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## PROGRAM FOR CAMBODIAN DELEGATION

| Date             | Cambodian Delegation   |
|------------------|--|
| Monday<br>14 May | 10.10 HE Keat Chhon arrives in Canberra on flight AN 607<br>Met by HE Hor Nambora, Ambassador<br>and Ms Lydia Bezeruk, AusAID                      |
|                  | 10.40 Arrive Novotel Hotel Canberra  |
|                  | 12.30 Depart Novotel for lunch with HE Hor Nambora,<br>Cambodian Ambassador  |
|                  | 15.30 Rest of Delegation arrives on flight QF 855<br>Met by HE Hor Nambora<br>and Ms Lydia Bezeruk, AusAID   |
|                  | 16.10 Arrive Novotel Hotel Canberra<br><br>Rest of day (including dinner at 7.30 hosted by HE Hor<br>Nambora) organised by Royal Cambodian Embassy |

|                   |  |
|-------------------|--|
| Tuesday<br>15 May | 09.45 Depart Novotel for National Museum of Australia<br>(accompanied by Ms Stacey Morgan, Department of<br>Foreign Affairs and Trade) |
|                   | 11.30 Return Novotel   |
|                   | 12.00 Depart Novotel for lunch hosted by HE Hor Nambora,<br>Cambodian Ambassador   |
|                   | 14.00 Return Novotel   |
|                   | 14.45 Depart Novotel for Department of Foreign Affairs and<br>Trade (roundtable discussions)   |
|                   | 16.30 Return Novotel   |
|                   | 18.45 Depart Novotel for Boat House by the Lake Restaurant<br>Dinner hosted by HE Hor Nambora,<br>Cambodian Ambassador                 |

|                     |       |  |
|---------------------|-------|--|
| Wednesday<br>16 May | 09.20 | Delegation met in Novotel foyer by AusAID representative   |
|                     | 09.30 | HLC commences in AusAID Conference Room  |
|                     | 2.30  | HLC concludes  |
|                     | 17.30 | HLC Record Signing   |
|                     | 18.50 | Depart Novotel for Fringe Benefits Restaurant<br>Dinner hosted by Mr Bruce Davis, Director General<br>AusAID |

|                      |       |                                 |
|----------------------|-------|---------------------------------|
| Thursday<br>16 May   | 12.00 | Depart Novotel for the Airport  |
|                      | 13.40 | Depart Canberra on flight AN618 |
|                      | 14.30 | Arrive Sydney                   |
|                      | 16.30 | Depart Sydney on flight TG992   |
|                      | 21.50 | Arrive Bangkok                  |
| Overnight in Bangkok |       |                                 |

|                  |       |                                |
|------------------|-------|--------------------------------|
| Friday<br>18 May | 08.20 | Depart Bangkok on flight TG696 |
|                  | 09.50 | Arrive Phnom Penh              |

Key Contact Details:

AusAID: 62 Northbourne Avenue, Canberra City  
Tel: (02) 6206 4762  
Contact: Sue Gordon

Cambodian Embassy: 5 Canterbury Crescent, Deakin  
Tel: (02) 6273 1259 or 6273 1154  
Contact: Mr Eng Yeng (0402 760018)  
Mr Som Sunna (0407 009230)

Novotel Hotel Canberra: 65 Northbourne Avenue, Canberra City  
Tel: (02) 6245 5000

Ansett Airlines: Tel: 13 1300 (domestic flights)  
Tel: 13 1414 (international flights)

**AGENDA**  
**WEDNESDAY 16 MAY 2001**

- 09.30**      **1.      WELCOME**
- 09.45**      **2.      CURRENT SITUATION IN CAMBODIA**
- 2.1      PRESENTATION                  (Cambodia)
- 2.2      RESPONSE                          (Australian)
- 10.30**      **3.      OVERVIEW OF DEVELOPMENTS IN THE  
                AUSTRALIAN AID PROGRAM (Australia)**
- 10.45**      **4.      FINANCIAL OVERVIEW OF CAMBODIA  
                PROGRAM (Australia)**
- 11.15**                  **MORNING TEA**
- 11.30**      **5.      COUNTRY STRATEGY AND FUTURE PROGRAM  
                DIRECTIONS**
- 5.1      PRESENTATION                  (Australia)
- 5.2      RESPONSE                          (Cambodia)
- 12.45**                  **WORKING LUNCH**
- 13.45**      **6.      ASIA REGIONAL STRATEGY (Australia)**
- 14.00**      **7.      SUMMARY OF CONCLUSIONS AND AGREEMENTS  
                REACHED DURING THE DAY**
- 14.15**      **8.      NEXT HLC**
- 16.45**      **9.      CONSIDERATION OF RECORD OF MEETING BY  
                DELEGATION**
- 17.15**      **10.     FINALISATION OF RECORD OF MEETING**
- 17.30**      **11.     SIGNING OF RECORD OF MEETING**

## **LIST OF PARTICIPANTS**

### **ROYAL GOVERNMENT OF CAMBODIA DELEGATION**

|                     |   |
|---------------------|---|
| HE KEAT Chhon       | Delegation Head<br>Senior Minister in charge of Rehabilitation & Development, Minister of Economy and Finance, and Vice-Chairman of the Council for the Development of Cambodia |
| HE HOR Nambora      | Ambassador, Royal Embassy of Cambodia to Australia  |
| HE CHHIENG Yanara   | Deputy Secretary-General of the Council for the Development of Cambodia, Secretary-General of the Cambodian Rehabilitation and Development Board                                |
| HE IM Sethy         | Secretary of State for Education, Youth and Sport   |
| Dr MEAN Chhi Vun    | Deputy Director General, Ministry of Health   |
| HE HANG Chuon Naron | Deputy Secretary-General, Ministry of Economy and Finance   |
| Mr ENG Yeng         | Minister Counsellor, Royal Embassy of Cambodia  |
| Ms HENG Sokun       | Director, Bilateral Aid Coordination Department<br>CDC/CBRD   |
| Mr SOM Sunna        | Counsellor, Royal Embassy of Cambodia   |
| Mr UNG Rachana      | First Secretary, Royal Embassy of Cambodia  |

### **GOVERNMENT OF AUSTRALIA DELEGATION**

|                                       |   |
|---------------------------------------|---|
| Ms Jennifer Rawson                    | Delegation Head<br>Deputy Director General<br>Asia Corporate Division, AusAID                                 |
| Mr Richard Moore                      | Assistant Director General<br>Mekong and South Asia Branch, AusAID  |
| Mr Steve Deady                        | Assistant Secretary, Mainland, South East Asia and South Asia Branch, Department of Foreign Affairs and Trade |
| Mr Rob Stewart/<br>Mr Michael Pilbrow | Director<br>Cambodia, Laos, Thailand and Burma Section, AusAID  |
| Ms Sue Gordon                         | Cambodia Country Program Manager<br>Cambodia, Laos, Thailand and Burma Section, AusAID                        |
| Ms Fleur Davies                       | Cambodia Program Officer  |

Cambodia, Laos, Thailand and Burma Section, AusAID

Ms Meg Johnson

Cambodia Program Officer  
Cambodia, Laos, Thailand and Burma Section, AusAID

Ms Lydia Bezeruk

Cambodia Program Officer  
Cambodia, Laos, Thailand and Burma Section, AusAID

Ms Helen Windle

Cambodia Program Officer  
Cambodia, Laos, Thailand and Burma Section, AusAID

Ms Stacey Morgan

Desk Officer Cambodia  
ASEAN, Burma and Cambodia Section, Department of  
Foreign Affairs and Trade

**Opening Remarks of H.E. KEAT CHHON, MP  
Sr. Minister, Minister of Economy and Finance  
Vice-Chairman, Council for the Development of Cambodia**

**at the High-Level Consultations between  
AusAid and the Royal Government of Cambodia**

Excellencies, our distinguished hosts from the Government of Australia and AusAid,  
My colleagues from the Royal Government of Cambodia, Ladies and Gentlemen.

It is indeed a great honor and pleasure for our Delegation from the Royal Government of Cambodia to attend this High-Level Consultation between our two governments. First of all, let me say how grateful and appreciative we are for the enduring interest and support that Cambodia has received in many ways from Australia, and you continue to be a valued partner in our rehabilitation and reconstruction efforts, always ready and willing to provide essential advice, financial and technical assistance support, wherever needed and possible. Australia's country programme assistance to Cambodia has moved up to A\$25M for 2000/2001, in the areas of: Agriculture Development, Education, Governance & Human Rights, Health, Landmine Action, Infrastructure, NGO Activities, and Emergency and Relief Assistance. In addition, you contributed about A\$1.5M through humanitarian grants programmed through UNDP/CAREERE, and parallel financing of IFAD's loan programme support to SEILA, as well as humanitarian assistance during the year 2000 Floods in Cambodia totaling to about \$5.25M, and intend to continue support for a 4<sup>th</sup> phase of CCDP with another \$7.5M for 2002-2004. For all this support, continued goodwill and interest, allow me to record the deep appreciation and thanks to Australia from the Royal Government and the people of Cambodia.

These consultations comes after the successful Consultation Meeting with External Partners held at the Council for the Development of Cambodia on 24 April 2001, in which the Australian Government representatives played a significant role in supporting our technical and financial requirements. This meeting was in preparation for 11-13 June 2001 Consultative Group Meeting for Cambodia to be held in Tokyo, Japan. All the CG Meetings held so far have demonstrated the strong partnership between our Government and the International Community, through the conduct of frank and constructive discussions, and with the expression of goodwill on both sides, all of which were intended to strengthen the management of Cambodia's development to mobilize potential resources.

Our progress over the last 2-3 years are proof of our commitment to achieve national reconciliation between opposing groups. We are committed to rehabilitate our country and place it firmly on a path to peace, progress and prosperity. We are conscious that only a clear vision, strong commitment and hard work can help us overcome these challenges although we also need substantial external assistance, which we have been fortunate to receive so far. We are accelerating rural development and improving agricultural productivity in order to enhance living conditions of our people. Improving domestic resource mobilization is essential for financing of high priority development expenditures and, for reducing over time, our dependence on external assistance. Good governance and an enabling environment for private investment are essential for sustainable economic development, with institutional strengthening and capacity building our main keys to success. Finally, our full membership in ASEAN brings the promise of increased external and domestic resources for development and change within Cambodia.

In conclusion, let me once again thank you for your warm welcome and hospitality. I look forward to frank and fruitful discussions and to the continued spirit of mutual goodwill and understanding in our future relations,

Thank you all for your kind attention.

**Presentation by H.E. KEAT CHHON, MP  
Sr. Minister, Minister of Economy and Finance  
Vice-Chairman, Council for the Development of Cambodia**

**on Socio-Economic and Financial Progress**

Excellencies, our distinguished hosts from the Government of Australia and AusAid,  
My colleagues from the Royal Government of Cambodia, Ladies and Gentlemen.

Under the second agenda item, I will overview for you the Royal Government's progress since the last High-Level Consultation between our two Governments.

1. The years 2000-2001 clearly demonstrate the continuing evolution of Cambodia's policy reform and social development agenda. With favorable conditions Created by the successful 1998 National Elections, we achieved encouraging results in implementation of our "*Triangle Strategy*". Over the last 2 years, under the leadership of *Samdech Hun Sen*, our Prime Minister, we have created a "*Diamond Opportunity*" for development, with great hope for the bright and prosperous future. Our long-term vision for rapid poverty alleviation of our population through economic progress and social development was first conceived in the *National Programme to Rehabilitate and Develop Cambodia (NPRD)*, and then taken further with the *1<sup>st</sup> Socio-Economic Development Plan, 1996-2000 (SEDP-I)*. Now we have our *2<sup>nd</sup> Socio Economic Development Plan, 2001-2005 (or SEDP-II)* and a *Poverty Reduction Strategy (PRS)*, which forms the base of our development objectives.

2. In 2001, the current Royal Government is at its mid-term, and we will witness a number of important developments, such as the organization of commune elections to be held in early 2002 with a view to promoting decentralization and strengthening democracy at the grassroots level. An important challenge confronting us is to achieve success in military demobilization and public administrative reform. Assistance from our external partners is the catalyst for the implementation of these bold moves, one of the most difficult ever undertaken by any government in the world. As such, we increased the level of *Participation* of all our external partners through various Government-sponsored forums and regular meetings, in order to build on the *Partnership* with the Royal Government and forge open dialogues through a permanent sectoral mechanism for consultations to address our common concerns. A new turning point has been reached. We regard such *Participation* as an important ingredient of the consensus building process at the national and local levels and with development partners on all issues, and an efficient vehicle for mobilizing all kinds of resources and mustering the support from all quarters. Good governance - notably, implementing the principles of *transparency, accountability, predictability* and *partnership* with the Donor Community, the private corporate sector, NGOs/civil society - is the real backbone of Cambodia's reforms.

3. The Royal Government proposed a "*New Social Policy Agenda*" for Cambodia, wherein we believe that growth must take a "pro-poor" path. As we reiterated In the *2<sup>nd</sup> National Conference on Implementation of the RGC's Political Platform for Social Development and Poverty Reduction*, held on 12-14 March 2001, the main objectives of our "*economic Government*" are geared towards the reduction and alleviation of poverty. Our long-term vision is that by the year 2020, Cambodia will have developed to the level of neighboring advanced economies in the region and the Cambodian people will have attained a proper and decent living standard, enjoying progress, prosperity and happiness. Without high, sustainable economic growth, Cambodia cannot hope to alleviate the poverty or its populace, which requires equitable sharing of the fruits of economic growth.

4. The performance of economic and fiscal reforms in year 2000 was strong, despite the most severe flooding in 70 years which Cambodia experienced in the latter half of year 2000. The *National Committee for Disaster Management (NCDM)* reported that flooding affected about 3.4 million (30% of the population) in 21 out of 24 provinces. Over 375,000 ha. of ricelands and 47,000 ha. of other



croplands were destroyed. Over 300,000 homes were flooded and about 347 people lost their lives. Many roads, bridges, irrigation systems, health centres and schools were seriously damaged with the estimated economic damage set at more than US\$150 million. The scale of this disaster exhausted Government human and financial resources, and we had to divert funds to deal with the emergency resulting in a slowdown of some planned expenditures for development.

5. Cambodia has been undergoing a period of accelerated transformation, restructuring, and adjustment that is now starting to pay off. With rigid implementation or *Fiscal Reforms* and strict management of public expenditure, we received encouraging results, with improved revenue mobilization and expenditure restraint to make room for flood relief advance payment of 73 billion Riels. Measures were put in place to strengthen customs administration, prevent decline in international trade tax and improve efficiency of non-tax revenue collection. We fully acknowledge that *Improving Domestic Resource Mobilization* is essential for financing of high priority development expenditures and for reducing, over time, dependence on external assistance. To strengthen the *Banking System and Corporate Governance*, the National Bank of Cambodia (NBC) proceeded with re-licensing of commercial banks, in compliance with the Law on Banking and Financial Institutions, with the view to closing non-viable banks, either voluntarily or through liquidation process. These measures are necessary to establish a sound banking system, promote savings and increase public confidence in the banking system.

6. We place high priority on *Social and Economic Spending*, notably on Education, Health, Agriculture and Rural Development. Actual disbursements to the priority sectors, including advance payment on flood relief increased by 55% compared to 1999. In nominal terms, current disbursements to Health increased 25%, Agriculture - 13%, Rural Development - 161% and to Education - 24%. We have taken measures to improve the expenditure and budget execution framework, especially through the Priority Action Programs with coverage in 2001 expanded to the MAFF and the MRD. To ensure stability and social order, we also introduced a 10% salary increase for public servants and retirees effective from 1 January 2001.

7. In the area of *Forestry Policy Reform*, the RGC's Progress Report prepared by the MAFF illustrates achievements attained and directions of the reform process underway. We established the Forest Crime Monitoring Unit (FCMU), wherein Global Witness, acting as the "watchdog" assists in monitoring illegal logging. The draft *Forest Law* has been prepared and a public consultation was launched in July 2000. We commenced implementation of the Forest Concession Management and Control Pilot Project to ensure smooth implementation of the sub-decree passed by the Cabinet meeting in February 2000. Efforts will be further deployed to maintain participation and full support by the Royal Cambodian Armed Forces (RCAF), relevant authorities at all levels, civil society, NGOs and Cambodia's external partners in the forest sector.

8. There is a strong correlation between sound *Natural Resource Management and Poverty Reduction*. The plight of the poor can be improved by widening their access to forest, fisheries, water resources and other public goods, which is critical to improve the living standards of the people living in the Tonle Sap and riparian regions. Realizing the Importance of such actions, we introduced a "pro-poor" policy by canceling or reducing the size of official fishing lots to improve access by the poor to traditional fisheries to ensure equitable distribution of the fruits of economic growth. Over the past eight months, we cancelled a total of 495,000 ha. (or 53%) of fishing areas to allow the poor to eke out their existence from fisheries.

9. To maintain social order, the RGC prioritized the preparation and implementation of a *Land Management Policy* for land distribution, management and administration. The core program consists of development of a national land policy, improved management of the national land stock, commencement of systematic land registration, tax reform, establishment of a legal framework to enforce property rights, establishment of provincial, municipal and national master plans and zoning and the development of rural housing. A draft Land Law was adopted in July 2000 with a view to

securing land tenure, reducing land ownership conflicts, and facilitating land management, natural resource monitoring and state property protection. A pilot systematic land registration project was conducted using state-of-the-art technology and delivered land title certificates for the first time to the inhabitants of Samrong District, Takeo Province.

10. We are conscious that *Good Governance* is a sine qua non condition for promoting social and economic development and sustainable social equity. A draft Governance Action Plan (GAP) was prepared and distributed at the May 2000 Consultative Group Meeting, which identifies four cross-cutting areas over the near- and the medium-term: *Judicial and Legal Reform*; *Fiscal Reform*; *Civil Administration Reform*; and *Anti-Corruption Measures*. We have genuine willingness to implement all these programs. However, the GAP is very comprehensive, requiring prioritization, establishing a checklist, costing of projects and setting concrete schedules to facilitate implementation and monitoring. The National Programme for *Administrative Reform* is a key to ensuring successful improvement in service delivery and strengthening governance. We have successfully completed the civil service census and established a computerized payroll at the central level. The next steps will be establishing a computerized payroll at the provincial level, issuing ID cards to public servants, formulating a strategy for civil service rationalization and strengthening the human resource management Information system. We are committed to seriously implementing de-concentration and de-centralization in order to ensure devolution of power from the central to the grassroots level. We expect that the 2002 *Commune Elections* will contribute to further strengthening democracy and improving the of public service efficiency at the grassroots level.

11. Regarding *Military Reform, Demobilization and Reintegration*, comprehensive progress reports demonstrate our firm commitment for completion. Our primary concern at this stage is the delay in donor support to finance this demobilization. We will ensure successful completion of the Pilot Demobilization Project, whose lessons can be drawn for the preparation of the full mobilization of up to 15,000 soldiers in 2001. The Council for the Demobilization of Armed Forces (CDAF) is conducting an evaluation and arranging for an audit of the pilot project to ensure transparency for donors' decision to finance the full program. The CDAF will also discuss thoroughly with the WB the procurement guidelines and procedures in order to speed up implementation and strengthen financial management capacity. Availability of donor financial support provides some degree of flexibility to facilitate expedient and successful Implementation.

12. In summary, the year 2001 is a crucial turning point for the people of Cambodia, paving the way for development of our country in the new century and millennium. Our practices and actions have clearly shown that Cambodia is one of only a few sovereign countries that open its doors to external partners to be involved in discussions, provide opinions and recommendations, and ensure monitoring of the reform programs by checking performance against goals. We have confidence in this *Open Partnership* and we expect that all Cambodia's external partners would understand and be convinced of our sincerity and candor. In return, they should respond by enhancing effective Cooperation to meet the real needs of Cambodia in ensuring fruitful implementation of these ambitious reform programs.

13. In *Building Development Cooperation Partnerships*, a proposed *strategic management framework* for improving the development partnership focuses on *Continuous Improvements* in the management of institutional development processes. The strategy focuses on improving the quality of information available to both national and international partners, on using poverty reduction strategies and actions as the common frame of reference for development, and on building the utility value of the national resource programming and coordination system. No major overhaul of the existing development management and coordination instruments is needed. Rather making the development partnership work requires realigning performance incentives, unleashing productivity, creating positive momentum in forging dynamic alliances targeted to poverty reduction and capacity development goals of the Government, confidence building of national stakeholders, creating commitment and the sense of ownership.

14. During the 24-26 May 2000 Consultative Group Meeting in Paris, and based on the successful outcome of the 24 May 2000 Informal Working Sessions on *Partnerships*, wherein the Government's *Operational Framework for Development Cooperation Partnerships* was conceptually accepted and supported by all Donor Agencies present, Prime Minister Hun Sen appointed the CDC/CRDB as the *Partnerships Focal Point* within the RGC. CDC/CRDB's main role is to assist all ministries and agencies in effectively managing the process of establishing partnership arrangements and to provide technical support and coordination for resource mobilization activities required. This role was recently confirmed through a Government Decision on 23 April 2001 and reinforced through the establishment of an Inter-Ministerial Committee on Partnerships tasked with establishing effective partnership arrangements in selected sectors for the development of Cambodia. These tasks will require a lot of work and discussions, but the end result is that the Lead Responsibility for sectoral partnerships will still firmly be in the hands of each sectoral ministry/agency.

15. In establishing mutually-beneficial *Partnerships*, the RGC intends to clearly utilize the OECD/DAC guidelines and criteria established for donor agencies in implementing partnership and capacity development activities, as well as the principles for Strengthening Development Partnerships and simplifying and harmonizing donor procedures, which were agreed on by all donor agencies and countries at the late 1999 OECD/DAC Conference. These guidelines and basic criteria will help the Government and its development partners in determining the capabilities of the lead agencies, facilitators and proponents in being able to provide a check and balance between donors which will participate in Partnership arrangements using sector wide mechanisms and those which intend to continue on with the traditional project-based assistance. The Royal Government is evolving a clear policy that planning and programming activities in each sector will be integrated based on national development agenda and will involve bilateral and multilateral donor agencies, international organizations/NGOs/CSOs, and even private sector service providers or investors. The Government will still encourage separate financing and implementation modalities based on this integrated sectoral approach. This policy ensures that no hindrances arise in the mobilization of ODA and in the implementation of development activities, which benefit Cambodia and its population.

16. Aid coordination and management is not only leadership in the entire process but more so the ability for lead agencies and facilitators to manage the process and secure consensus in order to leverage varied activities and resources in a most effective manner. Unless process management issues are well coordinated between RGC and Donors, this would again lead into a donor-driven situation. It is with this resolve that we reiterate that the RGC intends to be cautious and selective in such implementation. We fully intend to take the lead responsibility in the process of aid coordination and management in the development of such *Partnerships*, and we will demonstrate the political will to assume full ownership of our own development agenda and leadership of the process necessary to develop it.

17. In dosing, let me also add in all humility, that our achievements so far and the knowledge and experience we have gained, gives us confidence that we can take our country forward. We are eternally indebted to all of you for your generosity in assisting Cambodia since 1992 and we need your continued help in the years to come. Let us assure you that your interest in and assistance to us will be well rewarded by Cambodia becoming a strong economic partner in the region and growing robustly to bring rising levels of prosperity to its people.

Thank you for your attention and interest.

**3. Overview of Developments in the Australian Aid Program**

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Ms Jennifer Rawson will discuss AusAID corporate directions and priorities

## 4. Financial Overview

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### **The 2000/2001 Australian Aid Budget**

Australia will provide a total of \$1.6 billion in official development assistance in 2000/01. This is an increase of \$100 million, or 4% in real terms, over the 1999/00 Budget figure of \$1.5 billion.

The aid program focuses on the Asia Pacific region, with Papua New Guinea, the Pacific and the poorest regions of East Asia being the areas of highest priority. The sectors of highest priority for the aid program are agriculture and rural development, health, education, governance, and infrastructure. With the exception of infrastructure, these are also the key sectors of the Cambodia program.

### **The 2001/2002 Australian Aid Budget**

The 2001/02 Budget will be released on 22 May and is confidential at this stage. It is envisaged that the aid budget will be tight in the coming year due to competing pressures within the aid program and wider budgetary pressures.

### **The Cambodia Program**

*Financial Year 2000/01:* The Budget estimate for the Cambodia program in 2000/01 is \$37.9 million. This is made up of \$23.8 million for the bilateral program and an estimated \$14.1 million for other programs.

Our current estimate for the bilateral program includes some over-programming. In contrast to the allocation of \$23.8 million, our current estimate is \$24.2 million. At this stage we expect that there will be some slippage in the estimates and that the bilateral program will come in on target for the year.

Table 1 and Figure 1 show the sectors in which the bilateral program funds will be spent this year. The major sectors of assistance will be agriculture, health, education & training, community development, landmine action and governance. The Country Strategy set a target of 35% for the agriculture sector. This will be met in 2000/01.

The current estimate for other programs is \$16.9 million, compared to the original Budget estimate of \$14.1 million. Major activities funded through other programs include food aid, landmine action (including clearance, awareness and victim rehabilitation projects) and support for the activities of Australian NGOs in Cambodia.

*Financial Year 2001/02:* The 2001/02 budget will be released on 22 May. Therefore we do not yet know the bilateral allocation for Cambodia. Table 1 shows indicative planning figures with the allocation held constant. A number of large activities are locked in or in the advanced stages of design. Therefore, the scope for new activities is limited.

Figure 2 shows the sectors in which the bilateral program funds are expected to be spent in 2001/02. Agriculture is again the largest sector. The balance of the bilateral program is fairly evenly spread across the other Country Strategy sectors.

**AID FLOWS TO CAMBODIA (A\$ million)**

|  | 1998/99<br>Actual | 1999/00<br>Actual | 2000/01<br>Estimate | 2001/02<br>Estimate | Total |
|--|-------------------|-------------------|---------------------|---------------------|-------|
| <b>Bilateral</b>                             |                   |                   |                     |                     |       |
| Allocation                                   | 22.3              | 23.1              | 23.8                | Subject to Budget   | 69.2  |
| Actual                                       | 24.0              | 23.1              | 23.8                | Subject to Budget   | 70.9  |
| <b>Other Programs</b>                        |                   |                   |                     |                     |       |
| Allocation                                   | 10.6              | 13.7              | 14.1                | Subject to Budget   | 38.4  |
| Actual                                       | 11.5              | 12.9              | 16.9                |                     | 41.3  |
| <i>consisting of:</i>                        |                   |                   |                     |                     |       |
| <i>Humanitarian &amp; Emergency Programs</i> | 8.9               | 9.4               | 12.5                |                     |       |
| <i>AusAID NGO Cooperation Program</i>        | 1.4               | 1.5               | 1.7                 |                     |       |
| <i>Asia Regional Programs</i>                | 0.9               | 1.6               | 2.3                 |                     |       |
| <i>Others</i>                                | 0.3               | 0.4               | 0.4                 |                     |       |

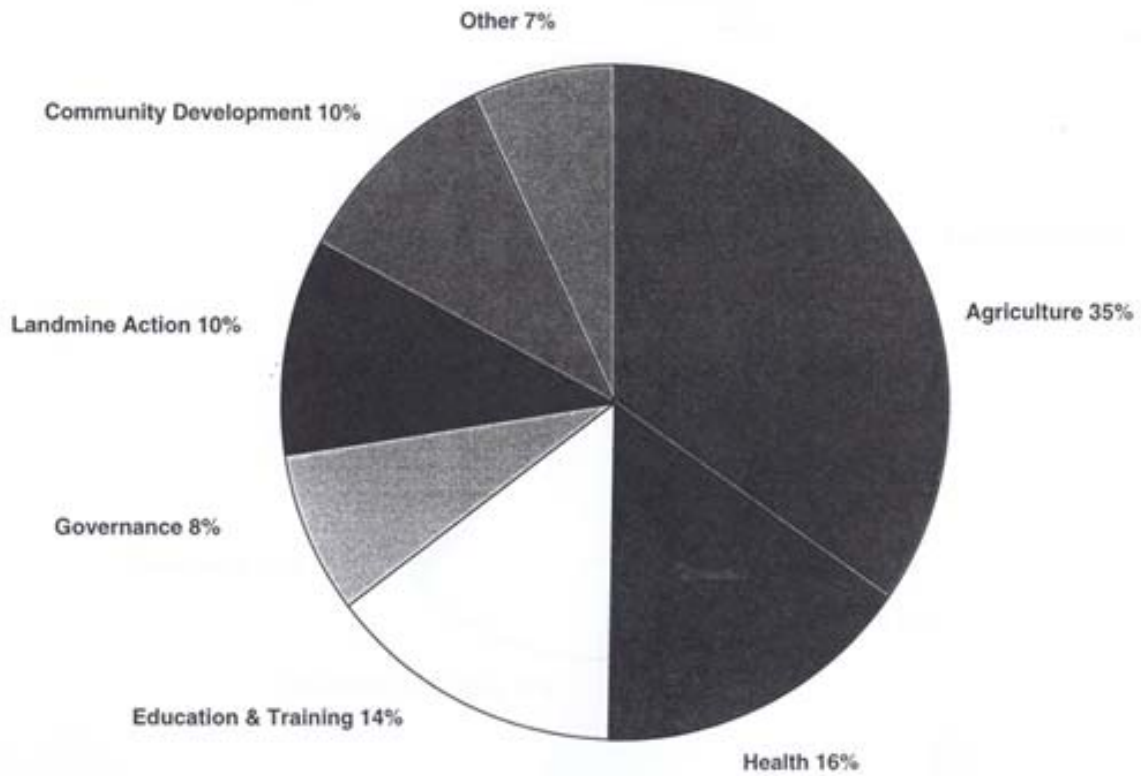
**TABLE I - BILATERAL PROGRAM (A\$'000)**

*(pipeline activities are shown In italics)*

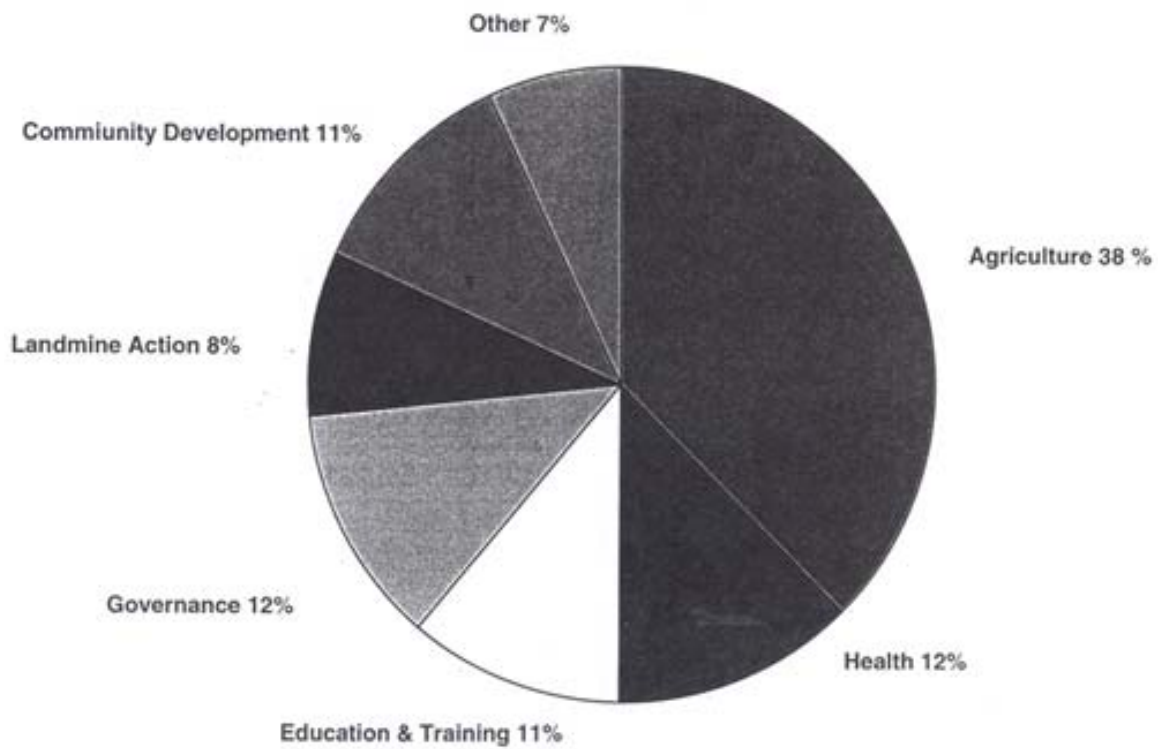
|   | FY1999<br>Cash | FY2000<br>Expenses | FY2001        | FY2002<br>Estimated Expenses | FY2003        | FY2004        |
|---|----------------|--------------------|---------------|------------------------------|---------------|---------------|
| <b>Agriculture</b>                                    |                |                    |               |                              |               |               |
| Agriculture Projects Preparation                      | 228            | 300                | 295           | 0                            | 0             | 0             |
| Cambodia IRRI Australia Project                       | 2,688          | 3,128              | 2,600         | 650                          | 0             | 0             |
| Assistance to <i>CARDI</i> project                    | 0              | 0                  | 0             | 750                          | 1,500         | 1,500         |
| Agricultural Extension Project                        | 2,790          | 2,908              | 1,133         | 0                            | 0             | 0             |
| Agricultural Extension Project Phase II               | 0              | 0                  | 1,000         | 3,500                        | 3,500         | 3,500         |
| Agriculture Quality improvement Project               | 0              | 101                | 3,613         | 4,000                        | 3,200         | 2,500         |
| <b>Sub-total</b>                                      | <b>5,706</b>   | <b>6,436</b>       | <b>8,641</b>  | <b>8,900</b>                 | <b>8,200</b>  | <b>7,300</b>  |
| <b>Health</b>   |                |                    |               |                              |               |               |
| Health Promotion & Primary Health Care (CHP&PHC)      | 2,391          | 2,786              | 2,227         | 1,140                        | 0             | 0             |
| <i>CHP&amp;PHC phase II design</i>                    | 0              | 0                  | 75            | 100                          | 0             | 0             |
| <i>CHP&amp;PHC phase II project</i>                   | 0              | 0                  | 0             | 750                          | 2,000         | 2,000         |
| Expanded Program of Immunisation                      | 500            | 1,098              | 1,150         | 250                          | 0             | 0             |
| <i>Expanded Program of Immunisation, continuation</i> | 0              | 0                  | 0             | 750                          | 1,000         | 1,000         |
| <b>Sub-total</b>                                      | <b>2,891</b>   | <b>3,884</b>       | <b>3,452</b>  | <b>2,990</b>                 | <b>3,000</b>  | <b>3,000</b>  |
| <b>Education</b>                                      |                |                    |               |                              |               |               |
| National Examinations Project                         | 1,373          | 895                | 1,200         | 968                          | 182           | 0             |
| English Language for Ministry Officials               | 1,340          | 973                | 1,050         | 500                          | 0             | 0             |
| Australian Development Scholarships                   | 1,223          | 1,151              | 1,000         | 1,200                        | 1,200         | 1,200         |
| <b>Sub-total</b>                                      | <b>3,936</b>   | <b>3,019</b>       | <b>3,250</b>  | <b>2,668</b>                 | <b>1,382</b>  | <b>1,200</b>  |
| <b>Governance &amp; Human Rights</b>                  |                |                    |               |                              |               |               |
| Criminal Justice Assistance Project                   | 4,958          | 3,103              | 1,205         | 120                          | 0             | 0             |
| CJAP Phase II design                                  | 0              | 10                 | 726           | 0                            | 0             | 0             |
| <i>CJAP Phase II</i>                                  | 0              | 0                  | 0             | 2,250                        | 3,000         | 3,000         |
| Electoral Assistance                                  | 417            | 0                  | 0             | 0                            | 0             | 0             |
| Human Rights  | 108            | 128                | 111           | 110                          | 110           | 110           |
| <i>Assistance for Khmer Rouge.-Tribunal</i>           | 0              | 0                  | 88            | 500                          | 500           | 0             |
| Public Admin Reform                                   | 0              | 169                | 0             | 0                            | 0             | 0             |
| <b>Sub-total</b>                                      | <b>5,484</b>   | <b>3,410</b>       | <b>2,130</b>  | <b>2,980</b>                 | <b>3,610</b>  | <b>3,110</b>  |
| <b>Landmine Action</b>                                |                |                    |               |                              |               |               |
| Cambodian Mine Action Centre                          | 1,580          | 2,318              | 2,500         | 2,000                        | 2,000         | 2,000         |
| <b>Sub-total</b>                                      | <b>1,580</b>   | <b>2,318</b>       | <b>2,500</b>  | <b>2,000</b>                 | <b>2,000</b>  | <b>2,000</b>  |
| <b>Cambodia Community Development Program</b>         |                |                    |               |                              |               |               |
| Round 2   | 1,472          | 0                  | 0             | 0                            | 0             | 0             |
| Round 3   | 1,825          | 2,830              | 2,504         | 1,226                        | 0             |               |
| <i>Round 4</i>  |                | 0                  | 0             | 1,500                        | 2,500         | 2,500         |
| <b>Sub-total</b>                                      | <b>3,297</b>   | <b>2,830</b>       | <b>2,504</b>  | <b>2,726</b>                 | <b>2,500</b>  | <b>2,500</b>  |
| <b>Other</b>  |                |                    |               |                              |               |               |
| Cambodia Australia Bridges project                    | 50             | 0                  | 0             | 0                            | 0             | 0             |
| Bridge Design Standards                               | 272            | 26                 | 0             | 0                            | 0             | 0             |
| Route 5 Bridges Project                               | 0              | 0                  | 736           | 751                          | 0             | 0             |
| Small Activities Scheme                               | 425            | 823                | 450           | 450                          | 450           | 450           |
| Program Support Unit                                  | 297            | 309                | 360           | 300                          | 300           | 300           |
| Program Administration                                | 62             | 56                 | 65            | 65                           | 65            | 65            |
| Contribution to cost of sector advisers               | 0              | 0                  | 95            | 95                           | 95            | 95            |
| <b>Sub-total</b>                                      | <b>1,106</b>   | <b>1,214</b>       | <b>1,706</b>  | <b>1,661</b>                 | <b>910</b>    | <b>910</b>    |
| <b>TOTAL COUNTRY PROGRAM ALLOCATION</b>               | <b>24,001</b>  | <b>23,111</b>      | <b>24,182</b> | <b>23,924</b>                | <b>21,602</b> | <b>20,020</b> |
| <b>Over or Under Programming</b>                      | <b>1,701</b>   | <b>11</b>          | <b>382</b>    | <b>124</b>                   | <b>-2,198</b> | <b>-3,780</b> |

(Australian financial years run from 1 July to 30 June, eg FY 1999 runs from 1 July 1998 to 30 June 1999)

**Figure 1 - Bilateral Aid to Cambodia by Sector 2000/01**



**Figure 2 - Bilateral Aid to Cambodia by Sector 2001/02**





## 5.1 Country Strategy and Future Program Directions

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### Objective

To review progress in the implementation of the current Program Strategy (1999 - 2001), confirm the priorities for the next Strategy (2002-2004) and endorse program development work in preparation for the next strategy period.

### Talking Points

#### *Summary of key aspects of the strategy*

- The strategy agreed at the HLC in Canberra in June 1999 covered the three year period 1999-2001.
  - The current strategy focuses on three sectors: agriculture, health, and education and training and on fewer and larger projects in these sectors.
  - In addition to activities in the above focal sectors, the strategy also endorses continued support for demining, a criminal justice assistance project, and an NGO window.

#### *Overview of progress to date*

- As you would have noted from the preceding discussion of financial aspects of the bilateral program, activities envisaged at the start of the strategy period have been implemented in full. Funds have been fully disbursed.
- We have paid attention to project quality through the appointment of technical advisers to monitor project implementation and through the conduct of program and project reviews
  - Within the constraints imposed by Cambodia's difficult operating environment, Australia is satisfied that the program is making a positive contribution to poverty reduction and sustainable broad-based development in Cambodia
- The current strategy also recognises that sustainable development cannot be achieved in the short-term in Cambodia and goes on to conclude that, given the low base from which Cambodia is starting and the enormity of development needs in all sectors, it is appropriate that the Australian program continue its support for key program activities over the medium term.

#### *Future strategy implementation*

- Planning and development work in conjunction with our Cambodian counterparts has therefore been proceeding throughout the current strategy period to ensure that support for key elements of the program continue as current projects conclude. In fact, a good portion of the program to be implemented over the coming strategy period has already reached implementation stage.
- Discussions at these HLCs provide a useful opportunity to look at the future shape of the program as it is currently unfolding and to confirm that proposed directions are endorsed by the Government of Cambodia.
- It is proposed that the broad direction of the 1999 - 2001 Strategy be reconfirmed, with a continuing focus on major projects in agriculture, health, and education and training during the next Strategy period covering 2002 - 2004. It is also proposed that support continue for de-mining, a second phase of the criminal justice project, and NGOs.
- As part of the new Strategy, there is an opportunity to consider transferring some resources to support an increased focus on governance. Activities in all sectors already include support for

institutional strengthening and administrative reform. However, AusAID recognises the need to address governance issues at a central as well as a sectoral level, and we have welcomed the Royal Government of Cambodia's development of a *Governance Action Plan (GAP)*. We are aware of current and future needs for assistance for activities such as the Public Administration Reform, Communal Elections, SEILA, and the Khmer Rouge Tribunal.

- In order to free resources to provide additional support for governance activities, we propose to consider reducing AusAID's current level of support for the education and training sector (details of the proposal are outlined under the Education and Training sector section below). We would be interested in discussing this proposal.
- During the remainder of this session, we would like to note the activities already agreed and seek confirmation of Government of Cambodia support for new activities in our priority sectors.

### **Activities Agreed for Implementation Over the Coming Strategy Period**

#### Agriculture

- Two new projects are already in place for implementation over the next strategy period, with a third project in the late stages of design. These projects will ensure that current levels of support to this sector will be maintained over the coming strategy period 2002-2004.
  - The Agriculture Quality Improvement Project commenced in August 2000 and will be ongoing until 2006. We are very concerned about the delays in issuing land titles to the seed companies supported under this project and urge the Cambodian Government to make every effort to resolve the problem.
  - A second phase of the Cambodia Australia Agricultural Extension Project commenced in March 2001 and will be ongoing until 2006
  - The design document for a new program of support for agricultural research, to follow on from the Cambodia IRRI Australia Project when it concludes in December 2001, is to be re-drafted in June/July. The draft design will be available for consideration by August.

#### Criminal Justice

- A design mission for a second phase of the Cambodia Criminal Justice Assistance Project has produced a draft project design document. Subject to approval of the draft design by both governments, it is expected that the new project would commence around December 2001.

#### Cambodia Community Development Program

- A fourth three-year \$7.5 million phase of the Cambodia Community Development Program has been approved for implementation from January 2002 to December 2004.

#### Landmine Action

- Ongoing support for demining through CMAC is envisaged over the coming strategy period subject to continued progress in implementation of management reforms.

### **Proposals for Future Activities in Focal Sectors**

#### Health

##### *Health Promotion and Primary Health Care*

- For the past four and a half years, Australia's major activity in the health sector has been the Cambodia Health Promotion and Primary Health Care Project (CHPPHCP), based within the National Centre for Health Promotion and within the province of Kampong Cham.

- The CHPPHCP aims to strengthen the capacity of the Royal Government of Cambodia (RGC) to develop and deliver effective health promotion, primary health care policies and strategies; and to support the implementation of a model integrated health care delivery service within three districts of Kampong Cham. The project is scheduled for completion in December 2001.
- Following the completion of the current health project, it is proposed that AusAID provide a program of assistance to support the Cambodian Ministry of Health (MOH) implement its proposed "Boosting Strategy" in Kampong Cham province.
- The Boosting Strategy is based on contractual relationships between donors, the MOH, the RGC more broadly, and the Provincial Health Department (PHD). Donor funding would be provided as a "boost" rather than a substitute for government funds, to achieve a total minimum funding level per capita for providing adequate basic health services. The MOH has proposed that donor assistance would be phased out over five years as RGC contributions for the health sector increase.
- Funding would be accompanied with technical assistance to support the development of capacity to manage health services delivery. With donor support, a single monitoring and evaluation framework would be implemented to monitor performance under contracts.
- The MOH is currently developing a document outlining the policy approach for the Boosting Strategy. This policy document would form the basis for developing any program of AusAID support.
- A draft Concept Paper entitled *A Second Phase of AusAID Assistance to the Health Sector in Cambodia* was prepared for AusAID in early 2001. The Paper outlined a possible approach to AusAID assistance for a Boosting Strategy program in Kampong Cham province, and formed the basis for a workshop in February 2001, which was attended by a senior representative from the MOH.
- AusAID's preliminary analysis of the Boosting Strategy has suggested that it is an appropriate response to the situation in the Cambodian health sector, which could support sustainable improvements in health outcomes. However, it is not clear that all of the pre-conditions for effective implementation of the Boosting Strategy can be put in place in the near future. AusAID also has concerns about whether the systems for monitoring and evaluation and management of funds will meet Australian Government accountability requirements.
- Nevertheless, AusAID recognises the advantages of moving towards a sector-wide approach which is owned and led by the Government of Cambodia.
- We would welcome delegates' views on this proposal and subject to these views, endorsement to proceed with feasibility and design work.

#### *Expanded Program on Immunisation*

- Australia has been providing support for the EPI in Cambodia through WHO and UNICEF for many years. Our current three-year program of support concludes in December 2001.
- The goal of the EPI is to improve child survival and child health by controlling, eliminating or eradicating vaccine preventable diseases (tuberculosis, diphtheria, pertussis, tetanus/neonatal tetanus, measles and poliomyelitis). The EPI has supported a significant improvement in the coverage of the national immunisation program over the last eight years, including the eradication of polio.

- Recognising the importance of the national immunisation program and EPI support in improving child health, AusAID would be pleased to consider a further funding proposal for EPJ commencing in 2002, subject to your views.

### Education and Training

- Three activities have been ongoing throughout the strategy period: the Cambodia Australia National Examinations Project, the English Language for Ministry Officials Program, and the Australian Development Scholarships Program. The first two of these activities are scheduled to conclude shortly. New Directions are considered below.

#### *Future Support for the Education Sector*

- The Cambodia Australia National Examinations Project (CANEP) is due to end in October 2002.
- There have been substantial positive developments in the education sector over recent years, including agreement on a policy agenda which focuses on basic education and pro-poor strategies and the development of a comprehensive Education Sector Plan to facilitate a comprehensive approach to education development, led and owned by the Government of Cambodia.
- Australia considers that the policy emphasis on basic education and pro-poor strategies is very sound. We also recognise the substantial achievements of the education sector in creating the foundations for Government/funding agency partnerships.
- We therefore propose that a partnership approach be considered as a first priority for Australian funding following the conclusion of CANEP.
- A joint review and appraisal of the Education Sector Plan is planned in June. This will produce a detailed, phased and costed Education Sector Support Program, incorporating priorities for a mix of support modalities including budgetary support, capital program investment and capacity building TA.
- Subject to today's discussions, Australia would hope to participate in the in-country joint Government/Donor/NGO appraisal and review of the Plan. This would lead to the identification of options for future Australian support.
- We would welcome your comments on this proposal.

#### *English Language for Ministry Officials (ELMO)*

- ELMO was established in 1994 to assist with improving the English language proficiency of Ministry Officials. It covers basic to intermediate levels of English at an estimated cost of about \$500,000 per year.
- The current contract for ELMO concludes in December 2001. We have therefore been planning to review the program to determine the need for further support.
- This meeting provides a timely opportunity to consider whether to actually proceed to review stage given other pressing priorities in the governance sector which we are currently unable to support due to funding constraints -eg Public Administration Reform, Communal Elections, SEILA, and the Khmer Rouge Tribunal.

- It would seem fairly clear, up front, that the development merits of ELMO, have been decreasing over the years with the increasing number of commercial English language providers in Cambodia and that given a choice between ELMO and Public Administration Reform, for example, that we should be choosing the latter.
- We would therefore propose that ELMO conclude at the end of the current contract and that remaining funds be allocated to the governance sector.

**Conclusion: 2002-2004 Country Strategy**

- Do the delegates agree that we should re-confirm the broad direction of the 1999-2001 Strategy for the next Strategy period 2002-2004, with an increased focus on governance activities (using resources transferred from the education and training sector following the completion of the ELMO project)?
- If so, AusAID would propose to prepare a draft Country Strategy document confirming the priorities for AusAID's program for 2002-2004, for consideration by the Government of Cambodia.

## **6. Overview of Asia Regional Programs Strategy**

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Mr Keith Scott will make a short presentation on AusAID's Asia Regional Programs Strategy.

## 7. Summary Conclusions and Agreements

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### Agenda Item 2: Current Situation in Cambodia

| Key Issues        | Conclusions/Agreements  |
|-------------------|---|
| Governance Reform | The Government of Australia and the Royal Government of Cambodia note the importance of Cambodia's efforts to reform governance and develop pro-poor policies, and the challenges which will be faced in implementing planned reforms. The Government of Australia recognises that the Royal Government's commitment to reform is genuine and credible, and notes that Australia is committed to continuing to assist the reform process.   |
| Partnership       | The Government of Australia and the Royal Government of Cambodia agree to work to ensure that the principles of a partnership approach are reflected in our development cooperation program, encompassing stakeholder dialogue, commitment to working within agreed policy frameworks, and the recognition that partnerships must be based on appropriate accountability mechanisms. The Government of Australia notes that future design work will fully assess the potential for involvement in partnership approaches. |

### Agenda Item 3: Overview of Developments in the Australian Aid Program

| Key Issues                  | Conclusions/Agreements   |
|-----------------------------|--|
| Poverty Reduction Framework | The Government of Australia and the Royal Government of Cambodia note that the Australian Government's new Poverty Reduction Framework is a key policy statement which provides a central integrating framework for Australia's aid program. It is noted that Australia's development cooperation program with Cambodia is already focused on poverty reduction, and future program and policy development to strengthen this focus will ensure Australia's assistance supports Cambodia's own poverty reduction strategies. |

### Agenda Item 4: Financial Overview

| Key Issues                     | Conclusions/Agreements  |
|--------------------------------|---|
| Program Expenditure 2000-01    | The Government of Australia and the Royal Government of Cambodia note that it is expected that Australia will provide A\$40.7 million in aid to Cambodia in 2000-01, of which A\$23.8 million will be channelled through the bilateral program. It is noted that the major sectors of assistance, consistent with the agreed Country Strategy, are agriculture, health, education and training, community development, landmine action, and governance. |
| Partnership – Financial Issues | The Government of Australia and the Royal Government of Cambodia note that any moves towards partnership approaches would involve a greater focus on Cambodian commitments to provide agreed levels of funding to sector programs, with Australian funding to be linked to the levels of Cambodian funding.   |

## Agenda Item 5: Country Strategy and Future Program Directions

| Key Issues                   | Conclusions/Agreements   |
|------------------------------|--|
| Country Strategy for 2002-04 | <p>The Government of Australia and the Royal Government of Cambodia agree that AusAID's Country Strategy for Cambodia for the period 2002-04 should continue to prioritise support for agriculture, health, and human resource development, while also strengthening the focus on governance activities, as resources permit.</p> <p>It is agreed that AusAID will prepare a draft document presenting the Country Strategy for 2002-04 and its links to AusAID's Poverty Reduction Framework and Cambodia's own poverty reduction strategies, for endorsement by the Royal Government of Cambodia.</p>  |
| Agriculture                  | <p>The Government of Australia and the Royal Government of Cambodia note that the agriculture sector is already fully programmed for the next strategy period, with activities in the areas of agricultural extension, production, and research and development.</p>   |
| Health                       | <p>The Government of Australia and the Royal Government of Cambodia agree that support in the health sector should focus on assistance for the Ministry of Health's Boosting Strategy (subject to the findings of the forthcoming feasibility study), with complementary assistance for the Expanded Program on Immunisation.</p>  |
| Education                    | <p>The Government of Australia and the Royal Government of Cambodia agree that future support in the education sector will be considered as follows: the Government of Australia will participate in the joint review and appraisal of the Royal Government of Cambodia's Education Sector Plan; the two Governments will then discuss the joint review and appraisal findings; and following these discussions, the Government of Australia will consider scope for future Australian involvement. It is noted that as current projects in this sector cease, some funds may be released which could be re-allocated for high priority governance activities.</p> |
| Governance                   | <p>The Government of Australia and the Royal Government of Cambodia agree to consider how AusAID can further assist Cambodia's Communal elections scheduled for February 2002, the conduct of the Khmer Rouge Tribunal, decentralisation activities, and other key governance activities. It is noted that funding resources will be limited and prioritisation will be necessary.</p> <p>It is noted that a second phase of the Cambodia Criminal Justice Sector Assistance Project is currently under design.</p>  |



**Agenda Item 6: Overview of Asia Regional Programs Strategy**

| <b>Key Issues</b>          | <b>Conclusions/Agreements</b>   |
|----------------------------|---|
| New Asia Regional Strategy | The Government of Australia and the Royal Government of Cambodia note that AusAID’s new Asia Regional Strategy provides opportunities for Cambodia to benefit from regional programs. |

## **8. Next HLC**

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The two delegations will discuss the venue and date for the next High Level Consultations.

**Closing Remarks of H.E. KEAT CHHON, MP  
Sr. Minister, Minister of Economy and Finance  
Vice-Chairman, Council for the Development of Cambodia**

**at the High-Level Consultations between  
AusAid and the Royal Government of Cambodia**

Excellencies, our distinguished hosts from the Government of Australia and AusAid,  
My colleagues from the Royal Government of Cambodia, Ladies and Gentlemen.

1. First of all, let me reiterate how grateful and appreciative all of us in Cambodia are for the enduring interest and support that our country has received from Australia. I am sure that all my colleagues here today share that sentiment. From your remarks and from our discussions this morning, it is evident that Australia will continue to be a valued partner in Cambodia's rehabilitation, reconstruction, and development efforts into this new millenium.

2. With over 85% of our population in the rural areas, real progress will happen and be sustainable only if and when we ensure that growth takes place in these areas. Such growth involves increasing agricultural productivity through provision of advice, improving access to inputs including credit and irrigation, and to markets and services through creation of necessary infrastructure and institutional support.

3. We believe that human capital formation and enhancement should be addressed to make up for the past deficiencies and to put our comparative advantages to maximum use. This can also be done through both private sector being engaged in training for specific needs and by a qualitatively enhanced education system. Last but not least, we have to quickly integrate our economy into the regional and global systems. These are the key areas that Australia will be of greatest help to Cambodia

4. We will continue to need external technical and financial assistance until we are able to stand on our own economic feet, mainly in the form of grants as much as possible since we cannot afford to burden our future generations with debt related to what are essentially start-up costs for socio-economic growth. This commitment for assistance needs to be transparent and predictable so that we can make reasonably long-term plans for our own investments.

5. We welcome advice and assistance as we shape our policies and programmes. Please work with us in establishing and focusing our priorities for development. Please orient your assistance programmes in order to help us in implementing our priorities. Please make your assistance both efficient and effective. We also suggest that you consider establishing high-impact activities with quick returns, which will also contribute to long-term sustainability. In all your assistance efforts, ensure that local capacity-building and transfer of know-how is an essential ingredient.

6. Before closing, I would like to once again re-assure you that we in the Royal Government have the strong resolve to pursue the progressive policies we have commenced, in an open, accountable, predictable and democratic manner. We have adopted this path because we genuinely believe that this is in our best interests.

7. It is only through adherence to these principles that we can turn Cambodia firmly and fully away from its tragic past and establish socially and politically sustainable progress for the future. This is the legacy we owe to our future generations.

Thank you.

**RECORD OF THE FIFTH CAMBODIA-AUSTRALIA  
HIGH LEVEL CONSULTATIONS ON  
DEVELOPMENT COOPERATION**

**Wednesday 16 May 2001**

**Canberra**

**RECORD OF MEETING**

The fifth High Level Consultations (HLCs) on the development cooperation program between the Royal Government of Cambodia and the Government of Australia were held in Canberra on 16 May 2001. The Cambodian delegation was led by His Excellency Keat Chhon, Senior Minister, Minister of Economy and Finance, and Vice-Chairman of the Council for the Development of Cambodia (CDC). Ms Jennifer Rawson, Deputy Director General, AusAID led the Australian delegation. The full list of participants is at [Attachment 1](#). Key statements by the Cambodian delegation are at [Attachments 2-4](#), and a summary of agreements is at [Attachment 5](#).

**Agenda Item 1: Welcome Remarks**

Ms Rawson welcomed the delegation from Cambodia. She looked forward to the opportunity to hear about the Royal Government of Cambodia's development plans, priorities and policies so as to ensure that the Australian Government's strategies within Cambodia are aligned with these. Ms Rawson also appreciated the candour and friendliness of consultations between our two Governments and looked forward to discussions about how we, and other donors, can assist Cambodia in achieving its development goals.

HE Keat Chhon thanked Ms Rawson for the warm welcome and hospitality. The Minister passed on the deep appreciation of the people of Cambodia for Australia's enduring support for Cambodia's development efforts (the Minister's prepared statement is at Attachment 2). He noted Australia's significant role in the recent Donor Consultation meeting held on 24 April and looked forward to strengthening ongoing partnerships with all members of the international community at the upcoming Consultative Group meeting. The Minister restated the RGC's commitment to reconciliation and rehabilitation within Cambodia. He also stressed the importance of improving domestic resource mobilization, good governance and the enabling environment for private investment and hoped that ASEAN membership would assist in these areas.

**Agenda Item 2: Current Situation in Cambodia**

HE Keat Chhon made a presentation on Cambodia's socioeconomic and financial progress based on the written statement at Attachment 3. He highlighted that Cambodia had now had more than 2 years of peace and political stability which had provided a "diamond" opportunity to progress Cambodia's development agenda.

HE Keat Chhon said that 2001 was a crucial turning point for Cambodia, with major reforms underway. Commune elections planned for February 2002 would be followed by expansion of a program of decentralisation based on the SEILA program. It was expected the framework for establishing the Khmer Rouge Tribunal would be in place by September 2001. Demobilisation initiatives would require substantial funding. Progress in all of these activities would rely on partnerships with donors and with other stakeholders.

Ms Rawson acknowledged Cambodia's progress in building a framework for sustainable development, including the Governance Action Plan, the second Socio-Economic Development Plan and the Poverty Reduction Strategy. Cambodia's challenging and complex reform agenda requires political will as

well as financial and technical capacity. Donors can really only assist with the latter and will be more disposed to assist if they are convinced that the RGC is committed to reform. Australia is encouraged by the open and constructive dialogue between RGC and donors. Ms Rawson also stressed Australia's continuing interest in progress in the legal and judicial reform program.

HE Keat Chhon noted that the level of expenditure on social sectors had substantially increased in recent years, while defence expenditure was declining. Ms Rawson noted that further rebalancing of expenditure was appropriate as the best way to ensure peace and security was to promote economic growth and provide social services.

HE Keat Chhon provided some information about the Commune elections and plans to expand the SEILA decentralisation program to 80% of communes by 2005, requiring a budget of US\$95 million. SEILA had been assessed as a very successful approach, promoting grassroots planning, implementation and monitoring. Close supervision by the central government and assistance from donors would be required to achieve this ambitious plan.

HE Keat Chhon acknowledged that progress on the judicial and legal reform program was behind schedule, and that there were continuing problems with long delays in passing legislation and subdecrees. A report would be presented to the CG in Tokyo on the judicial and legal reform program.

Ms Rawson acknowledged the challenges facing the RGC in implementing essential reforms, and reinforced Australia's commitment to working in partnership with Cambodia in the development process.

### **Agenda Item 3: Overview of Developments in the Australian Aid Program**

Ms Rawson noted that the Australian Federal Budget is due to be delivered next week and is confidential at this stage. From an aid perspective, Australia can again expect the budgetary situation to be fairly tight with a continuing strong focus on the Asia-Pacific region. The overall policy framework remains as set out in the Australian Government's 1997 policy statement articulated in *Better Aid for a Better Future*. The new Poverty Reduction Framework (copies passed to the Cambodian delegation) aims to ensure closer linkages between the aid program and poverty reduction outcomes.

AusAID has just embarked on a strategic planning exercise to ensure the agency and aid program are positioned well to engage most effectively in the new development cooperation agenda. This exercise should produce a Strategic Plan by September this year. We will need to continue consultations with our development partners as we look ahead to what changes this may mean for AusAID's policies and practices.

HE Keat Chhon said the RGC was conscious of donor concerns about accountability issues in relation to sector wide and other partnership approaches. The Minister considered that it was most important for donors to work within Cambodian frameworks and report on disbursements, but it was not essential for funding to be directed through the Cambodian treasury.

### **Agenda Item 4: Financial Overview of Cambodia Program**

Mr Stewart summarised the expected budget outcome for aid flows to Cambodia for 2000-01. The bilateral estimate for the Cambodia program for this year was A\$37.9m. This was made up of A\$23.8m for the bilateral program and an estimated A\$14.1m for "other programs". The figure for other programs is expected to be exceeded with A\$16.9m now predicted. Other programs include food aid, landmine action and support for the activities of Australian NGOs in Cambodia.

In terms of the future pipeline, Mr Stewart referred to a table provided to the delegations, which

showed the already heavy level of commitment in the aid program for future years. Mr Stewart noted that the Cambodian delegation had identified a range of high priority emerging needs for assistance, including commune elections, public administration reform, and SEILA. The funding available for the bilateral Cambodia program is limited and already heavily committed. Prioritisation will be essential. It will be important to maintain a coherent approach - AusAID was seeking to move towards a smaller number of larger activities with a more strategic focus, promoting greater development impact.

Ms Rawson indicated that there would be a need for further discussions to prioritise activities within the fixed budget envelope, in the light of emerging needs. HE Keat Chhon thanked the Australian delegation for providing clarification on the financial context.

### **Agenda Item 5: Country Strategy and Future Program Directions**

Mr Moore noted that there was a need to make decisions on how to meet urgent needs as well as considering the future strategic approach, given that the current Cambodia Country Strategy concludes at the end of 2001. It is anticipated that the key elements of the existing strategy would be reconfirmed (that is, a focus on agriculture, rural development, health, governance and human resource development) while allowing flexibility to respond to the emerging issues outlined by the Cambodian delegation, particularly in the governance area and with regards to ASEAN linkages. Assistance to the Khmer Rouge tribunal and commune elections need to be considered within the constraints of the existing budget envelope.

HE Keat Chhon said that the RGC had already had consultations on these issues with AusAID's post in Phnom Penh, and the Cambodian delegation was generally satisfied with the proposed direction of the new strategy, while noting the need for some flexibility in order to address urgent priorities. The Minister said that the RGC would be very pleased if Australia could make an announcement on assistance for the commune elections and demobilisation at the CG meeting in June.

Ms Rawson said that AusAID would need to consult with Minister Downer on these issues; however she considered it may not be possible for AusAID to make a funding commitment at this stage.

The Cambodian delegation made presentations on strategic initiatives being developed in the health and education sectors. In the health sector it was noted that the ongoing immunisation program requires continued support. Australian support has been invaluable since 1986 and has contributed to successful outcomes such as polio eradication.

Ms Rawson responded positively in relation to participating in the joint appraisal of the Education Sector Support Program. At this stage, it is too premature to respond definitively to the more specific suggestions for assistance. The appraisal should be followed up with detailed discussions with the RGC and other members of the donor community about future directions of the education sector and where Australia can add value.

Ms Rawson expressed appreciation of the comprehensive overview of the "Boosting" strategy and in particular on the positive response to issues raised in the background documentation regarding risk management. Monitoring and management mechanisms are obviously very important and the RGC has put thought and effort into those aspects of the program. This has allayed many concerns. Australia is already in discussions with the RGC on this approach. Ms Rawson also acknowledged the importance of immunisation programs.

HE Keat Chhon responded to a concern raised in the documentation provided to the delegations, on land transfer for the Agriculture Quality Improvement Project. The Minister proposed to resolve a deadlock over the transfer of land titles to Seed Growers' Associations by leasing land to the associations for a period of 70 years. The Australian delegation agreed that this proposal would be acceptable.

HE Keat Chhon indicated the RGC's agreement to Australia developing a new Country Strategy document along the broad lines proposed, for further consideration by the RGC.

### **Agenda Item 6: Overview of Asia Regional Programs Strategy**

Mr Keith Scott provided a briefing on AusAID's Asia Regional Programs approach. Australia's regional program seeks to address development challenges which exist above the national level and require regional cooperation. Key partners include ASEAN, APEC, the Mekong River Commission and ASEAN countries. Priorities for the program are, in part, guided by the Hanoi Plan of Action, which emphasises recovery from economic crisis as the highest priority. One of the assumptions underpinning the regional program is that the economic crisis exposed underlying governance weaknesses.

Key areas of focus include integration of new ASEAN nations, engaging more with developed ASEAN nations in programs, and building human capacity. Sectoral priorities for the program are: governance, with a particular focus on economic management, trade and related economic integration issues, and social protection; and health, with a particular focus on HIV/AIDS and other communicable diseases. The ASEAN Australia Development Cooperation Program (AADCP) is currently being developed. This will focus on assisting the newer members of ASEAN such as Cambodia.

In 2000-01 the regional program will manage almost \$30 million in development assistance. In 1999-00, more than \$A2 million from the regional program was directed to Cambodia.

HE Keat Chhon acknowledged the importance of such regional approaches and said that he hoped the AADCP would further assist in narrowing the gap between older and newer members of ASEAN.

### **Agenda Item 7: Summary of Conclusions and Agreements**

See [Attachment 5](#).

### **Agenda Item 8: Next High Level Consultations**

The Australian delegation suggested aiming for a timeframe around the mid-term of the 2002-2004 strategy, perhaps late 2002 or early 2003, depending on the timing of the Cambodian National elections. This was agreed by the Cambodian delegation.

HE Keat Chhon proposed that the next HLCs be held in Cambodia. The Minister invited also invited the Director General and other senior staff of AusAID to visit Cambodia in the near future.

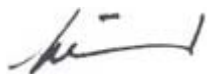
### **Closing Remarks**

In closing, Ms Rawson said the HLCs had confirmed the strength of the partnership between Cambodia and Australia on many levels, and had been a very useful opportunity to discuss key issues related to the strategic direction of the aid program.

HE Keat Chhon said that the HLCs had proved that the objectives of the two governments were complementary, and expressed his appreciation to the Government of Australia.

Record of Meeting agreed by:

For Cambodia:



HE Keat Chhon  
Senior Minister  
Minister of Economy and Finance  
Vice Chairman of the CDC

For Australia:



Jennifer Rawson  
Deputy Director General  
Australian Agency for  
International Development



### 9.3 Bilateral Program Summaries

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#### *Agriculture*

Cambodia Australia Agricultural Extension Project  
Cambodia Australia Agricultural Extension Project, Phase II  
Cambodia IRRI Australia Project  
Assistance to CARDI Project  
Agriculture Quality Improvement Project

#### *Health*

Health Promotion & Primary Health Care Project  
Health Promotion & Primary Health Care Project, Phase II  
Expanded Program on Immunisation

#### *Education*

Cambodia Australia National Examinations Project  
Australian Development Scholarships  
English Language for Ministry Officials

#### *Governance & Human Rights*

Criminal Justice Assistance Project  
Criminal Justice Assistance Project, Phase II  
Human Rights Education Program  
Assistance for the Khmer Rouge Tribunal

#### *Landmine Action*

Cambodian Mine Action Centre

#### *Cambodia Community Development Program*

ADRA Health, Agriculture & Nutrition Development  
ADRA Managing Community Water  
APHEDA Adult Education & Training  
CAA Kratie Food Security Project  
CBMI Training of Basic Eye Doctors and Nurses  
MSF Kratie Health Project  
QSA Permaculture Food Processing  
SCA Friends Street Children Project  
SCA Health Education Project  
WVA Mines Awareness & Action Project

#### *Other*

Route 5 Bridges  
Small Activities Scheme

### **Cambodia Australia Agricultural Extension Project**

**Status:** Completed  
**Start Date:** 13-10-1995 **End Date:** 28-02-2001

#### **Description:**

This \$13.4million project assisted agricultural development in Cambodia by strengthening the agricultural extension service. The project implemented a human resource and institutional

development program that enabled the national Department of Agricultural Extension and six provincial Offices of Agricultural Extension to build a sustainable framework for a national agricultural extension system. Project activities included establishing the research and extension policy and extension guidelines. Training was provided to management, field and support staff, particularly in prioritisation of extension activity. The project tested a range of methods including demonstrations, farmer field schools and mass media. Support for practical field projects was also provided.

|                |                 |
|----------------|-----------------|
| <b>1999/00</b> | <b>2000/01</b>  |
| <b>actual</b>  | <b>estimate</b> |
| \$2,907,535    | \$1,132,343     |

---

### **Cambodia Australia Agricultural Extension Project Phase II**

**Status:** Approved  
**Start Date:** 01-03-01      **End Date:** 28-02-06

**Description:**

The project purpose is to increase household cash incomes by further developing a sustainable, district-oriented extension system. The Department of Agricultural Extension and the Ministry of Agriculture, Forestry and Fisheries will be focal points for coordinating and facilitating all extension service providers in Cambodia. The project will build on the strengths of phase I such as the group of well trained, enthusiastic and motivated agricultural extension workers and the farming systems approach, while trying to overcome the weaknesses including limited coverage and lack of sustainability. The project is estimated to cost \$19.4 million of which Australia will contribute \$17.5 million.

|                |                 |                 |                 |                 |
|----------------|-----------------|-----------------|-----------------|-----------------|
| <b>1999/00</b> | <b>2000/01</b>  | <b>2001/02</b>  | <b>2002/03</b>  | <b>2003/04</b>  |
| <b>actual</b>  | <b>estimate</b> | <b>estimate</b> | <b>estimate</b> | <b>estimate</b> |
| \$0            | \$1,000,000     | \$3,500,000     | \$3,500,000     | \$3,500,000     |

---

### **Cambodia IRRI Australia Project (CIAP)**

**Status:** Approved  
**Start Date:** 15-03-1987      **End Date:** 30-07-2002

**Description:**

The Cambodia-IRRI-Australia Project (CIAP), which commenced in March 1987, is assisting the Ministry of Agriculture, Forestry and Fisheries (MAFF) in rice research technology and rice production. It is currently in its fourth phase. Phase IV commenced on 1 January 1997 and will end in December 2001, and is estimated to cost A\$13.1 million. The goal is to assist MAFF in increasing rice production and the productivity of rice-based whole farming production systems in Cambodia through human resource development and scientific research collaboration. The project is implemented in partnership with the Department of Agronomy and the recently established Cambodian Agricultural Research and Development Institute. The project will conclude on 30 December 2001 with ongoing responsibility for students until July 2002.

|                |                 |                 |
|----------------|-----------------|-----------------|
| <b>1999/00</b> | <b>2000/01</b>  | <b>2001/02</b>  |
| <b>actual</b>  | <b>estimate</b> | <b>estimate</b> |
| \$3,127,849    | \$2,603,861     | \$647,519       |

---

## Assistance to CARDI Project

**Status:** Pipeline  
**Start Date:** 01-01-02      **End Date:** 31-12-06

### Description:

The aim of this project would be to assist CARDI to achieve sustainability as an agricultural research institute delivering its mandate according to national priorities of food security, poverty reduction and natural resource management. A feasibility and design mission took place in late 2000, and a draft Project Design Document was circulated in early 2001. The project components in the draft design are governance, corporate development, service delivery and project management. It is expected that assistance would be delivered through long and short-term technical assistance and training. The draft design is currently being updated to take account of a major ADB program of assistance to CARDI. A new draft should be available in late May.

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| 1999/00<br>actual | 2000/01<br>estimate | 2001/02<br>estimate | 2002/03<br>estimate | 2003/04<br>estimate |
|-------------------|---------------------|---------------------|---------------------|---------------------|
| \$0               | \$0                 | \$750,000           | \$1,500,000         | \$1,500,000         |

---

## Agriculture Quality Improvement Project

**Status:** Approved  
**Start Date:** 01-01-2000      **End Date:** 31-01-2006

### Description:

The aim of AQIP is to improve food security and cash income for farm households to take them beyond their current level of marginal subsistence in selected districts of selected provinces. The project is estimated at \$17.7 million, of which Australia will contribute \$17.3 million. There are six project components: rice seed production; post harvest technology; fruit & vegetable marketing; irrigation support & rehabilitation; human resource development; and project management. Australian assistance will be in the form of technical advisers, construction, operating costs, credit funds, rehabilitation of irrigation schemes and training. Cambodian inputs will be in the form of staff salaries, land for seed centres and office space. The main outputs of the project will be improved availability of good quality rice seed, a reduction in post-harvest rice losses and improved prices received by fruit and vegetable growers.

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| 1999/00<br>actual | 2000/01<br>estimate | 2001/02<br>estimate | 2002/03<br>estimate | 2003/04<br>estimate |
|-------------------|---------------------|---------------------|---------------------|---------------------|
| \$100,609         | \$3,613,000         | \$4,000,000         | \$3,200,000         | \$2,300,000         |

---

## Health Promotion and Primary Health Care

**Status:** Approved  
**Start Date:** 2-12-96      **End Date:** 2-12-2001

### Description:

This A\$13.1 million five year project commenced in December 1996 and is due to conclude in December 2001. Support is provided to the National Centre for Health Promotion (NCHP) and the province of Kampong Cham - the most populous province in Cambodia. The project aims to strengthen the capacity of the Royal Government of Cambodia (RGC) to develop and deliver effective health promotion, primary health care policies and strategies; and to support the implementation of a model integrated health care delivery service within three districts of Kampong Cham.

Reviews of the project have found that the integrated health care model being developed in Kampong Cham through the project is progressing well in both the health and rural development components. However, there are some concerns about the sustainability of the capacity developed at the National Centre for Health Promotion. AusAID is considering support for the Ministry of Health's "Boosting Strategy" to be implemented in Kampong Cham, building on the achievements of the current project.

| <b>1999/00<br/>actual</b> | <b>2000/01<br/>estimate</b> | <b>2001/02<br/>estimate</b> |
|---------------------------|-----------------------------|-----------------------------|
| \$2,786,167               | \$2,227,000                 | \$1,140,000                 |

---

### **Health Promotion and Primary Health Care, Phase II**

**Status:** Pipeline  
**Start Date:** January 2002?      **End Date:** December 2006

#### **Description:**

The five-year Cambodia Health Promotion and Primary Health Care Project (CHP& PHCP) is due for completion in December 2001. Following the completion of the CHP & PHCP it is proposed that AusAID provide a program of assistance to support the Ministry of Health (MOH) implement its proposed "Boosting Strategy" in Kampong Cham province. The boosting strategy is part of a larger move by the MOH to move to a sector-wide management (SWM) approach to donor funding, whereby all significant funding for the sector is directed under a single plan using common monitoring and evaluation processes. AusAID's goal in providing support for the Boosting Strategy is to help improve health outcomes in Cambodia (in particular in Kampong Cham province) in a way which will be sustainable. A Feasibility/Design Study (FDS) is planned for July/August 2001.

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### **Expanded Program on Immunisation**

**Status:** Approved  
**Start Date:** 01-01-1999      **End Date:** 31-12-2001

#### **Description:**

This project will provide financial support to WHO and UNICEF for the implementation of Cambodia's Expanded Program on Immunisation. The goal of the program is to reduce sickness and death due to six diseases (tuberculosis, diphtheria, pertussis, tetanus, measles and poliomyelitis) through the immunisation of all infants under one year of age, and the immunisation of pregnant women. Australian funds will be applied to four major activities- Achieving and maintaining high routine immunisation coverage; ensuring adequate transport; ensuring the safety and efficacy of immunisation; and technical support. Australia's contribution is \$3 million over 3 years commencing in January 1999.

| <b>1999/00<br/>actual</b> | <b>2000/01<br/>estimate</b> | <b>2001/02<br/>estimate</b> |
|---------------------------|-----------------------------|-----------------------------|
| \$1,097,599               | \$1,150,000                 | \$250,000                   |

---

### **Cambodia National Examinations Project**

**Status:** Approved  
**Start Date:** 01-10-1997      **End Date:** 30-09-2002

**Description:**

The goal of this A\$6 million project is to assist the development of Cambodia's education system through the development of a reliable and valid examination system at Grades 9 and 12. Australia will provide technical assistance in development of examinations systems infrastructure, examinations implementation, research and policy. The project will upgrade and develop infrastructure and equipment to support the efficient and secure handling and administration of national examinations; improve the quality of examinations papers and marking processes through establishment of item question banks together with marker training; facilitate review and development of examination and other educational assessment policies. The benefits will be school leavers with a predictable standard of skills. There will also be longer term benefits for the quality of the curriculum and teaching standards flowing from increased confidence in the examination system and its ability to accurately and fairly measure student achievements.

| <b>1999/00<br/>actual</b> | <b>2000/01<br/>estimate</b> | <b>2001/02<br/>estimate</b> | <b>2002/03<br/>estimate</b> |
|---------------------------|-----------------------------|-----------------------------|-----------------------------|
| \$895,335                 | \$1,200,000                 | \$968,000                   | \$182,000                   |

---

**Australian Development Scholarships (ADS)**

**Status:** Approved (annual allocation)

**Description:**

ADS provides scholarships for post-graduate training in Australia for Cambodian public sector officials. Following a review of the program in 1999, students are now being selected from a broadened pool of 27 Ministries and agencies with priority still being given to the Ministries associated with our sectoral focus (ie agriculture, health, education and training, infrastructure and good governance). Students undertake one year pre-departure training in Cambodia prior to commencing study in Australia

| <b>1999/00<br/>actual</b> | <b>2000/01<br/>estimate</b> | <b>2001/02<br/>estimate</b> | <b>2002/03<br/>estimate</b> | <b>2003/04<br/>estimate</b> |
|---------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| \$1,151,269               | \$1,000,000                 | \$1,200,000                 | \$1,200,000                 | \$1,200,000                 |

---

**English Language for Ministry Officials**

**Status:** Approved

**Start Date:** 01-10-98      **End Date:** 31-12-2001

**Description:**

The objective of the English Language for Ministry Officials Program is to improve the English proficiency of the increasing number of Cambodian ministry and agency officials who require English skills to deal with the international community both within Cambodia and in international forums. Courses are provided in Phnom Penh and provincial centres. On average, 500 selected ministry officials attend courses each term from basic to upper-intermediate levels. The project also includes a component for assisting the Australian Embassy with the administration of the ADS scheme in Cambodia. This includes selection of awardees, pre-departure training for up to one year and assistance with course selection and placement

| <b>1999/00<br/>actual</b> | <b>2000/01</b> | <b>2001/02<br/>estimate</b> |
|---------------------------|----------------|-----------------------------|
| \$972,894                 | \$1,050,000    | \$500,000                   |

---

## **Criminal Justice Assistance Project**

**Status:** Approved  
**Start Date:** 01-04-1997 **End Date:** 31-10-2001

### **Description:**

The Criminal Justice Assistance project is estimated to cost \$13.7 million over four and a half years. The project commenced in April 1997 and is expected to conclude in October 2001 (following two extensions of the original three year project). The broad objective of the project is to improve operational, managerial, institutional and human rights conditions within the criminal justice system of Cambodia. Assistance is directed to the three arms of the criminal justice system- the police, courts and prison service - in five locations- Phnom Penh and four provinces (Kampong Cham, Kampong Chhnang, Kampong Speu and Kampot).

Reviews of the project have found that the project approach has been sound and it has contributed to improvements in the administration of the justice system at the project sites. However, sustainability has been a concern.

In March 1999 the Cambodian Deputy Prime Minister/Co-Minister of Interior and the Minister of Justice each wrote to the Australian Ambassador expressing appreciation for the assistance provided to the criminal justice sector through CCJAP and asking Australia to consider a further phase of long-term assistance. A second phase is currently under design and is expected to commence in December 2001.

| <b>1999/00</b> | <b>2000/01</b>  | <b>2001/02</b>  |
|----------------|-----------------|-----------------|
| <b>actual</b>  | <b>estimate</b> | <b>estimate</b> |
| \$3,102,945    | \$1,205,000     | \$120,000       |

---

## **Criminal Justice Assistance Project, Phase II**

**Status:** Pipeline  
**Start Date:** **End Date:**

### **Description:**

The Cambodia Criminal Justice Assistance Project (CCJAP) phase 2 is proposed to build on and consolidate the achievements of CCJAP phase 1. Phase 2 is currently at design stage. It is expected that phase 2 will be an \$18 million project of five years duration, and will be based on the proven model of working with police, courts and prisons in selected provinces, with some carefully considered support for national functions. Phase 1 commenced in April 1997 and, following the decision to extend the project by an additional 15 months is due for completion in June 2001 (a further extension ("transition phase") is planned to cover the period July to October 2001).

| <b>1999/00</b> | <b>2000/01</b>  | <b>2001/02</b>  | <b>2002/03</b>  | <b>2003/04</b>  |
|----------------|-----------------|-----------------|-----------------|-----------------|
| <b>actual</b>  | <b>estimate</b> | <b>estimate</b> | <b>estimate</b> | <b>estimate</b> |
| \$0            | \$0             | \$2,250,000     | \$3,000,000     | \$3,000,000     |

---

## **Human Rights Education Program**

**Status:** Annual Allocation

### **Description:**

This is a program of support for local UN and NGO activities in the promotion of civil and political

human rights. Annual disbursements are usually around \$110,000. The political section of the Australian Embassy in Phnom Penh oversees the program.

The objective is to promote democratic values and the observance of human rights in Cambodia using a mix of direct grants or materials and training to Cambodian or international NGOs. Activities supported include provision of basic equipment, training, educational or other materials for dissemination.

The Cambodian people will be the ultimate beneficiaries through improved human rights awareness. Security and political instability remain a risk and constraint.

| <b>1999/00</b> | <b>2000/01</b>  | <b>2001/02</b>  | <b>2002/03</b>  | <b>2003/04</b>  |
|----------------|-----------------|-----------------|-----------------|-----------------|
| <b>actual</b>  | <b>estimate</b> | <b>estimate</b> | <b>estimate</b> | <b>estimate</b> |
| \$128,045      | \$110,570       | \$110,000       | \$110,000       | \$110,000       |

---

### **Assistance for Khmer Rouge Tribunal**

**Status:** Approved  
**Start Date:** 01-11-00      **End Date:** 31-10-01

#### **Description:**

The aim of this small activity is to contribute to the establishment of the proposed Khmer Rouge Tribunal/s. Assistance is being provided through the services of an Australian legal academic, Dr Helen Jarvis. Dr Jarvis will provide advice to the Cambodian Task Force during the current negotiation and expected implementation stages of the Tribunal/s.

| <b>1999/00</b> | <b>2000/01</b>  | <b>2001/02</b>  |
|----------------|-----------------|-----------------|
| <b>actual</b>  | <b>estimate</b> | <b>estimate</b> |
| \$0            | \$88,000        | \$58,500        |

---

### **Cambodian Mine Action Centre**

**Status:** Approved  
**Start Date:** 01-05-1994      **End Date:** 30-06-2001

#### **Description:**

Australia's \$18.216 million contribution to the Cambodian Mine Action Centre (CMAC) covers the period from 1993/94 to 2000/01. The bulk of this contribution, \$16.96 million, has been provided for CMAC's operational costs including \$1 million for mine detecting equipment. The remainder, \$1.256 million has been used to provide military and civilian advisers. Australia's contribution for operational costs is placed in a UNDP administered Trust Fund that administers funds from a number of donors.

The primary objective of the project is to decrease deaths and injuries caused by mines and unexploded ordnance through marking, clearance and awareness training. The second objective is to promote the full integration of demining into national development and reconstruction plans. An important corollary activity is to support institutional development such that CMAC may operate as an autonomous and nationally managed institution requiring minimum international assistance. Following successful completion of a National Symposium on Demining held in Cambodia in November 2000 and the Cambodian Government's commitment to partnership with donors, Australia has paid the final installment of \$2 million for CMAC operation costs this financial year.

| 1999/00<br>actual | 2000/01<br>actual | 2001/02<br>estimate | 2002/03<br>estimate | 2003/04<br>estimate |
|-------------------|-------------------|---------------------|---------------------|---------------------|
| \$2,317,768       | \$2,500,000       | \$2,000,000         | \$2,000,000         | \$2,000,000         |

---

### ADRA - Health, Agriculture and Nutrition Development for Sustainability (HANDS)

**Status:** Approved  
**Start Date:** 01-06-1999 **End Date:** 31-12-2001

**Description:**

The goal of the Health, Agriculture and Nutrition Development for Sustainability (HANDS) Project is- Rural families, especially mothers and children, living far from and near to major centres in Siem Reap province enjoying year round food security and improved health and well-being with minimal reliance on outside support. The project will run from June 1999 to December 2001. The budget for the project is \$1,084,844, which will be completely funded by AusAID.

| 1999/00<br>actual | 2000/01<br>estimate | 2001/02<br>estimate |
|-------------------|---------------------|---------------------|
| \$527,529         | \$339,667           | \$173,037           |

---

### ADRA - Managing Community Water Resources for Life

**Status:** Approved  
**Start Date:** 01-07-1999 **End Date:** 31-12-2001

**Description:**

The objectives of the project are - to build a project team that can partner with local community members, including women, to help develop their capacity to manage their water resources in a sustainable manner; to help rural families increase their household water storage capacity for use in the dry season, and install and use labour saving devices for lifting and reticulating water; and, to educate rural communities on sanitation principles and help them to install latrines. The project will run from July 1999 to December 2001. The cost of \$754,372 will be fully funded by AusAID.

| 1999/00<br>actual | 2000/01<br>estimate | 2001/02<br>estimate |
|-------------------|---------------------|---------------------|
| \$303,112         | \$290,023           | \$161,237           |

---

### APHEDA - Adult Education and Training for Poor Rural & Urban Communities

**Status:** Approved  
**Start Date:** 01-01-1999 **End Date:** 31-12-2001

**Description:**

The objectives of the Adult Education & Training for Poor Rural and Urban Communities Project are- poverty alleviation and rural development through adult education and training (this includes agricultural skills, literacy/numeracy and HIV/AIDS awareness); capacity building of rural government agencies and NGOs in organization, management, planning, monitoring, accountability and income-generation; and assistance with the Cambodian Government's strategy for basic education for all. It will run for the three calendar years, 1999-2001. The total cost is \$1,433,000. AusAID will fund \$1,330,000 and APHEDA \$70,000. There will also be an estimated contribution of \$33,000 from products produced by students during training, and an ADB contribution building one of the training



centres.

| <b>1999/00</b> | <b>2000/01</b>  | <b>2001/02</b>  |
|----------------|-----------------|-----------------|
| <b>actual</b>  | <b>estimate</b> | <b>estimate</b> |
| \$442,322      | \$442,589       | \$223,338       |

---

### **CAA - Kratie Integrated Food Security**

**Status:** Approved  
**Start Date:** 01-01-1999 **End Date:** 31-12-2001

**Description:**

This three year \$451,423.00 project will combine activities in water resource management, dry land cropping, animal husbandry, fisheries and village and district level institutional strengthening, to restore and improve the food security of communities which have been rendered vulnerable by environmental degradation and economic change.

| <b>1999/00</b> | <b>2000/01</b>  | <b>2001/02</b>  |
|----------------|-----------------|-----------------|
| <b>actual</b>  | <b>estimate</b> | <b>estimate</b> |
| \$169,646      | \$163,124       | \$76,461        |

---

### **CBMI - Training of Eye Doctors and Nurses to Establish Eye Care Services in Prey Veng and Kompong Cham**

**Status:** Completed  
**Start Date:** 01-01-1999 **End Date:** 31-12-2000

**Description:**

This two year \$200,000.00 project aims to train 3 Basic Eye Doctors (BEDs) and eight Basic Eye Nurses (BENs) and supply initial equipment so as to establish medical eye services in Prey Veng and Kompong Cham provinces. Field workers will visit poor and remote areas to screen residents and refer for treatment as required.

| <b>1999/00</b> | <b>2000/01</b> |
|----------------|----------------|
| <b>actual</b>  | <b>actual</b>  |
| \$99,727       | \$50,273       |

---

### **MSF - Development of an Integrated and Sustainable Health System in Kratie Province**

**Status:** Approved  
**Start Date:** 01-01-1999 **End Date:** 31-12-2001

**Description:**

The \$1,140,187 Kratie Health Project is scheduled to commence on 1/1/99 and be completed on 31/12/2001. MSF (through its partner HealthNet) proposes to continue its presence in Kratie Province to strengthen and to complement the MoH activities regarding the main health problems (MCH/TB/HIV/Schistosomiasis mekongi). This project will also help the provincial hospital to design and implement a sustainable financial system which will provide some incentives to complement the poor salary of the staff.

|                |                 |                 |
|----------------|-----------------|-----------------|
| <b>1999/00</b> | <b>2000/01</b>  | <b>2001/02</b>  |
| <b>actual</b>  | <b>estimate</b> | <b>estimate</b> |
| \$365,577      | \$386,603       | \$205,186       |

---

### **QSA - Food Processing of Permaculture Products**

**Status:** Approved  
**Start Date:** 01-07-1999 **End Date:** 30-06-2001

**Description:**

This two year \$119,450 project will promote better management of uneven food supplies produced by women farmers. The project will train trainers to teach women farmers improved nutritional knowledge and methods of using surplus garden produce by sun drying, salting, bottling or fermenting and will concentrate on improving or preserving food quality for the necessary nutritional components. The trainers will also teach market research and preference and how to grow a wider range of good quality food and present it.

|                |                 |
|----------------|-----------------|
| <b>1999/00</b> | <b>2000/01</b>  |
| <b>actual</b>  | <b>estimate</b> |
| \$66,225       | \$53,225        |

---

### **SCA - Friends Program for Street Children and their Families**

**Status:** Approved  
**Start Date:** 01-04-1999 **End Date:** 31-12-2001

**Description:**

This project will provide basic services to street children, endeavouring to reintegrate them with their families and into the wider Cambodian society, through education, training and confidence building. The major components are vocational training, providing a transitional home and child rights advocacy. The total cost of the project is \$876,497 of which AusAID will fund \$801,615 and Save the Children \$74,882. The project will commence in April 1999 and will end in December 2001.

|                |                 |                 |
|----------------|-----------------|-----------------|
| <b>1999/00</b> | <b>2000/01</b>  | <b>2001/02</b>  |
| <b>actual</b>  | <b>estimate</b> | <b>estimate</b> |
| \$292,287      | \$294,118       | \$143,232       |

---

### **SCA - Health Personnel Education Project**

**Status:** Approved  
**Start Date:** 01-01-1999 **End Date:** 31-03-2002

**Description:**

The three year \$927,788 Health Education Project aims to provide substantive training to a core group of educators, enabling them to facilitate and/or conduct health worker training of a recognised standard, appropriate to the needs of the health service. The project will offer a Diploma in Health Personnel Education to teachers from MoH central and regional training and Chiefs of Training Bureaus from Special Programs/Institutes and the MoH Human Resources Development. The project will also strengthen human resource linkages between national and regional training centres and provincial health services, and will enhance the coordination structure for continuing education, to facilitate health worker training at district and commune level. A supervision and support network will

be established and institutionalised in MoH and other health institutions and organisations in Cambodia.

| <b>1999/00<br/>actual</b> | <b>2000/01<br/>estimate</b> | <b>2001/02<br/>estimate</b> |
|---------------------------|-----------------------------|-----------------------------|
| \$322,656                 | \$273,914                   | \$169,045                   |

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#### **WVA - Mines Awareness and Action Team**

**Status:** Approved  
**Start Date:** 01-01-1999    **End Date:** 31-12-2001

#### **Description:**

The project seeks to reduce the incidence of landmine accidents among high risk community groups through effective land mine awareness, action and response. The project will work in areas where NGOs have existing community development projects and where Village Development Committees are present. The specific objective is to reduce landmine accidents by 30% per year in the target areas. The project will run for three calendar years, 1999-2001. The budget is \$661,088. Of this, AusAID will contribute \$615,395 and World Vision Australia \$45,693.

| <b>1999/00<br/>actual</b> | <b>2000/01<br/>estimate</b> | <b>2001/02<br/>estimate</b> |
|---------------------------|-----------------------------|-----------------------------|
| \$203,806                 | \$203,794                   | \$104,190                   |

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#### **Route 5 Bridges Project**

**Status:** Approved  
**Start Date:** 01-07-00    **End Date:** 30-11-2003

#### **Description:**

This is a follow on from the Cambodia Australia Bridges Project. That project was to have rebuilt up to 16 bridges on major rural highways. However, due to implementation difficulties, only 11 were built. Steel and designs were left over for the remaining 5 bridges. We have negotiated with the ADB to have the bridges included in its Primary Road Restoration Project. AusAID's contribution would be \$1,501,500 to cover construction costs including labour and concrete. Construction is expected to start in November 2001.

| <b>1999/00<br/>actual</b> | <b>2000/01<br/>estimate</b> | <b>2001/02<br/>estimate</b> |
|---------------------------|-----------------------------|-----------------------------|
| \$0                       | \$735,670                   | \$751,000                   |

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#### **Small Activities Scheme**

**Status:** Annual Allocation  
**Start Date:** 01-01-1999    **End Date:** 31-12-2001

#### **Description:**

The Small Activities Scheme (SAS) was designed to provide Posts with an administratively convenient, quick disbursing mechanism for funding relatively small activities. In the current rehabilitation phase of Cambodia's development it will be an invaluable mechanism for the Post in making specific, effective contributions to selected activities. Annual disbursement is approximately

\$450,000.

Activities cover a wide range of projects including human rights, agriculture, education, health, ad-hoc training, provision of basic equipment and infrastructure. In Cambodia organisations submit proposals to the Australian Embassy in accordance to SAS guidelines. Proposals are assessed by the Australian Embassy.

| <b>1999/00</b> | <b>2000/01</b>  | <b>2001/02</b>  | <b>2002/03</b>  | <b>2003/04</b>  |
|----------------|-----------------|-----------------|-----------------|-----------------|
| <b>actual</b>  | <b>estimate</b> | <b>estimate</b> | <b>estimate</b> | <b>estimate</b> |
| \$822,650      | \$450,000       | \$450,000       | \$450,000       | \$450,000       |

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## **9.4 Other Programs Summaries**

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Humanitarian & Emergency Programs

AusAID NGO Cooperation Program

Australian Youth Ambassadors for Development

Asia Regional Programs

Australian Centre for International Agricultural Research

## **Humanitarian and Emergency Programs**

The Australian Government's humanitarian and emergency aid program provides flexibility for the Government to respond to unexpected and pressing crises such as natural disasters, as well as facilitate the smooth transition from relief to rehabilitation and development. In addition, the humanitarian program supports a wide range of mine action activities as part of the Australian Government's \$100 million commitment on landmine action. Australia will continue to focus on those most in need, with a particular emphasis on countries in the Asia Pacific region.

### **Humanitarian Relief Assistance to Cambodia**

Total humanitarian and emergency funding for Cambodia over the past two years has been substantial, with \$A9.4 million expended in 1999/2000 and an estimated \$A12.5 million to be expended in 2000/01.

Over a number of years AusAID has provided funding to support the resettlement and reintegration of returned refugees and internally displaced persons through the UNDP/CARERE project and Australian non-government organisations.

Recently the humanitarian program has focussed on projects that address the landmine problem in Cambodia. Support has been given to projects that raise awareness of the dangers of landmines, address the location and disposal of landmines and provide treatment and rehabilitation assistance to landmine victims.

Following the floods in Cambodia in 1999 and 2000, Australian humanitarian assistance is supporting activities that raise the preparedness and mitigation capacity of communities to respond to emergencies by improving skills and knowledge of disaster management and preparedness techniques.

Australia has also provided emergency food aid to Cambodia over a number of years. This has been channelled through the World Food Program (WFP), which has contracted the Cambodian Red Cross to undertake distribution. This included \$2 million to WFP to assist with flood relief activities.

### **AusAID-NGO Cooperation Program (ANCP)**

Non-government organisations are an effective way of providing Australian aid to developing countries. NGOs have particular strengths in engaging local communities and promoting grass roots participation in aid activities. Through their strong links with communities in developing countries and partnerships with local organisations, NGOs are well placed to strengthen civil society, create a better environment for development activities and increase the potential for longer-term sustainable impacts.

The AusAID-NGO Cooperation Program (ANCP) supports NGO development activities that contribute to poverty alleviation. Under this scheme, Australia supplements funds provided by the community, increasing the effectiveness of NGO activities and enabling NGOs to respond to their own regional and sectoral priorities.

Joint efforts to improve the quality of aid delivery are a key priority for AusAID and NGO collaboration for 2000-01. AusAID continues to work closely with NGOs on accreditation criteria designed to assess performance measurement by the NGOs.

These focus on:

- improving the quality of performance information for NGO activities
- engaging in dialogue with the NGO community on the quality of aid and continuous improvement of aid delivery and outcomes.

## **ANCP in Cambodia**

During 1999-2000, \$1,506,775.00 was provided for NGO activities, in Cambodia. The Estimated expensed amount for 2000/2001 is \$1,727,929.72. Activities are taking Place in a range of sectors covering: Education, Health, Population Policies/Programmes and Reproductive Health, Water Supply and Sanitation, Government & Civil Society, Banking & Financial Services, Agriculture Forestry & Fishing, Women in Development, Rural Development and support to local and regional NGOs. .

In addition some NGOs are funded to conduct regional projects that may include Cambodia. The value of the Cambodia component of these projects is not identifiable.

## **Australian Youth Ambassadors for Development Program (AYAD)**

The Australian Youth Ambassadors for Development Program was launched by the Minister for Foreign Affairs, the Hon Alexander Downer MP, on 27 August 1998.

AYAD places young Australians aged between 18 and 30 on short-term assignments (between 3 and 12 months) in developing countries throughout Asia and the Pacific. The Program aims to exchange skills, increase mutual understanding and establish lasting networks between individuals, business, educational, government and community organisations across the region.

The Subsidiary Arrangement for the implementation of the Australian Youth Ambassadors for Development Program was signed on 18 August 1999. The Ministry for Foreign Affairs and International Cooperation (MoFA.IC) is the nominated implementing agency in Cambodia.

## **Progress Report**

- Australian Youth Ambassadors for Development from Intakes 1-3 have now completed their assignments. Cambodia hosted 15 of the 206 in these Intakes.
- 79 Youth Ambassadors left Australia in July 2000 in Intake 4. Most of the 11 who were hosted in Cambodia have- finished their assignments. They worked in the following sectors: Environment (4), Health (3), Community Development (2), Communications and Information Technology.
- Intake 5, the largest group to date with 97, has only recently left Australia (March 2001). The 12 Youth Ambassadors being hosted in Cambodia involved in the following sectors: Environment (5), Health (3), Communications (2), Community Development and Education.
- Over 70 applicants have recently been selected for Intake 6 that leaves Australia in July 2001. Cambodia will host 10 of these Youth Ambassadors in the following sectors: Environment (4), Communication (2), Community Development, Gender/Social Research, Education and Finance.

## **Funding**

The Australian Government approved the ongoing funding of \$5 million per year for the AYAD Program. A new Managing Contractor, Austraining International, was appointed in March 2001.

The average cost per Youth Ambassador has been around \$25,000. However, this amount is expected to decline with the appointment of the new Managing Contractor. There is continued substantial interest from well-qualified young Australians wanting to be involved in the Program in Cambodia.

## **Asia Regional Program**

In the aftermath of the economic crisis of the late 1990s, regional programs are addressing immediate needs and underpinning long-term recovery in East Asia. While economic and social conditions have significantly improved in most affected countries, much needs to be done to strengthen the resilience of the region to future shocks and to reduce the vulnerability of poor people. This is being achieved

through a focus on strengthening economic governance and social protection.

Australia's regional program activities target high priority development needs that require a regional response. In addition to governance activities, Australia will provide assistance in the key transboundary areas of health, environment and the movement of people.

### **Asia Regional activities in South East Asia (including Cambodia)**

The *South East Asia Regional Program (SEARP)* concentrates on capacity building. It will increasingly focus on regional activities in the areas of health (including HIV/AIDS), human rights, inter-country farm productivity and food security, and people -movement. Major emphases are on:

**Governance (Human rights):** People trafficking is the key focus in this sector. We are assisting the efforts of the UNDP and the International Organisation for Migration to locate, repatriate and reintegrate victims of people trafficking throughout the Mekong countries. In addition, we are developing a new project, possibly encompassing all of the ASEAN countries, to try to put in place some mechanism to prevent trafficking occurring in the first place.

**HIV/AIDS:** There are a number ongoing activities operating in Cambodia including care and support capacity building and harm reduction. A new program is being developed that will focus on harm associated with drug use as a means of reducing HIV vulnerability, this program will have a geographic focus on the newest and least developed members of ASEAN: Burma, Cambodia, Laos PDR and Vietnam.

**Environment:** A new portfolio of development activities in support of the Mekong River Commission seeks to improve its capacity to deal with the major basin wide development needs of its constituency. The activity complements those being funded by the World Bank and other donors. Cambodia is one of four partner countries involved in this program.

**Social Protection:** The Social Protection Facility for East Asia announced by the Prime Minister at the APEC leaders Meeting held in Auckland in September 1999 will be developed further. This three year, \$5 million Facility will assist countries in the region to improve the delivery of social services and to strengthen social protection systems.

#### *Expenses:*

Total expensed Cambodia 1999/00 - \$1,279,165

Estimate for 200/01 - \$2,061 887

The *ASEAN - Australian Economic cooperation Program (AAECP)* will be progressively replaced by a new program - the *ASEAN Australian Development Cooperation Program (AADCP)*. The new program will also include the new members of ASEAN - Cambodia, Laos and Myanmar. The program will have a strong focus on economic governance in support of enhancing regional integration, competitiveness, and science, technology and environmental cooperation.

#### *Expenses:*

Total expensed Cambodia 1999/00 -\$7,402

Estimate for 200/01 - \$130,000

The *APEC Support Program* was introduced in 1995 to support small high impact requests from Australian Government departments and statutory authorities for assistance aimed at supporting developing member economy participation in Asia Pacific Economic Cooperation (APEC). While Cambodia is not an APEC Member, it has participated in some APEC Support Program Activities over the life of the program - although not during the timeframe relevant to this briefing.

The *Asia Crisis fund (ACF)* was replaced in 2000/01 with the Asia Recovery and Reform Fund



(ARRF) to support interventions to strengthen economic governance and social protection and help achieve sustainable recovery. Two small projects operate in Cambodia.

*Expenses:*

Total expensed Cambodia 1999/00 - \$345,000

Estimate for 200/01 - \$72,000

### **Coming Opportunities for Cambodia to access Asia Regional Programs**

As mentioned above Cambodia will be included in the new HIV/AIDS and People Trafficking initiatives, expected to be implemented in 2002.

Cambodia will also be involved in the next phase of the ASEAN Australian Economic Cooperation, the AADCP.

### **Australian Centre for International Agricultural Research (ACIAR)**

ACIAR's corporate mission is to reduce poverty, improve food security and promote sustainable natural resource management through international agricultural research partnerships for the benefit of developing countries and Australia.

Research is not carried out by ACIAR itself. Instead, public sector groups, including universities, state department, and other research providers such as CSIRO, are commissioned by ACIAR to carry out research projects in partnership with their counterparts in developing countries.

ACIAR allocates its resources principally to research projects within regions and program areas, and to the International Agricultural Research Centres. ACIAR's research programs encompass Agricultural Development Policy, Animal Production, Crop Production, Fisheries, Forestry, Postharvest Technology, and Land and Water Resources. ACIAR is increasing its investment in research on postharvest relevant to crop, livestock, aquatic resources and forest product; in research on agricultural policy; on management of land and water resources for agricultural at the catchments level, and in strengthening the research capacity of partner countries.

ACIAR projects are conducted either as bilateral or multilateral projects. Bilateral projects are funded through an Australian Commissioned Organisation; multilateral projects are funded through an International Agricultural Research Centre (IARC).

ACIAR focuses on geographic regions of Australia's national interest and invests its bilateral research resources in developing countries to maintain the following regional allocations:

| <b>Region</b>                               | <b>% of bilateral research budget</b> |
|---|---------------------------------------|
| Southeast Asia                              | 50-60                                 |
| Papua New Guinea and Pacific Island Nations | 10-20                                 |
| China                                       | 10-20                                 |
| South Asia                                  | 10-20                                 |
| Africa                                      | 5-10                                  |

In developing and designing research projects for these regions, ACIAR places emphasis on priorities determined in consultation with partner countries and takes account of the potential benefits flowing from and impact of the research, balancing these against Australia's comparative advantage and capacity to assist.

### **Projects in Cambodia**

In the 1999-2000 financial year, ACIAR's expenditure on bilateral research projects in Cambodia was

\$0.2 million which amounted to 2% of the total South East Asia regional outlay.

In the 2000-2001 financial year, budgeted expenditure is expected to be \$0.4 million, which amounts to approximately 4% of the total South East Asia regional outlay. The main focus of research relating to current projects is:

- control of fasciolosis in cattle and buffaloes;
- increased productivity of rice-based cropping systems and
- development of a system to reduce risk in the adoption of new rice production technologies.

Future research activities include:

- research into farmer-based adaptive rodent management, extension and research systems in Cambodia; and
- development of a CD-ROM: efficient pig management in tropical Asia.