective at conserving water. To promote the conservation of water, efforts could be made to replicate the highly successful Magic Eyes, a Thai NGO which seeks to educate the population to "Keep Thailand Clean" through children's education programs and community activities.[51]

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[51]Magic Eyes is a non-profit NGO which works closely with the private sector and local communities to develop environmental awareness programs. Advertising strategies adopted from the private sector educate and inform people in an effort to change behavioral patterns. Magic Eyes also encourages numerous activities especially with children to promote understanding of environmental problems and individual environmental responsibility.

Assistance to targeted NGOs can focus primarily on project identification, proposal writing, fund-raising techniques, methods to get the community involved, and mechanisms to disseminate results. (This activity dovetails with the RSM/EA Strategic Objective for Democratic Initiatives.) Another potential area to be explored would be through education curricula. The US Peace Corps and any number of US NGOs (World Wildlife Fund, World Resources Institute, CARE, etc.) could be of great assistance in promoting environmental education programs. Professional associations, women's groups, industrial and farmer associations could be used to disseminate information on successful projects.

Illustrative targets associated with Program Outcome 2 include the following:

- Four demonstration projects will be carried out which show the most efficient use of water for agricultural areas and industrial users in targeted watersheds. The results will be disseminated through various networks established for Program Outcome 1.
- Local training courses following the USETI model will be held on relevant technologies or policy issues.
- US expertise will be used to demonstrate more efficient distribution and metering systems for urban water supply in at least one pilot city.
- Educational campaigns will be supported to change water use patterns of households, particularly in urban areas.
- Technical support will be given to NGOs to promote water issues much like the Magic Eyes model discussed above.

Program Outcome 2 Indicators: Illustrative indicators associated with Program Outcome 2 include the following:

- Change in per capita water use at the household level in targeted urban areas. (quantity)
- Change in area of agricultural land under water-efficient irrigation technologies. (quantity)
- Change in number of targeted industrial establishments that have adopted water-efficient technologies. (quantity)
- Change in number of municipalities (in targeted area) using appropriate metering and leakage detection for water distribution systems (quantity)

Program Outcome 3. The text of the third program outcome is as follows:

- **PO 3: The principals of green finance are applied to water use.**

Program Outcome 3 Problem Statement. Compared with other water uses, protection of natural systems in watershed areas is underfinanced. Countries do not have the resources to dedicate to watershed and river system management. As the responsibility for managing critical watershed areas crosses ministerial boundaries, it is difficult to budget for a comprehensive approach to management. In the US, it took the Chesapeake Bay Foundation to galvanize the various sectors affecting the health of the bay, and to begin to change the use patterns in states

which used its waters. More problematical in countries in the region, budgets usually do not link revenues to expenditures. User fees, for example for park entry, may not be designated for parks, but oftentimes are entered into general government revenues. It is difficult, therefore, to determine the level of subsidy.

In applying the "polluter pays principle" to water use, electricity produced by hydropower should be taxed to pay for management of the watershed. Polluter fines, if legislated, are not enforced and water fees are insufficient to cover watershed management issues.

Program Outcome 3 Approach. The RSM/EA will provide technical assistance in "green financing", establishing price structures and market-based incentives for more sustainable and equitable resource management. For example, assistance could be provided to establish national watershed management funds (which taxes the buyers of hydropower), develop appropriate leasing and licensing arrangements for users of watershed products, including more appropriate water pricing, and apply user fees for parks within the watershed area.

The World Bank has proposed watershed management funds to internalize the true costs of sustaining hydropower projects. Efforts should be made to tax the users of generated electricity as designated revenues for water issues. These designated revenues could then be used by the park service to maintain protected areas, used for resettlement programs, fisheries projects, or whatever is deemed most appropriate. (Community inputs would be crucial in this process and may require NGO resources to promote a more participatory process.) A UNDP contractor in Laos is currently working on a proposal whereby companies that invest in hydropower projects must allocate a certain percent of investment in schools, revenue generation projects, or other community projects. Similarly, watershed management funds could be used for watershed restoration projects, reforestation projects, or other "green financing" activities.

Assistance could be provided in determining appropriate fee structures. Studies in Thailand suggest that people would pay more for services if they were more reliable. Thais are also becoming aware that they currently pay for water twice; once in the form of piped water, and once in the form of potable water (whether it is boiled piped water for which fuel is often difficult to find or bottled water which is often at high prices and questionable quality). Surveys suggest that Thais would be willing to pay higher rates for a cleaner multipurpose water supply. This is expected to be the case in other countries as well.

More appropriate fees for water, or services in general, would require greater accountability on the part of the service provider. This accountability can be derived from what are commonly known in the US as Enterprise Funds whereby revenues and expenditures are contained in one activity, fees are dedicated, and services aim to be as self-sufficient as possible. A Waterworks Enterprise Fund works much like a private corporation, establishing fees aimed at (although not necessarily achieving) cost recovery. Though this may not be achievable in the region for both political and/or other reasons, aspects of such fund management could be adapted. More appropriate fees should serve as disincentives for waste and decrease the common notion of water as a free good. Assistance will also need to be given to enforcement agencies to ensure that consumers that avoid the system through private wells or other means are not overly taxing the groundwater supply.

Technical assistance will be aimed at cost recovery, appropriate metering, and sound financial management for water entities. Demonstration projects will work with implementing agencies on improved management and enforcement practices for targeted areas (combined with the community education programs noted in Program Outcome 2).

Another area of "green" finance could be through park fees and other revenues from ecotourism. Recent studies also suggest that Thais would pay more in park entry fees if the fees were dedicated to maintaining such biodiverse areas. The US is currently debating such issues and should have useful inputs into discussions in RSM/EA countries.

Program Outcome 3 Illustrative Targets: Illustrative indicators associated with Program Outcome 3 include the following:

- A plan for a watershed management fund which uses resources from users will be developed and demonstrated for one target area.
- Fee structure/cost recovery business plans will be developed for two water districts as models to be replicated.
- A plan will be created to increase designated revenues to two national parks through "green financing" schemes, ie, more appropriate entry fees or ecotourism charges.

Program Outcome 3 Indicators. Illustrative indicators associated with Program Outcome 2 include the following:

- Increase in level of funding for watershed management. (percent)
- Price changes for water users in the productive sectors. (Y/N)

B.4 ENVIRONMENTAL SO: FEASIBILITY OF APPROACH

The RSM/EA is singularly well-placed to handle the requirements of such a strategy given its central location in Bangkok. Over the years, the USAID staff have maintained solid relationships with the various actors in Thailand and are closely familiar with their activities. Similar relationships are being created with other institutions in the region. Sharing ideas, a centerpiece of the proposal, requires such an informed go-between. Similarly, only this kind of on-the-ground contact will allow for credibility on the part of USAID given the ease of making contact, participating in events, and communicating in general. Activities can also be monitored more appropriately using Bangkok as the hub. The RSM/EA plans to capitalize on 40 years of development assistance by beginning to work with the Royal Thai Government in more of a donor partnership role as laid out in the graduation plans.

The approach outlined in this strategy allows the RSM/EA the flexibility of working either with regional institutions or national bodies in eligible countries. For the moment, it could work with regional institutions on research and policy issues, and with national bodies in Mongolia, Cambodia and Thailand on activities briefly described under program outcomes.

As other countries become eligible, the RSM/EA will use the strategy as a starting point for defining geographic areas of concentration, priority activities, and policy dialogue with national governments. For example, establishing a watershed management fund could be a high priority in Laos, and working with industry promoting water-efficient technology could be a priority in Vietnam. Within eligible countries, the selection of more restricted geographic areas would allow a concentration of USAID resources on the most important watershed areas within the countries. Training and policy seminars would allow the dissemination of lessons learned to a broader audience as would videos and information exchange as discussed in PO 1.

The RSM/EA will assist in establishing networks of researchers and practitioners to share information more widely. It will also support regional policy seminars when lessons learned have application within the region. Small inputs can have significant impacts when the results of studies are widely disseminated. The USAEP's Environmental Business Exchanges could be a useful tool in promoting more efficient water technologies from the US Training and policy seminars could disseminate lessons learned to a broader audience.

The RSM/EA will work with other donors so that the resources it brings to bear will be leveraged to the greatest extent possible. Other donors are expected to contribute significantly to collaborative efforts within this water focus. Preliminary discussions with bilateral and multilaterals suggest that all are interested in collaborative efforts.

B.5 ENVIRONMENTAL SO: USAID's COMPARATIVE ADVANTAGE

The United States has extensive experience with dams on large river systems (Mississippi, Columbia, Colorado, Tennessee, and St. Lawrence). Armed with hard-earned lessons and new technologies, the US is currently working to undo many of the negative consequences of these river control systems. Similarly, watershed management, especially in considering the competition for water among the four sectors (agriculture, urban, industry, and natural systems) has become a critical area of focus for various parts of the US, perhaps most notably Florida and California. The experience is varied and there are many lessons learned that can be translated into the RSM/EA local context.

In the developing world, USAID has already applied some of this expertise, playing a major catalytic role in the environmental assessment of the Bangladesh Flood Action Plan, which proposed dikes for the Brahmaputra, Ganges, and Meghna Rivers.

In addition, the USAID-sponsored Danube Emissions Management Decision Support System (DEMDESS), a computer-based water emissions management system, was designed to support informed decision-making regarding the control of emissions in Danubian countries. The computer module provides information aimed at controlling emissions from industrial and municipal point sources through evaluating the economic, financial, institutional, and stream quality impacts of various policy options. Though the DEMDESS model looks primarily at quality issues, USAID has provided support to other models which address sectoral demand analyses, water conservation, streamflow simulations, hydropower generation, and other water quantity issues. The Water Evaluation and Planning System (WEAP) is one such system that

has been applied in water assessments in the United States, Mexico, China, Central Asia and India. Another system called IRAS (Integrated River and Aquifer Systems) may also be appropriate for the Mekong River basin.

USAID can tap the experience in the US with cross border electrical generation (Canada and US), as well as with large hydropower dams within the 48 contiguous states. The US also has significant experience at using fees and price structures to fund environmental programs. For example, in managing water districts surrounding urban centers, the St. Johns River District in Central Florida taps the property tax base (approximately one percent) for conservation funds. In addition, the US also has experience in inter-state water purchases, raising funds through leases of public lands, raising monies from users of national and state parks, and fund-raising through a wide variety of private NGOs.

Initiatives that support the strengthening of government capacity to monitor the depletion and degradation of groundwater and to promote water demand management (increasing the effectiveness of the water metering/pricing system) merit attention and are within USAID's or other US agencies' expertise. Efforts to develop GIS and remote sensing expertise and general capacity for monitoring and data analysis deserve support.

Fostering Resolution of Water Resources Disputes, a USAID/ANE project, seems particularly applicable. It seeks to promote equitable and environmentally sustainable water management strategies, policies, and plans in selected countries in the Asia and Near East region which are facing serious water shortages and/or conflict over water. The purpose of this project is to assist local parties to develop, test, and refine improved means for national and transnational joint problem-solving and dispute resolution for environmental issues involving water resources.

B.6 ENVIRONMENTAL SO: COMPLEMENTARITY WITH OTHER DONORS

Donors and NGOs are becoming increasingly more active in the region, and many are working in one form or another on water-related issues. At present, however, no donors are working specifically to address the issue of water efficiency. The primary areas of focus include hydropower and infrastructure projects while promoting greater cooperation among the countries in the region. The Asian Development Bank has taken a leadership role in the environment for the Greater Mekong Subregion. It has sponsored various conferences on intra-regional cooperation and commissioned a country-by-country review of proposals for projects. The ADB will organize a donors conference in August 1995 to discuss which donors might be interested in providing financing. The UNDP has been the primary supporter for the Mekong Secretariat and will remain integral to the workings of the new Mekong River Basin Commission. UNEP plays a coordination and information dissemination role in the region. For example, for coastal resources management, UNEP has an office in Bangkok which gathers data from all of the countries in the region. AIDAB is becoming active in the environment sector and both AIDAB and JICA have expressed interest in greater donor collaboration.

The International Crane Foundation has proposed a small workshop to be followed by a major conference to discuss alternative strategies to large dams on the Mekong, a topic many feel has

received too little discussion in a rush to build large dams that were designed decades ago. The Asia Foundation supports activities such as the Mekong Regional Law Center, a network that, with further assistance, might become a major regional legislative resource.

The following sections reviews other donor activity by country:

- **CAMBODIA.** UNDP, UNESCO, IUCN, and FAO have helped form a working group on environmental law which has drafted legislation and decrees on protected areas, natural resource and environmental management law, the use of pesticides, watershed management and protection, and environmental impact assessment. Advisors from the International Development Research Center have been placed in the Secretariat for the Environment to assist in defining relationships with line agencies. The IDRC has also been assisting with wetlands management for wastewater. The Danish Development Agency is proposing a $3 million project for Tonle Sap. The Mekong Secretariat is also providing assistance in planning for Tonle Sap. A number of donors and NGOs (ADB, UNDP, UNICEF, Oxfam, the European Community) are working on urban water supply and sanitation issues for Phnom Penh, Sihanoukville, and other cities. The World Bank is financing water distribution systems in Phnom Penh, while a number of donors are supporting rehabilitation of major irrigation schemes.
- **CHINA.** The World Bank is the principal donor agency with $600-$800 million planned per year in lending for hydropower development and is at least partially financing multipurpose projects (especially for hydropower and irrigation), such as in Xiaolangdi (Yellow River), Ertan (Sichuan Province), and the Yangtze River basin. The Bank also has projects planned for environmental management, pollution control and land rehabilitation. The Asian Development Bank is making loans for natural resources management and JICA for environmental technologies. World Wildlife Fund (WWF), World Resources Institute (WRI), and CIDA are providing training in management of nature reserves, environmental management, and urban environmental management, respectively.
- **LAOS.** The forestry sector receives the lion's share of donor assistance in Laos. The Swedish development agency (SIDA) has provided the most extensive and sustained on-the-ground assistance in this sector. Canada, Australia, Finland and Germany (CIDA, AIDAB, FINNIDA and GTZ) also work in forestry, as does the World Bank/Global Environment Facility (GEF) with a $10 million loan-funded protected areas management project. Both JICA and the UNDP have become active in urban infrastructure, particularly water supply, and the World Bank and UNDP are providing assistance in environmental impact assessment for hydropower projects, including housing a UNDP representative in the Ministry of Industry (which oversees hydropower projects). The International Union for the Conservation of Nature (IUCN) supports activities related to biodiversity and protected areas management.
- **MONGOLIA.** Many donors are working in the power sector, though not hydropower. In the area of biodiversity, UNDP and GEF are financing projects, the International Crane Foundation has been active, and an NGO called Ecologically Sustainable Development has made proposals for conservation of watershed areas.

- **THAILAND.** USAID has been the principal donor in environment in Thailand for many years with projects in urban infrastructure, toxic waste, biodiversity, coastal resource management, air pollution, water supply and sanitation. UNDP has provided assistance in coastal management and biodiversity, and FAO in managing river basins.
- **VIETNAM.** The World Bank is the largest donor, with several initiatives for building dams, as well as other activities. The Bank is also beginning to work on forest conservation and the development of barren lands. The Bank with UNDP financing is also executing the Mekong Delta and Red River Master Plan projects. The UNDP, ADB, UNICEF and other donors are active in the water sector, both urban and rural. ADB is financing port projects and activities in the Red River Delta which have environmental implications. The Mekong Secretariat is providing technical assistance in the hydropower sector. In biodiversity, conservation and forestry, important players include the UN/GEF with various projects, Winrock in upland community forestry, the World Wildlife Fund in management of nature reserves, the International Crane Foundation in the conservation of habitats, the World Food Program, FAO, UNDP and AIDAB in coastal reforestation projects, and the UNDP/FAO which is supporting institutional capacity building in the forest sector.

In times of budgetary constraints on all development agencies and consequently on the NGO community, there should be ample room for cooperation with the various organizations working in individual countries. Attempts will need to be made to integrate programs more effectively, beginning with a more thorough assessment of different organizations' activities.

B.7 ENVIRONMENTAL SO: POLITICAL WILL OF HOST COUNTRIES

After years of discussions, in April of this year the four lower Mekong countries signed an agreement on Sustainable Development of the Mekong River Basin. Essentially it gives new life to the Mekong Secretariat while also providing for entry of the two upper riparians (China and Burma), possibly in the near future. The new Mekong River Basin Commission (which replaces the Mekong Committee) should have a more significant mandate. This signing shows a commitment to resolving water issues through a more international process. Given the interconnectedness of the issues revolving around the Mekong as well as the desire for more beneficial relationships in terms of trade, the countries now seem to clearly realize that cooperation will prove more advantageous than independent actions and interdependence especially in terms of producing, managing and marketing hydropower is a reality.

Within recent years, all of the countries in the region have established a national environmental agency, some with ministerial status. While there are institutional problems in following through with environmental components of projects, especially in times when economic growth outweighs other considerations, there still appears to be a new recognition that sooner or later economic growth without environmental considerations will bring enormous costs to society.

B.8 ENVIRONMENTAL SO: AVAILABILITY OF INSTITUTIONAL PARTNERS

The Mekong Secretariat was established in 1957 to serve as the regional coordinating body concerned with development of the resources shared by the lower Mekong River countries of Laos, Thailand, Cambodia, and Vietnam. It has conducted several studies aimed at assessing the viability of multipurpose dam projects and micro-hydropower technology, comparing alternative projects, and coordinating national master plans for water resources development of the Lower Mekong Basin. The Secretariat's 1993 and 1994 work plans included several unfunded project proposals relevant to hydropower development in Laos. such as a water resources development plan to complement the plans for northeast Thailand and the Mekong Delta (Vietnam), regional planning, strengthening environmental impact assessment and training, and feasibility and prefeasibility studies.

The new Mekong River Commission provides a regional forum to discuss transnational issues, such as planning for hydropower development in the Mekong Basin. Under UNDP sponsorship, Laos, Thailand, Cambodia, and Vietnam have recently agreed to establish an institutional framework to implement a basin development plan for the lower Mekong in cooperation and coordination with the member countries and the international community. This agreement provides for the entry of the other two Mekong riparians, Burma and China, into regional projects related to irrigation, hydropower generation, navigation, flood control, fisheries, timber floating, recreation, and tourism.

USAID could collaborate with the ADB and the World Bank to focus on hydropower assessment and planning for one or more of the ADB-sponsored ministerial sessions. USAID could convene with ADB and the Mekong River Commission a forum of Mekong governments and donors considering support of hydropower to establish regional guidelines, requirements, and joint procedures for such a cumulative approach to assessment and planning for Mekong watershed hydropower development. An environmental impact assessment training component would be vital to the long-term success of this initiative.

Possible sources of collaboration for funding include: The United Nations Environmental Program, the Asian Development Bank, the World Bank, and several other bilaterals, including the Swedish, Canadian, Australian, Japanese, Dutch, and Danish development agencies. Also, Thailand is beginning to provide assistance to neighboring countries on a small scale; the RTG's Department of Technical and Economic Cooperation (DTEC) could be a funding partner for projects in the region.

In terms of institutional resources and delivery mechanisms for technical assistance and training, numerous US NGOs and institutions in Thailand could play a role in formulating policies and procedures, increasing awareness of issues, and providing access to state-of-the art technologies. As stated above, some NGOs have been active in particular countries, eg, World Wildlife Fund in Vietnam, the International Crane Foundation in Mongolia and Cambodia, and World Resources Institute in Thailand.

Within each country an institutional assessment would be carried out to determine the most appropriate partners. For example, should Vietnam become an eligible country, the Hanoi

Water Resources University, founded in 1959, would be an appropriate starting point. Hanoi Water Resource University has 300 faculty and 1800 students, trains most of the civil servants in MWR, and maintains close linkages on matters of water policy and projects. Hanoi Water Resources University created a Faculty of Hydrology and Environment in 1987 to address water pollution and conservation issues. In Ho Chi Minh City, the Polytechnic University's Training and Research Center for Water and Environmental Technology has 25 faculty and trains 16-20 master's students per year.

Many excellent resources within Thailand can be tapped for specific expertise. While these institutions may not be appropriate for assistance in all of the RSM/EA countries, they offer an important resource for work in the region. Some of the best institutions include:

- Chiang Mai University has a strong faculty in tropical ecosystems and is well connected with other universities and research institutions in the region.
- Chulalongkorn University has staff resources in the field of industrial pollution, and soil and water conservation.
- The Industrial Management Program of the Federation of Thai Industries conducts waste reduction assessments and carries out workshops and seminars on pollution prevention for specific industries.
- Kasetsart University has one of the best forestry departments in the region.
- Prince of Songkhla University has expertise on coastal zone management in its Coastal Resources Institute (CORIN).
- The Thailand Development Research Institute Foundation (TDRI) is one of the premier research institutions in the region, working principally on green issues (biodiversity, land use, green pricing, and watershed management).
- The Thailand Environmental Institute (TEI) has strong research capacity in industrial and energy environmental issues.
- Magic Eyes has a commendable program to promote environmental awareness through education programs.
- The East Water Company is a for-profit water distributor that services Thailand's Eastern Seaboard. The system is entirely computerized with American equipment (as a result of a USAEP Environmental Business Exchange) and could serve as a useful training site for provincial waterworks authorities.

B.9. ENVIRONMENTAL SO: SUITABLE DELIVERY MECHANISMS

Any number of USAID contracting mechanisms could be used to implement the program. See attached chart for options.

Attachment A: Illustrative Five Year Budget
(In Thousands of Dollars)

	RSM/EA	Other USAID	Total
Project Activity Development	1,500	---	1,500
(Staffing/Project ID/Needs Assessments)			
Program Outcome 1			
Institution building	1,200	200	1,400
Competition Studies	800	350	1,150
Establish Network	250	200	450
Bulletin Board	100		100
Computer Module	400	300	700
Subtotal	2,750	1,050	3,800
Program Outcome 2			
Demonstration projects	700	700	1,400
Urban Water Supply	500	300	800
Educational Campaigns	300	200	500
Training Courses	150	150	300
NGO Support	200	50	250
Subtotal	1,850	1,400	3,250
Program Outcome 3			
Watershed Management Fund	500	150	650
Water District Business Plan	250	100	350
Park Revenues	200	50	250
Subtotal	950	300	1,250
TOTAL	**7,050**	**2,750**	**9,800**

Attachment B: USAID Asia Regional and Worldwide Environmental Projects

Project Title	USAID Bureau	Primary Implementing Organization	Contract Period	Access	Principal Activities
Asia Regional Projects					
US-Asia Environmental Partnership (US-AEP)	Asia	Tropical Resources and Development	1992-96		US-AEP promotes US environmental experience, technology and practice to foster solutions to "green," "blue," and "brown" environmental problems in Asia and the Pacific. It offers matching grants to small- and mid-sized US firms to demonstrate appropriate environmental technologies in Asia, operates Offices of Technology Cooperation jointly with the US & Foreign Commercial Service, offers environmental opportunity leads through the Environmental Technology Network for Asia, and increases access to financial resources for large-scale environmental and energy projects through the Infrastructure Finance Advisory Service. US-AEP also sponsors fellowships, exchanges and training activities for environmental professionals in Asia and the United States and seeks to develop cooperative networks of non-governmental organizations and businesses to address environmental issues.
Biodiversity Conservation Network (BCN)	Asia	Biodiversity Support Program (World Wildlife Fund, The Nature Conservancy and the World Resources Institute)	1992-97		BCN is a component funded under the US-AEP and coordinated by the Biodiversity Support Program. BCN brings together organizations in Asia, the Pacific and the United States to work in active partnership with local and indigenous Asian and Pacific Island cultural communities. Projects supported by the BCN must demonstrate and integrated biological, socioeconomic, and enterprise-oriented approach and a measure of control by communities over these resources. The key purpose is to broaden the base of knowledge about approaches to conservation for host-country governments and the donor community.
Regional Agribusiness Project (RAP)	Asia	Development Alternatives, Inc. with Abt Associates, Fintrac Inc., TAS, DPRA, IMCC, Land O' Lakes, PIP, UFFVA and GIC	1993-98	Core/ mission buy-ins	Environmental component analyzes issues affecting the environmental sustainability of Asian agribusiness initiatives supported by USAID missions. Many of these initiatives aim to stimulate economic growth through improved marketing and trade of high-value agricultural products such as fresh and/or processed fruits and vegetables. Main focus areas of RAP/environmental component are: 1) food safety and quality; 2) improved use of agrochemicals; 3) phytosanitary requirements; and 4) agroindustrial pollution prevention and control.
Regional Training Resource Program (RTRP)	East Asia	Institute for International Educations	1993-98	Core/ mission buy-ins	
Regional Technical Support Project (RTSP)	East Asia	Development Alternatives, Inc. with Development Associates, PDA, Thailand Development Research Institute, MIDAS Co., Asian Institute of Technology, SEATEC International, ViewSiam, International Institute for Energy Conservation, AIDSCAP, Upham Int'l.	1993-98	Core/ mission buy ins	The project is the principal vehicle for delivering a wide range of technical assistance services deemed necessary to assess, plan, implement and evaluate the short- and long-term development agenda for the Regional support Mission/East Asia. RTSP provides assistance in the following sectors: environment; population/family planning; health; private sector development; agriculture; economic policy planning and implementation; democracy; rural development; PL480; infrastructure; HIV/AIDS; and privatization.

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Project Title	USAID Bureau	Primary Implementing Organization	Contract Period	Access	Principal Activities
Worldwide Projects					
Access to Land, Water and Other Natural Resources (ACCESS)	Global	Land Tenure Center, University of Wisconsin	1989-98	Core/ mission buy-ins	ACCESS provides research and technical assistance on property rights and tenure to host country and USAID missions, and others in the development community. Research themes include land markets and transactions, tenure issues in natural resources management, the institutional and structural dimensions of tenure change, cross-cutting issues of tenure security, and the impact of tenure arrangements on women.
Agricultural Policy Analysis Project (APAP)	Global	Abt Associates with Development Alternatives, Inc.	1983-97	Core/ mission buy ins	APAP III offers assistance to USAID Missions and host country decision makers to identify and resolve problems related to agricultural policy. The project contribute's to USAID's overall strategy for sustainable development by helping create policy and institutional environments that encourage broad based economic growth. A major thrust of APAP III is the development of macro-policy that promotes agro-ecological sustainability through: problem diagnosis and natural resource policy inventories; policy analysis and modeling; technical assistance in project design and implementation; methodologies for resource valuation. A major effort of APAP II was the development of the "Green Book", a natural resource management policy source book and training program that assists decision-makers to identify cause and effect relationships between resource user behavior and policy change; and to promote policy as a structure for stakeholders to address natural resource management issues.
Conservation of Biological Diversity	Global	Biodiversity Support Program (World Wildlife Fund, The Nature Conservancy and the World Resources Institute)	1988-97	Core/bureau and mission add-ons	The Biodiversity Support Program (BSP) supports USAID bureaus and missions to maintain biological diversity in developing countries. BSP works with LDC governments and nongovernmental organizations to design and implement innovative conservation and development projects and to strengthen local capacity for conservation efforts. BSP collaborates with conservation groups, development organizations, universities, botanical gardens, zoos, research institutes and government agencies
Coastal Resources Management Project	Global	University of Rhode Island	1988-95	Core/ mission buy-ins	The project provides assistance, training, and research in order to increase the capacity of LDC professionals and institutions to identify and resolve multi-sectoral problems of coastal areas. Pilot projects have been instrumental in the development of coastal zone management programs involving mangrove and coral reef conservation.
Development Strategies for Fragile Lands Project (DESFIL)	Global	Chemonics with Abt Associates, Rodale Institute and Datex, Inc.	1986-96	Core/ mission buy-ins	In its first five years this project helped USAID mission in the Latin American and Caribbean region develop improved strategies for forested lowlands and sloping lands, classified as fragile lands (FL) by means of workshops, special assessments for mission FL strategies; assessments to develop host-country FL strategies; and studies to resolve specific program and project problems for missions and host countries. In the second five years, the project supports USAID missions in other regions. The project uses a multidisciplinary approach to address the major themes of policy, strategy, institutional arrangements, technology diffusion and development, and farmer incentive systems.
Environment and Natural Resources Information Center (ENRIC)	Global	Datex, Inc.	1991-95	No formal mechanism	ENRIC serves USAID's strategic planning and reporting needs on environment. ENRIC has created an information system and project record program that tracks USAID environmental activities, prepares reports on project activity, progress and reports.

Project Title	USAID Bureau	Primary Implementing Organization	Contract Period	Access	Principal Activities
Environment and Natural Resources Policy and Training Project (EPAT)	Global	Winrock Int'l Environmental Alliance (Applied Research Component Midwest Universities Consortium for Int'l Activities (Research & Training Component)	1993-98	Core/ mission buy ins	Project provides technical assistance, applied research, training and communications support to bureaus and missions world-wide in: - Energy, Industry and Urban Environment - Forestry and Watershed Management - Macroeconomic Policy - Population and Environment - Resource Pricing and Institutions - Environmental Management Training - Environmental communication
Environmental Planning and Management Project (EPM)	Global	World Resources Institute	1982-95	Core/ mission buy-ins	Project aims to strengthen the capacity of public and private institutions in developing countries to better manage and conserve natural resources for long-term sustainable development. EPM provides technical support with state-of-the-art environmental planning methods and by facilitating the formulation and implementation of natural resource management policies and strategies for local and national development.
Environmental Pollution Prevention Project (EP3)	Global	Hagler Bailly with Chemonics International	1993-98	Core/ mission buy ins	The Environmental Pollution Prevention Project (EP3) promotes the use of practices and systems that enable industries in developing countries to save money, improve productivity, and reduce pollution. Through training courses, on-site studies, and collaboration with trade associations, EP3 helps developing countries adapt pollution prevention expertise and environmentally sound technologies to local conditions. EP3 can also help find funding sources for pollution prevention projects and conduct feasibility studies to support investments. Using policy seminars, training courses, and direct technical assistance, EP3 also helps governments to devise regulations and policies that use market incentives to encourage pollution prevention. EP3 maintains a Clearinghouse of information on relevant courses, case study information, industry specific documents and databases, and other relevant materials.
Environmental Health Project	Global	Camp, Dresser and McGee with International Science and Technology Institute, John Snow, Inc., Radian, Inc., Research Triangle Institute, Training Resources Group	1994-99	Core/ mission buy-ins	EHP offers assistance to address some of the most serious environmental health conditions of developing countries under the umbrella of one project, and to help USAID assisted countries develop new paradigms for prioritizing their urgent public health problems and for recognizing the linkages among these problems. EHP provides technical assistance in nine subsectors: tropical diseases; water supply and sanitation, solid waste; wastewater; air pollution; food hygiene hazardous materials; occupational health; and injury.
Forest Resources Management Project, II	Global	US Forest Service, US Peace Corps, World Wildlife Fund	1991-99	Core mission buy ins	This project is a renewal of the Forest Resource Management Project (936 5519) It continues funding of the Forestry Support Program and support to the US Peace Corps forestry volunteers activities. The project supports LDC forestry institution building, research, mobilization of LDC and US private industry and university capabilities for advancing LDC forestry-based economic development objectives, yearly training workshops, building and strengthening cooperative relationships between forestry and agriculture, LDC efforts to meet energy and fuelwood needs through forestry, and research into such areas as forestry's relationship to housing and agribusiness and the private sector's role in tree improvement and forestation.

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Project Title	USAID Bureau	Primary Implementing Organization	Contract Period	Access	Principal Activities
Housing Guarantee Program	Global				The Housing Guaranty Program provides funds for a variety of initiatives aimed at influencing borrowing countries in their approach to solving their shelter and urban problems. Principal among the programs are: urban neighborhood infrastructure, municipal facilities, and financial, technical and management training for municipal administrative and technical staffs. HG loans are financed by private US lenders and are secured by a full faith and credit US Government guaranty. Projects accepted for HG loans are generally developed by foreign governments or institutions working in conjunction with USAID Missions. Projects must target families whose annual income is below the median income levels.
Implementing Policy Change (IPC)	Global	Management Sciences International, IDMC, DAI, Abt Associates	1990-95	Core/ mission buy-ins	IPC provides technical assistance and training in: stakeholder analysis; environmental mapping; institutional assessment; strategic planning for policy change; applications of strategic management technology; and implementation issues in project design and evaluation.
Project for Development and the Environment (PRIDE)	Global	Chemonics International with RCG/Hagler, Bailly, SAIC, CSG, Environomics, Industrial Economics and Resource Management International	1991-95	Core/ mission buy-ins	Project provides assistance to USAID missions in the design and implementation of programs that foster the agency's environmental and natural resources strategy for sustainable economic growth in Asia, the Near East and Eastern Europe. PRIDE provides USAID and participating countries with environmental technical assistance, training, and information services.

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B.2 PROPOSED REPRODUCTIVE HEALTH STRATEGY

Reproductive Health SO: Description. Indicators show areas throughout the RSM/EA region with high fertility rates combined with high maternal and child mortality due, primarily, to early and late childbearing, short intervals between pregnancies, poor nutrition, anemia, unavailability of contraceptives, reliance on abortion to control fertility, and, among children under age 5, malaria, acute respiratory infections (ARI), helminthic infections (worm loads), anemia, and diarrhea. Both mortality and morbidity from maternal anemia are exacerbated by helminthic infections and malnutrition. Ethnic and highland minority populations are particularly underserved and consistently report the highest such rates throughout the region.

Providing a complete range of family planning and contraceptive products and services would fulfill the most frequently expressed unmet need among these populations and would also initiate significant reduction in each of these significant health problem indicators. Increasing access and availability of contraceptive methods that allow women to space their pregnancies contributes to their own and their babies' nutritional and health status, thus further reducing subsequent morbidity and mortality. USAID's traditional strength in family planning and social marketing of contraceptive options, coupled with critical levels of unmet need and demand for such products and services, clearly warrant the support of this potential strategic objective.

The RSM/EA's potential family planning strategic objective and subsidiary program outcomes and indicators is as follows:

> **Increase access to contraceptive technologies and improve delivery of family planning services, contributing to reduced infant and maternal mortality.**

- PROGRAM OUTCOME 1. Unplanned pregnancies reduced through improved access to contraceptives and increased skills in delivery of family planning services.

- PROGRAM OUTCOME 2. Infant and maternal deaths from pregnancy and delivery complications and/or malnutrition reduced through strengthening and training of women and community groups for increased safe motherhood practices.

- PROGRAM OUTCOME 3. Reproductive health policy coordination and implementation improved through technical assistance to operationalize policies.

Reproductive Health SO: Problem Statement. The RSM/EA region includes population programs, such as Thailand's, which are frequently pointed to as successful examples of what other countries should emulate. It also includes countries (Burma, Cambodia, Laos and Mongolia) which until recently pursued aggressive pro-natalist policies. Due to excessive rates of infant and maternal mortality, these countries have now adopted policies supportive of birth spacing and family planning services as a means of reducing this mortality. Unmet demand for family planning is high. Fertility and population growth rates vary widely throughout the region, and only China and Vietnam promote fertility reduction, per se, as policy.

The twinned strategic responses proposed here - regionally expanded delivery and social marketing of family planning methods and technologies, and basic improvement of maternal and infant health - must be carefully targeted in order to be cost-effective, yet still initiate the expanded engagement of community-based women's groups and leaders in grassroots-managed care in those countries and among population groups with the greatest need.

China and Thailand have the lowest infant mortality rates at 31 and 35 respectively and Laos and Cambodia have the highest at 107 and 112. Neonatal mortality accounts for a large portion of the infant mortality rates in many countries: 30 percent in Cambodia, 33 percent in Laos, and 40 percent in Vietnam. Mongolia has reduced its rate significantly by reducing neonatal mortality. Poor maternal health is often the root cause of neonatal mortality, leading to prematurity, higher risks for hemorrhage and low birth weight.

The leading causes of child mortality in the region continue to be acute respiratory infections (ARI) and diarrhea, followed by malaria and dengue. ARI is a particularly significant problem, especially in Mongolia, Cambodia, Laos and Vietnam, as well as in highland border areas. In Mongolia ARI is a major problem and accounts for half of all infant deaths. In Vietnam it accounts for one-third. Educational efforts, whether among health care workers, affected communities, or traditional healers, on how to avoid ARI and case management for affected children are considered grossly inadequate.

The causes of maternal mortality are largely preventable. Vietnam estimates that of its cases, 35 percent "definitely" could be prevented and another 53 percent "probably" could be prevented. Worldwide, it is estimated that about one-third of maternal mortality is attributable to unsafe or unsanitary abortions. This is especially true throughout much of this region. Increasing the availability of quality contraceptive supplies and services will clearly reduce maternal morbidity and mortality.

The role abortion plays for women's fertility and reproductive health is inadequately understood. In several countries, notably Vietnam, abortion and menstrual regulation are widely practiced as methods of birth control. The legal status of abortion varies. Abortion is reported to be available upon demand in China, Mongolia, and Vietnam. It is available on a restricted basis in Burma, Cambodia, and Laos, and is available in Thailand if the health of the mother is at risk. Abortions are under-reported throughout the region. Abortion appears to be particularly concentrated among married women during their peak childbearing years. The prevalence of repeat abortions reported, and survey responses of those reporting having had abortions, suggest that some women are using abortion as a primary means of fertility control.

Two other major causes of maternal mortality are anemia and poor nutrition. Simple complications or hemorrhages become life-threatening if the mother is weak or has inadequate blood to get through a difficult pregnancy. Laos estimates that 40 percent of maternal deaths are due to postpartum hemorrhage. Anemia is a severe problem among women of reproductive age throughout the region. Burma reports that 60 percent of women of child-bearing age suffer from iron deficiency anemia. In Mongolia, 50 percent are anemic. Among pregnant women it is typically higher. Vietnam reports that 67 percent of pregnant women are anemic. Laos reports anemia as a "serious" problem.

For areas of special concern, including border areas with high concentrations of ethnic and highland minorities, poor health indicators and widespread poverty, programs such as social marketing require a phased-in approach. Initial support of a community-based distribution program will be required to deliver services and information, such as proper usage, potential side effects, and how to obtain refills/supplies, to populations beyond the reach of fixed clinics and health centers, and where poverty concerns outweigh the presumed benefits of social marketing.

Commodity logistics problems are one of the weakest links in national family planning efforts in this region. Information systems, inventory practices, and warehousing guidelines are areas of expertise more commonly found in the commercial sector than in public ministries of health. These problems require technical assistance for effective management and commodity handling logistics, including establishment of storage, distribution, and management mechanisms between different levels within the logistics systems.

Reproductive Health SO: Programmatic Approaches and Rationale for PO 1. The RSM/EA will support services and systems that increase individuals' access to and the quality of family planning and other reproductive health interventions through a regional social marketing initiative which builds on the existing program activities and institutional capacities growing in the region. Social marketing is also a strategy that, because of inherent pricing and cost recovery schemes, can be graduated at a lower cost and is more likely to be sustained in the future. Commodity procurement or subsidization of product price will, in isolated instances, be considered as activities. Ethnic and highland minorities, as well as those population groups with particularly poor health indicators, residing along borders and in trading zones will be considered as special target groups.

The family planning activities would be directed at those most risk-associated populations in countries where USAID can support development assistance. To date, these include Cambodia and Mongolia. Other countries in which these activities would be appropriate include Laos, Vietnam, Burma, and southern China. Technical assistance to improve access to contraceptives could be provided through the Regional Technical Support Project institutional contract along with possible buy-in to such projects as the centrally-funded, Office of Population project, Family Planning Logistics Management.

Reproductive Health SO: Programmatic Approaches and Rationale for PO 2. The RSM/EA will support regional training and follow-up to support health workers to improve maternal care and infant case management skills and build referral networks with primary health care and critical care services. Grassroots referral networks and systems will be established or fortified through training. Training activities will encourage south-to-south collaboration through innovative use of Internet-based regional communication networks. Donors and other institutions could be connected electronically for region-wide postings of relevant data and information at critical community points.

Approaches to capacity building of women's and community-based organizations will focus both on the status of women and on empowerment of women. This begins with women identifying and prioritizing their own needs. Programs designed to address those needs will adopt inclusive

participatory processes. These activities could be carried out through the East Asia Regional Training Project institutional contract and/or buy-in to the Office of Health and Nutrition centrally-funded BASICS project, to the SEATS II, and/or to the MotherCare II Project.

Reproductive Health SO: Programmatic Approaches and Rationale for PO 3. The RSM/EA will work collaboratively to facilitate adoption of policy and regulatory mechanisms supportive of family planning programs. This would include technical assistance to rationalize importation regulations and national policies concerning taxation of commodities; assistance with licensure regulations and procedures for pharmaceutical products; and assistance with regulatory practices related to quality of health care delivery and consumer protection. Policy development, adoption, and implementation would be carried out through the East Asia Regional Technical Support Project institutional contract and/or buy-in to the Options II Project.

Reproductive Health SO: USAID'S Comparative Advantage. Over the past 15 years USAID and other donors have developed a number of program approaches to improve access to family planning and improve delivery of basic maternal and child health care. The USAID/Cambodia Mission's 5-year, US$20 million, Family Health and Birth Spacing program will bring some of the best of these lessons to bear on the severe problems in Cambodia. Outputs from this project will also serve as exemplars for programs throughout the region, more particularly for those countries with similar or related problems, such as Burma, Laos, Mongolia, and Vietnam.

Reproductive Health SO: Complementarity with Other Donors. In the field of family planning and related reproductive health programs, UNFPA, often through other UN "Executing Agencies" such as UNICEF, WHO and UNDP, is the largest donor in the region. The World Bank provides loans to support programs in family planning, MCH, and related areas. Other active multilateral donors include the ADB, the European Commission, and the International Labor Organization. American foundations play critical donor roles in fields related to family planning. Of particular importance have been The Ford Foundation, Rockefeller Foundation, Buffet Foundation, International Planned Parenthood Federation, and The Population Council.

The social marketing and expanded family planning service delivery proposed in this strategic objective represent areas in which USAID's traditional strengths are best and areas which are not being adequately addressed by other donors.

Reproductive Health SO: Political Will of Host Countries. Countries such as Cambodia, Mongolia, Burma and Laos pursued aggressive pro-natalist policies until recently, when excessively high rates of infant and maternal mortality induced these countries to adopt policies supportive of birth spacing. Political support for programs on birth-spacing and to improve maternal and child health through family planning services is now widespread. Policies to support programs which address the high levels of unmet demand for greater availability of family planning services are now in place in each of the target countries.

Reproductive Health SO: Availability of Partners and Suitable Delivery Mechanisms. American PVOs and NGOs are the world leaders in family planning activities. They will be utilized to deliver the products and services described above.

Reproductive Health SO: Critical Assumptions. This potential strategic objective as well as the program outcomes and programmatic approaches associated with it are based upon the following critical assumptions:

- The RSM/EA budget is increased from its current level to support these regional PHN sector activities.
- Pipeline resources from the Regional Training Project can be used to support training activities that are proposed.
- Special programmatic restrictions are lifted for several countries in the region during the plan period to allow government-to-government activities as well as with NGOs.
- Other donor activities will continue to support and complement USAID's activities in this sector.

B.3 PROPOSED DEMOCRACY STRATEGY

Democracy SO: Description. The RSM/EA's Democracy SO seeks to build upon the Mission's HIV/AIDS SO and to establish horizontal linkages to its proposed environmental and reproductive health SOs. The strategy proposes to develop social sector policy analytical and advocacy capacity among a limited number of socially-oriented NGOs in the region. Initially, the strategy will focus on health and women's policy issues. (Governments of the region currently tend to be relatively receptive to new ideas on both of these issues.) Over time, as experience is gained and additional budgetary resources become available, the range of social policy issues addressed will broaden. Thus, the initiative is designed to take into account the limited state of democratic development in the region and the modest USAID budgetary resources that are likely to be made available. The strategy will be a demonstration initiative that seeks to apply the lessons learned towards building policy analysis and advocacy capacity to NGOs operating in other areas of USAID programmatic interest such as the environment and economic growth.

This strategy is the product of a desk-top information gathering exercise on democratic development problems in seven countries in East Asia. One of the messages heard repeatedly during the course of this exercise was the need to approach the issue of democratic development through indirect means throughout much of the RSM/EA region. This strategy will follow that advice. It is recognized that the development of policy analysis and advocacy capacity among NGOs is far from sufficient to bring democracy to the region. But it is an important step towards the development of sustainable systems of democracy and effective governance. Furthermore, such an initiative is feasible now, at a time when countries like Vietnam, Laos, China and Burma still reject the possibility of substantial political change.

This strategy lends itself well to a regional approach. While the advocacy role of the NGOs will necessarily be national in character, the social problems at issue are likely to be common throughout the region and many opportunities for economies of scale in developing capacity and

cross-fertilization in day-to-day operations are likely to exist.[52] Accordingly, the RSM/EA proposes the following democracy strategic objective and supporting program outcomes:

Capacity of public interest NGOs and community-based organizations (CBOs) to work with and influence governments on selected social sector policy issues strengthened in the RSM/EA countries.

- **PROGRAM OUTCOME 1**: Substantive and sustainable social sector policy analytical capacity developed and exercised by one or more NGOs/CBOs located in each of the RSM/EA countries.

- **PROGRAM OUTCOME 2**: Capacity to ascertain and persuasively voice citizen concerns in selected social sector areas developed and exercised by these same NGOs/CBOs.

Democracy SO: Statement of the Problem. The broad problem being addressed by this strategic objective can be stated in quite simple terms: democracy does not tend to be well developed in the RSM/EA region and there are limited opportunities available for those wishing to promote democracy. Many of the traditional avenues of donor support in this sector do not exist. For example: constitutional mechanisms are not well established; democratically elected legislatures are confined to Cambodia, Mongolia and Thailand; relatively little interest exists in decentralizing power to localities; credible and sustainable electoral systems are lacking; and freedom of the press is restricted. Further, some obstacles to democratic development are better addressed through bilateral rather than regional development assistance (examples include constitutional system reform, and electoral system reform).[53] One of the few programming opportunities that exists lies in promoting the capacity of intermediary organizations, such as NGOs, professional associations and trade unions. However, the number and capacity of such organizations is limited in the region. The following is a brief review of the status of NGOs in the RSM/EA countries.

- **Burma**. While a few indigenous NGOs exist, they are not permitted to function within the political sphere. Doing so would invite immediate and severe repression. No support is currently being provided by international or bilateral agencies in areas related to democratic development.

- **Cambodia**. Prior to 1991, there were no independent indigenous NGOs operating in Cambodia. Since then, there has been rapid growth in the number of NGOs concerned with a variety of social and political issues. Recently a Cambodian Human Rights Coordination Committee (CHRCC) has been created to facilitate the work of human rights and civic education NGOs. These organizations deal with broad issues of human rights and women's rights and provide programs of civic

[52] This point is likely to apply equally as well to the environmental and economic growth sectors.

[53] This is not meant to imply that such work can not be not well from a distance. USAID/Mongolia's effective use of Global Bureau democracy projects demonstrates that is this quite feasible. Rather, the point is that some interventions need to be carefully targeted to local context.

education and community outreach. There are several other human rights organizations that operate independently from this umbrella organization. Under current conditions in Cambodia, there is scope for NGOs to promote democratic values and to advocate in defense of human rights, with a far greater scope than has previously existed in Cambodia.

- **China**. Civil society has begun to flourish in China, although not within the terms usually associated with that concept. NGOs exist but are tied to government agencies, both for purposes of control and for providing resources from the private sector for their government "parent" organizations. (They are referred to as "shetuan.") There are 1,500 such organizations at the national level and over 200,000 at the county level and above. These NGOs can influence government through the symbiotic relationships they maintain. Although the law dictates that they cannot work against the interests of the state, they are a reasonable target for an effort at enhancing democratic development.

- **Laos**. Virtually no indigenous NGOs exist in Laos. Associational life is dominated by the party and its mass organizations. The avenue of opportunity that does exist rests with working with the party-controlled mass organizations. A likely candidate appears to be, based on work already undertaken by The Asia Foundation, the Lao Women's Union. Work in areas related to health may serve as a vehicle to provide resources to the Lao Women's Union that could be employed to strengthen its independence, in part through enhancement of its ability to deliver services and in part through enhancement of its skills to promote women's interests.

- **Mongolia**. A variety of NGOs now exist. NGOs focus on issues such as the environment, women, consumer protection and two areas of concern in developing a civic society. These two latter groups include a constitutional watchdog group and the Central Asian Development Foundation. The latter organization is undertaking a comprehensive program to educate secondary school teachers in the fundamentals of democracy. In addition, women's NGOs have appeared to address the problem of the declining presence of women in government which has occurred since the fall of Communism.

- **Thailand**. Over the past few years, numerous NGOs have developed that have entered the political arena in such areas as protection of the environment, public health policy related to the HIV epidemic, defense of the interest of the urban poor and protection of basic democratic rights. All have been able to overcome legal constraints to their existence. Many face a set of structural and financial problems: too few organizational skills, too great a dependence on foreign financing sources as well as too few skills in networking and coalition building. But, certainly, the political arena is open to NGO participation as well as to the participation of business and professional groups. The weakest element of a civil society in Thailand would appear to be the labor movement, constrained by an unsupportive government and predatory business practices.

- **Vietnam**. Indigenous NGOs are beginning to function in Vietnam. Some of these are self-help groups, study groups, temple associations, local solidarity groups, and issue-oriented groups in areas such as drugs. In addition, just as in Laos, there are a number of large and influential party-controlled mass organizations, such as youth groups and a women's union. Currently, a law regulating NGOs is being drafted which may require registration but which will serve as well to define areas of freedom of action. There are no NGOs in areas such as human rights.

The RSM/EA's Proposed Solution. Research and social action NGOs can serve as vehicles for promoting political thought. Such NGOs can also serve to provide fora for articulating interests directly related to their specific areas of competence. One of the principal virtues of the RSM/EA's HIV/AIDS SO is that it seeks to increase the number and or capacity of NGOs operating in the region. Nonetheless, in order for the efforts of these organizations to make a lasting difference, the views held and lessons learned by these NGOs must be conveyed to government health policy makers in a persuasive fashion.

NGOs must be able to develop the capacity to change the policy environment in which they operate. This requires abilities far more sophisticated than working on development issues alone and hence would be impractical if every NGO in the region possessed broad policy analysis capabilities. Instead the development of a limited number of NGOs with such capacity is envisioned.

The decision to build upon the capacity of existing HIV/AIDS NGOs is particularly fortuitous because there are significant links between HIV/AIDS and human rights issues. Individuals with HIV/AIDS face discrimination in the working place, in educational institutions, in seeking shelter and in many other situations. In addition, HIV/AIDS is closely associated with the trafficking of women and children, a human rights issue that has been discussed at length earlier in this document. Thus, many HIV/AIDS NGOs are likely to already possess a public policy orientation, albeit, a specialized one.

Efforts to address Program Outcome 1 will initially focus on identifying one or more particularly strong NGOs participating in activities under the HIV/AIDS SO[54] to build up their capacity in social sector policy analysis.[55] This will involve developing the NGO's capacity to:

- engage in research on the public health needs including prevention and treatment;
- engage in research on women's role in the work place;
- monitor government activities in the health care field;
- suggest ways to improve public health;
- suggest ways to improve the place of women in the work place; and
- project future health care needs.

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[54] Other candidates might include indigenous NGOs working with well-established democracy-oriented international NGOs such as The Asia Foundation or the Ford Foundation.

[55] Indigenous NGOs are the preferred candidates for this initiative. However, it is recognized that there may not be suitable NGO candidates in some RSM/EA countries at the present time. Under such circumstances the RSM/EA will work with an international NGO with strong local roots.

Clearly, no organization can hope to be able to keep a stable of experts employed full-time in all of these areas. Thus, the goal will be to develop a cadre of generalists with links to specialists in the region and the United States. (The Internet arrangements proposed under SO 1 promise to be an important contribution in this regard.) While it might make sense to have different NGOs take the lead in developing different competencies over-specialization could reduce the NGO's influence as a policy organization.

In addition, the RSM/EA proposes to help form a regional consortium of health policy NGOs to share and disseminate information and research findings. Such a forum, with its international connections, would have the additional advantage of adding to the stature of the organizations and provide them with a measure of political protection.

Efforts to address Program Outcome 2 will focus on ascertaining public opinion on health care issues, packaging these views with relevant analysis and conveying the results to policy makers in the health care field in a persuasive fashion. Public opinion will be defined broadly to include not only the general public but also the opinions of other public interest intermediary organizations and their constituencies (e.g. labor unions). Such links will broaden the influence of the NGOs and help to make them self-sustaining organizations (eg, through commissioned research).

It is anticipated that activities under this proposed SO could be successfully funded at a level of approximately $500,000 per year or $2.5 million over the life of the plan.

USAID's Comparative Advantage. USAID has extensive experience and success working with indigenous organizations through NGO channeled assistance. This experience intersects and crosses all sectors, including humanitarian assistance, health, economic growth and the environment. In the democracy sector, this is exemplified in the Asia/Near East Bureau's Asia Democracy Program small grants competition.

Specifically in the RSM/EA purview, PVOs such as The Asia Foundation (TAF), Asian-American Free Labor Institute (AAFLI) and Private Agencies Collaborating Together (PACT) have successfully utilized USAID assistance to strengthen civil societies through the development and support of numerous indigenous organizations. Many of these organizations can become effective and influential partners in a regional democracy program. The East Asia Regional Training Project is an ideal mechanism for training and has already been effectively used to support Mongolia's democracy program.

ANNEX C:

ACTIVITIES OF OTHER DONORS

C.1 HEALTH SECTOR

With the graduation of the Thailand bilateral program, the only remaining USAID bilateral offices in the region under the purview of the RSM/EA are Cambodia and Mongolia. At present, the only USAID bilateral health sector activity under development is the 5-year, $20 million, Family Health and Birth Spacing project for Cambodia. USAID/Cambodia also supports substantial PHN activities through a PVO co-financing mechanism (which is budgeted for $50 million over 8 years), although future activities may be folded into the Family Health Project.

USAID is also funding NGOs in Cambodia, Laos, and Vietnam to provide prosthetics and rehabilitation with funds specially mandated for victims of war. Also through specially mandated funds, USAID is funding the International Rescue Committee and the American Refugee Committee for assistance to displaced Burmese citizens in camps along the Thai-Burmese border. This special $1 million funding allocation includes support for modest PHN activities. A centrally-funded USAID project (AIDSCAP) has recently developed an implementation plan for limited activity in Laos with RSM/EA and ANE regional funding, and will conclude its bilateral program in Thailand with the Bangkok Metropolitan Authority in either FY 1995 or 1996.

Under ANE Bureau funding, a strategic HIV/AIDS programming focus on "Areas of Affinity" has been initiated. This term refers specifically to trans-national, border and subregional areas which share demographic and epidemiological characteristics with regard to the spread of HIV/AIDS. Since the East Asia region itself comprises an epicenter of the HIV/AIDS pandemic, the "areas of affinity" approach supports a focus on cooperation among national programs and other donors.

There are no other USAID-funded PHN activities in Burma, China, Laos, Mongolia, or Vietnam.

Major PHN multilateral donors in the region are UNFPA, UNICEF, UNDP, WHO, and the World Bank. The UNFPA is active in all seven countries with relatively large ongoing and planned projects, as are UNICEF and the World Bank (with the exception of Burma).

UNFPA often provides funds through other UN "Executing Agencies," especially UNICEF, WHO and UNDP. UNFPA activities are both extensive and broad. They include birth spacing, maternal and child health, demographic research and analysis, and HIV/AIDS prevention. It also focuses on birth spacing and MCH, but is especially active in immunization. UNICEF also supports most of the other child survival interventions (nutrition, growth monitoring and promotion, micronutrients, control of diarrheal diseases, acute respiratory infections, vaccine

procurement, and related subjects). The World Bank provides loans to support a variety of PHN programs in family planning, MCH and related areas. Other multilateral organizations active in the region include the Asian Development Bank, the European Economic Commission, and the International Labor Organization.

WHO and the World Bank have recently announced a joint HIV/AIDS Regional Center to be based in Bangkok. This project will promote regional policy analysis, policy dialogue, and support for implementation of priority strategies and responses, particularly regional and multi-sectoral initiatives.

Bilateral donors with the largest programs include Australia, Sweden, and Japan. Other bilateral donors include Germany, the Netherlands, Norway, Italy, France, and Ireland. In addition, there are a number of private American foundations, such as Mellon, Buffet, and MacArthur, that provide funding for small projects in several countries.

Thailand has begun to provide financial and technical assistance to countries in the region, principally in the Indochina basin and with contiguous neighbors. A formal agreement between the governments of Cambodia, Laos, Thailand, and Vietnam was signed in mid-1994 by the respective Ministers of Health to undertake collective action on HIV/AIDS, malaria, iodine deficiency disorders, substance abuse, poliomyelitis and other epidemic diseases.

In recent years, Japan, through the Japan International Cooperation Agency (JICA), has become the largest single donor in the region. Although much aid was formerly tied, or turn-key in nature, untied grants and subsidized loans are rapidly increasing. JICA ODA data available shows Japan as the largest donor to Burma, China, Laos, Thailand, and Vietnam.

The Government of Japan has announced a Global Issues Initiative (GII) on Population and AIDS, which will be part of the US-Japan Common Agenda for Cooperation in Global Perspective. The GII's $3 billion funding represents the Japanese government's new bilateral assistance for population and AIDS over the next seven years. (The US-Japan Common Agenda includes Thailand as a priority country for HIV/AIDS assistance.) The two governments have also identified Cambodia, Laos, and Vietnam as possible candidates for future joint efforts in large scale child health programs. Project formulation and design is to take place during 1995. The US and Japan are already engaged in some limited cooperation - using Japan's Grassroots Grants Assistance program to provide small scale construction and durable goods to NGOs currently receiving USAID support.

The Australian International Development Assistance Bureau (AIDAB) actively supports programs throughout the RSM/EA region, with the exception of Mongolia. Australia provides support to Burma through several UN agencies and through three Australian NGOs, which are monitored from their Bangkok office. This move to provide support indirectly through Australian NGOs is a policy shift reflected in programming throughout the region, although several large bilateral projects, including $50 million per year to Laos, retain the Australian ranking as one of the largest bilateral donors in the region. Although Australian ODA has traditionally focused on the immediate neighboring countries of Papua New Guinea, Indonesia, and the Philippines, support to Vietnam has now increased to commensurate levels. While

bilateral support programs, including to Thailand, remain at significant levels, Australian ODA policy now emphasizes moving to a regional programming focus, with smaller bilateral programs focusing on delivery through NGO mechanisms. Hepatitis B immunization programs throughout the region also receive AIDAB support.

The Swedish International Development Agency (SIDA), along with other Scandinavian partners, were the largest humanitarian and development assistance providers to Vietnam and Laos in the years immediately after the end of the Vietnam war. The current SIDA program to Vietnam in the PHN sector is valued at $7.5 million over 5 years, and focuses on policy development, improving structures for health service delivery, and support to selected central hospitals. Population projects in the region are supported through multilateral agencies, particularly through financial contributions to UNFPA.

Although numerous international NGOs operate in the region, most conduct projects covering limited sector and geographic areas within countries' boundaries. In the most notable example, Cambodia, more than 60 international NGOs are filling crucial roles in efforts to rebuild the health infrastructure of the nation. International physicians, nurses, and health technicians staff and supply virtually all hospitals, as well as district health stations, directly performing basic and advanced medical procedures, along with providing on-the-job training for indigenous medical and health workers. NGOs operating in other countries of the region have focused on underserved populations through extension of basic services in primary health care, MCH, and reproductive health and family planning.

Except for Thailand, relatively few indigenous NGOs exist in the region: Burma has only a few parastatals; Cambodia, with a growing number, has about twenty; Vietnam and Laos have none. Indigenous NGOs tend to be nascent, small, and with limited resources or experience. There will be a continuing need over the next decade to support development of local NGOs to provide services that the government and private sector are unable or unwilling to offer.

The following is a brief description of donor activity within the health sector by country.

- **BURMA.** UNFPA is the major multilateral PHN donor to Burma. UNICEF, UNDP, and WHO also provide support. Most PHN donor support has focused on MCH, immunization, and population activities. Japan, through JICA, is the largest bilateral donor to Burma. Data from 1992 shows Japan giving over $72 million, providing over 87 percent of the foreign assistance received. Smaller programs are supported by the International Labor Organization, FPIA, ICRC, CARE, Medicins Sans Frontieres, Save the Children, and World Vision.

  USAID, through specially mandated funds, is providing $1 million for support to displaced Burmese citizens in camps along the Thai border through funding to IRC and ARC. These activities include modest PHN components.

- **CAMBODIA.** Multilateral, bilateral and private organizations provide the bulk of funds required by the PHN sector in Cambodia. The national health budget allocation in 1994 amounted to $20 million, up from $3 million the previous year.

External assistance is estimated to be three times this amount ($61 million) and the trend is toward increasing external support. UNICEF is the largest donor of multilateral assistance for PHN with a budget of US$14 million for 1994-95. The World Health Organization (WHO) supports MCH programs, anti-malarial, anti-tuberculosis, typhoid and cholera control, anti-dengue, and HIV/AIDS control programs. UNFPA, UNDP, World Food Program, UNHCR, ADB, and the World Bank also support grant and loan programs in Cambodia. Australia, through AIDAB, is providing US$50-100 million to Cambodia over four years, covering all sectors. AIDAB also funds UNICEF's water supply and sanitation programs.

USAID funds a number of international NGOs, and international organizations, including UN bodies to provide health services and support to Cambodia. In addition to current development of the Family Health and Birth Spacing bilateral project, the USAID/Cambodia mission supports substantial PHN activities through a PVO Co-Financing mechanism. Areas of activity include: community development, health education and sanitation, primary health care, birth spacing, vocational training, literacy, and prosthetics. To date, there have been 13 grants to US PVOs, one grant to an international organizations, and one umbrella grant to a US PVO which is currently providing sub-grants to 8 US and international PVOs and 18 indigenous Cambodian NGOs.

- CHINA. The UNFPA, WHO, and UNICEF have been major multilateral donors to China in the PHN sector. The World Bank has an 8-year, US$ 271 million, "Infectious and Endemic Disease Control Project" (1992-1999) which will finance STD and HIV surveillance sub-components, equipment and reagents, training, technical assistance and operations research.

  American foundations have played critical roles, particularly in the fields related to family planning. Such support has included support to research institutes, clinical research, research fellowships in both medical and technical fields, financial and technical assistance to expand and upgrade contraceptive manufacturing (including condoms, hormonals, and copper IUDs), as well as support for training in reproductive counseling, grassroots information, education and communications activities, and improvement of rural health and family planning service delivery. Of particular importance have been The Ford Foundation, The Rockefeller Foundation, The International Planned Parenthood Federation, and The Population Council.

- LAOS. UNFPA is the major multilateral PHN donor to Laos, including a primary focus on birth-spacing programs as an integral part of MCH activities. UNICEF is also a major PHN donor. The current UNICEF program (1992-1996) concentrates on reducing infant mortality rate, maternal mortality rate, and malnutrition through activities in immunization, antenatal care, diarrheal disease control, malaria, micronutrient deficiencies, ARI, identification of high-risk pregnancies, exclusive breastfeeding, establishment of a department of nutrition, salt iodination promotion, water and sanitation, and extensive coordination and basic education.

The World Bank is preparing a seven-year project to provide approximately $10 million for reproductive and child health programs. These activities are a component of a larger project for malaria control in eight provinces.

The Asian Development Bank (ADB) is providing US$7 million in loans and US$800,000 in grants for a project to serve 400,000 people, 200,000 of them members of ethnic minorities, to address links between prevalent communicable diseases in Laos and malnutrition. The project will develop and pilot test approaches to primary health care services to be generalized on a wide scale. This is the only major project in the region to address the lack of primary health care. The project is also notable because, unlike most major projects, it will focus on underserved ethnic minorities (who are logistically hard to reach) rather than more accessible lowland populations.

JICA is the largest bilateral donor, although exact data is available only for 1992, in which Japan gave approximately US$25 million, equivalent to one third of all foreign assistance. JOICFP, a Japanese NGO, works in family planning and helminth eradication. The Australian government, through AIDAB, is the next largest bilateral donor providing Laos with Aus$50 million per year, which includes aid in all sectors.

In the area of HIV/AIDS reduction, USAID's AIDSCAP, in December, 1994, introduced a three-year project for five provinces along the Lao-Thai border. The World Bank's proposed Regional HIV/AIDS Center will provide direct and indirect support to Laos in policy analysis, inter-agency and cross-country dialogue, and implementation of information, education and communications, training, and other activities. AIDAB supports two of the three international NGOs currently implementing AIDS prevention activities: CARE Australia and the Australian Red Cross. The third is Norwegian Church AID.

- MONGOLIA. The major multilateral donors are UNFPA, UNICEF and WHO. This support has covered the full range of priority need areas. Nevertheless, the quantity of assistance may be below that needed.

  USAID development assistance in the PHN sector to date has been limited to emergency and humanitarian aid, plus support for an energy project, a small "deaf education" project. AIDSCAP completed a site visit to Mongolia in May, 1994, and has proposed to assist the Ministry of Health to strengthen STD services and provide training in information, education and communication and HIV/AIDS prevention.

- VIETNAM. The UNFPA is the most extensive PHN donor, with US$33 million in the current cycle. The UNFPA's activities are the broadest, covering maternal and child health as well as population and family planning. UNICEF is a significant donor in child and maternal care and in immunizations. UNICEF is contributing US$16 million for assistance in implementing health policies. WHO provides

technical assistance in medical and public health areas, including clinical trials of new contraceptives. The World Bank is developing a US$90 million population and health project expected to cover five provinces.

There is significant and rising donor and NGO activity in the area of STDs and HIV/AIDS prevention in Vietnam. On-going external assistance for HIV/AIDS prevention is provided by AIDAB, Canada, EEC, SIDA, UNDP, UNFPA, UNHCR, UNICEF, UNIDO, US/CDC, and WHO. International NGOs are also active, including: CARE, DKT, MSF, OXFAM, PDI, Radda Barnen, Red Cross (various affiliates), Save the Children, and World Vision.

Several bilateral projects are also underway or planned. AIDAB has a large four-year health project in three southern provinces, valued at US$5 million. SIDA is the largest donor in health, contributing US$7.5 million. Both Australia and Sweden also fund specific projects through U.N. agencies. Several American foundations are also providing aid to Vietnam. The Buffett Foundation, Mellon Foundation, and the MacArthur Foundation are particularly active in PHN issues.

C.2 ENVIRONMENTAL SECTOR

Numerous donors and NGOs are active in the environmental sector within the RSM/EA region. Currently no mechanism is in place for the donor community to compare notes or coordinate activities, though such fora have been recently proposed.

Within Southeast Asia, the ADB has taken a leadership role in the environment for the Greater Mekong Subregion. It has sponsored various conferences on intra-regional cooperation and commissioned a country-by-country review of proposals for projects. The ADB will organize a donors conference in August 1995 to discuss which donors might be interested in providing financing. The UNDP and the Global Environment Fund have various regional programs, totalling close to $40 million. These include programs for sustainable fisheries, disaster mitigation, GIS and remote sensing for natural resource management, and greenhouse gas emissions reduction, among others. The UNDP has been the primary supporter for the Mekong Secretariat and will remain integral to the workings of the new Mekong River Commission. UNEP plays a coordination and information dissemination role in the region. For example, for coastal resources management, UNEP has an office in Bangkok which gathers data from all of the countries in the region.

The following is a brief description of donor activity within the environmental sector by country.

- **BURMA.** Relatively little assistance has been given to Burma by bilateral and multilateral donors directly related to environment issues. By and large, assistance has been geared toward the power sector. ESCAP has funded training in energy issues for Burmese at the Asian Institute of Technology. The ADB and UNDP have given some assistance to Burma's Ministry of Energy. The World Bank and Japan have financed power transmission systems which have implications for the environment.

The UN Center for Human Settlements and UNDP have provided assistance for small-scale community water and sanitation projects, and local level reforestation in one region.

- **CAMBODIA.** The Canadian development agency, CIDA, is currently taking the lead on working with the newly established Ministry of Environment. USAID will provide a significant amount of resources to assist the Ministry of Environment to develop appropriate policies and laws, and to assist nascent environmental NGOs. The UNDP, UNESCO, IUCN, and FAO have helped form a working group on environmental law which has drafted legislation and decrees on protected areas, a natural resource and environmental management law, the use of pesticides, watershed management and protection, and environmental impact assessment. The UNDP is also a player, providing technical assistance on environmental management through the Mekong Secretariat. Advisors from the International Development Research Center have been placed in the Secretariat for the Environment to assist in defining relationships with line agencies. The IDRC has also been assisting with wetlands management for wastewater. The Danish Development Agency is proposing a $3 million project for Tonle Sap. The Mekong Secretariat is also providing assistance in planning for Tonle Sap. A number of donors and NGOs (ADB, UNDP, UNICEF, OXFAM, the EEC) are working on urban water supply and sanitation issues for Phnom Penh, Sihanoukville, and other cities. The World Bank is financing hydropower projects and water distribution systems in Phnom Penh, while a number of donors are supporting rehabilitation of major irrigation schemes.

- **CHINA.** The World Bank is the principal donor agency with $600-$800 million planned per year in lending for hydropower development. The Bank also has projects planned for environmental management, pollution control and land rehabilitation. The Global Environment Fund (with funding from the Bank and other donors) will provide $20 million for the control of ozone depleting substances. The ADB is making loans for natural resources management and JICA for environmental technologies. World Wildlife Fund (WWF), World Resources Institute (WRI), and CIDA are providing training in management of nature reserves, environmental management, and urban environmental management, respectively.

- **LAOS.** The forestry sector receives the lion's share of donor assistance in Laos. The Swedish development agency (SIDA) has provided the most extensive and sustained on-the-ground assistance in this sector. Canada, Australia, Finland and Germany (CIDA, AIDAB, FINNIDA and GTZ) also work in forestry, as does the World Bank/GEF with a $10 million loan-funded protected areas management project Both JICA and the UNDP have become active in urban infrastructure, particularly water supply, and the World Bank and UNDP are providing assistance for hydropower projects, including a UNDP representative housed in the Ministry of Industry (which oversees hydropower projects). The Asia Foundation is helping the Mekong Region Law Center, which will be based in Vientiane. This Center is looking in particular at legal environmental issues. The International Union for the

Conservation of Nature (IUCN) supports activities related to biodiversity and protected areas management.

- **MONGOLIA.** Many donors are working in the power sector, which has implications for the environment. The World Bank, ADB and JICA have funded thermal energy studies and have begun some work on energy efficiency. DANIDA is supporting work in renewable energy sources. ADB is supporting environmental impact assessment work. In the area of biodiversity, UNDP and the Global Environment Fund are financing projects, the International Crane Foundation has been active, and an NGO called Ecologically Sustainable Development has made proposals for conservation of watershed areas.

- **THAILAND.** USAID has been the principal donor in environment in Thailand for many years with projects in urban infrastructure, toxic waste, biodiversity, coastal resource management, air pollution, water supply and sanitation. JICA has also been active in Thailand, providing funding for the Ministry of Science, Technology, and Environment's Environmental Fund, for an environmental laboratory, and for individual projects, particularly related to solid waste. UNDP has provided assistance in coastal management and biodiversity, and FAO in managing river basins. GTZ and The Asia Foundation have provided assistance in environmental management and AIDAB, CIDA, ODA and the Peace Corps have assisted in small environmental projects. DANIDA is planning to provide up to $10 million for environmental projects, primarily industrial, in the future.

- **VIETNAM.** The World Bank is the largest donor, with several initiatives for building dams, expanding power distribution systems, and providing infrastructure for the largest cities. The Bank is also beginning to work on forest conservation and the development of barren lands. The Bank with UNDP financing is also executing the Mekong Delta and Red River Master Plan projects. The UNDP, ADB, UNICEF and other donors are active in the water sector, both urban and rural. ADB is financing port projects and activities in the Red River Delta which have environmental implications. The Mekong Secretariat is providing technical assistance in the hydropower sector. In biodiversity, conservation and forestry, important players include the UN/GEF with various projects, Winrock in upland community forestry, the World Wildlife Fund in management of nature reserves, the International Crane Foundation in the conservation of habitats, the World Food Program, FAO, UNDP and AIDAB in coastal reforestation projects, and the UNDP/FAO which is supporting institutional capacity building in the forest sector.

C.3 ECONOMIC GROWTH SECTOR

The World Bank continues to be the predominant lender in support of market transformation in the region, followed by the ADB. World Bank activities are "bilateral" in nature. The Asian Development Bank supports several regional and subregional programs, the most important of which is the Greater Mekong Subregion cooperation activity involving Cambodia, Laos, Burma,

Thailand, Vietnam and Yunnan Province of the People's Republic of China. The activity addresses what the ADB considers the most important impediments to expanded economic cooperation: basic infrastructure (especially transportation and energy); trade and investment; tourism; environment; and human resource development. Key elements of the ADB-supported program include: a) policy impediments such as trade barriers, pricing and exchange control; b) training (where the concern is a joint one for the region, such as technical and management training); c) control of malaria; and d) HIV/AIDS. ADB has a pragmatic approach and does not require the agreement, or even the participation, of all states to proceed with individual activities.

The following is a brief discussion of other donor activities in the seven RSM/EA countries:

- **BURMA.** As a result of the undemocratic political stance of the SLORC with regard to the acceptance of civilian government and the human rights of its citizens, many OECD countries which used to provide ODA to Burma have withdrawn this aid. The total amount of bilateral and multilateral ODA for Burma fell from a peak of US$483 million in 1988 to US$178 million in 1990 and $190 million in 1991. Bilateral aid has fallen by two-thirds since 1986 while multilateral aid has fallen by a quarter. Australia and Canada maintain programs with levels under $1 million, and the U.S. has withdrawn aid entirely.

  When Burma ceased payment on its foreign debt following the suspension of new aid, a special arrangement was agreed between Burma and Japan. Burma made two debt repayments of 6.5 billion yet between 1989 and 1991. Both these repayments were subsequently returned to Burma as a debt-relief grant under which Burma could use to purchase raw materials and machinery in Japan and elsewhere. France also did the same in 1991. The World Bank has only a "shadow program" of monitoring and observation in Burma, managed by its Thailand desk, and the IMF offers no assistance. ADB continues activities which directly benefit the people, on a reduced level.

- **CAMBODIA.** In Cambodia, infrastructure rehabilitation is the largest donor activity (as determined by its nature as well as by priorities of donors) in terms of resource commitments. This includes rehabilitation of highways, feeder roads and irrigation schemes under the ADB loan program,, USAID road projects,, and Japanese aid. Japan has provided about $190 million during 1992-93 and focused on basic infrastructure rehabilitation (ports, roads, rebuilding the Tonle Sap bridge at Phnom Penh, road repair workshop training); it is providing $20 million to assist with rehabilitation of Phnom Penh's power station (with some U.S. manufactured equipment) and distribution system, among other investment in heavy infrastructure. ILO and UNDP are doing important labor-based rehabilitation programs for secondary and tertiary roads.

  Education and training are also receiving significant donor aid, directed both to rehabilitate and strengthen the system of public education as well as assistance to specialized institutions such as the two agricultural faculties and the Cambodia Development Research Institute. The French government is supporting the relaunch

of higher education, particularly the Cambodia Institute of Technology the Faculty of Law and Economics, and the Faculty of Medicine, and intends to create a School of Commerce. Donors are providing significant funding to NGOs in this field.

Agriculture remains the major economic motor. Australia has provided assistance in this sector, and the ADB has developed an options paper to support both program and project lending in support of policy reform and institutional development. IRRI manages a medium-scale research program drawing on the vast range of rice genotypes available in Cambodia, and many NGOs work in agricultural technology and dissemination and in irrigation rehabilitation and management. Several donors (including the U.S. and Australia) support demining operations, an extraordinarily costly exercise which nevertheless is essential if rural economic activity is to occur in the once-most-contested areas.

- CHINA. There is no aid coordinating group for the PRC. Coordination on the Chinese side is the role of the State Planning Commission and the State Economic and Trade Commission. The UNDP office establishes informal donor coordination. In its programs, UNDP concentrates on rural economic development, infrastructure, industrial productivity, social development, environmental protection, and public administration reform and management.

  The World Bank accounts for the largest share of development assistance and is involved in a range of sectors, including agriculture, transport, energy, industry, education, water supply and health. In FY 1993 it approved $3.2 billion in loans, at World Bank market rates for infrastructure and energy products, and IDA credits ($1.0 billion) for agriculture, environment and education.

  Most bilateral assistance is focussed on technological and management improvement, strengthening institutional capacity and improving efficiency. An exception is Japan -- the largest bilateral donor -- which is financing key physical infrastructure, energy, water resources and environment. Major bilateral donors are Australia, Canada, France, Germany, Italy and Britain.

- LAOS. In Laos, the IMF, World Bank and ADB has provided significant policy based lending to support the defined earlier, I presume. The IMF has committed about $28 million between 1988 and 1992 under a Structural Adjustment Facility, maintains a resident advisor at the BoL, and has provided training in fiscal and trade (including customers) management and implementation. IDA provides adjustment assistance and both the IMF and World Bank have served as implementing agencies for UNDP macroeconomic management assistance.

  Sweden, the most important Western bilateral donor under the old regime, has concentrated under NEM on economic reform, including health care and training. It assisted in the development of the legal infrastructure through its "Strengthening the rule of law project," which among its activities sponsors the publication of an *Official Gazette* to disseminate national laws and regulations. Other Swedish

activities include forestry, irrigation and vehicle maintenance (a facility which has been privatized under NEM).

While small in scale, assistance from Singapore, Malaysia and Thailand has contributed to Lao reform. Each maintains an Indochina Fund in addition to bilateral programs. Under the UN Technical Cooperation among Developing Countries (TCDC), Lao technicians have been trained within the Region in civil aviation, agriculture and rural development, central banking and economic management. Thailand has also provided modest grant funding for capital improvements which affect its own economy, for instance in tourism facilities which expand tour circuits available to visitors to Thailand.

- **MONGOLIA.** A Mongolia Assistance Group (MAG) has met annually since 1990 to coordinate assistance. Mongolia became a member of the IBRD, IMF and ADB in 1991, and an IMF-World Bank medium-term adjustment plan has been in place since September 1991 and is effective. The 1993 MAG raised $150-170 million in pledges, while in 1994 MAG this rose to around $210 million, mostly due to big increases by ADB and Japan in their pledges. Of the 1994 total, the U.S. assistance (including non-USAID) pledge was $12.2 million.

  Initial donor activities addressed maintaining infrastructure in danger of imminent collapse and fast-disbursing balance of payments needs to withstand the immediate economic dislocations of external shocks and transition. Aid is now shifting toward longer-term development assistance, including poverty alleviation and infrastructure needs (with emphasis on energy sector priorities). The ADB provided a $30 million special assistance loan in late 1991, which was followed by IBRD and IMF financing. The IMF has approved a $35 million standby in 1992 and 1 $50 million ESAF in 1993.

  The most important bilateral donors are Japan, the United States and Germany. Japan is the largest bilateral donor, and is active in rehabilitating power plants, supporting the railway sector, financing critical imports, providing humanitarian relief and commodity aid, and supporting human resource development; the Japanese government is host for the MAG. USAID has a representative in Mongolia, and an Assistance Strategy for Mongolia FY 1994-98 was approved in November 1993. This strategy encourages and strengthens the process of democratization by 1) strengthening the capacity of Parliament, the independent judiciary, and political parties and 2) promoting decentralization of government function and pubic participation in civic affairs. It stresses economic growth through 1) private sector development through reform and the policy environment, and 2) avoiding collapse of the energy sector so that reform can proceed.

  THAILAND. Ten years ago the major concern for many in Thailand was strengthening the private sector. Today the concern is strengthening the public sector in its handling of infrastructure provision, in educational upgrading, in environmental rehabilitation and prevention of further degradation, in industrial

promotion in rural areas, and in solving remaining poverty problems and increasing inequality problems. In these areas, Thailand leads the region and will be a valuable resource as other countries undergo a similar transformation. The Thai development experience, as well as institutional capabilities in Thailand. are valuable resources for donors looking at other countries undergoing "revolutionary" changes which have already been tried in the region..

The experience and thinking of two important lenders, the World Bank (IBRD) and the Asian Development Bank (ADB), reflect donor priorities toward Thailand. Both recognize that Thailand no longer needs the subsidy implicit in their credit rating. Both also recognize, however, that the Thai government understands that international funding is fungible, and the subsidy element permits donor's significant involvement in sectoral issues where without their presence, problems might not receive local public resources. There are three areas in which the IBRD and the ADB have determined more or less the same order of priorities: infrastructure development, environment and natural resource management. and human resource development.

- VIETNAM. In Vietnam, before 1992, non-CMEA donor assistance came from the UN agencies, Sweden, Finland, NGOs, and (indirectly) Australia. Japan resumed aid in 1991. Besides Japan, several countries including France, Britain, Germany, the Netherlands, Australia, Switzerland and Italy resumed aid during 1992. In anticipation of the lifting of the U.S. embargo (which occurred partially in 1993 and was completed in 1994) the IMF, the World Bank and ADB took steps beginning in 1991 to ensure that aid finance would start to flow quickly. In 1993 Vietnam cleared its arrears to the IMF ($140 million) and the ADB ($13.5 million) with a package put together by 15 donor nations and 17 banks, and the Fund resumed support with a $223 million stand-by arrangement. Following this, a donor conference raised $1.86 billion in pledges for 1994-95, and agreement was reached with Paris Club creditors in December 1993 on a framework for debt rescheduling. The GOVN is negotiating bilateral agreements to implement donor programs, as well as discussing rescheduling debt with private creditors.

In addition, Thailand has become a provider of development assistance donor to other less developed countries in the region. The Department of Technical and Economic Cooperation (DTEC), in the Prime Minister's Office, administers and manages a program to provide training and other development support to officials from poorer countries in the region. Beginning in the early 1970s, this program was originally very small with an annual budget of few million baht. In 1991 the assistance strategy was modified to increase the Thai government's share of economic and technical cooperation to neighboring countries now that Thailand was financially able to do so. DTEC's budget was increased greatly, reaching more than 100 million Baht (approx. $4 million) in 1992 and 230 million Baht ($9.2 million) in 1994. Several universities and higher education institutions conduct training and study course for officials and students from surrounding countries including Vietnam, Laos, Cambodia and Myanmar. Thailand's development experience has much to offer surrounding countries and USAID can develop collaborative programs to draw on this experience.

C.4 DEMOCRACY SECTOR

The democracy sector is an area where relatively few donors are involved. Leading players include USAID (in Cambodia and Mongolia), CIDA, UNDP, The Asia Foundation and the Ford Foundation. Except for Cambodia, programs tend to fairly small. The following is a brief description of donor activity by country.

- BURMA. No support is currently being provided by international or bilateral agencies in areas related to democratic development. Several international NGOs have demonstrated an interest in expanding their assistance to Burma. An internal assessment conducted by one such organization indicates concerns about the Burmese human rights situation, but concludes that international NGOs can work in ways that will benefit communities and empower local organizations. The same review indicates assistance is needed in the whole range of management skills: training and organizational development, strategic thinking, planning, coordination, follow-up and supervision, analysis, monitoring, evaluation and research. It recommends that assistance be channeled through local institutions to ensure sustainability, rather than engaging in direct implementation.

- CAMBODIA. Cambodia has seen a multitude of donors engaged in supporting activities related to the re-establishment of democracy. A variety of countries contributed to the program undertaken by the United Nations Transitional Authority in Cambodia (UNTAC) which culminated in the successful establishment of a formal democratic system in 1993. Currently, democratic development is one of USAID/Cambodia's strategic objectives. The Asia Foundation among other NGOs serves to implement that objective under the Cambodia Democracy and Law Project. The project has as its primary objectives: a) supporting development of democratic leadership and the establishment of an effective representative government; b) strengthening the organizational development of public interest non-governmental organizations; c) enhancing awareness of and participation in the democratic process; e) developing legal and judicial training systems appropriate to Cambodia; e) supporting progress towards the establishment of an independent judiciary; and f) supporting the development of a free and responsible press and media. The project has a budget of $9.3 million. In addition, the Mission has a $1 million project managed by PACT to strengthen indigenous NGOs and is spending US$1.5 million under the East Asia Technical Support Project to support legal training and technical assistance.

- CHINA. China has received support from several donors in areas related to democratic development, specifically in areas such as human rights and good governance. For example, CIDA has provided support for programs to develop women's awareness of women's rights, a program supported by the Canadians at the initiative of the Chinese government. The Ford Foundation has provided support to develop legal education and legal research as well as to some of the research institutions engaged in policy-related research. Germany, Canada, Australia and the Japan Foundation also have been involved in supporting research institutions, each with its own special focus. A

difficulty faced by foreign donors has been "the underdeveloped legal framework" which impedes efforts by foreign foundations to establish their presence in China.

China has had the benefit of almost two decades of exchange programs in a variety of fields including the social sciences and the study of law with US, European and Japanese universities. In the fields related to international studies, many Chinese scholars have been trained in the US and are able to work jointly with US scholars.

The Ford Foundation which is the largest private donor working in China in areas related to democratic development operates in five broad areas: law and legal reform, economic education and research, international affairs, poor area development and reproduction and population. The concept followed is to strengthen basic institutional development in directions that move the state bureaucracy from doer to facilitator. Support is provided to various research institutions working in the social sciences. The total annual giving for the current year is approximately $6,000,000.

- LAOS. There is relatively little donor activity related to democratic development in Laos. What is going on does not appear to be coordinated. For example, the Swedish International Development Agency has provided support for a law school curriculum, but it is not clear that resources will be available to develop the law school.

  The Asia Foundation has undertaken a small scale effort in Laos to strengthen the government's capacity to disseminate information regarding legislation, educate the legal profession in new legislation, assist in institutionalizing commercial arbitration and assist with administrative reforms. It is involved as well with a small scale effort in legal education. TAF budget for Laos related to democracy for FY 1994 amounts to around $100,000.

- MONGOLIA. USAID's Asia Democracy Program provided $424,727 in 1991 for an Asia Foundation (TAF) project to strengthen democratic institutions, and $1,000,000 in 1993 for TAF to implement a project in Strengthening Representative Government and the Rule of Law. A proposed $77,000 training project in 1994 focusing on Mongolia's market-based economy completes the list of 1991-1994 Asia Democracy Program activities in Mongolia.

  The Danish and Swedish governments support public administration training programs. DANIDA, Freedom Forum and other donors are assisting in developing professional media standards and the establishment of printing presses.

  The Mongolia Mission has also participated through a buy-in to the global IRIS program (Center for Institutional Reform and the Informal Sector), producing studies (including a paper suggesting that the speed of reforms has in fact slowed the establishment of the rule of law and private sector development). The program also identifies and brings Americans in to conduct workshops and seminars for government on relevant legal issues.

- **THAILAND.** In response to Thailand's growth, the US and many other donors began decreasing foreign assistance levels in the late 1980s. In the democracy sector this withdrawal of support has primarily affected NGOs. However, European church groups, one of the most important sources of funding for Thai NGOs, put them on notice in a major meeting in November 1994 that assistance is also coming to an end. The European donors indicated strong willingness to assist NGOs in developing plans for their own sustainability if the NGOs could develop a clear plan for what is to be done. The Ford Foundation is supporting a consultancy this year, intended to explore various alternatives. These include, for instance, various forms of Thai government support, tapping the Thai philanthropic community, and potential for relaxation of government restrictions on tax-free contributions which might open new potential for added resources from private firms and individuals. The Ford commitment is to continue to provide transitional support over the near term, much as the European donors, to enable their NGO clients to develop other funding sources.

  Despite this support from international donors, the Royal Thai Government has not put in place the necessary regulations nor institutional frameworks to promote a variety of public interest NGOs which would be an important component of civil society. Incentives to do so may only come when it is clear that there will be no further donor support. However, given the ambivalent attitude of the Thai national elite regarding public interest NGOs, no action might be taken without international stimulus to assure that public interest NGOs continue to exist.

- **VIETNAM.** Four agencies are working in areas directly related to democratic development in Vietnam. The UNDP has a two year program which provides a legal advisor to the Ministry of Justice that seeks to strengthen the rule of law in Vietnam. It will also provide study tours for Vietnamese, an assessment of legal education and some in-country training and technical assistance. The project's resident advisor, an American lawyer with experience in similar activities elsewhere in the Near East and Asia, expects to collaborate with other donors as well as serving as a liaison among donors and with the Ministry of Justice. The principal focus of the UNDP project is on commercial law and not concerns directly related to political development, but the effort should contribute to building up a process of rule of law.
  The Ford Foundation is working in economic reform and its social consciousness, in international affairs, and in support for civil society development. Areas of direct relevance for democratic development include: support of collaborative research by Vietnamese researchers in areas such as gender studies and sociology; support for human rights scholars through study tours, provision of materials and research grants; and support for Vietnamese research on political structure and reform. Ford's budget for Vietnam amounts to approximately $2.5 million.

  The Canadian International Development Agency (CIDA) has programs to support improved operations of the National Assembly. The program has a budget of approximately Canadian $2 million.

The Asia Foundation (TAF) has been involved in a number of areas that contribute to political development. Like the Canadians, they are working in developing the National Assembly, particularly in the area of budgeting. In addition, TAF has worked with the Vietnamese Women's Association in promoting the interpersonal skills required for women to run for local People's Councils. TAF is also engaged in evaluating the role of women in Vietnam. Further, TAF is working in areas related to the administration of justice. It has sponsored seminars and observation visits to Asian countries for senior Vietnamese legal officials and judges and has provided support to the Institute of State and Law for research on legal literacy and methods of legal dissemination. TAF program support for Vietnam for FY 1994 totaled around $300,000.

Lastly, at the regional level, USAID has operated two democratic initiative programs: the Asia Democracy Program and the Women in Politics Program. The Asia Democracy Program has used the mechanism of a small grant competition to fund projects in various countries throughout the region. The Women in Politics Program, which is administered by The Asia Foundation, seeks to expand the role of women in politics at the national, provincial and local levels in the East Asia region.

C.5 HUMANITARIAN ASSISTANCE

The UNDP plays a leading role in the humanitarian assistance sector among donors in East Asian countries. Its Resident Representatives serve as the UN Resident Coordinator in time of disaster and it is through him/her that international support is coordinated, at least for those activities involving UN agencies. In addition, the UN's World Food Program is a major provider of food, supplies and logistical support in time of crisis in all regional countries. UNHCR's role in refugee assistance is well-known to the East Asian region. ESCAP, UNFPA, UNICEF, UNIDO, and WHO also play important disaster-related roles in their respective areas of specialization.

The Asian Development Bank plays a major role in funding disaster prevention infrastructure such as flood control dikes. In addition, the ADB has a mandate to include disaster reduction steps in all its projects in disaster prone countries.

Leading regional bilateral donors in the humanitarian assistance sector include the following: Australia, which provides support in the form of scholarships and support for Australian resource persons to regional disaster management training courses; Canada, which promotes prevention, mitigation and preparedness activities in regional countries and funds scholarships, resource persons and personnel for regional training activities; Japan which has established disaster technical research institutes in a number of Asian countries; the Scandinavian countries of Denmark, Finland, Norway and Sweden as well as Great Britain which have a long history of providing humanitarian assistance support in the region; and South Korea which is also emerging as an increasingly important partner in Vietnam, Cambodia and other countries.

The following is a brief description of donor activity by country.

- **BURMA.** At the present time most Western governments currently restrict assistance, except in the form of humanitarian aid. UNDP, the Red Cross and the Norwegian government support disaster management training initiatives.

- **CAMBODIA.** Cambodia has been the beneficiary of massive humanitarian assistance efforts as a result of the Paris Peace Accord. The response was initially coordinated by the UN Transitional Authority for Cambodia (UNTAC) and included resettlement of refugees, demobilization of combatants and stabilizing civil authority. Although UNTAC's responsibilities are completed multilateral and bilateral donors continue to contribute large amounts of humanitarian assistance particularly in the areas of commodities and basic infrastructure reconstruction. Major donors include the ADB, the World Bank, Japan, the US and France.

- **CHINA.** With an annual loss of US$11.5 billion to disasters (3.3 percent of the GNP), China is compelled to seek external assistance at times of major disaster. A noteworthy example was the Anhui Floods of 1991, when 320 million Chinese were affected and a variety of Western countries and nations in the region provided humanitarian assistance. International support for prevention, mitigation, and preparedness activities has also recently been stepped up. ADB funds are being used to conserve natural resources, reduce poverty, and protect the environment. The UNDP is also active in helping China to fund and implement projects proposed under the China Disaster Reduction Planning project which seeks to implement a comprehensive national strategy for disaster reduction. All humanitarian assistance and risk reduction efforts in China are coordinated through UNDP.

- **LAOS.** Although noted for its aid dependence, minimal humanitarian assistance has been provided to Laos. Prevention, mitigation and preparedness activities have similarly been of a limited nature. Most activities focus on peripheral, and often unimportant (to disaster preparedness and mitigation), activities.

  In direct relief activities, the World Food Program has been the main assistance agency during floods and droughts in the provision of foodstuff and other relief supplies. The European Economic Community provided 2.3 million ECU for food assistance following the drought of 1993. The Japanese also provided some relief items in an unspecified amount. NGOs in the field working on community development and refugee resettlement projects often serve as the immediate responders to crises.

- **MONGOLIA.** Mongolia is deficient in its aid coordination mechanisms and hence it is difficult to determine how much of the considerable foreign assistance Mongolia has received in recent years has gone to humanitarian assistance activities. The UNDP is assisting the government in undertaking a comprehensive needs assessment, supporting external assistance information systems, and organizing consultations for an on-going National Technical Cooperation Assessment. The agency is also providing Mongolia with Western expertise and products.

- **THAILAND.** Donor support in the Kingdom has dropped off markedly with its rapid economic development. Along with the US, Canada, Australia, the United Kingdom and others are reducing or terminating loans and grants of aid. The UNDP recently completed a project to recommend strategies for strengthening disaster management in Thailand and is awaiting approval of funding from headquarters in New York.

  The Swedish and Australian governments have been particularly involved in hazardous chemical management, fire fighting, and chemical safety handling, in programs with the Port Authority of Thailand, Ministry of Interior and Ministry of Industry. Many of NGOs involved in the refugee relief operation of 1979-1993 have left the Kingdom or are using the country as spring-board for activities in Burma, Laos, Cambodia and Vietnam.

- **VIETNAM.** Specific funders for disaster management related activities include Australia (infrastructure development, training) and Kuwait (rehabilitation of irrigation and drainage structures). UN agencies, however, have been the most active in specifically disaster-related project funding. The WFP is a major provider of food aid for disaster relief activities. The agency also is involved in tree planting and construction of dikes in reforested and typhoon-damaged areas. UNHCR continues support to refugees from Cambodia. Some 145 international NGOs have established relationships with counterpart agencies and institutions in Vietnam. Previous support focussed on humanitarian assistance such as food and shelter for disaster victims, but that direction is changing toward more long-term development schemes.

  International NGOs working in Vietnam include the Red Cross (through the Vietnamese Red Cross), which provides logistics and stockpiling of material to flood-prone areas and conducts training and district level disaster response exercises. Vietnam recognizes that it should not accept humanitarian assistance in an open-ended manner and believes in careful control: rigorous feasibility studies, priority setting, coordination between agencies and monitoring. Transference of foreign expert experience by way of training Vietnamese counterparts is often a required part of external aid projects.

ANNEX D:

DESCRIPTION OF THE CURRENT RSM/EA PROGRAM

D.1 SUMMARY OF THE RSM/EA'S RESPONSIBILITIES

Operational responsibilities of USAID's Regional Support Mission for East Asia encompass program planning, implementation, and support for seven East Asian countries including Burma, Cambodia, China, Laos, Mongolia, Thailand and Vietnam.[56] In addition, the Mission provides administrative support[57] to USAID missions and offices in Cambodia, Japan, Mongolia, Nepal, Singapore, Sri Lanka and Thailand. More specifically, the RSM/EA's responsibilities include:

- managing the Thai bilateral program closeout (also known as "graduation") by September 30, 1995 and implementing two major bilateral projects and overseeing several Washington-funded activities that will continue beyond FY 1995;
- designing/implementing USAID's non-resident programs in Laos and Vietnam;
- designing/implementing USAID's Burmese displaced persons program;
- engaging in strategic planning, project design and project evaluation activities in the region covered by the RSM/EA;
- providing program/project support to East Asian USAID offices where there are resident staff but not complete missions, including Cambodia and Mongolia; and,
- providing administrative support to Mongolia and Cambodia as well as to USAID offices in Japan, Singapore, Sri Lanka, Nepal and Thailand.

D.2 THE THAI BILATERAL PROGRAM

The US Government's 40-year, $1 billion bilateral assistance program in Thailand has been on the path to graduation since July 1990 when the USAID Administrator signed a memorandum of understanding with the Royal Thai Government establishing the primacy of mutually beneficial partnerships in future relations. During FY 1993, USAID and the RTG moved substantially closer to the envisioned partnership relationship by negotiating the US-Thai Development Partnership Project, a project the Mission sees as a potential prototype for USAID graduating countries.

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[56] Currently, USAID maintains development assistance offices, headed by USAID Representatives, in Cambodia and Mongolia. A U.S.-Japan Coordination Office, staffed by a Development Counselor, is located in Tokyo. The Regional Inspector General's Office is located in Singapore. China, Burma, Vietnam and Laos have no in-country USAID presence.

[57] As used in this document, the term "administrative" refers to the services provided by the RSM/EA's contracting, executive, finance and legal offices.

Besides the Partnership, the current program portfolio consists of a combination of seven bilateral projects and more than a dozen USAID/Washington funded activities. Only the Partnership Project, the USAID/Washington-funded bilateral Urban Environmental Infrastructure Support Project, and several Washington-funded global or regional activities are scheduled to continue beyond FY 1995.[58] The two major bilateral projects are briefly described below.

- **THE US-THAI PARTNERSHIP PROJECT.** The Partnership Project, using small amounts of seed money, is designed to serve as a catalyst to induce US and Thai partners to undertake developmentally significant activities with their own resources. The project focuses on the high priority issues of HIV/AIDS and the environment, areas where the US has a technical comparative advantage. The project is meant to be a capstone assistance initiative that helps to transform the donor and recipient into partners. The Partnership model provides a means of permitting the US to continue its long standing development relationship at no cost to the taxpayer. Thus, the US-Thai Partnership tests an innovative concept that may have significant applications around the world as USAID reduces the number of countries where it maintains a presence.
- **THE URBAN ENVIRONMENTAL INFRASTRUCTURE SUPPORT PROJECT.** This project, which provides up to $100 million in guaranteed loans, was approved as part of a package that included $1 million in United States-Asia Environmental Partnership Program (USAEP)[59] grant funds. The purpose of the Thailand Urban Environmental Infrastructure Support Project is to facilitate the establishment of a Thai Loan Guaranty Facility for lending for urban environmental infrastructure projects in Thailand's secondary cities. USAEP and Partnership funds are being combined with Regional Housing and Urban Development Office[60] Housing Guaranty funds to increase the capacity of Thai municipalities to engage in private sector borrowing for environmental infrastructure. The Housing Guaranty loans are expected to leverage large amounts of local Thai resources (perhaps as much as $300 million) and provide many opportunities for US-Thai collaboration on environmental infrastructure projects.

With regards to its specific bilateral program closeout plans, USAID/Thailand is unique in that it is the only closeout mission that is being succeeded, in place, by a follow-on USAID office, namely the Regional Support Mission for East Asia. Thus, the Thai bilateral mission is undergoing a "closeout and transition" rather than a simple "closeout." The exact details of the closeout plan (eg, personnel changes, equipment and property needs, etc.) hinge upon details embodied in the RSM/EA Strategic Plan which is due to be submitted to Washington in April

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[58] Bilateral projects scheduled to be phased out by September 30, 1995 include the Science and Technology for Development Project, the Emerging Problems in Development Project (EPD II), the Management of Natural Resources and Environment Project (MANRES), the PVO CO-Financing II Project, the Agricultural Technology Transfer Project, the Affected Thai Program and the Rural Industries and Employment Project. In addition, approximately a dozen centrally-funded projects are scheduled to be closed out by the end of FY 1995.

[59] USAEP is a USAID/Washington, Asia/Near East Bureau funded project.

[60] This office is a USAID/Washington unit with a number of overseas field offices, including one at the RSM/EA in Bangkok.

1995. Approval of this plan is anticipated and thus a consensus on the RSM/EA's programmatic and support responsibilities is imminent. However, the RSM/EA's staffing, equipment and real property needs cannot be finalized beforehand. Therefore, although it is assumed that the mix of professional skills among the RSM/EA's USDH, US personal services contractor (USPSC) and FSN staff will undergo considerable change, specific personnel needs will not be precisely defined until the plan is approved.

Nonetheless, it is possible to speak with certainty about some closeout actions. For example, it is known that the services of some individuals working full-time on bilateral activities will not be needed after FY 1995. Similarly, it is known that a series of standard end-of-project tasks will need to be undertaken as each respective bilateral project reaches its end of project date. These tasks include closing out project records, processing invoices and disposing of project property. The RSM/EA is confident that it can close out all components of the Thai bilateral program, except for the two projects described above, by September 30, 1995.

D.3 VIETNAM AND LAOS ACTIVITIES

USAID funds the vast majority of its NGO programs in Vietnam and Laos under a special Congressional appropriation for victims of war.[61] These activities, which focus on the rehabilitation of handicapped individuals and the provision of assistance to displaced children are proving to be remarkably cost-effective, with prosthetic devices, capable of turning beggars into farmers, being produced for as little as US$20. RSM/EA staff provide all support for project grantees and travel to Vietnam and Laos on a regular basis to monitor individual projects.

The Vietnam program began in FY 1989 although it is only in the past two years that substantial grants have been awarded. The USAID grant program in Vietnam is valued at $10.4 million to date. Grants are provided under two major funding sources: a) the Asia Regional Rehabilitation and Prosthetics Assistance Project (which includes Vietnam, Laos and Cambodia); and b) the Vietnam Displaced Children's Project. USAID's Asia Regional Rehabilitation and Prosthetics Assistance Project activities in Vietnam include:

- **VIETNAM PROSTHETICS.** The purpose of this $2 million grant is to expand an ongoing assistance program for war-related handicapped persons that seeks to help these individuals to lead an economically productive life. USAID funds are being used to increase project coverage to include all known handicapped people in three central Vietnamese provinces. Grantee: World Vision.
- **PROSTHETICS REHABILITATION IN VIETNAM.** This $1.5 million grant seeks to facilitate the production and distribution of prosthetic and orthotic devices to war-disabled Vietnamese. In addition, grant funds are being used to provide training and information on prosthetic production technology to the Vietnamese prosthetic assistance community. Grantee: Vietnam Assistance to the Handicapped.

[61] As will be discussed in more detail below, USAID also funds one small HIV/AIDS prevention project in Laos, an activity that falls outside of this appropriation.

- **OUTREACH PROSTHETICS SERVICES PROJECT.** This $500,000 grant provides support to the grantee's prosthetics center in Hanoi which utilizes automated fabrication technology to produce above- and below-knee prostheses and to expand outreach efforts to 14 northern provinces. Grantee: Prosthetics Research Found.
- **VIETNAM REHABILITATION AND PROSTHETICS PROJECT.** This $750,000 grant seeks to improve the quality of rehabilitation services delivered at the provincial level, to strengthen the skills of faculty members at medical, nursing and physical therapy schools around the country and to encourage the development of institutional relationships between US nursing schools and their Vietnamese counterparts. Grantee: Health Volunteers Overseas.

USAID activities associated with the Vietnam Displaced Children's Project include:

- **VIETNAM DISPLACED CHILDREN.** The purpose of this $1.5 million grant is to strengthen child care and permanent placement planning for displaced Vietnamese children who lack daily care arrangements or who are under immediate threat of losing such care. The project includes four components: child and family assessments, permanency planning, support services/child care, and training. Grantee: Holt International Children's Services.
- **VIETNAM DISPLACED CHILDREN.** This $900,000 grant provides displaced children, particularly street children, with protection, better living conditions and educational, vocational and employment opportunities. The grant finances projects working directly with children as well as training and curriculum development for educators and social workers. Grantee: World Vision.
- **VIETNAM DISPLACED CHILDREN VOCATIONAL EDUCATION PROJECT.** This $1.8 million grant seeks to provide food, shelter, education and vocational training to abandoned, orphaned and displaced children in five Vietnamese provinces. Grantee: World Concern.
- **ORTHOTICS TRAINING PROGRAM IN VIETNAM.** This $1.3 million grant addresses the needs of disabled children and young adults by providing training in thermoplastic orthotics manufacture and fitting to Vietnamese orthotic technicians and physicians, by setting up a fully functional thermoplastic orthotics clinic, and by training Vietnamese bicycle machinists to make tubular steel wheelchairs. Grantee: Vietnam Veterans of America Foundation.
- **DALAT AND BAO LOC CHILDREN'S CENTERS.** The purpose of this $220,000 grant is to provide food, shelter, education and vocational training to children at these two centers. Grantee: Health Education Volunteers.

Also, $300,000 is being provided for short-term training of prosthetics grantees through the East Asia Regional Training Project by the Institute of International Education (see below).

USAID's program in Laos consists of two projects with a total value of approximately $800,000. As with Vietnam, the Mission relies entirely on NGOs for project implementation. One of the two projects focuses on the rehabilitation of handicapped individuals and the other on HIV/AIDS prevention. Each is briefly described below:

- **LAOS REHABILITATION AND PROSTHETICS.** This $500,000 grant seeks to provide medical and related assistance, including the provision of prostheses, services and training, for civilians who have been injured as a result of civil strife and warfare; and to improve the ability of the handicapped and war victims to better support themselves. The current Laos rehabilitation project is a continuation of most elements of an earlier Laos prosthetics and rehabilitation project (1990-1992). The three major components are provision of prosthetics, skills training, and hazard awareness training. The project operates in Vientiane and four Laotian provinces. Grantee: World Vision.
- **HIV PREVENTION IN LAOS.** The purpose of this $300,000 project which is being implemented by the Bangkok Office of the AIDS Control and Prevention Project (AIDSCAP) is to initiate an HIV/AIDS prevention program in five Laotian provinces bordering on Thailand. The program will focus on service workers in restaurants and hotels, border officials (eg, immigration and border police), youth, truck drivers, and certain ethnic groups which have traditions of multiple sex partners. The program will incorporate three major strategies: behavior change, condom access, and reduction of sexually transmitted diseases.

D.4 BURMESE DISPLACED PERSONS PROGRAM

Between 1992 and 1994, the Burmese displaced persons population in Thailand rose from approximately 50,000 to 79,614, an increase of 59 percent. By June 1994, 63,700 Karen, 8,700 Mon, 5,300 Karenni, 860 Tavoyan and 2,000 students were seeking safety in camps along the border of Thailand and Burma. Recent SLORC offensives have increased the number of displaced Burmese to over 100,000. Displaced persons from Burma in Thailand are not officially considered refugees by the RTG and consequently have no legal status while on Thai territory. Nonetheless, the RTG recognizes that there is sufficient cause for them to seek sanctuary and while UNHCR and the International Committee for the Red Cross have not been permitted to provide services on the border, the RTG has allowed a small number of NGOs to provide essential services and technical assistance to those seeking refuge.

In recognition of this growing population, Congress in 1993 earmarked $1 million for food, medical supplies, training, clothing, and other humanitarian assistance for Burmese in Burma or Thailand who are displaced as a result of civil conflict. This is Congress' fourth and largest humanitarian assistance earmark for displaced Burmese since a military junta defeated and forcibly dispersed a pro-democracy student movement in 1988. In September 1994, with approval from the RTG Ministry of Interior, USAID signed two-year grant agreements with the International Rescue Committee (IRC) and the American Refugee Committee (ARC) for the provision of services and assistance aimed at ameliorating the health and welfare of ethnic and Burmese displaced persons residing along the Thailand/Burma border. IRC received approximately $666,000 and ARC $333,000 to implement their respective programs.

Both NGOs are providing basic health care and focus on rehabilitation strategies by training the target group in skills that will improve their health status in the long run. Program commonalities include laboratory technician training and malaria treatment, immunization and

health education training and reproductive health care service and training. In addition, IRC is implementing programs in health education curriculum development and training, a modest program in sanitation services (a request of the RTG) and pharmaceutical and medical supply assistance to Dr. Cynthia's clinic in Mae Sot, Tak province. IRC's programs will be implemented predominantly in the provinces of Mae Hong Son and Tak. Besides the programs listed above, ARC will also operate a program in primary eye care. ARC's programs are implemented in Kanchanaburi province. Beneficiaries of both PVO programs will include displaced persons residing inside Burma.

D.5 REGIONAL PROGRAM AND PROJECT SUPPORT

At the present time, the RSM/EA provides program and project support to two USAID offices in the region: Cambodia and Mongolia.[62] The primary vehicles through which the RSM/EA provides program and project support are the Regional Technical Support Project (RTSP) and the East Asia Regional Training Project (EARTP). The RTSP and EARTP projects are an integral part of the Regional Support Mission for East Asia (RSM/EA) and have been designed to capitalize upon the strengths of the Regional Mission Concept. More specifically, these projects are designed to: a) reduce the number of USDHs and FSNs needed overseas; b) take advantage of economies of scale by aggregating certain project functions in a central location; c) create opportunities for synergies and cross-fertilization through a regional approach to project design and implementation; and d) permit the Agency to respond quickly and proficiently to rapidly changing requirements and circumstances in the region.

More generally, these projects are designed to endow small missions with many of the strengths of large missions including personnel to assist in project design, project monitoring, and project evaluation, as well as the labor-intensive tasks associated with participant training and human resource development. In addition, these projects are designed to deliver development assistance directly to host-country governments in the areas of technical assistance and participant training. While these projects are not a substitute for a large USDH staff, they do provide small missions with many of the virtues of a large mission staff at a fraction of its cost. Thus, the potential benefits of these two projects accrue not only to customer missions but also to the entire Agency, by helping USAID keep small missions small, conserving scarce human and financial resources and permitting the Agency to deploy these resources optimally.

In addition to support provided through these two projects, staff from the RSM/EA have contributed to the development of USAID/Cambodia's strategic plan, and its Family Health, Democracy, PVO Co-Financing and Rural Roads Projects. In Mongolia, the RSM/EA has played a significant role in the development of USAID/ Mongolia's strategic plan, its Economic Policy Support Project, and its small- and medium-sized enterprise activities. RSM/EA offices with program/project support responsibilities include the following:

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[62] As noted above, the RSM/EA also has direct programmatic responsibilities for USAID's non-resident programs in Laos and Vietnam, its program to assist Burmese displaced persons as well as the closeout of the majority of the Thai bilateral program.

- **OFFICE OF PROJECT DEVELOPMENT AND EVALUATION.** Responsibilities include: a) implementing, managing, and monitoring a project portfolio consisting of bilateral and regional projects as well as the Indochina grant program; b) providing project development support including planning, scheduling, management and participation in the design and evaluation of all project and sector activities; and c) managing project reviews and semi-annual portfolio reviews.
- **OFFICE OF TECHNICAL RESOURCES.** Responsibilities include implementing, managing, and monitoring a project portfolio consisting of bilateral and global/regional projects as well as providing technical guidance in a variety of sectors. Technical support areas include: participant training; human resources development; civil and environmental engineering; HIV/AIDS prevention and mitigation; and health and population. (To cope with USDH staffing shortages, this office has been temporarily combined with Project Development and Evaluation.)
- **OFFICE OF ENVIRONMENT AND URBAN PROGRAMS.** Responsibilities include implementation of continuing components of the Thai bilateral program, management and oversight of USAEP-funded activities in Thailand, liaison with the US Foreign Commercial Service, and providing engineering support for the Cambodia roads project. (This office includes the RHUDO as well as the environment projects formerly managed by the Office of Project Development and Evaluation. It is a provisional office created to cope with USDH staff shortages.)
- **OFFICE OF PROGRAM AND STRATEGIC PLANNING.** Responsibilities includes economic analysis, strategic planning, policy planning, program management and program evaluation. Specific tasks include preparation and monitoring of the Regional Strategic Plan, donor coordination, managing USAID's "Managing for Results" process (including preparation and monitoring of the Mission's strategic indicators), managing the Mission's Operational Year Budget (OYB), assisting in project design and preparing the Mission's Budget Planning Document.

D.6 REGIONAL ADMINISTRATIVE SUPPORT

The RSM/EA provides administrative support, ie, legal, financial, contracting and executive office services to Cambodia, Mongolia, Thailand, Singapore, Japan, Sri Lanka and Nepal. RSM/EA offices with administrative support responsibilities are briefly described below:

- **EXECUTIVE OFFICE.** Responsibilities include: a) personnel management; b) residential and office property leasing and management; c) procurement of operating expense (OE) items; d) general services including property maintenance and repair, warehouse management, and security; e) travel and transportation arrangements; f) motor vehicle management; and g) communications and records.
- **OFFICE OF REGIONAL PROCUREMENT.** Responsibilities include: a) providing full procurement support in contracts and grants negotiation, execution and management; and b) advising in planning and implementation of USAID contract policies for program and project assistance.
- **OFFICE OF FINANCIAL AND INFORMATION MANAGEMENT SERVICES.** Responsibilities include: a) financial management; b) project and OE accounting

services; c) payments/ collections review; d) financial analysis services: e) audit management services; and f) computer operations and services.

- **REGIONAL LEGAL ADVISOR.** Responsibilities include: a) providing counsel to missions and programs on all matters of a legal nature arising under US and host-country bilateral agreements and other assistance instruments such as grants and cooperative agreements as well as laws and regulations pertaining to the foreign assistance program, and b) providing other counsel and services of a long-term legal or policy nature, as required.

D.7 ORGANIZATIONAL STRUCTURE

As of October 1, 1995 the RSM/EA will employ 78 individuals. Of these, 14 are US direct-hire career foreign service employees (this figure includes 1 RHUDO position), 2 are offshore USPSCs (and hence receiving housing and other benefits similar to a USDH), 4 are locally-hired USPSCs, and the remainder are Thai nationals, both foreign service direct-hire and contractors. The Thai staff includes 18 professional (FSN 9 and above) and 40 support staff. These individuals are organized into seven offices under the Office of the Director. A chart outlining the staffing arrangements of the RSM/EA is presented below.[63]

Table 4.6: Organizational Chart
Regional Support Mission for East Asia as of October 1, 1995

	USDH	Offshore USPSC	Local-hire USPSC[64]	FSN Professional[65]	FSN Support	Total
· Office of the Director	3				1	4
— · Program & Strategic Planning	1		1		1	3
— · Project Devel. & Evaluation	2			1	1	4
— · RHUDO/Office of Environment	1	1	1	1	1	5
— · Office of Technical Resources	1	1	1	2	1	6
— · Executive Office	1		1	3	21	26
— · Office of Regional Procurement	3			2	3	8
— · Office of Fin. & Info. Serv.	2			9	11	22
Total	14	2	4	18	40	78

[63] The RSM/EA's staff ceiling consists of 14 USDHs, 2 RHUDO USDHs and 2 USPSCs. The Mission will utilize 14 USDHs and 1 RHUDO USDH. One of the two USPSCs listed below is actually a Michigan fellow so the Mission is still one short of its USPSC ceiling.

[64] All of the local hire USPSCs are professionals.

[65] This chart considers positions classified as FSN 9 or above to be "professional."

ANNEX E:

DESCRIPTIVE STATISTICS FOR THE RSM/EA COUNTRIES

Table E.1: Annual Change in GDP in East Asia Compared with Other Parts of the World
(Measured in Percent)

	1992	1993	Projected 1994	Projected 1995
World	0.8	0.6	1.8	3.0
Industrialized Countries	1.7	1.0	2.0	2.7
United States	2.6	3.0	3.2	3.0
Japan	1.3	0.1	0.8	2.3
Developing Countries	5.6	5.0	5.0	5.0
Africa	0.4	0.8	2.6	3.0
Developing Asia	7.4	7.4	7.0	7.2
Burma	10.9	5.8	...	...
Cambodia	7.0	5.7	...	...
China	13.2	13.4	10.9	9.0
Laos	7.0	4.0		
Thailand	7.6	7.8	8.2	8.5
Vietnam	8.3	8.0	9.0	10.0

Source: ADB. Asian Development Outlook 1994.

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Table E.2: Health, Education and Environment Statistics

	Burma	Cambodia	China	Laos	Mongolia	Thailand	Vietnam
General							
Population 1992	43.7	8.8	1,187.4	4.5	2.3	56.1	69.5
Population 2000	51.6	10.6	1,309.7	5.6	2.8	61.2	81.5
Annual Pop growth 1992-00	2.1	2.4	1.2	2.8	2.6	1.1	2.0
Population Density 1992 (/sq. km.)	65	49	124	19	1	109	209
Health and welfare							
Life expectancy 1992	56.9	50.4	70.5	50.3	63.0	68.7	63.4
Infant Mortality/1000 - 1992	83	117	27	98	61	26	37
Maternal Mortality/1000 - 1988	6.0	8.0	1.3	7.5	2.5	1.8	4.0
Under 5 mortality/1000 - 1992	110	185	94	145	80	34	50
Pct. one-year-olds immunized 1992	74	38	35	36	85	86	90
Pct. under 5 underweight 1990	33	38	21	34	...	13	42
Population per doctor 1990	12,500	25,000	730	4,350	...	5,000	2,860
Total fertility 1992	4.3	4.5	2.3	6.7	4.7	2.3	4.0
Health care as % of GDP 1990	0.8	...	2.1	1.0	...	1.1	2.1
Education							
Mean years of schooling 1992	2.5	2.0	5.0	2.9	7.2	3.9	4.9
Female	2.1	1.7	3.8	2.1	7.0	3.4	3.6
Male	3.0	2.3	6.3	3.6	7.4	4.4	6.2
Adult literacy 1992	81.5	37.8	80.0	55.0	95.0	93.8	88.6
Mean years of schooling 1992	2.5	2.0	5.0	2.9	7.2	3.9	4.9
Education as % of GDP 1990	1.9	...	2.3	1.1	...	3.8	6.4
Environment							
Pct. arable land 1990	14.5	16.5	10.3	3.8	0.9	37.2	17.5
Pct. forest 1990	49	76	14	56	9	28	30
Pct. urban 1992	25	12	28	20	49	23	20
Pct. urban 2000	28	15	47	25	54	29	27

Sources: ADB. Asian Development Outlook 1994; UNDP. Human Development Report 1994.

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Table E.3: Economic Statistics

	Burma	Cambodia	China	Laos	Mongolia	Thailand	Vietnam
Economic Characteristics							
GDP per capita 1992	LT$500[1]	LT$500	$380	$250	LT$500	$1,840	$220
GDP growth in 1993	5.8	5.7	13.4	4.0	-1.3	7.8	8.0
GDP growth per capita in 1993	3.9	...	11.6	...	-3.6	6.6	5.7
Average GDP growth 1971-80	4.7	...	7.9	...	7.1	7.9	...
Average GDP growth 1981-90	-0.1	...	10.4	...	5.6	7.9	7.1
Sectoral Share of GDP 1993							
Agriculture	49.0	48.2	22.6	60.0	17.8	12.2	36.4
Industry	12.9	17.0	52.0	17.5	33.0	40.9	24.7
Services	38.2	34.8	25.4	22.5	49.2	46.9	38.9
1992 merchandise exports (fob in $m)	550	287	69,568	133	356	32,106	2,474
1992 merchandise imports (fob in $m)	947	361	64,385	266	400	36,261	2,535
1992 merchandise export growth	25.1	13.7	18.1	37.3	2.7	13.7	21.2
1992 merchandise import growth	9.1	26.5	28.3	16.5	-20.2	6.0	20.4
1993 balance of trade ($ million)	-395	-185	-9,083	-173	-33	-5,316	-655
Annual Consumer Inflation 1993	30.3	120.2	14.5	7.0	200.0	3.1	8.5
Change in money supply 1993	25.0	32.5	28.0	17.6	208.0	16.5	17.2
Gross Domestic Savings (% of GDP)							
1971-80 average	12.3	...	35.8	...	...	22.2	...
1981-90 average	11.9	...	34.4	...	...	27.2	...
1992	13.1	7.5	35.9	3.6	3.0	34.8	...
Exchange Rate to US Dollar							
1988	6.4	108.8	3.7	421.0	2.9	25.3	3,000
1993	6.2	2,816.0	5.8	716.0	313.3	25.3	10,510

[1] "LT" refers to "less than." Asian Development Outlook 1994 reports a staff estimate of $893 for this figure but it appears to be based on the official, overvalued rate of the Burmese currency.

Sources: ADB. Asian Development Outlook 1994; UNDP. Human Development Report 1994.

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Table E.4: Public Finance, Labor Force, Media and ODA Statistics

	Burma	Cambodia	China	Laos	Mongolia	Thailand	Vietnam
Public Finance							
Government Exp. as % GDP 1993	9.7	10.9	16.7	20.5	43.6	18.0	29.8
Government Rev. as % GDP 1993	5.6	5.2	15.7	10.9	28.0	17.8	24.1
Surplus/Deficit 1993	-4.0	-5.7	-1.0	-9.5[1]	-15.6	2.2	-5.1
(Laos is 1992)							
Population without access to:							
Health services 1992	22.7	4.1	120.0	1.5	...	16.8	7.0
Safe water 1992	30.2	5.5	205.0	2.8	0.5	13.5	51.1
Sanitation 1992	28.0	7.5	40.1	3.4	0.6	14.7	57.4
Military as % of GDP 1990-91	6.0	...	5.0	...	10.0	3.5	4.8
Armed forces per 1000	5.5	13.2	2.7	13.3	10.3	5.1	15.9
Labor Force							
Percent of labor force in:							
Agriculture 1992	70	74	73	76	40	67	74
Industry 1992	9	7	14	7	21	11	9
Services 1992	21	19	13	17	39	22	17
Women as pct. of labor force 1990-92	37	56	43	45	45	47	47
Media							
Daily newspapers per 100 - 1990	0.5	...	4.2	0.3	7.4	7.3	0.9
Televisions per 100 - 1990	0.2	0.8	3.0	0.7	4.1	11.4	3.9
Radios per 100 - 1990	8	11	18	12	13	19	11
Official Development Assistance							
ODA 1992	126	148	2,945	173	105	789	586
ODA per capita 1992	3	17	3	39	45	14	8

[1] Figure is from 1992. Sources: ADB. Asian Development Outlook 1994; UNDP. Human Development Report 1994.

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ANNEX F:

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United States Agency for International Development

Supplementary Support Materials

Mission Strategy Fiscal Year 1996 to 2000: Regional Support Mission for East Asia

United States Agency for International Development
Regional Support Mission for East Asia

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ACRONYMS

AAFLI	Asia-American Free Labor Institute
ACCESS	Access to Land, Water and Other Natural Resources
AEP	Asian Environmental Partnership
AIDSCAP	AIDS Control and Prevention (centrally-funded USAID project)
ANE	(USAID) Near East Bureau
AP	Anti-personnel
APAP	Agricultural Policy Analysis Project
ARI	Acute Respiratory Infections
BCN	Biodiversity Conservation Network
CBD	Community-Based Distribution
CCW	Convention on Conventional Weapons
CIDA	Canadian International Development Agency
CINCPAC	Commander in Chief, Pacific Command
CORIN	Coastal Resources Institute
DAI	Development Alternatives, Incorporated (RSM/EA contractor)
DEMDESS	Danube Emissions Management Decision Support System
DESFIL	Development Strategies for Fragile Lands Project
DMZ	Demilitarized Zone
DOD	Department of Defense
DTEC	Department of Technical and Economic Cooperation
ENRIC	Environment and Natural Resources Information Center
EPM	Environmental Planning and Management Project
EPP	Environmental Pollution Prevention Project
EPAT	Environment and Natural Resources Policy and Training Project
ESD	Ecologically Sustainable Development
FAO	(UN) Food and Agriculture Organization
FINNIDA	Finnish International Development Agency
FPIA	Family Planning International Association
FPLM	Family Planning Logistics Management
FSN	Foreign Service National
GEF	Global Environment Facility (World Bank)
GIS	Geographic Information System
GTZ	German Agency for Technical Cooperation
HG	Housing Guarantee
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
HWRU	Hanoi Water Resources University
ICRC	International Committee of the Red Cross
IDRC	International Development Research Center of Canada
IE&C	Information, Education & Communication
IIE	International Institute of Education (RSM/EA contractor)
ILO	International Labor Organization

Acronyms

IMR	Infant Mortality Rate
IRAS	Integrated River and Aquifer Systems
IPC	Implementing Policy Change
IUCN	International Union for the Conservation of Nature
IWG	Interagency Working Group
JICA	Japan International Cooperation Agency
LAM	Lactational Amenorrhea Method
LDC	Less Developing Country
MAG	Mines Advisory Group
MCH	Mother and Child Health
MOLISA	Ministry of Labor, Invalids, and Social Affairs
MRLC	Mekong Regional Law Center
NCPCC	National Committee for the Protection and Care of Children
NGO	Non-Government Organization
ORT	Oral Rehydration Therapy
PDA	Population and Community Development Association
PHN	Health and Nutrition
PRIDE	Project for Development and the Environment
RAP	Regional Agribusiness Project
RSM/EA	(USAID) Regional Support Mission for East Asia
RTG	Royal Thai Government
RTRP	Regional Training Resource Program
SIDA	Swedish International Development Authority
STD	Sexually Transmitted Disease
TA	Technical Assistant
TB	Tuberculosis
TDRI	Thailand Development Research Institute
TEI	Thailand Environmental Institute
UN	United Nations
UNDP	United Nations Development Program
UNESCO	United Nations Educations, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNICEF	United Nations Children Fund
USAEP	United States - Asia Environmental Partnership (USAID Program)
USAID	United States Agency for International Development
VYA	Vietnam Youth Association
WEAP	Water Evaluation and Planning System
WHO	World Health Organization
WRI	World Resources Institute
WWF	World Wildlife Foundation

OPPORTUNITIES FOR US DEVELOPMENT ASSISTANCE IN LAOS AND VIETNAM

A.1 INTRODUCTION

Laos and Vietnam represent the two likeliest candidates for new US development assistance in the event that USAID is permitted to expand its operations in the region. The sections below present a discussion of develop needs in these two countries. The discussion is extracted from documents prepared by Development Alternatives Inc. on behalf of the RSM/EA. The Mission asked DAI to suggest the types of development activities they would recommend if existing restrictions on USAID operations were relaxed. (The recommendations make no assumptions about future intra- and inter-governmental consultations on development assistance.) The intent was to develop insights into potential priorities for bilateral and regional programming. With respect to the latter, the Mission was particularly interested in: a) transnational problems, such as HIV/AIDs, which can not be effectively addressed without regional cooperation; and b) problems which might offer economies of scale and/or synergies by pulling people from the region together to train and share experiences.

Were bilateral assistance development efforts to be undertaken, the Mission would expect to validate and refine the ideas presented below with extensive consultations with all interested parties and with additional inputs from on-the-ground field teams. The potential strategic objectives presented in Annex E, Annex F and Annex G represent the RSM/EA's are the product of the information presented in these documents combined with the collective knowledge of USAID staff at the RSM/EA and in Washington.

A.2 POPULATION, HEALTH AND NUTRITION NEEDS IN LAOS

As much as 40 percent of the Lao population lives more than a day's walk from any biomedical health care facility. Immunization rates, while rising impressively, are still low (25 percent of children under one year were fully immunized in 1993). Between 40 and 60 percent of the country's physicians practice in urban areas, although over 80 percent of the population lives in rural areas. Not surprisingly, the health status of the Lao people is poor. Infant, child, and maternal mortality are high; malnutrition is common, including deficiencies in micronutrients (iodine, iron, vitamin A). While some contraceptive methods are available, the total fertility rate (the number of children an average woman may be expected to bear in her lifetime) is one of the highest in the world (6.8 in rural areas). Water and sanitation are poor; only about 20 percent of the population has access to safe drinking water. A significant number of preventable communicable diseases are not yet under control, including malaria, diarrheal diseases, acute respiratory infections, neonatal tetanus, and measles. Hemorrhagic dengue fever occurs in epidemic form every two to three years and cholera epidemics also occur. Hyperendemic prevalence of intestinal worms renders nutritionally marginal Lao, especially children, more

susceptible to these diseases. The prevalence of HIV/AIDS still appears to be low, but traditions of sexual behavior and the frequency with which many Lao people cross into Thailand and other neighboring countries with high HIV prevalence strongly suggest that HIV/AIDS may soon be a major problem in Laos. An additional threat to the lives and health of Lao remains from past warfare in the region. Unexploded ordinance (primarily cluster bombs) kill or maim over one thousand people each year.

The major donors (UNFPA, UNICEF, World Bank) provide or plan to provide a large amount of support for family planning (birth spacing), mother and child health (MCH), water and sanitation, malaria eradication, strengthening the health care infrastructure, and training. UNDP, SIDA, Save the Children/UK, and other donors are collaborating with the government on survey and ethnographic research on health and population/family planning issues. The World Bank and AIDSCAP will provide significant assistance to Laos in HIV/AIDS. A number of bilateral agencies, such as SIDA and AIDAB, as well as international NGOs are supplementing the work of multilateral donors in these same fields.

Health problems in Laos are so widespread and compelling that even this amount of donor support is insufficient to address all the needs and all regions of the country. The World Bank will probably concentrate much of its project on two populous provinces: Savannakhet and Sekong. UNICEF is providing support in all 121 districts, to be divided into three zones that will start activities in phases. UNFPA is working in 12 provinces. AIDSCAP plans to work in sections of five border provinces. Although this support is not enough for all needs in Laos, the absorptive capacity of the Lao government is limited.

Given the large number of donors and NGOs already working in Laos in the PHN field, USAID may find that the most useful role it can play is in supporting NGO work, pilot projects which other donors may wish to extend elsewhere in the country, and assistance to the private sector in training and development and promotion of quality of care standards. The following is a list of suggested PHN activities developed by the authors of the Lao PHN sector assessment:

- **FAMILY PLANNING AND MOTHER AND CHILD HEALTH.** USAID's expertise might be directed at: a) supporting ongoing contraceptive social marketing programs; b) supporting buy-ins to centrally funded social marketing programs to work in Laos, if this becomes possible; and c) developing and promoting quality of care standards in the private sector, including provision of clinical and counseling training. UNFPA is working with the government to supply free contraceptives through the public health care system, but generalization from three Vientiane birth spacing clinics will take time, and the lack of government health facilities in much of the country (and almost all villages) may hinder this approach to supplying contraceptives. Social marketing could make contraceptives and family planning counseling readily available at the village level. FPIA, for example, currently has successful models for doing this in Laos. All donors agree that quality of care is a major issue. However, no donor is addressing this issue in the private sector. Further, donors do not seem to be working with traditional healers, who appear to deliver much of the health care in Laos.

- NUTRITION. USAID activities are likely to be best directed at: a) developing pilot projects for delivery of micronutrients and inclusion of appropriate sources of micronutrients in the diet; b) developing pilot projects to assist to eliminate protein energy malnutrition; and c) collaboration with other donors to generalize results of these projects. Micronutrient deficiencies, malnutrition and food security are issues throughout much of the region. Development of culturally and ecologically-based pilot programs might be generalizable to broad areas in Laos, as well as to other countries in the region.
- STDS AND HIV/AIDS. USAID should provide continued support of the AIDSCAP initiative, with expansion to additional districts and provinces as appropriate. Other groups are working in HIV/AIDS; however, AIDSCAP will tackle cross-border problems and its ongoing program relies on experience with similar populations in neighboring countries.

A.3 ENVIRONMENTAL NEEDS IN LAOS

Laos ranks among the poorest and least developed countries of the world. The economy is undiversified and depends largely on its natural resource endowment. Agriculture, fisheries, and forestry account for 60 percent of GDP and employ more than 85 percent of the labor force. Timber products, hydropower and coffee account for nearly 70 percent of all export revenues. Further, the country's nascent industrial sector is also largely dependent on the natural resource base. Critical environmental issues facing the Laos are: a) the conservation of forest resources, b) biodiversity conservation, c) protection of wetland habitats, d) protection of freshwater resources, e) management of urban land and environmental infrastructure, and f) the sustainable development of hydroelectric potential.

The following is an assessment of the most pressing environmental needs in Laos according to the authors of the Lao environmental sector assessment:

- FORESTRY RESOURCES. Growing population pressures on agricultural lands are leading to increased rates of conversion of forest lands to agriculture. (Laos retains one of the highest ratios of forest cover in Asia.) This also contributes to loss of soil fertility and erosion in fragile upland ecosystems and to downstream effects such as decreased stream flows. The problem is compounded by legal and illegal logging and by the use of timber as fuel. The annual cut of timber is at least 50 percent higher than sustainable yields. Depletion of forest resources in recent years has led to an annual economic loss of at least 11 percent of GDP. Considerable donor and NGO assistance is being given to forestry management and to the improvement of upland agricultural production systems, agroforestry and community forests. However, with limited government capacity to absorb and utilize donor funds, USAID's expertise in forest policy might be better directed toward: a) support for a regional program to combat deforestation, or b) the development of policies to strengthen natural resource management at the community level.

- **BIODIVERSITY CONSERVATION.** Only half of the arable land in Laos is under cultivation. However, the continued high rate of population growth is expected to put increased pressure on forest resources. With much of the country still covered with forest, Laos is one of the biologically richest countries in the region. Many species once common in Indochina now exist in the wild only in Laos. Protection of this ecosystem needs to be linked to the sustainable management of forest resources. Laos does not have a protected areas system in place. but 17 areas have been recommended for protection. The Global Environmental Facility is providing a loan which will help the establishment and management of protected areas. Protection, however, is unlikely to be sustainable without community involvement. USAID's experience in this area could be utilized to complement the Global Environmental Facility loan by: a) by promoting incentives for community-based natural resource management through support to indigenous NGOs, or b) supporting the development of ecotourism.
- **WETLAND HABITATS.** There is considerable reliance on wetlands as a source of protein by the two-thirds of the population that lives by subsistence. An array of problems threaten the wetlands of Laos including the use of DDT and other agro-chemicals, the consequences of hydropower development, and sedimentation due to forest clearing. USAID could assist an initiative of the Mekong Secretariat to inventory wetlands in the lower Mekong basin, with policy analyses and technical assistance in areas such as: a) the economic valuation of wetlands, b) the development of measures to protect wetlands from the impact of irrigation and hydrodevelopment, and c) the protection of special wetlands within a larger system of protected areas.
- **FRESHWATER RESOURCES.** Several dams are planned on the Mekong River to provide electricity for domestic use and export to Thailand. Most of the major projects, however, have significant resettlement requirements and could suffer from catchment area degradation. There is no estimate of the long-term impact of a cascade of dams in the Mekong system. Thus, there is a need for more integrated environmental and social planning of hydropower development. This could be done most effectively through a regional forum. USAID would be in a position to a) assist completion of a Mekong basin-wide survey, and b) recommend institution of a watershed management fund on a national or regional basis. The fund would be used for watershed restoration and income generation projects for resettled peoples.
- **URBAN INFRASTRUCTURE AND INDUSTRY.** Although small, Lao cities currently account for one- third of GDP and this proportion will grow as the country becomes more industrialized. Urban growth, however, will be slowed by the lack of Lao expertise in managing cities in a market economy. While there are no epidemiological data to measure urban health, recent reports indicate that water quality in urban areas is "probably not potable," due to contamination by household sewage. Several donors are helping to improve urban water systems, but are not addressing questions of sanitation or the root causes of the environmental problems. Laos would benefit from USAID-supported technical assistance regarding: a) the design of constructed wetland sewerage systems, b) land market reform and c) in conjunction with the ADB, the development of revenue generation and financial management systems for local governments.

A.4 DEMOCRACY NEEDS IN LAOS

Laos has been a single party dictatorship for almost twenty years and had an interregnum after colonialism ended (1953-1975) that was not fully democratic. Like Vietnam, it has begun a process of economic liberalization, but has moved far more cautiously in allowing control to pass from the ruling party and in allowing greater freedom of political expression.

A recently published Freedom House study, which rated countries on the basis of their political freedoms during the 1993/94 period awarded Laos extremely low ratings for political rights and civil liberties. In this regard, certain broad issues define democratic development needs in Laos. Important concerns include: a) creating opportunities to think about politics: b) employing institutional changes already in place in the national government to enhance participation, accountability and transparency; c) strengthening the skills and resources available to civil society organizations; d) expanding the possibilities of freedom of expression through the media; and e) enhancing participation at the local as well as at the national level.

The following is a list of the most pressing democratic development needs in Laos according to the author of the democracy sector assessment:

- **THINKING ABOUT POLITICS.** Much needs to be done to develop human resources in Laos. An opportunity exists to assist in the development of legal education and the beginnings of social science as a way of opening up space for the debate of political alternatives. Given the level of development, this is likely to be a long-term investment and perhaps riskier than a similar investment in Vietnam.
- **EMPLOYING INSTITUTIONAL OPPORTUNITIES.** The best opportunity for exploiting institutional change rests within the development of the judiciary - with a view toward increasing its competence, and thereby, its independence. However, there is a risk that the initiative's impact might be minimized by the high degree of control over the judiciary exercised by the political elite. Another area of opportunity may rest with the reorganization and rationalization of the bureaucracy. However, this also risks increasing rather than decreasing control. Available information suggests that the role of women in Lao politics is minimal. Accordingly, it may be useful to engage in efforts to enhance women's participation - either through efforts focused solely on Laos or as part of a broader regional initiative. The most obvious route may be through increasing the skills of women in areas such as public administration, the social sciences, the law and in developing the inter-personal skills needed to participate in a male-dominated society.
- **STRENGTHENING CIVIL SOCIETY.** An opportunity exists to work with party-controlled mass organizations. Activity in the health area could be used as a vehicle to direct resources to the Lao Women's Union. Such assistance might help to strengthen its independence by enhancing its ability to deliver services and promote women's interests.
- **EXPANDING FREE EXPRESSION THROUGH THE MEDIA.** Efforts to upgrade journalistic skills may serve to enhance the ability of the reporters and editors to reach the people with their messages. However, unless the media are freed from control, such measures would have limited impact on democratic development.

- ENHANCING LOCAL GOVERNMENT. Efforts to encourage decentralization, particularly at the provincial level could promote increased local decision-making, and encouraging greater participation in sectoral programs such as those related to the environment and health.

A.5 ECONOMIC GROWTH NEEDS IN LAOS

Laos is in the early stages of modern development and is characterized by subsistence agriculture, limited monetization, inadequate infrastructure and deficient health and education services to support its work force and people. The country is, however, splendidly endowed with natural resources, and centrally located among some of the most rapidly growing economies in the world. It has recently emerged from a command-economy regime into a market-based economy without the instruments of legal and regulatory supervision required for markets to function efficiently or in the public interest. Sustainable growth depends upon developing its human and natural resources without degrading its resource base or allowing others to do so.

Economic development in Laos is fueled by regional forces and is based on flooding valleys, cutting forests, and building roads to link the larger, rapidly growing economies of the region. Government regulation is weak. Some improvements in government regulation are at the expense of local governance, especially within areas of minority ethnic group settlement. Serious social and environmental impacts must be acknowledged and anticipated if this development scenario is to be slowed or alleviated. This must include assistance to the government and community groups within Laos and to regional forums in supporting the public interest within regional markets where private interests have traditionally predominated.

Official government policy is to move the economy into integration with its neighbors, leading to export led growth fueled by external investment. However, Laos lacks the technical capacity to manage economic growth. In the absence of skilled civil servants, entrepreneurs, technicians, and professionals, the country is vulnerable to exploitation by private investors seeking quick returns. Without improved human resource capabilities, and a transparent legal, policy and regulatory framework, Laos will not be able to protect its natural resource base and continue to develop a functioning market economy. Further, some factions within the government have recently begun to look inward again, which poses a threat to future growth.

External assistance programs to Laos are straining absorptive capacity. Nonetheless, there are a number of priority areas in which USAID assistance can improve sustainable economic growth in Laos. The following is a list of the most pressing economic development needs according to the authors of the Lao economic growth sector assessment:

- ESTABLISHING A FUNCTIONING LEGAL AND REGULATORY FRAMEWORK. This is a high priority if external investment is to be productive. Improved economic management capabilities are necessary to develop policies to reduce rent-seeking and encourage sustainable investment. USAID assistance for on-the-job training coupled with policy advice will help public agencies, such as the Ministry of

Finance, to improve the skills of civil servants and secure technical advice on policy formulation and implementation.

- **MICROENTERPRISE DEVELOPMENT AND RURAL CREDIT.** USAID possesses a comparative advantage in both of these fields. Not only will microenterprise development and increased credit to small business improve economic growth, it also targets women, rural populations and ethnic minorities who do not have access to technology and credit.
- **HUMAN RESOURCE DEVELOPMENT.** This area requires both formal and informal education and training assistance. USAID can provide training of civil servants and private sector business participants, and support the education system through technical and training assistance to education planners, financial specialists and education administrators. The huge deficit in qualified laborers, technicians, professionals and civil servants needs to be addressed through investments in training and education. USAID should target the development of private institutions as a new source of training and education services.
- **REGIONAL COOPERATION.** USAID should take advantage of the trend toward regional cooperation to assist Laos. Laos is at the center of the Greater Mekong Subregion bordering five countries. Three of these neighbors, China, Thailand and Vietnam, are the most important economies in the region. Laos has been a land-locked country during the wars and communist dominance of the region over the past several decades. The trend toward economic integration as countries move toward market economies allows Laos to become land-linked and benefit from the regional economic integration.
- **REGIONAL INTEGRATION.** USAID can help Laos to become more fully integrated into the region. Harmonization of legal, regulatory and policy frameworks will help Laos move from observer status to full membership in ASEAN, which offers Laos new markets, resources and political influence through its influential members. USAID can provide valuable regional resources and networks to assist Laos to solve cross border problems, such as illegal logging, migration, and HIV/AIDS, improve human resource development and benefit from the experience of neighboring countries.

A.6 HUMAN RESOURCES NEEDS IN LAOS

Reforms aimed at developing a market-oriented economy in Laos began in 1985 and have resulted in GDP growth averaging around 5 percent in recent years. A major constraint however, is a poorly educated labor force and a shortage of managerial and technical skills. The government has made improving the quality and efficiency of basic education a priority.

Literacy rose from 33 percent in 1979 to 54 percent in 1990 (versus 87 percent in Vietnam and 93 percent in Thailand). The national strategy for education was formulated in 1990 in a document titled "Education Strategy from Now Until the Year 2000." The Fifth Party Congress continued implementation of this strategy emphasizing primary education and training of technicians to meet the needs of the changing economy. Key to these steps was centralizing planning under the Department of Planning and Department of Public Investment Programs.

The critical document guiding human resource development in Laos is the National Program of Action for Children. Village administration committees are responsible for primary, preschool and nonformal education. District authorities have responsibility for lower secondary education and for teacher training. Between 1985 and 1988, annual public expenditure on education was the equivalent of about 2.0 percent of GDP, among the lowest rates in the world. Recurrent expenditures for education have gone down from 1.9 to 1.1 percent of GDP and from 15 to 8 percent of total public recurrent budgets. In 1990, following general civil service salary raises, recurrent expenditures were reported to have increased to 2.5 percent of GDP and 19 percent of total recurrent expenditures. The reality is that salaries are often not paid and thus the increases are, in all probability, an overstatement. Recurrent spending in other Asian countries with per capita incomes less than $500 per annum averages 3.3 percent of GDP.

The central problem facing Lao basic education is poor quality. Significant increases in gross enrollment rates have been realized since 1975, but overall efficiency is down because of weak sector management and financing. The system is characterized by high repetition and dropout rates. On average, it takes 11-12 years for students to complete the 5 years of primary school. In urban areas 40 percent of children reach year five of primary school, versus 33 percent in rural areas and only 15 percent in mountainous areas. Low enrollments in the rural areas are also the result of relatively poor health among the inhabitants. Children under five years of age account for over half of all deaths in Laos.

The educational problems faced by Lao educational leaders may be summarized as follows:

- Inappropriate curricula and teaching methods. Twelve subjects are taught at the primary level and 17 at the lower secondary level. Teaching methods focus on rote learning and exams with no remediation or student feedback.
- Scarcity of instructional materials. Less than 5 percent of students have texts. Problems include costs, number of texts required and poor delivery systems.
- Low level of teacher qualifications and poor performance. One-third of Lao teachers have less than an upper secondary degree. No in-service or administrative support/training is provided.
- Lack of mechanisms for teacher upgrading and professional support.
- Weak management information systems and assessment and evaluation systems.
- Insufficient number and poor condition of physical facilities. Sixty percent of primary buildings need reconstruction.
- Lack of long-term, integrated planning, especially on efficiency issues. The collection of education data only began in 1986, but then at the district and provincial level, not at the school level. There is no clear purpose to the data collection instrument and it is overly complex.
- Chronic under-financing. The government has relied on external agencies for capital expenditures, but can not meet recurrent requirements. The central government is taking back approval and accountability responsibility from local agencies. Teacher salaries are not competitive with private sector wages. Overall civil service reform is required to bring salaries into the competitive range. The number of teachers, currently high by most Asian standards, must be reduced to increase efficiency.

School administrators are most often recruited from the ranks of teachers. They lack training in principles of management, decentralization, curriculum and planning. This represents a critical area for USAID investment. Other USAID activities suggested by the authors of the human resource sector assessment include: a) the provision of technical and training assistance to education planners, financial specialists and education administrators; b) the provision of training and technical assistance to encourage private sector business development; and c) coordination with other donors, especially the Asian Development Bank and UNESCO on support for improving basic education services.

A.7 HUMANITARIAN ASSISTANCE NEEDS IN LAOS

Flood and drought currently rank as the most significant hazards in Laos. The importance of this dual threat was demonstrated in 1991, when a severe drought from May through July in that year was followed by heavy rains and flash flooding in August, following Typhoon Fred's passage through Vietnam. Other hazards include civil conflict, fires, epidemics, strong winds or whirlwinds, traffic accidents, and refugees or internally displaced persons. In addition, land mines may be an even more significant problem in Laos than they are in Cambodia. All are moderate to low intensity events that create little disruption of the current social and economic status of a poor country. Because the vulnerable groups impacted are small and localized, the resultant event may be more properly defined as a local emergency rather than a disaster.

Vulnerability to disaster is increasing because of deforestation, which is occurring at a rapid rate, with a reported 300,000 hectares of natural forest being lost a year, primarily to shifting agriculture. The transport of rafts of sawn timber and raw logs across the Mekong into Thailand is commonplace. Some authorities believe that the combination of microclimatic changes caused by deforestation, lack of soil holding capacity and excessive run-off will greatly exacerbate floods and droughts in the future.

Population vulnerability in Laos will also increase dramatically in the next few years, with a doubling of the population in 24 years. A significant portion of that new population is expected to be rural and urban poor, those most often impacted by disasters and the least capable to deal with such events. However, the total recorded loss from disasters over a 25-year period (1966-1991) in the Laos was a modest US$32,080,000.

The following is a list of the most pressing humanitarian assistance needs in Laos according to the author of the humanitarian assistance sector assessment:

- Establish consolidated disaster management coordination. The current structure for disaster relief and reduction within the Laos focuses on flood relief, mitigation and preparedness, with some relevance to drought. Environmental and economic development issues which should inculcate prevention, mitigation and preparedness are dealt with separately, if at all. A need to establish and continue a closer relationship with relevant government agencies and their counterparts in international humanitarian assistance and disaster reduction is required along with mechanisms to coordinate and cooperate in those initiatives.

- Establish an accurate and reliable information system. Donors must rely on government assessment of needs in time of crisis and when requests for international assistance are made. Data to determine actual needs is often unavailable or the data suffer from serious inaccuracies. Timely dissemination of warnings to communities is equally unreliable and unavailable due to communication inadequacies. There is a need to improve data collection to ensure accurate information is collected, collated and disseminated to concerned government ministries, UN agencies, NGOs and the public.
- Develop effective government responses to disaster. A major criticism of the Lao government by the international community is its failure to respond effectively and in a timely manner in time of crisis, with the most effective response being the affected community itself and NGOs working in the affected area.
- Develop sustained public awareness, community preparedness and personnel training. As is well known in the West, inculcation of the hazards of modern living and environmental degradation is learned over a lifetime, by those growing up in a technological world. Such education is also required in Laos, beginning in primary and secondary schools. Public awareness of disaster reduction issues of national and local importance should be initiated and sustained.
- Continue loss prevention programs. In the face of economic development and the continued urban expansion of Vientiane, Savannakhet, Luang Prabang and other cities in Laos, disaster reduction programs already initiated or proposed should be expanded or implemented. New programs specific to hazard and vulnerability prevention and mitigation in urban settings should be encouraged and funded.

The Government of Laos has proven particularly ineffective in the provision of disaster management. NGOs are the major providers of immediate relief in the country, giving those services as adjuncts to development programs already in progress. Issues that stand in the way of sustained and adequate disaster management in Laos have been identified by the government, NGOs and foreign observers and include the following: a) government commitment for pro-active participation in disaster management is lacking - flooding and other events are seen as methods to increase foreign aid; b) although some Russian and French is spoken by officials, few have good communication skills in English, the international language of technical expertise in disaster management; c) the level of official corruption is high and affects donor confidence in the government; d) officials often feel responsible only to themselves and their immediate families and friends and tend to be unconcerned about their responsibilities to other communities, the nation as a whole, and the environment; e) Laos is a country of isolated communities, with a lack of access by roads and telecommunications which is a major impediment to effective disaster response and leaves vulnerable communities to fend for themselves.

Activities undertaken by the Lao government and local NGOs, must be realistic within the Lao context. Overly complex systems, projects and proposals will fail or incompletely realize their goals. Many small projects of short duration are encouraged over large, intricate and long term projects. Translation of proposals and projects into the Lao language is not only desirable but necessary for program implementation, realization and completion.

A.8 POPULATION, HEALTH AND NUTRITION NEEDS IN VIETNAM

The Government of Vietnam has been committed to raising the health status of its citizens and has achieved a great deal of progress in this area. Infant mortality, at less than 50 per 100,000 live births, is far lower than other countries with comparable income levels. Under pressure from the government to have no more than two children, many married couples have decreased the number of births through use of contraceptives and abortion. While studies suggest that immunization rates may be far lower than government figures, coverage is still impressive.

The mechanisms that the government has used to improve the health of the population included: strong political commitment leading to the establishment of a five-level health care delivery system with a vast network of primary health care facilities throughout the country; implementation of effective programs in malaria, diarrheal diseases, and immunizable diseases; and education that has yielded high rates of literacy for both women and men.

In recent years, however, the system has suffered from a number of setbacks stemming from: the costs of reunification, the loss of Soviet assistance, and the impact of economic reforms which has led to increasing poverty among the most vulnerable segments of the population. As a result, resources have become less available to pay staff salaries; provide staff training; and buy drugs, equipment, fuel and supplies. This has reduced the quality and quantity of health services, especially in the rural areas. Furthermore, the imposition of user fees has deprived many poor individuals access to any biomedical health care. In addition, almost all health services were provided by the government in the past. Now an unregulated private health care sector is growing rapidly. The lack of regulation is reportedly causing problems in the quality of services and pharmaceuticals dispensed.

Women and children have been quick to feel the effects of the economic changes and changes in the health care system. Many women and children are not getting enough to eat, partially due to long-standing problems with the food distribution system and to the government decision to export food rather than consume it domestically. Malnutrition is a leading cause of morbidity and mortality in women and children. Malnutrition rates are high and appear to be rising. As fewer adequately trained birth attendants are available to women, maternal mortality also seems to be rising. More people are again suffering from infectious diseases, such as tuberculosis, malaria, and dengue. Helminthiasis is hyperendemic and contributes to the high levels of maternal anemia. Malaria, brought back by soldiers returning from Cambodia, has become a problem throughout the country. Acute respiratory infection is a leading cause of child mortality. Lack of potable water and adequate sanitary facilities contributes to the spread of many of these diseases. Poorly distributed trained medical staff makes it difficult for some women, especially rural women, to obtain antenatal care. HIV infections and AIDS incidence are increasing and current patterns of sexual behavior indicate that HIV/AIDS will be a serious problem in the future. Drug addiction also appears to be on the rise.

Total fertility has declined steadily, primarily through use of menstrual regulation, intrauterine devices, and (often unsafe) abortions, although oral contraceptives are also used. Condom use is rapidly growing. Contraceptive supplies and services are inadequate, as are abortion services.

Women might elect to have abortions less often (there are two abortions for every three live births) if contraceptive services were improved.

In the past the health system had been well-developed in the northern part of the country, but not so in the south or in the highlands. But now, because of resource constraints, the system is in disrepair throughout the country. The government, through its policies and extensive health care delivery system, has laid the foundation for addressing the most pressing problems in health, including population, nutrition, women's health, children's health, and HIV/AIDS. A large number of donors and NGOs are working with various Vietnamese organizations to implement these plans. UNFPA, UNICEF and the World Bank are the major multilateral donors in PHN, but SIDA, AIDAB, the Netherlands, JICA, and Germany are also making significant investments in health projects.

Five urgent needs currently not receiving adequate levels of donor support include: a) contraceptive marketing/pricing and logistics; b) development of systems for assessing and ensuring quality of care; c) support for integrated primary health care, especially in geographical areas that currently are underserved; d) strengthening the expertise of local Vietnamese organizations to deal with STDs and the HIV/AIDS pandemic; and e) help in designing and implementing worm eradication programs and the introduction of additional iron into the diet.

The following is a list of suggested PHN activities developed by the authors of the Vietnam health sector assessment:

- **PRIVATE SECTOR SOCIAL MARKETING/LOGISTICS.** Vietnam is responding well to social marketing programs. In order to improve method mix and ensure that contraceptives are affordable and easily available, providing funding to an ongoing social marketing program to extend activities may be a cost-effective way of reaching many potential family planning users. Social marketing projects may be used to supply training to private sector providers and institute quality of care standards and monitoring.
- **PRIVATE SECTOR REGULATION.** The emerging private sector is important to the provision of health care in Vietnam, but little attention has been paid to regulatory systems and incentives needed to ensure that quality standards are maintained. Professional standards, regulation of pharmaceutical products, and quality control are some of the areas where guidelines need to be developed. There is also a need to determine the appropriate division of health care responsibilities between the private sector and the government. Plans for phasing in such a transition also need to be developed.
- **PRIMARY HEALTH CARE.** USAID cannot and may never wish to financially shore up the primary health care system. Extension of services to hard to reach populations, however, including isolated ethnic minority groups, is a need that is being only partially filled by the current SIDA and UNICEF projects. Many of the contributing causes to mortality, especially of mothers and children, are not being addressed by the government or donors. USAID might, in the future, wish to develop projects that would develop and implement small-scale primary health care models, capable of being generalized through the efforts of other donors, to address

anemia and its causes, as well as stunting. Such projects could include development and testing of innovative approaches to iron supplementation, worm eradication, food distribution, and use of additional food sources that are currently not being consumed by households in order to address chronic malnutrition. Other major health problems that could benefit from this approach include malaria and TB.

- HIV/AIDS AND STDS. People in high risk epidemiological categories (eg, commercial sex workers) should probably be the focus of interventions in Vietnam. Indigenous NGOs or NGO-like organizations might be good partners with which to implement programs. South-to-south technical assistance to such groups, especially from other experienced NGOs in the region that deal with these problems, could be a cost-effective, acceptable way of providing assistance. It may also be necessary to provide some technical assistance to the indigenous organizations on how to organize coalitions, how to provide technical assistance, etc.

USAID has considerable experience working with consortia of organizations and could play a Key role in building the expertise of local Vietnamese CBOs, not only to take an active role in planning and implementation, but to coordinate their activities to become more productive.

A.9 ENVIRONMENTAL NEEDS IN VIETNAM

Vietnam is a mountainous country with a land area about the size of the United Kingdom. It is the world's 13th most populous country and one of its poorest. The roots of Vietnam's poverty lie in its dependence on agriculture combined with its low agricultural labor productivity. The dearth of capital inputs for farm production and off-farm labor opportunities translates into a high population density on a small amount of arable land. Nearly four-fifths of the country is mountainous, inhospitable to agriculture, and relatively sparsely populated. With a population growth rate of 2.2 percent, Vietnam adds more than 1 million people to its population each year. Nearly 90 percent of the population are ethnic Khin, having Vietnamese as their mother tongue. The remaining 8.7 million people belong to at least 50 minority ethnic groups who typically predominate in the mountainous regions of the north and the Central Highlands. The majority of the population is concentrated in the intensively cultivated alluvial plains formed by the Red River in the north (where population densities are estimated to exceed 1,100 persons per square kilometer) and the Mekong River in the south. Three quarters of the population live in rural areas, where the amount of cultivated land per capita — 0.09 hectares per person — is among the lowest in the world.

Vietnam's burgeoning population and its dependence on agriculture are creating enormous pressure on the country's remaining stands of natural forests. The rapid conversion of forest land for agricultural production through both spontaneous and government-sponsored resettlement schemes, combined with unregulated timber harvesting are exacting a heavy toll on Vietnam's natural resources. The direct environmental impacts of these activities include erosion, loss of topsoil, watershed degradation, and change in the distribution of both plant and animal species. The indirect environmental effects include sedimentation of rivers, lakes, dams, and harbors, as well as loss of the carbon sequestration functions of the forest.

Current rates of deforestation are estimated to exceed 2 percent a year. Two-thirds of annual forest loss is attributable to fuelwood collection and nearly a quarter is attributable to the clearing of lands for shifting agriculture. Only 10 percent is attributable to logging. Extensive conversion of Vietnam's mangrove forests has taken place, mostly for unsustainable shifting aquaculture. Some 70 animal species in the coastal zone have been identified as endangered. Coastal fisheries have probably reached maximum sustainable yield levels, and some high-value species are in danger of elimination. Coral reefs are suffering increasing damage, in part because of destructive fishing techniques, but also because of siltation and, perhaps, pollution.

By 1995, urban areas will accommodate a quarter of Vietnam's population. Of the 17 million people now living in cities, 4 million reside in the largest city, Ho Chi Minh City (formerly Saigon), with more than 2 million in the second largest, Hanoi. Haiphong, in the Red River Delta, and Da Nang, on the central coast, are the next largest cities. Current rates of urbanization are already adding to urban unemployment and causing serious shortages of housing and services, especially water supply and sanitation. With liberalization of the economy and rapid economic development, urban growth will accelerate. Even by projections made in 1990, two-thirds of national population growth over the next 15 years will take place in the cities.

Critical environmental issues in Vietnam include: a) the country's continued high population growth rates and the inexorable growth of demand for arable land; b) threats to forest cover and degradation of marginal lands; c) water pollution, especially from sewage, but increasingly from industry, mining, and agrochemicals; d) destruction of valuable coastal and marine habitats (mangrove wetlands and coral reefs); e) over fishing; f) poorly planned hydroelectric dams; g) threats to biodiversity from most of the above; and h) urban air pollution.
The following is an assessment of the most pressing environmental needs in Vietnam according to the authors of the Vietnam environmental sector assessment. (The authors assumed that population issues would be addressed in the health sector assessment.)

- **FOREST RESOURCES.** Current rates of deforestation in Vietnam are high by global standards. Deforestation leads to topsoil and biodiversiy loss and watershed degradation, as well as to sedimentation of watercourses. Even with foreign assistance for reforestation and institutional strengthening, the government is unable to manage its forests on a sustainable basis. USAID could assist by involvement in a regional program for combatting deforestation or by working to develop methods to incorporate community participation into forest management practices.
- **BIODIVERSITY AND PROTECTED AREAS.** Of the 7,000 species of flora identified in Vietnam, 40 percent are believed to be found nowhere else in the world. Twenty-eight percent of the mammals, 10 percent of the birds, and 21 percent of the amphibian and reptiles endemic to Vietnam are listed as endangered species. Their protection, however, is severely threatened by deforestation, hunting, and illegal trade in wild animals. Donor assistance is being used for institutional strengthening and management plans for national parks. Donor assistance does not, however, address the involvement of communities living on the periphery of the protected areas, whose participation in conservation efforts is vital. USAID's experience could be used to promote incentives for community-based natural resource management through support to nascent CBOs or to the development of ecotourism.

- **FRESHWATER RESOURCES.** Reservoirs are used to provide flood protection, maintain year-round irrigation, and for hydroelectricity and fisheries. Vietnam's rapid economic growth is dependent on expansion of hydropower. Many existing hydropower projects, however, are located in deforested watersheds and, due to siltation, are losing the capacity to produce electricity. To meet these problems, a watershed management fund has been proposed by the World Bank. USAID could help to support the institutionalization of such a fund on a national or regional basis. USAID could also assist in: developing a regional approach to watershed planning; undertaking a comprehensive survey of Mekong subcatchment areas; and, with the Government of China, identifying procedures for development of the Red and Black Rivers.
- **COASTAL AND MARINE RESOURCES.** The coastal and marine environment is threatened by urban and industrial wastewater, the potential development of a port for coal exports, sedimentation from upland land use, and potential large-scale oil spills. This argues for an integrated approach to coastal resources management, where USAID assistance could be invaluable in coordinating and supplementing individual subsectoral initiatives. Almost all Vietnam's coral reefs are under threat, especially by siltation and over fishing, dynamite fishing, and coral mining for limestone. USAID's experience could be used for research on conservation needs and enforcement options; policy and legal assistance on reducing destructive practices; and development of projects for income generation.
- **URBAN INFRASTRUCTURE.** Migration to the cities will increase and without considerable public investment, access to urban environmental infrastructure will deteriorate. Vietnam's mortality and morbidity profile is characterized by diseases linked to water supply and sanitation. The problems are caused, in large part, by low levels of financing and a paucity of policies and skills for managing rapid urban growth. Whereas other donors are providing project assistance to meet the most immediate sectoral needs, USAID's experience could assist with broader systemic change, for instance by assisting with management of privatization of urban services, clarification of urban property rights, and development of expertise in municipal finance and urban environmental management.
- **INDUSTRY AND ENERGY.** Air pollution in industrial centers and in the workplace, often grossly exceeds international standards. There is a high rate of morbidity from respiratory infections. Industrial wastewater is rarely treated and contributes to public health problems, and damages sewer systems and downstream coastal ecosystems. Although several donors have shown an interest in industrial pollution control, Vietnam is starting from scratch in this sector. Priority areas appear to be advice on waste minimization, education of decision makers and the public on the consequences of industrial pollution and the opportunities for change, and a study of options for hazardous and toxic waste management. High levels of investment are planned in the power sector and the environmental consequences may be large. Improvements to energy supply efficiency and introduction of energy conservation measures would decrease the need for new facilities and have a positive environmental impact. USAID's assistance would be valuable in promoting energy efficiency, in introducing technologies for developing small-scale and renewable power plants; and in strengthening power companies and research institutes.

A.10 DEMOCRACY NEEDS IN VIETNAM

Vietnam's political structure is a product of the struggle for independence and reunification with an emphasis on mobilizing people for war related tasks, assuring control, using decentralization to protect scarce resources and using national security concerns to control freedom of expression and limit basic human rights. Since the process of economic renovation has begun, Vietnam's ruling elite and the Vietnamese Communist Party have begun to relax political controls, to promote the rule of law and to reduce violations of human rights. The party remains in control, but the area and intensity of its control have lessened. Freedom of expression has expanded. A process of creating a legal system based on the rule of law has begun. The National Assembly, the national legislative body, has begun to exercise functions more like a true legislature than a rubber stamp. Legal education has begun to expand.

Much remains to be done in terms of expanding the ability of Vietnamese to define their own legal system, to define their policy choices through the widespread use of social science and to be able to think about and influence policy decisions at the national and local level.

In this regard, certain broad issues define democratic development needs in Vietnam. Important concerns include: a) creating opportunities to think about politics; b) employing institutional changes already in place in the national government to enhance participation, accountability and transparency; c) strengthening the skills and resources available to civil society organizations; d) expanding the possibilities of freedom of expression through the media; and e) enhancing participation at the local as well as at the national level.

Looking at possibilities in terms of the strategic guidelines listed above, the author of the democracy sector assessment identified the following issues as most pressing in Vietnam:

- **THINKING ABOUT POLITICS.** Thinking about politics helps to set the agenda. This is of critical importance in a society like Vietnam where the current political model has reached the limit of its usefulness, and where new models have not been forthcoming to move the political process forward. Vietnam has developed a variety of centers that are concerned with social science research, policy studies and support of business and professional activities. Strengthening social science and legal education would open up possibilities of developing alternative policy and political options. Approaches might include training of researchers, support of social scientists, legal scholars and teachers and other professionals in international fora and development of truly collaborative research between Vietnamese and international scholars. Various donors have begun efforts to strengthen legal education and legal development. Ford has made a considerable commitment and the UNDP has begun a comprehensive program. The UNDP's legal advisor has assumed a role of coordinator of efforts in the field. Working with UNDP, USAID could identify specific legal training and research activities in support of enhancing the rule of law could be identified by USAID. In the social sciences, only minimal efforts have been undertaken to date. The range of possibilities for USAID are broad in terms of providing opportunities for collaborative research and developing contacts between social scientists throughout the region and internationally.

- **EMPLOYING INSTITUTIONAL OPPORTUNITIES.** Two areas of institutional opportunities immediately come to mind, the National Assembly and the court system. The National Assembly faces considerable problems including the part-time status of many of its members, the need to better evaluate legislation, and the domination of the legislative process by the executive branch. The Asia Foundation and CIDA have begun to address some of these issues. At this stage, the major need is to sustain these efforts and link them to the growing body of political, legal and social science research. The court system constitutes another set of opportunities. As the rule of law expands, there is increasing concern about the independence of the judiciary from political pressures. Professionalization of the courts represents one means of enhancing the independence of the judiciary. Training of judges, development of an adequate legal reference system and development of procedural manuals which define approaches to cases all serve to enhance the ability of judges to act in a professional manner. Another area of opportunity is elections. A recent experiment by the Asia Foundation points to the possibility of using local elections to increase the political involvement of women. By augmenting the political skills of women, local democratic traditions can be enhanced and a previously disadvantaged group can become an effective participant in the local political process.
- **STRENGTHENING CIVIL SOCIETY.** Civil society in Vietnam has begun to become a force that can have an impact on politics. USAID might develop a strategy of supporting the development of the resources and capabilities of NGOs or NGO-like organizations, beginning with those that undertake actions in areas related to disaster relief, environmental, population/health and economic development activities. Action in strengthening the technical capabilities of civil society has to be undertaken with care to avoid stigmatizing local organizations as "political action" organizations of the type likely to be the focus of repression.
- **EXPANDING FREE EXPRESSION THROUGH THE MEDIA.** The media remains in the hands of the state, but is not supported by the state. This constitutes an opportunity to provide support for the development of the skills necessary to manage newspapers and journals as profit-making entities. Developing the skills to generate resources from advertising, including classified advertising, careful cost-accounting and appropriate pricing can assist in making a newspaper a viable economic entity. This has the advantage of making a newspaper, at least in principle. more independent. The same is true for journals as well as for publishing houses. Relatively small amounts of resources in terms of training and technical assistance could provide this sort of economic independence. Assistance in developing journalistic skills can contribute to the objectivity of reporting as can training in editing. Small-scale efforts in this area have begun, including one tied to the Foreign Correspondents Club of Thailand. Such objectivity provides another layer of protection against media crackdowns, although certainly not guaranteeing it.
- **ENHANCING LOCAL GOVERNMENT.** Working at the local level can encourage participation and enhance the skills of local officials. While the former is more directly related to building democracy, the latter may do more to transfer power to the local level. Local government skill training can be directly tied to sectoral development in areas such as disaster relief, the environment, and health.

Vietnam is a country that offers opportunities in the short run to build toward a democratic future. The obvious caveat in Vietnam is the rejection by the elites of the suggestion that democratic political change is required. The approach that needs to be taken is to realize the sensitivities involved and focus efforts in the areas available for action, without articulating a grand purpose. Democracy needs to be seen as an outcome that can be reached through a series of steps over an extended period of time, without the need to label one's intentions beyond the limits required of the step itself.

A.11 ECONOMIC GROWTH NEEDS IN VIETNAM

Vietnam is a long, narrow country with potential trans-border economic relations considerably simpler in many ways than internal relations. Within the country, the Government of Vietnam is transforming its previous command market to one that is increasingly market-led. While the Communist Party retains control of the political apparatus, it has a pragmatic approach to private sector development of the country. Vietnam has grown rapidly since beginning its economic transformation. Despite a history of conflict, the government seeks to copy features of the US economic system, especially those which foster competition with equity.

Vietnam's economic structure is still heavily influenced by the central planning legacy. The production of consumer goods is the leading industrial subsector and output per worker is considerably higher in light industry than in heavy, despite the concentration of capital in the latter.

Transport and communications are vital to the economy, especially given Vietnam's long, narrow geography. At present, North-South links and the road infrastructure in the North cannot adequately support market development. Both the railway system and its rolling stock are in poor working condition. The seven international seaports feature antiquated equipment and operate well below capacity due to siltation. The Mekong and Red River systems are important shipping routes. While the domestic shipping fleet is small, the government has liberalized shipping and many foreign firms have entered the market, lowering shipping costs.

Vietnam has considerable energy potential, particularly high-quality coal and massive hydropower. Nevertheless, per capita energy production and consumption remain low, about a sixth the level of Thailand and half that of Indonesia. The rapid growth in offshore oil production (from a low base) is constrained by new fields not yet brought into production.

Reforms already undertaken since 1986 include: a) eliminating collectives in agriculture in favor of family farming under long-term leases; b) giving greater autonomy to state enterprises together with measures to encourage the private sector, such as legalizing the informal sector and sweeping price liberalization; c) a unified and sharply devalued exchange rate and lifting of trade restrictions; d) interest rate reforms to assure positive real rates and restrain credit through market mechanisms; e) fiscal reforms including release of 500,000 soldiers, eliminating budget subsidies to state enterprises (causing 800,000 layoffs), and tax reform to reduce the fiscal deficit from 8.4 percent of GDP in 1989 to 1.7 percent in 1992; f) a new investment law encouraging foreign private investment; and g) a program to address transitional unemployment, including

retraining schemes and soft loans for the small-scale private sector. A new constitution, approved in 1992, supports the shift both to democratic elections and to a market system and should make government more effective. In 1993 a Land Law gave clear land use rights to peasant households.

Vietnam's transition toward a market economy has been different both from that of other socialist countries and from that of other countries undergoing radical structural adjustment programs. First, the relative importance of agriculture compared with industry and civil service has helped the majority of households to benefit from the initial price reforms. Second, the rapid growth of the private sector absorbed most of those laid off from the state sector within a year. Third, these retrenched workers received a compensation package equivalent to one year's pay (four times higher than that provided in Russia), which together with the rapid integration into the private sector, minimized hardship and fall in aggregate demand. Fourth, state owned enterprises were not critical providers of housing and social services as in China and other countries, so their liquidation has not affected household access to social services.

As a result of these reforms continued growth appears assured, but future growth is constrained by the current ceiling on oil exports, probable limitations on further rice exports, and the possibility of losing political commitment to market orientation. The recent resurgence of inflation to double digit levels indicates that some of the "easy" adjustment, which benefitted the majority of the population, may be past.

The following are some of the most pressing economic problems facing the Vietnamese government:

- Market institutions are weak. Besides the legal system, the banking system is rudimentary and its financial services are inadequate, and there are no capital markets.
- The structure of economic incentives needs to be reformed for sustainable growth. To sustain growth, reforms must be deepened and investment increased. Strengthening of property rights and other legal, commercial and economic institutions is required as is dispute resolution, market regulation for fair competition and consumer protection.
- While overall economic management appears to be strong the middle levels of policy formulation and implementation are still weak. Staff trained in socialist economics are having difficulty adapting to the needs and role of government in the market economy. The government must develop the capacity to regulate a market economy.
- The tax system is insufficiently developed, and relies heavily on taxes on trade rather than on the productive elements of society. Revenue buoyancy is low, so revenue problem recurs throughout this assessment. Donors have tended to overlook local tax systems, an area where the US has a comparative advantage.
- The foreign trade and investment environment still offers few incentives for sustainable rates of growth. Rules, regulations and responsibilities must be clarified. Corruption is already a major problem and the Vietnamese authorities

need to establish transparency and rule of law to avoid the degree of rent seeking damaging reform in China.

- Physical Infrastructure is inadequate, obsolete and under-maintained, particularly in northern and central areas. Underdeveloped power and transport are already a constraint on economic activity and are expected to discourage private capital inflows. There is already evidence that local rice surpluses are more easily exported than transported to food deficit areas within the country.

The US is likely to be a relatively small donor in Vietnam. It must seek niches where it can improve public and private resource use and leverage the more significant resource flows of others. The role of USAID, whether in Vietnam or from a regional perspective, can be to assist in forging new partnerships between the US public and private sector activities in Vietnam. Developing training programs is one such critical activity. The authors of the Vietnam economic growth sector assessment identified three specific niches of intervention that would further these goals.

- First, training should be accompanied by policy advice on developing new regulatory mechanisms and macroeconomic supervision appropriate to a rapidly-growing private economy. This could be done bilaterally, multilaterally or regionally. The regional approach has the added benefit of permitting mid-level policy makers from the several countries to develop personal networks and to learn from one another.
- Second, US expertise can support market growth by using business groups to train the private sector. Business groups should address the common training needs of a business subsector. The private sector needs immediate training in elements of management and accounting, and technical training can be provided according to the specific needs of firms. The firms would finance this training, with USAID serving as facilitator to link these groups to US private training centers and regional programs.
- Third, NGOs are carrying out similar activities to the above and should be assisted. These include groups like the American Chamber of Commerce, the Asia Foundation, Ford Foundation, and Harvard University.

A.12 HUMAN RESOURCE NEEDS IN VIETNAM

Although many of the human resource development needs parallel those found in the former Soviet Union, Vietnam presents a more favorable environment for realizing an immediate return since the party has enacted policies favoring privatization. However, since overall social policy remains the responsibility of the party and program implementation is the responsibility of the state, training assistance must be directed at both sides of the equation if long-term benefits to training assistance are to be sustained. Assistance to further human capital formation by USAID is advisable because: a) a low-cost, industrious, relatively well-educated work force is already in place; b) Vietnam is strategically located to regional markets and its potential volume of inter-regional and inter-national trade; and c) Vietnam's commitment to market liberalization and implementation of social and economic reforms is strong.

Economic growth is currently slowed not only by a cumbersome bureaucracy and lack of supportive regulatory environment, but because of a weak technical training and support structure. Continued economic growth and diversification of the manufacturing and production sectors will rest heavily on the development of a technically proficient cadre of workers who possess business, production and maintenance skills.

Growth remains shackled by unacceptably low (and possibly declining) primary school completion rates and by substantial variance in educational attainment by geographic region. Some estimates of illiteracy among adults run as high as 6 million people. Some statistics also place the number of children registering to go to school at only 50 percent of the total 6-10 year old population. This number disguises the substantially higher enrollment rates found in the south and in metropolitan areas compared with the north and rural/mountainous areas.

Repetition rates at the primary level are estimated to be about 8 percent and the drop-out rate to be about 9.4 percent. The result is a relatively inefficient system that requires 8.1 years of investment to produce a graduate from the five year primary cycle. With only 450 students out of every 1000 completing the primary cycle, the impact on the production of a literate, skilled work force is clear and foreboding. The most commonly cited reasons for the non-completion rate are the poor quality of instruction, inappropriate curricula and testing procedures, and the economic constraints faced by the students. The emphasis given to each of these varies by region, with economic problems cited more frequently in the poorest areas.

Compounding the problem of quality of educational services is the amount of time actually spent on schooling. In comparison with the world average of 4,000 periods spent over the primary cycle on instructional activities, Vietnamese primary students are offered 36 percent as much instructional time as their Indonesian counterparts. Quality of instruction is, of course, more important than quantity, but Vietnamese children face a double barrier in anticipation of competing with their counterparts from many other Asian nations where both time and quality of schooling are no longer development issues.

Curricula at all levels are outdated and steeped in pre-liberalization ideology. School administrators and ministry planners lack training on how to design and operate decentralized schools and are generally unfamiliar with how to use empirical research to improve the quality and efficiency of educational institutions. Only one-third of the primary teachers have completed the normal pre-service teacher training program, yet the national colleges operate at only 38 percent of capacity. Most teacher preparation takes place at the provincial level, where teacher training institutes operate at full capacity, in part because of lower opportunity costs associated with studying in one's home community. However, the provincial institutes also have the lowest quality of facilities, equipment and training staff. Ethnic minorities comprise about 13 percent of the population but account for only 4.2 percent of those enrolled in basic education. Tuition fees, linguistic differences, poor facilities, and high opportunity costs (especially for girls) will likely contribute to a growing disparity unless steps are taken to ameliorate the differences.

Gender differences exist at all levels of schooling, although they are not as great as the variance in attainment by ethnicity and geographic location. Female attainment is approximately 95 percent that of male. Among the general population aged 10 years and above, 16.6 percent of

girls did not attend school compared with 7.5 percent of boys. As industrialization proceeds and as the direct costs of schooling increase, it is likely that the gender gap will grow wider.

The authors of the human resource sector assessment suggest that the following types of USAID assistance would be particularly valuable: a) formation of training/internships and cooperative linkages between US-based Vietnamese individuals and organizations and those in Vietnam, perhaps facilitated by short-term practical study in the United States; and b) support for education and training policy formation, especially for basic education services in the north, among marginalized populations throughout the country, and for the development of specialized technical market-oriented job skills.

A.13 HUMANITARIAN ASSISTANCE NEEDS IN VIETNAM

Vietnam has some of the most abundant water resources in the world, with an average annual rainfall of 1.8 to 2.5 meters of rainfall a year. However, this very abundance and the country's location in relation to the prevailing monsoon make water resource-related hazards the most serious threats in the country. With a number of broad river deltas (including the Red River in the North and the Mekong Delta in the South) and a narrow lowland zone along 3,000 kilometers of coast, floods from typhoons storms and uneven rainfall are common.

The majority of the country's 70 million people live in areas subject to flood, with 62 percent of the population and 44 percent of the country being affected by storm events. Seventy percent of all Vietnamese gain their livelihood from the production of rice. It is these rice-growing areas that are most prone to flooding. Because of the annual floods, most of the rice-growing is limited to one crop a year, instead of two or three in flood-free zones. As the world's third largest exporter of rice, the economic effects of floods are significant and often dramatic.

The 3,000 kilometer coast line of Vietnam exposes the entire country to the prevailing westerly tacking of typhoons originating in the South China Sea. Since 1954, 212 typhoons have struck Vietnam. Although rare in the South, typhoons striking between May and December take a heavy toll in lives and assets in the central and northern regions. The accompanying storm surges, funnelled into river deltas, exacerbate flooding from heavy rainfall. Some authorities anticipate that the severity and frequency of heavy storms and typhoons to strike Vietnam will increase due to climate change associated with global warming.

Forests that covered 44 percent of the country in 1945 have dwindled to 28 percent today. Although Vietnam claims active reforestation projects, over 100,000 hectares of additional forest area is lost each year. Land erosion, faster run-off and lower flows in the dry seasons due to reduced soil infiltration of rains all impact local and down-stream activities. Erosion also adds to sediment that clogs necessary flood run-off channels. Deforestation also contributes to slope instability, mudflows and landslides.

Just as forest cover in hills and mountains is being removed, protective coastal mangroves have been destroyed to facilitate shrimp and sea crop farming. There are currently over 530,000

hectares of sea crop farms, of which half are devoted to shrimp raising. Coastal settlements are now exposed more directly to wave action, storms and typhoons.

The rapid economic and technological reforms currently taking place in Vietnam as the country moves from a central to a market-oriented economy are creating additional vulnerabilities through industrialization and urbanization. That development and a growing population put significant pressure on an already strained resource base. Besides the need for forest and watershed management, other environmental considerations, such as water and air pollution abatement and solid and hazardous materials management, are imperative in the face of the rapid development process in Vietnam.

Despite Vietnam's belief that it has one of the most effective systems in the world to mitigate water-related disasters, almost a million cubic meters of dike are destroyed or washed away, millions of dollars and hundreds of lives are lost, and thousands of persons are displaced each year. UNDP has estimated the annual losses from floods in the North at $130 million a year. The ADB, in a more rigorous analysis, estimates $50 million in losses annually in and around Hanoi due to flooding. Although the usual measure of flood loss is lost rice production, families suffer loss of homes, possessions and work opportunities. These losses usually are not factored into reported estimates of flood damage.

Disaster management efforts in Vietnam are focused on relief, some preparedness measures and structural mitigation. The government lacks personnel knowledgeable about the complex issues associated with disaster management in its broadest sense. It is apparent that regardless of the government's perception of its disaster management abilities, that management is not as satisfactory as most Vietnamese would wish.

Priority humanitarian assistance needs in Vietnam, as identified by the author of the humanitarian assistance sector assessment, are as follows:

- Foster sustainable development in areas prone to water disasters. Although Vietnam has long practiced structural mitigation, water-related disasters are unavoidable and will continue to plague the country. While prevention strategies will have minimal or no effect, non-structural mitigation measures and preparedness activities may be the most cost-beneficial.
- Preserve the remaining forests of Vietnam (and adjacent countries). Total forest cover has shrunk 36 percent in the past 50 years. Degraded watersheds exacerbate flooding, reduce biodiversity and affect the quality of life. Watershed management is considered by the Vietnamese authorities themselves as their greatest challenge.
- Prepare for sustainable urban environmental development. For its stage of development Vietnam is under-urbanized. Future urbanization and resultant encroachment into sensitive environments, coastal lands and disaster-prone areas is expected to accelerate with increased population growth and economic growth.
- Establish a multi-purpose managed information system. Vietnam has collected a mass of information regarding disasters and disaster phenomena. The information requires effective management to make it useful, not only to the country, but to the region.

The degree of risk associated with the successful implementation of humanitarian assistance and disaster reduction programs in Vietnam is modest. That moderate rating arises primarily from the realization that Vietnam will always be struck by typhoons and floods. Mitigation measures to reduce impact will be costly and of limited value; preparedness in the form of warning, stockpiling, timely and effective relief and promotion of rapid recovery may be the most cost-beneficial strategy of management for Vietnam.

Vietnam has a long and continuing tradition of reliance on foreign aid for its disaster response and reduction programs. As the country moves into a market-oriented economy, an opportunity presents itself to shift centuries-old habits of disaster reduction to more relevant practices that inculcate the best in non-structural mitigation. Vietnam's reliance on foreign aid should be used as the springboard to require innovative thinking in flood control, risk assessment needs in urban planning, and other requirements for sustainable development in a country that will continue to be struck by floods and typhoons.

B. Proposed Reproductive Health Strategy

B.1 REPRODUCTIVE HEALTH S0: DESCRIPTION

High rates of maternal and child morbidity and mortality are reported throughout this region. Indicators show that Laos, Cambodia, Mongolia, and Vietnam have high fertility rates combined with high maternal and child mortality due, primarily, to early and late childbearing, short intervals between pregnancies, poor nutrition, anemia, reliance on abortion to control fertility, unavailability of contraceptives, and, among children under age 5, malaria, acute respiratory infections (ARI), helminthic infections (worm loads), anemia, and diarrhea. Both mortality and morbidity from maternal anemia are exacerbated by helminthic infections and malnutrition. Ethnic and highland minorities report among the highest such rates throughout the region. Providing a complete range of reproductive health and contraceptive products and services would fulfill the most frequently expressed unmet need among these populations.

The provision of reproductive health services would not only respond to articulated needs, but would also initiate significant reduction in each of these significant health problem indicators. By increasing access and availability of reproductive health options, high risk practices which are currently widespread due to the lack of such options, such as menstrual regulation and abortion, can be reduced. Providing contraceptive methods that allow women to space their pregnancies contributes to their own and their babies' nutritional and health status, thus further reducing subsequent morbidity and mortality. USAID's traditional strength in reproductive health and social marketing of contraceptive options, coupled with critical levels of unmet need and demand for such products and services, clearly warrant the support of this potential strategic objective.

The text of the Mission's proposed reproductive health strategic objective and subsidiary program outcomes and indicators are as follows:

> **Increased access to contraceptive technologies and improved delivery of reproductive health services, contributing to reduced infant and maternal mortality.**

- PROGRAM OUTCOME 1 AND INDICATORS: reduce unplanned pregnancies through improved access to contraceptives and increased skills in delivery of reproductive health services;
  - Increased number and range of contraceptive options available and sold (OCs, condoms, IUDs, injectables), by subregions over life of the project.
  - Increased number of sales points regularly stocking modern quality methods, with sales representatives and pharmacists knowledgeable about those methods.
  - Increased volume and range of contraceptive methods available through community-based women's groups.

- Increased volume and range of contraceptive methods and services provided by community-based distribution to high risk, isolated, and especially impoverished groups over the life of the project.
- Number of community health workers with improved skill-based competencies in modern family planning methods (through targeted training programs).
- Number of community-based health workers trained in culturally-sensitive information, education and communication (IE&C) skills and in production of culturally appropriate IE&C materials.
- Reduced percentage of unplanned pregnancies (by reports of health care workers and self-reports of clients) in targeted areas.
- Increase in number of long-term adopters of modern family planning methods over life of project.
- Percent increase in number of clients of reproductive health services from neglected groups, such as ethnic minorities, young people, unmarried people, and men, over life of project. (Percentages will be reported by gender.)

- **PROGRAM OUTCOME 2 AND INDICATORS**: reduce infant and maternal deaths from pregnancy and delivery complications and/or malnutrition through strengthening and training of women and community groups for increased safe motherhood practices.
  - Increased number and range of contraceptive options available and sold - by country, subregion, region.
  - Women's and community group leaders' knowledge of and access to modern contraceptive and birth spacing methods.
  - Percentage of contraceptives being distributed or sold through community-based organization channels.
  - Percentage of women in target group(s) who receive proper maternal care and follow-up.
  - Increased percentage of women in target group who perceive adequate or improved maternal care.
  - Percentage of women increasing pre- and post-partum supplemental nutrition.
  - Community-based women's groups', community group leaders', trained birth attendants', midwives', and district level health care workers' knowledge of appropriate case management techniques.
  - Improved women's groups', community group leaders', trained birth attendants', and midwives' demonstration (from field observations) of competency-based skills for delivery of appropriate safe motherhood techniques.
  - Number of women in target group who receive adequate (measured on a scale of established criteria) maternal and post-partum care from network defined as community-based agents and sub-district and district health care.
  - Number of women trained in early detection and rapid response to serious infections, asphyxia, first aid emergencies, and other critical illnesses.
  - Increased percentage of appropriate referrals within a case management structure (to district hospitals, critical care centers, and delivery rooms) from trained community group members.

- PROGRAM OUTCOME 3 AND INDICATORS: improve policy coordination and implementation through technical assistance to operationalize policies.
  - Relevant commodity importation, taxation, and licensure regulations adopted.
  - Increased reproductive health commodities imported or licensed for local manufacture.
  - Regulatory practices related to quality of health care delivery adopted.
  - End user evaluation of health care client perceptions and satisfaction with services and products at reproductive health clinics, private clinics and pharmacies.
  - Regulatory procedures for appropriate control of pharmaceutical products in place.
  - Percentage of expired, damaged, or contaminated pharmaceutical products found in the markets.

B.2 REPRODUCTIVE HEALTH SO: PROBLEM STATEMENT

This region includes population programs, such as Thailand's, which are frequently pointed to as successful examples of what other countries should emulate. It also includes countries (Cambodia, Mongolia, Burma and Laos) which, until recently and rooted primarily in historical and political considerations, pursued aggressive pro-natalist policies. Due to excessive rates of infant and maternal mortality, these countries have now adopted policies supportive of birth spacing, yet do not favor reducing fertility. Fertility and population growth rates vary widely throughout the region.

With the exceptions of Thailand and China, unmet demand for family planning is quite high. Maternal and child mortality rates are also high in several of these countries, most especially Cambodia and Laos, and among ethnic and highland minority groups. The twinned strategic responses proposed here - regionally expanded delivery and social marketing of family planning methods and technologies, and basic improvement of maternal and infant health - must be carefully chosen in order to be cost-effective, yet still initiate the expanded engagement of community-based women's groups and leaders in grassroots-managed care in those countries and among population groups with the greatest need.

Reproductive health products and services help to reduce unmet demand for family planning and reduce maternal and related child mortality. In all countries, a significant percentage of pregnancies are unplanned or unwanted. In developing countries, a larger portion of these are attributable to a lack of available quality contraceptive products and services. By increasing access and availability of reproductive health options, high risk practices, such as abortion and menstrual regulation, can be reduced.

Pregnancy is typically the biggest single cause of morbidity and mortality among women in this region. Reducing pregnancies that were unintended reduces the number of women exposed to the health risks of pregnancy. Effective family planning also reduces the number of abortions that are sought by women, abortions which are particularly high risk in areas of low health and sanitation standards.

Complications from abortions are responsible for nearly one-third of the 500,000 maternal deaths that occur worldwide each year. Providing contraceptive methods that allow women to space their pregnancies contributes to their own and their babies' nutritional and health status, thus further reducing subsequent morbidity and mortality.

All countries of the region have now adopted policies that support the need for greater availability of reproductive health services. In some cases the objectives sought from reproductive health are stated as improved child and maternal health, such as in Cambodia, Laos, and Mongolia; in other cases, such as Vietnam, reduced rates of fertility and population growth are also specified. Policy leaders in all of these countries have become convinced that birth spacing programs will reduce unnecessary maternal mortality. As has been widely noted, babies born less than two years after a sibling are almost twice as likely to die as those born after an interval of at least two years.[1]

China and Thailand have perhaps the most extensive and successful population policies and programs, although the extent to which coercive measures are brought to bear on individuals and couples in China is a continuing concern. Contraceptive prevalence in these two countries is high (81 and 75 percent respectively) and inferred unmet need is low (close to zero for China and less than 5 percent for Thailand).

The extent to which coercion may enter into reproductive health in Vietnam is of interest as well. Some who have studied the family reproductive health program report that the incentives and disincentives developed to influence fertility decision-making strictly limit free and informed choice. This subject warrants further investigation.

Local and cultural fertility practices are sometimes at odds with national program objectives. For example, Lao women prefer to have all children in quick succession between the ages of 20 to 30 years based on traditional folk belief systems. This suggests considerable efforts will be required to successfully introduce the practice of birth spacing. The Lao government effectively limits the availability of sterilization. As many women wish no more children after the age of 30, a balance between implementation of birth spacing and the availability of sterilization, as well as introduction of other options, may be required.

Not readily apparent in these countries' reproductive health policies is any visible emphasis on facilitating couples' right to choose the contraceptive methods they want, or any recognition of users as clients, or an emphasis on quality of products and services. Logistical systems are also reportedly weak. Program vehicles, such as USAID's Family Planning Logistics Management (FPLM) program, could provide technical assistance in such critical areas.

Rates of maternal and child morbidity and mortality are reported to be quite high in some areas of this region. Indicators show that Laos, Cambodia, and Mongolia have high fertility rates combined with high maternal and child mortality due, primarily, to early and late childbearing, short intervals between pregnancies, poor nutrition, anemia, reliance on abortion to control

[1] Population Reference Bureau, 1992.

fertility, unavailability of contraceptives, and, among children under age 5, malaria, acute respiratory infections (ARI), helminthic infections (worm loads), anemia, and diarrhea. Both mortality and morbidity from maternal anemia are exacerbated by helminthic infections and malnutrition. Ethnic and highland minorities report among the highest such rates throughout the region.

This strategic objective would target these high rates with interventions that have been proven to be effective in other settings. Addressing the health of mothers and young children offers the potential for broader positive impacts. In the case of mothers, improving their health often results in positive consequences for their young newborns, such as optimal weight at birth. And addressing children's health in their most formative years may help to prevent such phenomena as the widespread childhood stunting experienced in this region and offers benefits for their subsequent maturation.

These three countries have the lowest total population of the countries in the region (Mongolia with 2.2 million people, Laos with 4.7 and Cambodia with 10.3), and, until recently, pursued pro-natalist health policies. Rates of natural increase are high (2.7-2.9 percent growth per year) and population doubling times are short (24-26 years). Each of these countries has adopted new policies, not to reduce population growth, but to reduce maternal and child mortality. Primary steps required to implement these policies will be an expanded contraceptive mix, wide distribution, and informed choice options.

China and Thailand have already achieved impressive goals. Fertility rates in both countries are now below replacement level (2.0 and 1.95, respectively). Growth rates are low (1.1-1.2) and their doubling times are comparatively long (60 and 50 years). The remaining two countries (Burma and Vietnam) have moderate rates relative to the rest of the region: rates of natural increase are 1.9 and 2.3 percent, and doubling times are 36 and 30 years, respectively.

Health conditions in the seven countries of East Asia range from good to poor, with Thailand and China enjoying the best health status, understood as a composite of health indicators; Burma, Mongolia and Vietnam having "moderately" good health; and Cambodia and Laos having relatively poor health indices. Health status varies widely within countries, as well. People who live in urban areas and in lowland areas are more likely to be healthier than those who live in rural or mountainous areas. Ethnic minority populations are particularly underserved and have consistently the worst health indices throughout the region.

Comparing these countries' programs, China and Thailand are rated in the "best" category for population, reproductive health, and child survival. Burma and Vietnam are next in all three categories. Mongolia joins them in child survival, but joins Laos and Cambodia in the poor category for population and reproductive health. Laos and Cambodia, in fact, rank last for all three components.

China and Thailand have the lowest infant mortality rates at 31 and 35 respectively and Laos and Cambodia have the highest at 107 and 112. The other three countries are in between. Neonatal mortality accounts for a large portion of the infant mortality in many countries: 30 percent in Cambodia, 33 percent in Laos, and 40 percent in Vietnam. Mongolia has reduced its IMR

significantly by reducing neonatal mortality. Poor maternal health is often the root cause of neonatal mortality, leading to prematurity, higher risks for hemorrhage and low birthweight.

The leading causes of child mortality in the region continue to be acute respiratory infections and diarrhea, followed by malaria and dengue. Acute respiratory infection is a particularly significant problem, especially in Mongolia, Cambodia, Laos and Vietnam, as well as in highland border areas. In Mongolia ARI is a major problem and accounts for half of all infant deaths. In Vietnam it accounts for one-third. Educational efforts, whether among health care workers, affected communities, or traditional healers, on how to avoid ARI and case management for affected children are considered grossly inadequate.

Use of oral rehydration therapy (ORT) to manage diarrhea cases is surprisingly low. The use rate in China is only 54 percent. It is 43 percent in Thailand, 38 in Burma and 30 in Laos. Vietnam's use rate is "low". There are no data on usage for Mongolia.

Breastfeeding is almost universally practiced throughout the region and many mothers continue breastfeeding for 12-15 months, some even longer. Mongolia and Burma have the highest rates, with 99 and 94 percent, respectively, breastfeeding for a minimum of 12-15 months. Cambodia is 72 percent, Thailand 58 percent and Vietnam is 49 percent. Two issues identified with current breastfeeding practices warrant attention: first is a reluctance to breastfeed immediately after delivery in order to provide colostrum to the baby. Burma is the only country that reports most women starting breastfeeding immediately (70 percent). A second is a tendency to introduce milk substitutes too early. Reports from Laos suggest mothers often begin to feed rice to infants as early as 3 days after birth. Thailand and Vietnam are two countries that have explicitly noted premature milk substitution as a concern (as marked by the comparatively shorter duration of breastfeeding found in those two countries). This behavioral pattern is mostly found among urban and working women.

Immunization coverage is good in China (95 percent), Vietnam (87 percent) and Thailand (80 percent). It is also reasonably good in Burma (64 percent) and Mongolia (60 percent). Cambodia and Laos have the least coverage (37 and 25 percent, respectively). Mongolia is in the enviable position of having eliminated most immunizable diseases. Measles epidemics have occurred in Cambodia almost every year, and recurring levels of infections of other immunizable diseases have been reported in several other countries, most especially Cambodia, Laos, and Vietnam.

Several countries in the region have developed maternal care systems that reach down to the most rural areas. Mongolia has one model, Burma another, and Thailand yet another. The common element in these systems is the existence of a trained midwife or birth attendant at the community level of the health system.

In contrast, the systems in Vietnam, Cambodia and Laos have seriously deteriorated and are in need of significant assistance with planning and infrastructure. In most of these countries the midwifery component of the system is deficient; and maternal and infant mortality rates reflect this deficit. Vietnam represents a deterioration of human resources, while both Cambodia and Laos reflect a more serious loss of the human resource base.

Maternal mortality is lowest in Thailand and China, "moderate" in Burma, Vietnam and Mongolia, and highest in Laos and Cambodia. Poor maternal health, especially poor nutrition, also leads to low birth weight, which is a significant problem in many of these countries.

Maternity services are adequate in several countries, but poor in others. In Mongolia some 95 percent of women are enrolled in antenatal care, 78 percent in Burma and 68 percent in Thailand. But antenatal care is weak in Vietnam, Cambodia and Laos. Only one-fourth of pregnant women are enrolled in Cambodia and less than 10 percent in Laos.

Tetanus toxoid immunization coverage is improving. Vietnam's coverage increased substantially from 14 percent in 1990 to 42 percent in 1991. Coverage in Laos is now about 34 percent. China's immunization coverage is only 32 percent. Cambodia's coverage is low, about 6-7 percent. Tetanus Toxoid immunization is highest in Burma (63 percent) and Thailand (76 percent).

The causes of maternal mortality are largely preventable. Vietnam estimates that of its cases, 35 percent "definitely" could be prevented and another 53 percent "probably" could be prevented. Worldwide, it is estimated that about one-third of maternal mortality is attributable to unsafe or unsanitary abortions. This is especially true throughout much of this region. Improving safety of existing abortion practice is an obvious need. Increasing the availability of quality contraceptive supplies and services will also reduce maternal morbidity and mortality.

The role that abortion plays for women's fertility and reproductive health in this region is inadequately understood. As the statistics suggest, it is widely available and practiced, although it is unclear how demand would be altered by the availability of other contraceptive choices. In several countries, most notably Vietnam, menstrual regulation is widely practiced as a method of birth control. The legal status of abortion varies throughout the region. Abortion is reported to be available upon demand in China, Mongolia, and Vietnam. It is reported to be available on a restricted basis in Burma, Cambodia, and Laos, and is available in Thailand if the health of the mother is at risk. It is understood that abortions are underreported throughout the region.

Independent sources of corroboration suggest that abortion data for Vietnam is reasonably accurate, although also likely underreported. The official 1992 total abortion rate for Vietnam is listed as at least 2.5 per woman, unusually high by international standards, especially for a country with a total fertility rate of 3.7. Regional patterns of abortion are related to levels of fertility and urbanization, although availability of abortion services vary widely, even between contiguous provinces. Abortion appears to be particularly concentrated among married women during their peak childbearing years. The prevalence of repeat abortions reported in some provinces, and survey responses of those reporting having had abortions, suggest that some women are using abortion as a primary means of fertility control. While the data are less complete, similar conditions and practices are understood to apply in Cambodia and Laos, as well.

At least three reasons can be advanced to account for Vietnam's high rate of abortion. First, like other poor socialist nations, Vietnam's political leadership heretofore viewed the IUD and abortion as methods allowing maximum state control and monitoring of reproductive health.

More recently, although the number of contraceptive methods available has improved marginally, Vietnam still lacks the resources to provide alternative choices. Second, national policies increase the marginal costs of childbearing to such an extent that pregnancy termination becomes more desirable. Third, trends toward modernization and a free-market economy contribute to premarital and unwanted pregnancies and the related demand for abortion services (as elsewhere in the world).[2]

While information was unavailable on morbidity and mortality rates associated with abortion practices in the region, high rates of maternal mortality suggest that a higher incidence of abortion and of abortion complications may be partially responsible. China has a comparatively low reported abortion rate of 38 per 1,000 live births. Cambodia and Laos, which have the highest maternal mortality rates (500-1,200 and 300-653 respectively), are thought to have comparatively high rates of abortion as well. Mongolia is next (maternal mortality at 204 and abortions between 58-386/1,000 live births). Burma and Vietnam have maternal mortality rates in the 100-120 range. Burma has an abortion rate of 84/1,000 live births, and a UNICEF report contends that Vietnam has a rate comparable to this.

Two other major causes of maternal mortality are anemia and poor nutrition. Simple complications or hemorrhages become life-threatening if the mother is weak or has inadequate blood to get through a difficult pregnancy. Laos estimates that 40 percent of maternal deaths are due to post-partum hemorrhage.

Anemia is a severe problem among women of reproductive age throughout the region. Burma reports that 60 percent of women of child-bearing age suffer from iron deficiency anemia. In Mongolia, 50 percent are anemic. Among pregnant women it is typically higher. Vietnam reports that 67 percent of pregnant women are anemic, Laos reports anemia as a "serious" problem.

Two cultural factors contribute to maternal mortality in many of these countries. First is the double burden of work for those women who work outside the home and who must also maintain domestic responsibilities. In "modernizing" societies, such as Mongolia, women are more likely to seek employment voluntarily, but must still perform responsibilities of childrearing and housekeeping, as well. A second factor is the practice of self-restricted diets during pregnancy, especially in the third trimester, so that the fetus will not grow too large and make the delivery difficult.

Infant malnutrition in the region is particularly attributable to inadequate breastfeeding, premature and inappropriate supplemental foods, and, more broadly, inadequate caloric intake and poor dietary selection, as well as problems of food availability and security. Malnutrition (measured in terms of weight for age) is relatively high throughout the region, ranging from 12 percent in Mongolia to 44-48 percent in Cambodia, Laos, and Vietnam.

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[1] Data regarding abortion in Vietnam drawn from: Daniel Goodkind, *Abortion in Vietnam: Measurements, Puzzles, and Concerns*. **Studies in Family Planning**, vol. 25, number 6, November/December 1994.

The most visible evidence of malnutrition common in all countries is stunting (height for age). The rates range from 18 percent in Mongolia to 67 percent in Cambodia. Even Thailand has a high rate at 28 percent. Shortages of key micronutrients are commonly assessed: iodine, iron, and vitamin A deficiencies are widespread in this region. Micronutrient deficiencies are particularly acute among ethnic minorities and those segments of the population living in highland and mountainous areas.

Patterns of chronic child malnutrition (stunting) differ. Although data is unavailable for China, malnutrition is understood to be somewhat higher in China than Thailand, but below that for Burma. Only Mongolia has a index value below the USAID threshold. Laos, Vietnam and Cambodia (in that order) have the most serious child malnutrition problems. Burma, China and Thailand have comparatively moderate problems, although specific nutritional problems are severe in certain geographic areas and most particularly among ethnic and highland minorities.

B.3 REPRODUCTIVE HEALTH SO: PROGRAMMATIC APPROACHES

Program Outcome 1 Approaches. This program priority for USAID support consists of services and systems that increase individuals' access to and the quality of reproductive health interventions. Family planning is made available for both child spacing and limitation of family size. Elements in reproductive health programs to be addressed include availability of a wide range of methods, such as the lactational amenorrhea method; adequate and high quality supplies; prevention of unsafe abortion and provision of appropriate post-abortion treatment and resumption of contraceptive use; multiple service delivery channels with adequate referral networks; public and private sector involvement; sound management; training; logistics; responsive and effective information and communication; strong leadership; and measurement and evaluation of program impacts.

The RSM/EA will support two major activities to achieve this program output. The first will be a regional social marketing initiative which would build on the existing program activities and institutional capacities (within the private sector) now growing in the region. These activities would focus on market development and advertising. Commodity procurement or extensive subsidization of product price will be considered for areas chosen as severely isolated or as warranting special intervention support. Social marketing activities would specifically target a variety of informal cross-border traders as well as populations residing in cross-border settings and groups with similar ethnic or cultural characteristics. Possibly the same product could be launched in several countries, based on USAID's experience with pan-regional marketing capabilities in Africa. Such previous efforts have led to wide regional product recognition and cost-effective, efficient distribution and sales through the private sector.

As a means to achieve these goals, broad and regionalized social marketing is one the most cost-effective reproductive health interventions available. This region is well suited to this approach given the reemergence of the entrepreneurial spirit of free trade; the considerable commercial resources (advertising, marketing, distribution, and warehousing) in the region; and given the existing and rapidly expanding commercial sectors in most countries (eg, the number of

pharmacies in Vietnam increased from just a handful of state-run pharmacies five years ago, to over 1,000 private pharmacies today).

Social marketing is also a strategy that, because of inherent pricing and cost recovery schemes, can be graduated at a lower cost and is more likely to be sustained in the future.

In many public reproductive health programs, it is more often the case than not that contraceptive supplies are not available in the clinics and through the community health workers. There are frequent "stock outs" that can last for months, excess supplies of one method and no supplies of another, and supplies distributed may be beyond their expiration date, damaged, or contaminated. The consequences of such problems can be devastating to a reproductive health program. Clients will lose faith in a program and not return, they may suspect the quality of commodities distributed, all of which undermine the credibility of the larger effort.

These commodity logistics problems are frequently one of the weakest links found in public sector national reproductive health efforts. The information systems, inventory practices, and warehousing guidelines are areas of expertise more commonly found in the commercial sector than in public ministries of health. Yet these problems can be directly addressed with technical assistance provided for more effective management and commodity handling logistics. Such technical assistance could be provided through USAID's FPLM program.

For areas of special concern, including border areas with high concentrations of ethnic and highland minorities, poor health indicators and widespread poverty, social marketing will require a phased-in approach. Initial support of a community-based distribution (CBD) program will be required to deliver services and information, such as proper usage, potential side effects, and how to obtain refills/supplies, to populations beyond the reach of fixed clinics and health centers, and where poverty concerns outweigh the presumed benefits of social marketing. CBD is recognized to be of most use in the early stages of reproduction and in areas of both high poverty and high unmet need. CBD overcomes unfamiliarity with reproductive health by bringing both information and services closer to people in their own community settings and by providing culturally sensitive information and service delivery.

In addition to the types of support for a regional social marketing initiative described above, technical assistance would be provided to governments to improve contraceptive logistical systems at the grassroots, provincial, and national levels. This would include establishment of storage, distribution, and management mechanisms between different levels within the logistics systems. This effort will also provide training for administrators at each level of ministry-run health delivery systems, assuming that collaboration with local and central governments is possible.

In addition, regional training of critical program implementors will be supported in critical areas of reproductive health delivery, including formal and non-formal care providers, trained birth attendant and community volunteers, members of medical associations, and pharmacists. Training could include contraceptive technology updates and counseling techniques; post-abortion care; implementation and management of contraceptive logistics systems, techniques for compliance, follow-up, and referral in reproductive health, etc. Training and follow-up TA will

be done through local institutions which could serve this function in future years. South-to-south collaboration would be highly encouraged.

A regional social marketing initiative could be implemented through PSI, DKT, or SOMARC, for example, each of whom already has limited social marketing activities in Vietnam or Cambodia that could be expanded, or through CSM III, the G/POP central social marketing mechanism. If PSI or DKT were to be selected, it may be possible that their private funds could be leveraged alongside RSM/EA's to produce even greater impact. The training could be implemented through the East Asia Regional Training project through which regionally-located resources could also be linked.

In addition to the pharmacies mentioned above, social marketing can take advantage of the large numbers of community health workers (including brigade workers trained within commune systems) that have been or still are used in these countries, to distribute and sell contraceptives at the community level. This approach has been used successfully in a number of other countries.

Technical assistance to improve access to contraceptives would be provided through the Regional Technical Support Project institutional contract along with possible buy-in to such projects as the centrally-funded, Office of Population project, Family Planning Logistics Management (FPLM).

The reproductive health activities would be directed at those most risk-associated populations in countries where USAID can support development assistance. To date, these include Cambodia and Mongolia. Other countries in which these activities would be appropriate include Laos, Vietnam, Burma, and southern China. Ethnic and highland minorities, as well as those population groups with particularly poor health indicators, residing along borders and in trading zones will be considered as special target groups.

Program Outcome 2 Approaches. The key elements of safe pregnancy and motherhood services, including the promotion of breastfeeding, and improvement of women's nutritional status, appropriate nutrition education, counseling and supplementation; basic prenatal care, early detection and management, including referral, of obstetric complications; safe delivery practices and lactation management; early detection and treatment of postpartum hemorrhage and infections in the mother; prevention of unsafe abortion and provision of appropriate post-abortion treatment of infection and hemorrhage; and postpartum and post-abortion contraception. For the well-being of the newborn, USAID promotes early initiation of exclusive breastfeeding, warming, hygienic care and early detection and rapid treatment of serious infections and asphyxia.

Training of providers, including midwives and traditional birth attendants; information, education and communication for families; women's support groups; effective case management and referral networks at the local level; treatment and commodity distribution systems; and technical monitoring and evaluation underpin safe motherhood and nutrition services.

The RSM/EA will support activities designed to provide better care to pregnant women in order to prevent deaths from complications such as hemorrhage and infections. Support will be given to regional training and follow-up to support health workers (eg, trained birth attendant or midwives) to improve their maternal care and infant case management skills and build referral networks with primary health care and critical care services. Grassroots referral networks/systems will be established or fortified through training which brings together first point community care providers with district health care providers. In this way communities will become more directly and proactively involved in maternal care issues and linked more closely with the formal health care system. Health issues can be defined quite broadly, depending on communities' priorities, to include symptom recognition and rapid early treatment of malaria, acute respiratory infections, diarrheal diseases, TB, helminthic infections, malnutrition, etc. In the recent 1994 World Development Report, produced by the World Bank, these areas of focused intervention are shown to be highly cost-effective and recommended for adoption by countries. RSM/EA activities would help introduce appropriate interventions to the region and provide for their adaptation to conditions found in East Asia.

Training activities proposed here would utilize regional institutions and encourage south-to-south collaboration. The program would also investigate the feasibility of using such innovative means as Internet-based communication networks to encourage regional communication between community-based groups and trainees. Donors and other institutions working on such related problems as food availability and birthweight monitoring could be connected electronically so that region-wide postings of relevant data and information could be provided at critical community points.

In areas where there are few health workers, support will be provided to women who are advice givers or elders, leaders of women's unions, and other women-responsive community groups so that they can encourage peers, community and family members to recognize complications from pregnancies and seek and/or provide appropriate care as well as promote appropriate and realistic preventive practices regarding other health issues, such as malaria, TB, and STDs. They will also be able to better encourage and refer women to appropriate care at various levels in the health care system. Preference would be given to geographic areas where other support (donor or country) is being directed to improve the primary health care system and treatment availability.

Two broad programmatic approaches to capacity building of women's groups and community-based organizations which focus on the role of women will be used. The first approach, focusing on the status of women, will address specific areas in which women are disadvantaged. The second approach, focusing on the empowerment of women, aims to help women gain more control of their lives, beginning with women identifying and prioritizing their own needs. Programs are designed to address those needs through inclusive participatory processes.

These activities could be carried out through the East Asia Regional Training Project institutional contract and/or buy-in to the Office of Health and Nutrition centrally-funded BASICS project, to the SEATS II, and/or to the MotherCare II Project.

The reproductive health and maternal health activities would be directed at those high-risk populations in countries where USAID can support development assistance. To date, these include Cambodia and Mongolia. Work with community groups might also be feasible in other countries, such as Laos, Vietnam, Burma, and southern China.

Program Outcome 3 Approaches. The RSM/EA will work collaboratively with the World Bank, Asian Development Bank, the US Foreign Commercial Service of the Department of Commerce, and others to facilitate adoption of policy and regulatory mechanisms supportive of reproductive health programs in the region. This activity would include providing technical assistance to operationalize reproductive health policies, eg, technical assistance to rationalize importation regulations and national policies concerning taxation of commodities; assistance with licensure regulations and procedures for pharmaceutical products; and assistance with regulatory practices related to quality of health care delivery and consumer protection.

Policy development, adoption, and implementation would be carried out with technical assistance and training through the East Asia Regional Technical Support Project institutional contract and/or buy-in to the Options II Project.

B.4 REPRODUCTIVE HEALTH SO: USAID'S COMPARATIVE ADVANTAGE

Over the past 15 years USAID and other donors have developed a number of program approaches to improve access to reproductive health and improve delivery of basic maternal and child health requirements. The USAID/Cambodia Mission's 5-year, US$20 million, Family Health and Birth Spacing program will bring some of the best of these lessons to bear on the severe problems in Cambodia. Outputs from this project will also serve as exemplars for programs throughout the rest of the region, more particularly for those countries with similar or related problems, such as Burma, Laos, Mongolia, and Vietnam.

Drawing on USAID's traditional strengths, the strategic programmatic responses proposed here have been selected based on the determination of what is both needed and implementable in this region. The three program outputs focus on:

- improved delivery of reproductive health services and expanded access to contraceptives, particularly through social marketing channels;
- training in safe motherhood and child survival case management techniques for women and CBOs, midwives, and district health care workers; and
- facilitation of policy coordination through technical assistance to rationalize and operationalize relevant regulatory mechanisms, such as those governing importation of commodities, product licensing, and quality of services.

In many other regions, as well as in specific countries, HIV/AIDS prevention programs have been either carefully separated or subsumed as minor components of reproductive health programs. Due to the extremely rapid spread of HIV infections throughout the East Asia region, this program will reverse this emphasis to place reproductive health programs within the context of HIV risk awareness and behavioral change strategies. Traditional patterns of gender relations,

as well as widespread STDs in the general populations across age and ethnic boundaries, have proven a fertile terrain for the HIV epidemic. The strategic focus of the USAID RSM/EA program will support improved maternal and child health, access for women not only to reproductive health services but also to economic opportunity, and move directly to reduce their risk of infection with HIV.

B.5 REPRODUCTIVE HEALTH SO: COMPLEMENTARITY WITH OTHER DONORS

In the field of reproductive health programs, the UNFPA, which often provides funds through other UN "Executing Agencies" such as UNICEF, WHO and UNDP, is the largest donor in the region. UNFPA activities are both extensive and broad. They include birth spacing, maternal and child health, demographic research and analysis, and HIV/AIDS prevention.

UNICEF also supports birth spacing and mother and child health, and is especially active in immunization. UNICEF also supports most of the other child survival interventions (nutrition, growth monitoring and promotion, micronutrients, control of diarrheal diseases, acute respiratory infections, vaccine procurement, and related subjects). The World Bank provides loans to support a variety of programs in reproductive health, mother and child health and related areas. Other multilateral organizations active in the region include the ADB, the European Economic Commission, and the International Labor Organization.

American foundations have played major roles in this region, particularly in the fields related to reproductive health. Such activities have included support to research institutes, clinical research, research fellowships in both medical and technical fields, financial and technical assistance to expand and upgrade contraceptive manufacturing (including condoms, hormonals, and copper IUDs), as well as support for training in reproductive counseling, grassroots informational activities, and improvement of rural health and reproductive health service delivery. Of particular importance have been The Ford Foundation, The Rockefeller Foundation, The International Planned Parenthood Federation, and The Population Council.

USAID contribution will be most significant in the areas of social marketing and expanded reproductive health service delivery under this proposed strategic objective, areas in which USAID's traditional strengths are best and areas which are not being adequately addressed by other donors.

B.6 REPRODUCTIVE HEALTH SO: POLITICAL WILL OF HOST COUNTRIES

This region includes population programs, such as Thailand's, which is frequently represented as a successful example of what other countries should emulate. Countries such as Cambodia, Mongolia, Burma and Laos, pursued aggressive pro-natalist policies until recently. Excessively high rates of infant and maternal mortality have induced these countries to adopt policies supportive of birth spacing, although not necessarily in favor of reduced fertility. Political support for programs which achieve birth-spacing and improved maternal and child health through reproductive health services is now widespread. Policies to support programs which

address the high levels of unmet demand for greater availability of reproductive health services are now in place in each of the target countries.

Not readily apparent in these countries' reproductive health policies is any visible emphasis on facilitating couples' right to choose the contraceptive methods they want, nor any recognition of users as clients, nor an emphasis on quality of products and services. Logistical systems are also reportedly weak and in need of technical assistance. Program vehicles, such as FPLM, could provide technical assistance in such critical areas.

B.7 REPRODUCTIVE HEALTH SO: AVAILABILITY OF PARTNERS

American PVOs and NGOs are the world leaders in reproductive health activities.

B.8 REPRODUCTIVE HEALTH SO: CRITICAL ASSUMPTIONS:

- The RSM/EA budget is increased from its current level to support this regional reproductive health activity.
- Pipeline resources from the Regional Training Project can be used to support training activities that are proposed.
- Special programmatic restrictions are lifted for several countries in the region to allow government- to-government activities as well as with NGOs. (Involvement of formal health care workers in training and referral system development and improvement of quality of care is predicated upon establishment of government-to-government relations.)
- Other donor activities will continue to support and complement USAID's activities in this sector.

Illustrative Annual Budget

PROGRAM OUTCOME 1	
Social Marketing programs	$500,000
Contraceptive commodity procurement and community-based distribution	500,000
FP service delivery training	250,000
IE&C materials development and adaption	150,000
Special target groups program	100,000
PROGRAM OUTCOME 2	
Women's CBO/NGOs strengthening	250,000
Training in MCH/Safe Motherhood	
a) CBO/NGO leaders	150,000
b) District health workers	150,000

Training in infant and child nutrition and case management techniques	250,000
Network development: training & equipment	200,000
PROGRAM OUTCOME 3	
Technical assistance and training/IIE	
a) Import policy program	100,000
b) Taxation policy program	100,000
c) Licensure policy program	100,000
d) Pharmaceutical policy program	100,000
e) Consumer protection program	100,000
Total:	**$3,000,000**

Note: A five-year projection from this illustrative annual budget extends essentially the same expenditures equally over the complete time frame, with minor allowances for ramp-up and graduation/hand-over activity expenses for each area.

C. Proposed Laos Demining Initiative

C.1 DEMINING ACTIVITY: DESCRIPTION

The text of the Mission's proposed landmines in Laos initiative and subsidiary program outcomes and indicators are as follows:

Reduce land-mine and ordinance-induced trauma, death and dismemberment, and improve programs for rehabilitation of disabled and war wounded in the subregion of Laos and Vietnam.

- ACTIVITY 1: identify, disarm and remove unexploded war ordinances, primarily in the sub-region most affected by the Vietnam War and subsequent civil wars through coordinated support to de-mining campaigns.
  - Indicator 1.0 - Note: Most of these activities will be funded by non-USAID donors, but indicators are provided for monitoring coordination with USAID-funded activities.
  - 1.1: Number of demining teams trained and fielded.
  - 1.2: Number of landmines and unexploded ordinances cleared from target areas.
  - 1.3: Number of casualties from trained demining teams.
  - 1.4: Total area of land surveyed and demarcated for landmines and ordinances.
  - 1.5: Total budget of each demining program assisted by other donors.
  - 1.6: Total USAID contribution to demining programs.
- ACTIVITY 2: conduct mine awareness/injury reduction training and information campaigns, including emergency first-aid response training, in affected communities;
  - 2.1: Design and development of pilot mine awareness/injury reduction curricula.
  - 2.2: Number and types of informational materials for mine awareness/injury reduction developed and field-tested.
  - 2.3: Design and development of emergency first-aid training materials.
  - 2.4: Number of ToTs delivered.
  - 2.5: Total numbers reached through mine awareness/injury reduction campaign.
  - 2.6: Total USAID contribution to demining programs.

- ACTIVITY 3: expand physical rehabilitation and physical therapy services in response to documented unmet needs, through expanding local production of prosthetics and assistive devices, training of male and female indigenous prosthetic technicians, and physical therapists.
  - 3.1: Number of prosthetic devices manufactured and fitted.
  - 3.2: Number of wheelchairs manufactured.
  - 3.3: Proportion of prosthetic devices fitted and wheelchairs placed through outreach work.
  - 3.4: Proportion of indigenous materials used in prosthetic and assist device manufacture.
  - 3.5: Total USAID contribution to each prosthetic center.
  - 3.6: Number of certificates of competence in prosthetics production and fitting awarded by gender.
  - 3.7: Number of certificates of prosthetics center management awarded by gender.
  - 3.8: Number of outreach physical therapists trained related to the fitting of prosthetic devices and follow up therapy.

- ACTIVITY 4: expand social and economic rehabilitation services to amputees, war wounded, and trauma victims through: a) social bias/discrimination reduction programs; b) disabled and amputee women's programs; c) disabled children's programs; d) skills training and income generating programs, including access to revolving credit for small business start-ups by rehabilitation program graduates; e) developed and strengthened indigenous NGOs and self-representative bodies working in self-help disability advocacy.
  - 4.1: Number of amputees reported as abandoned by family and community reduced by 50 percent.
  - 4.2: Number of disabled women provided with shelter, skills training and access to credit during life of the project.
  - 4.3: Number of disabled children gaining access to primary and secondary education during life of project.
  - 4.4: Number of landmine or war ordinance disabled individuals provided with skills training, small business management skills and access to working capital and credit during the life of the project.
  - 4.5: Number of small business start-ups successfully established and provided with follow-up technical support, including group projects and gender specific support teams.
  - 4.6: Number of indigenous NGOs and self-representative bodies established during the life of the project, including by gender.
  - 4.7: Number of indigenous NGOs and self-representative bodies able to receive and manage small grants during the life of the project, and by gender.

C.2 DEMINING ACTIVITY: PROBLEM STATEMENT

A 1994 US State Department survey reports that some 100 million landmines contaminate at least 64 countries of the world today. Among the countries worst affected are those of the Indochina or Vietnam War. The International Committee of the Red Cross (ICRC) estimates that more than 500 people are killed and 450 are injured each week worldwide by these devices. One in every 236 living Cambodians has lost a limb to an exploding anti-personnel mine,[3] giving Cambodia the dubious distinction of having the highest reported number of amputees per capita in the world.[4] Once laid, an anti-personnel (AP) mine can remain active for as long as 50 years, and possibly longer. Landmines placed today may still be killing and maiming civilians in the middle of the next century. They are sometimes called "eternal sentinels."[5]

The legacies of protracted war, both civil and against external forces, shape the lives of many in the region. Most deeply affected are the peoples of Cambodia, Laos, and Vietnam. Border fighting and what are termed "ethnic insurgencies" have affected several more countries and continue today, most notably in Burma within this region. Ethnic minorities recruited by the US, particularly in Laos, for the war against Vietnam now find themselves at odds with the dominant cultures against whom they fought.

The economic impacts of years of war are further compounded by the ecological impact from chemical defoliants and massive bombing. It is known that by 1969, more than 500,000 secret US Air Force bombing missions dropped more than 150,000 tons of bombs on Xieng Khouang, a province in northeast Laos. This was equivalent to one bombing mission every 8 minutes for nine years, making it "the most heavily bombed area on earth".[6] According to the Provincial Governor, Phoumi Thiphavone, "over three tons of bombs were dropped on each person."

While there was no official war with Laos, more tonnage of conventional explosives were dropped on this one province in Laos, alone, than in all of World War II combined. In addition to the death and destruction of such carnage, millions of unexploded ordinances, which continue to kill, maim and disable, were left behind. Accurate data on the numbers of disabled people in need of prosthetics, rehabilitation and training services in Laos is unavailable, but it is estimated by Dr. Souphan Inthirat, First Deputy Director of the National Rehabilitation Center of Laos, that over 10,000 amputees require prosthetic devices.[7]

Reports from a prosthetics treatment center in Danang, Vietnam, suggest more than 500 new cases of amputees and landmine victims are treated each year in this one center. Most of the remaining land mines from the Vietnam War era is most severe in those regions in and around what was once called the DMZ, or demilitarized zone. Another heavily mined zone is along the Vietnam-China border, a legacy from the 1979 border fighting with China.

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[3] Griffin, Michael, *The Seeds of Death*, in **CERES** (UN FAO publication), January-February 1994, pp. 36-41.

[4] **Land Mines in Cambodia: The Cowards' War**, Asia Watch and Physicians for Human Rights, 1991.

[5] UNICEF, *Anti-personnel mines: a scourge on children*, 1994.

[6] Roger Rumph, Mennonite Central Committee Laos, quoted in *The Bangkok Post*, 5 March, 1995.

[7] World Vision Laos, *Mid-Term Prosthetics Evaluation*, 1994.

Cambodia, in addition to similar experiences during the Vietnam era, has also suffered from its own brutal civil warfare. The mass slaughter of millions of Cambodian people has seemingly destroyed the very fabric of community of this once great empire and culture. Physicians, health workers and educators were among the many systematically executed.

The extremely poor health indicators for these affected countries represent the legacy of that period. That more people have been killed in both Cambodia and Laos by unexploded ordinances since the end of the war than were killed by the bombs during the war is a testimony to the enduring threat - and cost - these devices will continue to exact.

Durable, now virtually undetectable and retailing at prices as low as US$3 each, land mines lurk in ambush years after the soldier or rebel who planted them has been killed or demobilized. Unlike living sentinels, they are blind, unable to distinguish between an approaching enemy, a mother walking to market or a child, about to hop-scotch into agony.

Everyday tasks, such as collecting water or wood, going to school or the health center, become fraught with danger. "Sending refugees back down a perfectly de-mined road to work in irrigation ditches, farmland and grazing land that's still mined is little short of criminal," says Ray McGrath, director of Mines Advisory Group (MAG).[8]

A 1991 Human Rights Watch report argues that the impact of mines on civilian populations places them in the same category as chemical weapons and defoliants, use of which was banned following the Vietnam War under two protocols amending the 1947 Geneva Conventions.

Landmines affect every aspect of a nation's reconstruction and future development efforts after combat. Refugees cannot return home. Those who do return home cannot work the fields to grow crops. Infrastructure cannot be repaired. Herd animals cannot approach watering holes. Every task required to rebuild a war-shattered society is put on hold until the mines are cleared, a process that can take years. Or reconstruction begins despite the mines, because social pressure demands that it begin, and lives are lost to landmine explosions.[9] Medical personnel in Laos and Cambodia claim at least one additional death occurs for every recorded case admitted to a hospital.

The tolls are not only in lives, but also in terms of the impoverished families left behind, as well as of the economies of the countries, themselves. Medical care over weeks or even months is required by landmine victims. Medical supplies, medicines and even fuel to run generators during surgery must be paid for with whatever resources are available. Livestock, sometimes the families only marketable asset, may have to be sold, thus putting the family's very survival in jeopardy.[10] More than 60 percent of the residents of many villages suffer annual food

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[8] UNICEF, *Anti-personnel mines: a scourge on children*, 1994.

[9] U.S. State Department, Bureau of Political-Military Affairs: *The Global Landmine Crisis: 1994 Report to the U.S. Congress on the Problem with Uncleared Landmines and the United States Strategy for Demining and Landmine Control.* (Prepared by the Office of International Security and Peacekeeping Operations.)

[10] UNICEF, *Anti-personnel mines: a scourge on children*, 1994.

shortage due to a lack of cleared land - and to the loss of family workers killed or disabled attempting to work uncleared lands.

Such devices, scattered randomly round a village - on paths, by wells, under a fruit tree, in the cemetery - create a sense of psychological foreboding among inhabitants that no step, in any direction, however seemingly innocent, can be taken without fear. As in medieval sieges, the target population is starved, isolated and frightened into submission or flight.

One mother requested that the US clear up bombs dropped during the war. "We just want to work as much as we can so we have enough food. We want enough food to eat. Right now, we have to risk our lives to survive." Victor Thomseth, the US Ambassador to Laos, later described this as an "articulate" description of the problem facing the people of Xieng Khouang, whom he said are seriously affected by the leftovers of a war that ended over 20 years ago. "If the international community, including the US, is in a position to help, the international community should do so," he said.[11]

Enormous efforts to rebuild the basic human resource base are required before any notion of self-sustainability can be addressed. Yet the millions of unexploded ordinances remaining form a crucial barrier to all other forms of progress. In 1990, Cambodian doctors performed 6,000 lower limb amputations, mostly on rural civilians who had stepped on mines - an average of 500 every month. These large numbers of disabled people pose a serious burden on the efforts to rebuild national economies unless access to prosthetics, rehabilitation, training, and loan capital is provided to allow war disabled to re-enter economic life and contribute to local development.

Landmine victims often develop secondary disabilities, such as contractures, deformities from bad positioning, decreased lung capacities (and resultant ARI & TB), and mental problems from lack of stimulation. High rates of communicable diseases, particularly TB and Hansen's Disease (leprosy), also cause severe secondary disabilities throughout these affected countries.

Equally pressing, substantial numbers of young children have disabilities requiring special health and education services, due to such factors as poor maternal health, inadequate perinatal health care, inadequate immunization, and lack of basic curative knowledge for high fevers among infants and small children.

Integrated social, economic, as well as physical, rehabilitation programs make it possible for such war wounded and disabled people to join and contribute to the local and national development process. These programs, however, are missing in many of the most affected areas, and the existing programs are overwhelmed by sheer numbers. Each month in Cambodia, for example, more people are newly disabled by landmines than existing rehabilitation training programs can handle in a full year.

Land mines and unexploded ordinances remain a serious threat in these countries. Cambodia, alone, has an estimated 10 million unexploded land mines. Of these, only an estimated 0.2

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[11] Quoted in **The Bangkok Post**, page 7, 22 March 1995.

percent have been lifted or destroyed. In addition to severely restricting access to major areas of the country, high rates of death and dismemberment continue to be reported. As large numbers of returning refugees explore land for resettlement, rates of those killed or injured remain high. Economic factors force people into the forests and vacant lands in search of firewood and food.[12]

Many distinct types of ordinances remain throughout the three most affected countries, ranging from unexploded mortar and bomb shells, to a wide range of landmine types, and cluster bombs bomblets - called "bombies" by the Lao. A cluster bomb is comprised of a two-meter-long canister, each containing 670 bomblets. Hundreds of thousands of empty canister shells dot the countryside of rural Laos. Most of the bomblets, however, have sunk below the surface, rendering efforts to build or to farm deadly.

Many of these ordinances, cluster bombs and several types of land mines in particular, were intended to serve as antipersonnel (AP) devices that maimed rather than killed. However, with the lack of medical supplies and biomedical health care facilities in much of the country, victims of these bombs reportedly often die slow and painful deaths, alone in the forests or in the paddy fields.

The distribution of victims is not equal, and more casualties are civilian than military. Children are more frequently killed outright by the devices, due to their small body size. As children often stray from cleared paths, and cluster bomblets in particular were designed to attract the curious, many are killed by such devices. Indeed, most injuries occur collecting firewood and forest materials, fishing, farming, or animal herding.

Men dominate the amputees in the hospitals, but this does not accurately represent casualty figures. One reason is that most men injured are soldiers sent out in groups. When landmine or other trauma injuries occur, group members provide emergency response to move the victim to treatment centers.

Women, on the other hand, are civilians, usually poor and operating alone or in pairs to search for food and firewood in more remote locations. When they suffer mine accidents or wounds, they are less likely to have adequate help available. It is reported that women are more likely to die of injuries, either at the site of the injury or from incomplete or inadequate medical attention later. Women amputees are also reported to face greater discrimination due to their disability than men, and receive a disproportionately smaller share of the limited rehabilitation services available. Women amputees often cannot come to rehabilitation centers due to other pressures, such as household and child care responsibilities, as well as fear of the physical contact by male technicians required in prosthetics treatment.

Socio-economically determined roles are also among the key factors in the gender imbalance of those in rehabilitation treatment. Few women technicians are trained or even accepted for training. An NGO report from Cambodia quoted a Ministry official saying no women were

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[12] Primary data source on Cambodia: *The Development Context of Cambodia: Sectoral Position Papers*, prepared for the Second Meeting of the International Committee on the Reconstruction of Cambodia, Tokyo, March 10-11, 1994.

interested in training as prosthetic technicians as they "only wanted to be cooks." The NGO observed their senior prosthetics technician was not only female, but had originally been hired as the cook.[13] What might be pejoratively called the second class treatment of women is part of the larger set of gender discrimination issues that women in Cambodian society, and Asian society in general, confront. One recent NGO study in Cambodia[14] was entitled: "Women are like cloth, Men are like gold", referring to the cultural adage implying that gold, when dropped in the mud, can always be cleaned, but cloth is forever stained and diminished in value. These attitudes vary little throughout the region.

The presence of so many unexploded land mines and cluster bombs in these countries has been ignored by all donors, with the exception of the Mennonite Central Council and two London-based NGOs, Mines Advisory Group and The Halo Trust, whose programs began only in September, 1994. However, the task of removing millions of land mines and bombs is too great for small NGOs. As the director of the Mennonite Central Committee in Laos noted: "At the rate we are going, with limited resources, it may take a hundred years and still we won't have cleared all the bombs." The majority of these ordinances are American, left over from the Vietnam war, and many of the land mines laid in recent years are either of partial or total US manufacture.[15] While other ordinances, including those of Chinese and former Soviet block origin, remain from regional conflicts and internal civil war, US responsibility for the majority of these unexploded devices should be acknowledged. Addressing this problem may require creative interagency collaboration, for example with the Department of State or Department of Defense.

To comprehend the scale of the landmines emergency, it is necessary to understand something of the markets and technologies involved. Most anti-personnel (AP) designs have changed little since the Second World War - with the crucial exception that many are now constructed of less easily detectable materials, such as plastic, wood or cardboard. These have small "metal signatures" when passed over by a metal detector, signatures which are nearly invisible in a field strewn with shrapnel. Anti-tampering devices, such as anti-magnetic or photoelectronic triggers, may be added to cause the mine to explode when swept with a detector or exposed to light. Despite such sophisticated accessories, mines technology generally is rudimentary - and widely available.

Some 307 different models are produced in 44 countries worldwide, with Italy, China, the United States, and the former Soviet Union leading production. The US markets 37 varieties of landmines, Italy 36, and the former USSR 31.[16] Examples include the Valmara 69 "bounding" mine made by Valsella, in which the Italian auto-maker Fiat holds a major share. Marketed aggressively abroad, the Valmara on detonation bounds up to chest height and releases 1,850 steel cubes and ball-bearings within a killing circle of 27 meters.

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[13] Operation Handicapped International, *External Evaluation Report*, ICCO, June, 1994.

[14] CARE/Cambodia, 1994.

[15] Dr. David Finegold, Executive Director, Institute for the Study of Human Issues, has conducted studies on the flow of specialized U.S.-made microchips found in a majority of land mines manufactured globally.

[16] Source: **Arms Project Landmines Database**, October 1993.

Where (strictly technological) "progress" has been made is in the new generation of "scatterables" - APs that can be launched by mortar or from the air, distributing 36 mines per round over a wide area. Such weapons, widely used by US forces in Vietnam, Laos, and Cambodia and by the Soviets in Afghanistan, are beyond the means of most developing countries to purchase, but nevertheless make up the lion's share of international trade in mines.

More conventional APs are regarded by some First World armies as obsolete, but their unit prices are so low - less than US$3 for China's Type 72 mine - that they are within the budget of even the most cash strapped insurgency. Add the number of mines being dumped on the arms market to make space for a new generation of scatterables, and there is a dangerous glut.[17]

According to UNICEF studies, a new and highly profitable field that landmine producers are developing is commercial demining. A subsidiary of Daimler-Benz in Germany which produces landmines was awarded a US$100 million demining contract in Kuwait. The profits from this single demining contract are expected to outstrip profits from the sales of anti-personnel mines. If landmines are banned, 100 million will remain to be cleared, and former producers could devote their efforts to the more profitable and far more worthy work of demining.

C.3 DEMINING ACTIVITY: PROGRAM RESPONSE OPTIONS

While much of the descriptive narrative includes Cambodia, existing USAID bilateral programs are providing much of the needed programming there. While technical resources and information will be shared between the related programs, the RSM/EA supported activities will concentrate on the unaddressed needs for demining and social and economic rehabilitation programs in Laos and Vietnam.

Funding Sources. The proposed program responses below can be undertaken within the existing constraints, both legal and financial. Specific Congressional mandates and appropriations exist to support such programs in Laos and Vietnam. In 1989, Congress earmarked funds for Laos and Vietnam in the foreign assistance appropriations legislation for a "War Victims Fund" to provide prosthetic and assistive devices and to support rehabilitation assistance to individuals and families injured through civil strife and warfare.

Potential additional funding through Department of Defense (DOD) channels include possible programs through CINPAC/Hawaii, the Demining Assistance Program, and the US Army Reserve 351st Civil Affairs Command. Funding through DOD channels is not subject to the restrictions which preclude USAID programs from Laos or Vietnam, and interest in providing such support has been publicly expressed. The political commitment to support demining and humanitarian rehabilitation of ordinance victims and their communities is now evident in leadership of both the US and the affected countries.

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[17] Griffin, Michael, *The Seeds of Death*, in **CERES** (UN FAO publication), January-February 1994, pp. 36-41.

Injury reduction through training in first-aid and emergency response, and mine awareness campaigns in both schools and communities is of especial interest to UNICEF, in addition to several NGOs who might be funded under the War Victims' Fund.

Physical rehabilitation, including training and production of prosthetics and assistive devices, training of prosthetics technicians and physical therapists, and special programs to increase the number of female technicians and therapists, are activities within the mandate of the current War Victims' Fund.

The economic and social rehabilitation activities proposed here are also within the mandate of the War Victims' Fund. Some of the additional program activities which are strongly suggested as supportive of the social rehabilitation process, such as special education programs that are required by children disabled by war ordinances, may require infusions of additional program monies or collaboration with other donors. Nevertheless, the majority of activities themselves fall within the mandate of the special appropriation for War Victims.

Other proposed program activities, such as capacity-building among indigenous organizations of war-wounded and ordinance-disabled individuals, may also require new sources of funding, but opportunities for horizontal linkages among other capacity-building programs offer ways by which multiple goals may be achieved. USAID's RSM/EA programs may offer several such cross-program platforms, both within the PHN sector as well as across sectors in this region.

Other American sources and disability advocacy programs, may be particularly interested to support self-help and advocacy programs from additional public and private financial resources. Multilateral sources, particularly UNICEF, UNDP and ILO, may also provide technical and financial support for self-help efforts by disabled individuals in these countries.

Program Outcome 1. In September 1993, the US Government formed the Interagency Working Group (IWG) on Demining and Landmine Control. Chaired by the Assistant Secretary of State for Political Military Affairs, with the Deputy Assistant Secretary of Defense for Humanitarian and Refugee Affairs as vice chair, the group also includes representatives from USAID, the Joint Chiefs of Staff, the Arms Control and Disarmament Agency, the US Information Agency, and the National Security Council. In addition to efforts to negotiate an international control regime to regulate landmine production, export and stockpiling, the US has declared a moratorium on the export of anti-personnel landmines, introduced a resolution into the U.N. General Assembly calling on all states to adopt similar moratoria, submitted the Convention on Conventional Weapons (CCW) to the Senate for advice and consent to ratification, and proposed measures to strengthen the CCW's provisions regarding landmine use.

To address mines already implanted, the US established the Demining Assistance Program to provide mine awareness training and mine clearance training to nations with landmine problems, and to expand research into improved and cost-effective demining techniques. Funds are already available for programs in Cambodia, and discussions focus next on Laos. Momentum for Laos programming is building, and multiple program goals have the support of both governments. Programs for Vietnam are part of larger issues still under consideration. USAID will explore options to work collaboratively with programs funded under these programs.

UNDP Vientiane has recently proposed a Lao national trust fund be set up to deal with unexploded bombs and anti-personnel mines. Establishment of the fund was announced during an official tour of Xieng Khouang Province with US, Australian, French, Thai, Swedish, Swiss, and Canadian diplomats in mid-March, 1995. The primary focus of the proposed UNDP trust fund will include: 1) direct demining and clearance of unexploded ordinances, and 2) rehabilitation programs, including training and micro-credit programs, for amputees and disabled people in the most affected zones. Further details of the program design are yet undefined, but an invitation for American collaboration in program planning and assistance has been extended.

Additional opportunities exist for programmatic cooperation, including substantial cost sharing, with the US Reserve Civil Affairs Command. Such collaboration would allow USAID to focus on humanitarian assistance for physical rehabilitation, social and vocational training, and loan programs for affected individuals and communities, for example, while the USAR Civil Affairs programs might field the technical training teams for demining and clearance of ordinances. The USAR Civil Affairs programs are also authorized to assist with other small-scale infrastructure and community assistance programs, such as the digging of wells, improving waste management schemes, and the building of public buildings, such as schools and health centers.

Demining is slow and expensive. While landmines may cost as low as US$3 per unit, removing them may cost over US$1,000 per unit. It takes a demining team up to 1 week to clear an area the size of two football fields, and a demining team, consisting of 1 expatriate, 32 Cambodian team members, and equipment, costs, at least, $350,000 for a 12 month contract.

A second concern regards the "type" of demining operation. "Type" refers to the purpose behind the demining. Military demining, and many commercial efforts, often focus on the "breaching" of a mine field, which is to cut a clear path through a mine field for strategic objectives. This is most useful when the objective is to get past an area, rather than to clear it for safe living. This "breaching" approach leaves many areas uncleared. Humanitarian demining recognizes that an entire area must be cleared before it can be considered free and returned to public use. It is a much slower and more thorough process, but is required if civilian and child casualties are to be reduced, let alone prevented, and psychological as well as actual peace fostered. The approach "type" supported under this program is that of humanitarian demining, focusing on returning safe land to the public domain.

Program Outcome 2. Support for demining must be accompanied by programs to reduce and prevent injuries. To prevent injuries, mines must be removed where feasible, and civilians must be helped to avoid those that cannot be cleared immediately. This requires mine awareness, mine surveying, and mine demarcation.

It is essential for civilians and children living in high-risk areas to receive education in mine-awareness. In addition to clear warnings on how to avoid injury, children should be taught what to do in case a family member or a friend is injured. Correct first-aid procedures and referral to medical treatment often mean the difference between life and death for a landmine victim, as the nearest medical center may be many hours away. The precise form and content of the education should be modified to take into account local language and culture. Indeed, (as with all IE&C programs) the more locally specific the education, the more effective the message.

Mine awareness should be accompanied by mine surveys and mine demarcation. Surveys should be conducted to establish the extent of mined areas, which should then be marked with appropriate warning signs. Such signs must, for example, be understandable even by those who are illiterate. They should also be made of materials that do not encourage removal for private use in localities in short supply of usable items. Mistakes can be fatal. As yet, no internationally accepted standard (symbol or marker sign) exists to warn of the presence of a minefield.[18]

Mines in areas essential to the survival of the community, such as forests, farms, plantations, water access points, paths and pasture land, must be cleared. Demining can be expensive, but is worth the risk and effort. Once productive land has been demined and the safety of people assured, the community can proceed with development in peace and with a sense of community stability, without the need for outside assistance.

UNICEF has expressed interest in providing support for programs focusing on mine-awareness for children. Coordination between multilateral donors, such as UNICEF, the formal governments and the NGOs will be important to assure the widest audience is reached with the most appropriate materials and message.

Program Outcome 3. Several programs already exist in each of the three most affected countries to produce prosthetics and assistive devices and to train indigenous technicians. Nevertheless, these are still insubstantial in the face of the existing unmet needs. Both quantity and consistency of quality require attention, as well as expansion of options to deliver/provide these devices to those who need them. Prosthetic and assistive devices also require follow-up adjustments by therapist/technicians. Several programs are deploying hardware technologies from across the full spectrum, from the most modern - and expensive - to the most rudimentary or basic - and the cheapest. Cost alone, however, is not the final measure of appropriate utility or fit. Durability and aesthetics are significant factors for all clients of prosthetic devices, as well as adaptations available for those who will work in rough conditions, or those who will be in public and social settings. The most successful of the existing programs work with a mixture of available technologies and materials to provide clients with sturdy and attractive devices to assist in the rehabilitation process.

Hardware aside, shortages of trained technicians and physical therapists will continue to slow efforts to assist those in the most immediate need of rehabilitative prosthetics. In particular, there is a distinct need to increase the number and distribution of female technicians and therapists. Because both technical skills require physical touch, traditional cultural sensitivities preclude or greatly complicate treatment of women by male technicians, and vice versa. Women amputees and landmine victims often receive less treatment than men, but these circumstances are exacerbated by the lack of female technicians and physical therapists. When it is known that only male technicians are available, women in need of treatment stay away. Often this failure to receive sufficient medical care and technical assistance leads to secondary disabilities which reduce the quality of life for these less visible victims of war ordinances. Activities which directly address such female personnel shortages should be a vital part of all program designs.

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[18] UNICEF, *Anti-personnel mines: a scourge on children*, 1994.

An equally significant requirement of the rehabilitation process is the need for mobile outreach technicians and physical therapists. Many prosthetic devices require adjustment and the majority of amputees, particularly above the knee (AK) and double amputees, require physical therapy to reduce secondary disabilities, such as contractions, pressure sores and deformities from bad positioning. Many victims are located in rural areas quite removed from access to rehabilitation centers. Follow-up by mobile teams is essential to assure basic physical rehabilitation allows for the social and economic rehabilitation process to succeed. As noted earlier, due to the reduced lung capacity frequently found in war ordinances victims, mobile technicians and therapists can check for signs of communicable diseases, such as TB, and assist rural patients gain access to appropriate treatment.

Technical issues in prosthetic production which become part of the training and technology transfer to local technicians include: a) below the knee prostheses; b) above the knee prostheses; c) plaster casting techniques; d) measurement procedures; e) model correction; f) vulcanized foot manufacture socket and limb fabrication procedures; traditional wood/leather and molded polypropylene) bench alignment; g) dynamic alignment; h) gait analysis; i) anatomy; j) normal and amputee locomotion; and k) finishing techniques.

Program Outcome 4. Certainly, existing cultural biases against amputees must be overcome. Amputees are often shunned by others of their societies. This problem is most visible in Vietnam and Cambodia. In Cambodia, for example, amputees have acquired a reputation for crime, and most people are afraid of them and try to avoid them. The lack of income prospects, as well as treatment as pariah, reduce amputees to frustrated and often violent survival options, which in turn reinforce or "prove" that reputation. Children often stop attending school because of the reaction of their classmates. For older children, as well as adults, vocational rehabilitation is needed for successful social integration. Families, as well as affected individuals, require job skills to survive. A doctor in Cambodia estimated that only one fifth of amputees find work.[19] A job is important not only for self-esteem, but also for the chance to start a family. As one male amputee said bitterly: "Who wants an unemployed cripple for a husband?"

The opportunities for women amputees are even fewer than for disabled men, and the discrimination against disabled women is more direct. Women are culturally responsible for domestic and reproductive labor, as well as being expected to farm food crops or bring small cash income into family support. Women who survive a landmine blast are seen as incapable of the strenuous, mobile labor these roles demand. High rates of abandonment of disabled women are reported by NGO workers in rural areas.[20] Special programs which provide treatment, training and loan programs for such women, individually and collectively, are critical needs often overlooked.

In addition to programs which increase the number of female technicians and physical therapists available to treat women who are victims of war ordinances, additional programs are required

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[19] Asia Watch and Physicians for Human Rights, **Landmines in Cambodia: The Cowards' War**. 1991.

[20] Personal communications, Battambang, Cambodia, 1994.

that provide shelter for abandoned women during rehabilitation, skills training that includes the special concerns of such women and loan programs that fully support collective, as well as individual, micro-enterprise projects among war-ordinance disabled women.

A child who survives a landmine explosion is likely to be seriously injured and often permanently disabled. Under article 23 of the Convention on the Rights of the Child, member States recognize the right of disabled children to special care. According to UNICEF, this special care for a landmine disabled child must include effective access to education, training, health and rehabilitation services; preparation for employment; and recreation opportunities to enable the fullest possible individual development and social integration.

While UNICEF may take the natural lead in this area, the US has a unique record in support for special education programs designed for children with special needs and living in disadvantaged circumstances. Support for programs which fully recognize the special needs of the youngest victims of war ordinances is warranted.

As has been often noted, providing a landmine victim with a prosthetic but not with skills for employment only produces a disabled person who can stand rather than sit while begging. Prosthetics are important for amputees, but only the first part of the required assistance. Vocational skills, small business management skills, and access to credit and support are crucial ingredients necessary to complete the process of rehabilitation for the productive social and economic participation in their local community. Turning an economic drain into a productive economic element, particularly in conditions following civil and foreign warfare, requires humanitarian investment in programs to equip those injured and disabled to make that transition. While demining and mine-awareness programs will seek to reduce the number of those newly disabled, skills training and income generating programs will assist those undergoing and completing physical rehabilitation and therapy as they seek to become self-reliant and regain control over their own economic and personal lives.

In all three affected countries, vocational skills and small enterprise development activities are sorely needed. As noted in the case of Cambodia, more people are newly disabled by landmines and war ordinances each month than could be handled by existing training programs in a full year. The future of economic prospects in each of these countries requires a vibrant local economy of artisans and small businesses. Humanitarian efforts to provide training to victims of war ordinances and landmines is a direct investment in the long-term rehabilitation not only of the affected individuals and their families, but also of the national and regional economies as a whole.

In all cases, vocation skills training for newly disabled war ordinances and landmine victims must be accompanied by small grants and access to working capital credit programs in order to capitalize micro-enterprise activities for operations. Many such enterprise activities, such as bicycle repair, sewing, battery charging, and radio repair, require only modest capital. Yet such modest capital is totally beyond the reach of the majority of those who most need it. Landmine victims, in the clear majority of cases, are rural poor - people whose financial resources, meager to begin with, have been devastated along with their lives by the minefield blast. Credit programs are the crucial component of a humanitarian program to provide medical treatment,

prosthetics and therapy, skills training, and the financial wherewithal to enter into a small business venture that will sustain themselves and family. Vocational skills training without access to capital and credit will end in failure for those who most deserve an opportunity to succeed.

The final goal of rehabilitation is the active participation in the full life of the community - physical, economic, and social. While the initial aspects of the rehabilitative process are "given" or provided to those who have been victimized by unseen weapons of war, such as the prosthetics or skills training, the final - and most important - part of the rehabilitation process cannot be given but can only be "claimed": participation and the sense of community belonging. Yet, participation requires both encouragement and opportunity. Democratic participation is best encouraged through support and advocacy of self-representation. There is no better voice to express the needs, concerns, dreams and desires of those who have been disabled by landmines and unexploded war ordinances than the voice of those who have survived this violence. Certainly the aim of the War Victims' Fund is for a rehabilitation which returns the voice of these victims to the community from which they came. Support for participatory self-representation is the final aspect of any rehabilitation program for victims of war.

C.4 DEMINING ACTIVITY: USAID's COMPARATIVE ADVANTAGE

USAID is able to capitalize upon the availability of experienced and efficient US NGOs for all activities initiated under this activity. American PVOs and NGOs have substantial experience in providing prosthetics and social and economic rehabilitation services in such circumstances. USAID is also able to play a unique role through cooperative arrangements with specialized resources required by demining activities. Coupling these programs with the NGO programs to provide prosthetics and economic rehabilitation takes direct advantage of USAID's traditional strengths and collaborative style.

C.5 DEMINING ACTIVITY: COMPLEMENTARITY WITH OTHER DONORS

Potential additional funding for demining and ordinance clearance activities through Department of Defense (DOD) channels include possible programs through CINPAC/Hawaii, the Demining Assistance Program, and the US Army Reserve 351st Civil Affairs Command. Funding through DOD channels is not subject to the restrictions which preclude USAID programs from Laos or Vietnam, and interest in providing such support has been publicly expressed.

Injury reduction through training in first-aid and emergency response, and mine awareness campaigns in both schools and communities is of especial interest to UNICEF. UNICEF Laos and Vietnam are preparing pilot materials for test projects in mine awareness for school children.

Additional program activities strongly suggested as supportive of the social rehabilitation process, such as special education programs required by children disabled by war ordinances, are also of particular interest to UNICEF and several other bilateral donors.

There are several donors providing prosthetic and rehabilitation services in Vietnam. These include: the International Committee for the Red Cross (ICRC), Terre des Hommes, and the German Government (GTZ). While ICRC and Terre des Hommes are providing support to provincial centers, GTZ, which has helped to develop a respected training program in Phnom Penh, Cambodia, is assisting the Vietnamese government in the development of a new 3-year prosthetic and rehabilitation training school.

In Laos, organizations such as the Mine Awareness Group (MAG) and the Mennonite Central Committee are working to de-mine the countryside as well as increase hazard/mine awareness among local communities.

There are dozens of international NGOs, as well as multilateral donors such as UNDP and UNICEF, providing services or assistance programs for displaced children in Vietnam. Most NGOs follow narrowly defined mandates such as focused activities for street children and international adoption.

C.6 DEMINING ACTIVITY: POLITICAL WILL OF HOST COUNTRIES

The governments of Vietnam and Laos are committed to providing much needed services in prosthetics and rehabilitation. In Vietnam, services are coordinated directly through the Ministry of Labor, Invalids, and Social Affairs (MOLISA) and in Laos, the National Rehabilitation Center, the major coordinating body, has been afforded a wide mandate. Further evidence of Vietnam's commitment is the development and construction of the country's first prosthetics and rehabilitation training facility. This is being developed in coordination with the German government.

Vietnam was an early signatory of the Convention on the Rights of the Child. Their commitment to child welfare issues is demonstrated through the numerous government and quasi-government institutions working in this area. For example: the Vietnam Youth Association (VYA) manages informal drop in centers, open houses and residential facilities; the National Committee for the Protection and Care of Children (NCPCC) is headed by ministerial-level officials and has over-arching responsibility for child welfare in the country; and MOLISA supports numerous orphanages, vocational centers and residential centers for children and youth.

The Government of Laos has welcomed the initiative of UNDP Laos to establish a trust fund to support demining and rehabilitation treatment and support programs for victims of unexploded war ordinance. A USAID funded project by World Vision to provide such services has been well received, although a substantial increase in such services is clearly needed.

The political commitment to support demining and humanitarian rehabilitation of ordinance victims and their communities is now evident in leadership of both the US and the affected countries.

C.7 DEMINING ACTIVITY: AVAILABILITY OF PARTNERS AND SUITABLE DELIVERY MECHANISMS

As noted under USAID's comparative advantage, there are numerous NGOs experienced in implementing the activities initiated under this activity. Individual as well as umbrella grants to these NGOs are effective mechanisms for service delivery. Additionally, there are many resources within the region that can be tapped for specific expertise.

Opportunities for horizontal linkages among other capacity-building programs offer ways by which multiple goals may be achieved. USAID's RSM/EA programs may offer several such cross-program platforms, both within the PHN sector as well as across sectors in this region. Indigenous NGOs and community-based organizational development and capacity building are goals which are common to each of the RSM/EA strategic objectives. Programs which support the growth and strengthening of such organizations in response to HIV/AIDS prevention, for expansion of family planning and primary health services, and for emergency response to landmine and war ordinances injuries have obvious linkages which will benefit the larger goal of inclusive participatory democracy.

Physical rehabilitation, including training and production of prosthetics and assistive devices, training of prosthetics technicians and physical therapists, and special programs to increase the number of female technicians and therapists, are fields within which American PVOs and NGOs have developed substantial expertise and renown. The economic and social rehabilitation activities proposed here, also within the mandate of the War Victims' Fund, are further technical areas in which American PVOs and NGOs are known leaders.

Other American partners and resources and US-based disability advocacy programs may be particularly interested to support self-help and advocacy programs.

A number of NGOs have become involved in mine awareness, demining, medical assistance, and social-economic programs seeking to help the victims of landmines and unexploded ordinances. These organizations, sometimes working with funds they have raised themselves, but often acting as implementing agencies for governments or international organizations, are developing skills and expertise regarding many aspects of the landmine and unexploded ordinances problem and methods of alleviating its often deadly consequences.

The major PVOs and NGOs working in demining are:

- Halo Trust, a British-based humanitarian organizations;
- The Mines Advisory Group, a British-based group;
- Norwegian People's Aid; and
- Handicapped International, a Belgium-based group.[21]

[21] Handicapped International has an American office that is in the final stages of registration with USAID as an American (PVO) agency.

No American PVOs or NGOs have yet gained a wide reputation for general expertise or administrative skills in these areas. The US Government has awarded grant funds to Handicapped International and to Halo Trust for programs in Cambodia. Mines Advisory Group are working collaboratively with the Mennonite Central Committee, an American PVO, in Laos. US Government policy, noted in the US State Department report, authorizes utilization of skilled NGOs, whether they are American-based or foreign, determined on a case-bv-case basis. Working bilaterally with individual NGOs can, under certain circumstances, foster more experimentation and greater diversity, leading to a more innovative/versatile program. For example, in Afghanistan USAID introduced and managed a precedent-setting project involving the training and use of dogs in the demining process. The project was transferred to UNOCHA upon USAID's withdrawal from Afghanistan.

A larger number of American PVOs and NGOs has gained expertise in training, IE&C, indigenous organizational capacity building, micro-credit systems, and rehabilitation across the sectoral arenas of health, emergency first-aid, awareness and behavioral change, and participatory development processes by which communities may be rebuilt after warfare and civil strife. Collaboration with other arms of the US government, particularly Defense, will allow USAID, through both American and indigenous NGOs and PVOs, to focus on the civilian elements while ensuring that the basic safety of the people assisted is secure from the lurking threat of landmines and unexploded war ordinances.

C.8 DEMINING ACTIVITY: CRITICAL ASSUMPTIONS

This activity as well as the program outcomes and programmatic approaches associated with it are based upon the following critical assumptions:

- The RSM/EA will continue to manage programs in Laos and Vietnam.
- US political support to expand demining efforts and social reconstruction of Laos and Vietnam will continue to build.
- Other donor activities continue to support and complement USAID's activities.