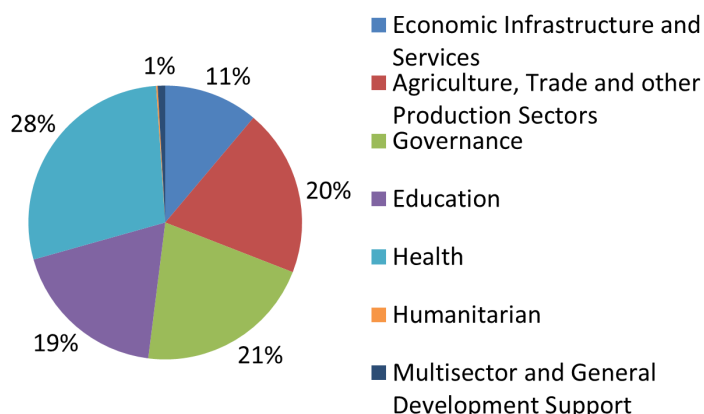


2021-22 CAMBODIA DEVELOPMENT PROGRAM PROGRESS REPORT

The COVID-19 Development Response Plan for Cambodia has been extended through 2022-23. In 2022-23, the Cambodia program will continue to focus on supporting Cambodia's economic recovery, strengthening the social protection system, and supporting reforms in the health sector.

Program Budget	2021-22 Budget Estimate \$m*
Bilateral	43.4
Regional	8.1
Global	11.1
Other Govt. Departments	3.3
Total ODA	65.9

**Cambodia Development Program,
by Sector Group, 2021-22 Budget Estimate***



*Actual expenditure is expected to be available in early 2023. Due to rounding, totals may not match the sum of components.

Our development program to Cambodia contributes towards achieving the following Sustainable Development Goals (SDGs):



The 2021-22 Cambodia Development Program Progress Report summarises the progress of the Australia – Cambodia COVID-19 Development Response Plan and highlights program results.


CONTEXT

Australia and Cambodia have a long-standing partnership. Since helping to bring peace to the country in the early 1990s, Australia has provided over \$1.3 billion in development assistance.

Cambodia avoided widespread COVID-19 community transmission until February 2021. The Royal Government of Cambodia (RGC) began a national COVID-19 vaccination campaign in February 2021 and by the end of 2021 close to **98 per cent of the targeted 10 million adults were vaccinated**. This effectively reduced pressure on Cambodia's under-resourced hospital system and contributed to relatively low rates of hospitalisation and death. Cambodia's response to COVID-19 has also seen the RGC implement social protection programs on an unprecedented scale, including by using an Australian co-funded national poverty database to roll out Cambodia's first nation-wide cash transfer. **At the end of March 2022, support had been provided to 686,992 households (2.7 million people)**. A UN Development Programme (UNDP) evaluation of the program showed it contributed to Cambodia's gross domestic product (GDP) growth by up to 0.55 per cent in 2020 and to reducing the poverty rate by 3.4 per cent in 2021.

Cambodia's economy was seriously affected by the pandemic during 2020 and 2021. COVID-19 outbreaks and government-imposed lockdowns affected the manufacturing, services, and construction sectors. Meanwhile, **lending to the agriculture, agro-processing and non-garment manufacturing sectors increased**, creating some momentum towards much needed economic diversification.

The Asian Development Bank (ADB) forecasts GDP growth of 5.3 per cent in 2022 for Cambodia, a significant increase on the three per cent growth rate of 2021. Cambodia's fiscal position remains strong with relatively low debt levels (38.7 per cent of GDP). While Cambodia's effective vaccine program, dominated by Chinese-sourced vaccines but aided by Australia's delivery of 2.8 million PfizerBioNTech vaccines, positions the country for a relatively strong economic



rebound, the economic damage caused by the pandemic will make it harder to snap back to the very high pre-pandemic growth rates.

At a household level, COVID-19 has severely affected incomes for millions of Cambodians, causing extreme hardship and reversing some of the gains of the last two decades. **Estimates indicate that the pandemic will cause an additional one million Cambodians to fall into poverty.** A World Bank survey indicates that employment has yet to return to pre-pandemic levels. COVID-19 pandemic impacts on family businesses outside of farming remain substantial, with weak consumer demand driving the losses in business revenues. Since the launch of the nationwide COVID-19 cash transfer program in June 2020, there has been a marked increase in the share of poor and vulnerable households receiving social assistance from the government.

AUSTRALIA'S RESPONSE AND PROGRAM HIGHLIGHTS

Australia's development program continues to deliver across the pillars of the *Partnerships for Recovery* framework. Despite a difficult operating environment in the reporting period, most investments were able to adapt their activities to suit the COVID-19 context, while still making progress towards expected outcomes. In some cases, performance on gender equality could be improved.

Health Security

Australia's assistance to the Royal Government of Cambodia is strengthening health service delivery in facilities nationwide, both in support of the COVID-19 response, and to address ongoing health challenges.

Australia has committed **\$35.7 million over three years (2020-23) to support COVID-19 vaccine access in Cambodia, including delivery support and vaccine procurement**, drawing on Australia's Regional COVID-19 Vaccine Access and Health Security Initiative (VAHSI), plus an additional \$4 million in 2021-22 drawing on Australia's contribution to the Quad Vaccine Partnership. In 2021-22 Australia delivered 2.35 million doses of Pfizer-BioNTech COVID-19 vaccines to Cambodia. Australia is working with the UN Children's Fund (UNICEF) to support Cambodia's vaccine rollout through VAHSI, **including delivery of 100 low temperature and 33 ultra-low temperature freezers enabling the longer-term storage of vaccines in every province, including the most remote**; promoting accurate information on COVID-19 safe behaviour and vaccines; and ensuring disadvantaged groups such as people with disabilities are included. To ensure a wide reach, vaccine communications products were rolled out in Khmer and four indigenous languages and were also broadcast through loudspeakers nationwide.


In the reporting period, Australia's Indo-Pacific Centre for Health Security **strengthened Public Health Emergency Operation Centre facilities** through improved infrastructure and equipment; enhanced disease surveillance systems and capacities; and supported the Ministry of Health to respond to COVID-19. Cambodian experts and laboratory staff have undertaken field epidemiology placements and biosafety training, and a regional health laboratory is being developed to prepare for future outbreaks of disease spread from animals to humans.

Australian support has enabled the Cambodian Government to identify and register the nation's poorest citizens, and in 2021-22, our health investment provided 2.7 million of Cambodia's poorest citizens with subsidised health care and other critical social services, including throughout the pandemic.

In 2021-22, Australian support improved the quality of services provided by health centres, with 1,158 out of 1,206 health centres scoring 60 per cent or over on the national quality scorecard system compared to a baseline of 49 per cent in April 2016. Australia also co-funded the establishment of the new Payment Certification Agency which strengthens the accountability of health care providers to health care users by independently verifying payments to health facilities based on the quality and volume of health services provided.

Stability

Australia is providing targeted support for Cambodia's social protection system, ensuring all poor Cambodians can access public services and social protection schemes. Cambodia's national poverty register (IDPoor) — developed over ten years with Australian funding — **enabled households to receive Cambodia's first national cash transfer for**



emergency COVID-19 relief. The Royal Government of Cambodia's COVID-19 cash transfer helped slow the loss of development gains achieved over the last two decades, stimulated economic growth (by 0.55 per cent in 2020 and 0.45 per cent in 2021), reduced poverty (by 2.7 per cent in 2020 and 3.4 per cent in 2021), and created local employment in Cambodia (by 0.57 per cent in 2020 and 0.62 per cent in 2021).

Australia helped to rapidly expand the **uptake of agricultural technology (cumulatively 589 subsidised direct seeders, 86 laser land levellers, and 194 pesticide spraying drones)** so farmers could expand production to ensure food security and agricultural incomes. Australia also supported sanitary measures at border points to avoid disruption to trade and supply chains mitigating risks to food security and economic activities in the reporting period.

Through the *Australia-Cambodia Cooperation on Equitable Sustainable Services (ACCESS)* program Australia is improving the sustainability, quality and inclusiveness of services for persons with disabilities and for women affected by gender-based violence (GBV) in Cambodia. Australian assistance ensured that **4,791 service providers (2,643 female, 658 persons with disabilities) received training on all five new essential GBV service standards**, increasing confidence and capacity to address the needs of women affected by GBV. Australian support in establishing GBV response working groups in six provinces and 33 districts is improving the capacity of subnational stakeholders to address GBV cases in a comprehensive and timely manner. The ACCESS program has also enabled **4,246 people with disabilities receiving assistance to access economic opportunities**.

Australia is building the capacity of men and women researchers to conduct cutting edge research on women's economic empowerment, reducing violence against women, and COVID-19 economic effects. The research developed by Australian partners is informing evidence-based policymaking and dialogue on Cambodia's development priorities.

Economic Recovery

Australian support to aid economic recovery in Cambodia has focused on encouraging high quality investment in infrastructure to strengthen competitiveness; and invigorating the agriculture and agro-processing sectors as a source of inclusive growth. Australia is partnering with Cambodia's private sector to expand piped, treated water and electricity networks by covering the proportion of costs required to make the projects financially viable. **By mid-2022, this had provided 68,391 Cambodians households with access to clean piped water (315,282 people to date over the project's life) and 29,250 Cambodian households with access to grid electricity (134,842 people to date).** Australia is also supporting the Cambodian Government to develop its **first renewable energy strategy**. Australia commenced a solar power mini-grid initiative in the reporting period which will enable remote villages to connect to the national power system and enable 150,000 Cambodians to access affordable and reliable power.

Australian-constructed irrigation schemes have **provided over 12,000 Cambodian households with year-round access to irrigated water, enabling more than 110,000 tonnes of extra paddy rice to be grown**, and expanded rural incomes. Drawing on funding from the Mekong-Australia Partnership, work also commenced to establish Mekong Water Solutions to assist the Cambodian Government in ensuring that its planned irrigation investments (approximately USD1.5 billion over the next decade) are sustainable and effective, a key aspect of modernising Cambodian agriculture and ensuring climate resilience.

To support economic diversification, Australia supported analysis for scaling up prospective high value crops, helped Cambodia establish an 'Agrifoods Investment Desk' to attract foreign direct investment into agriculture and the agro-processing sector, and commenced work on feasibility studies for Agro-Industrial Parks.

Australia contributed to the clearance and release (by non-technical survey) of 26km² of land contaminated by landmines and other explosive remnants of war in the reporting period, making new land available for productive use, including agriculture, for 32,570 people.

Australia also provided 546 small and medium sized enterprises with the skills, knowledge and networks to begin selling products through e-commerce platforms, to avoid business closures during lockdowns and support Cambodia's transition to a digital economy – a key part of Cambodia's recovery strategy.

ANNEX 1: PROGRESS AGAINST COVID-19 DEVELOPMENT RESPONSE PLAN RESULTS INDICATORS

Health Security

Key Results Indicators	Progress/Result
Number of outpatient services (episodes) covered by the Health Equity Fund is maintained (2.9 million visits in 2019)	With partners, provided 3,016,011 outpatient services to poor Cambodians through the Cambodia Health Equity and Quality Improvement Project by May 2021.
Evidence of enhanced laboratory capacity	With partners, Australia contributed to upgraded laboratory facilities at Cambodia's National Institute of Public Health (NIPH) in Siem Reap and Battambang to biosafety level 2+ (necessary for PCR testing). Installed additional polymerase chain reaction machines, capable of COVID-19 testing, at the National Blood Transfusion Centre and NIPH.
Number of boys and girls immunised with Australian support	Cambodia received almost 5.93 million COVID-19 vaccine doses via the COVAX Advance Market Commitment mechanism for developing countries, to which Australia contributed \$215 million globally. Sex disaggregated data is not available. Australia committed to the delivery of 482,000 paediatric doses of Pfizer-BioNTech vaccine for children 5-11 years during the reporting period.
New equipment provided for 45 Health Centres, 15 maternity wards, and two provincial hospitals	Australia delivered 100 low temperature and 33 ultra-low temperature freezers enabling the longer-term storage of vaccines in every province, including the most remote, promoting accurate information on COVID-19 safe behaviour and vaccines for all Cambodians including disadvantaged groups and people with disabilities. Australia delivered 6,829,708 pieces of medical equipment in 2021 including 6,742,285 syringes and 87,243 safe disposal boxes.
New World Bank Partnership in place that includes measures to 1) strengthen the health system and 2) improve accountability of local healthcare service providers	The Health Equity and Quality Improvement Project Phase 2 (H-EQIP II) pursues equitable utilisation of quality health services in Cambodia, especially for the poor and vulnerable. The US\$299 million project (Australia's contribution is USD19 million) builds on the success and lessons learned during Phase 1 (2016-21) and continues to support the Royal Government of Cambodia to pursue universal health coverage. HEQIP II was launched in October 2022.

Stability

Key Results Indicators	Progress/Result
Number of people reached with new Cambodian Government cash transfers using IDPoor as the targeting mechanism (baseline: 0)	2,725,911 people received COVID-19 cash transfers using the IDPoor system, including 1,457,162 women and 100,149 people with disabilities.
Number of women survivors of violence receiving services such as counselling with Australian support increases (960 women in 2020)	2,896 women and girl survivors of violence received gender-based violence (GBV) support services, such as counselling.
Three research studies conducted on the social or economic effects of COVID-19 in Cambodia	Supported Cambodian think tanks to develop ten research studies on the socio-economic effects of COVID-19, including education, microfinance, urbanisation, agriculture, tourism, and business. The results of these studies are being used by the Ministry of Economy and Finance (MEF) to inform policy responses to the pandemic.

Postgraduate scholarships provided in areas that build Cambodia's long-term resilience	Awarded 55 postgraduate scholarships to Cambodian women and men working in government, the private sector, and non-governmental organisations in the areas of infrastructure, agriculture and fisheries, education, human resilience, gender equality and public policy.
Milestones of the Cambodian Government Public Financial Management Reform Program are achieved	In partnership with other donors, supported MEF to prepare an action plan for public financial management reform, to provide technical assistance on business continuity plans for line ministries, reduce payroll processing and support leadership and capacity building programs. This enables MEF and the Royal Government of Cambodia to manage their resources more efficiently and provide better public services.
Evidence that national disability and Ending Violence Against Women policies are being implemented	<p>Supported the Ministry of Women's Affairs to rollout another 12 district GBV networks in six provinces (to a total of 33 GBV networks nationwide). 4,791 service providers (2,643 female, 658 persons with disabilities) trained on the essential service standards and other relevant GBV guidelines, enabling the provision of 1,936 GBV service sessions (including counselling, health intervention, legal and social support) to 1,068 female survivors.</p> <p>5,800 people with disabilities (29% female) accessed necessary services at six physical rehabilitation centres. Also assisted 1,541 persons with disabilities (47% female) to access economic inclusion opportunities in various ways.</p> <p>Supported 838 people with disabilities to access social protection schemes and register in the new disability identification process.</p>
Evidence of technical and policy advice on building capacity for food security	Provision of technical advice to the Cambodian Ministry of Water Resources and Meteorology to improve irrigation practices underpinning food security. This included support on irrigation scheme design, farmer consultations, land surveys and establishing farmer water user communities to ensure secure water supply for food production.
Implementation milestones for regional investments on anti-trafficking and countering transnational crime are achieved in Cambodia	<p>The Australia Federal Police (AFP):</p> <ul style="list-style-type: none"> supported Cambodian Law Enforcement Community's investigative capabilities for transnational crime including human trafficking, particularly child sex exploitation; in partnership with UNODC, trained over 140 police, prosecutors, judges and Cambodian Financial Intelligence Unit representatives on money laundering investigations. <p>The ASEAN–Australia Counter Trafficking program (ASEAN-ACT):</p> <ul style="list-style-type: none"> trained 651 justice sector actors (35% women) in Cambodia to strengthen counter-trafficking capacity including upholding victim rights and advancing gender equality, disability and social inclusion; supported Cambodia's National Committee for Counter Trafficking to review and revise guidelines on identifying, protecting and supporting victims of trafficking, with input from local NGOs; provided 59 trafficking victim/survivors legal aid and other support services.

Economic Recovery

Key Results Indicators	Progress/Result
Examples of Australian-funded technical advice in stimulus measures and longer-term economic recovery policy	Funded UNDP to model COVID-19 effects and potential stimulus measures, which informed the Cambodian Government's design of a cash transfer program providing emergency assistance to 700,000 poor households. Our 11-year investment supported the development of the targeting system used for the cash transfer program. The UNDP has assessed the cash transfer program to have contributed to GDP growth in 2021 by 0.45%, to a reduction of unemployment of 0.62%, and a reduction in the poverty rate of 3.4% in 2021.
Evidence of infrastructure policy support, in areas such as water, energy and construction sectoral policies and standards	Supported policy dialogue with the Cambodian Government on wind energy, rooftop solar, waste-to-energy and off-grid to inform Cambodia's energy planning to 2040. Supported technical advice on how to develop and fund a nation-wide piped water system for universal access to clean water by 2030. Supported the establishment of a Water Development Fund to increase sustainable public and private investment in Cambodia's water infrastructure. Supported technical advice on developing a financing and cost recovery framework for Cambodia's wastewater system to enhance its efficiency and sustainability.
The Cambodia-Australia Agricultural Value Chain Program (CAVAC) irrigation management system is applied across schemes constructed by others	Partnered with the Asian Development Bank to apply CAVAC's irrigation design and management system to large schemes constructed with ADB financing. Through CAVAC, Mekong Water Solutions worked with the World Bank to support preparation of a joint partnership project on water security improvement valued at \$125 million. CAVAC also developed irrigation standards to be institutionalised by the Cambodian Government.
Examples of partnering with the private sector and other partners to ensure supply lines are open and access to utilities is increased	Supported the local private sector to expand piped, treated water and reliable electricity supply to households. This provided an additional 68,391 households (315,282 people) with access to clean piped water and 29,250 households (134,842 people) with access to grid electricity.
A new economic governance program is designed that supports COVID-19 economic recovery and women's economic empowerment	The design of Australia's new flagship economic development program in Cambodia, the Cambodia Australia Partnership for Resilient Economic Development (CAP-RED) (2022-27, \$87 million) was completed in March 2022 and is being implemented by Cowater International. CAP-RED is focused on enhancing trade, investment and enterprise development in Cambodia, as well as supporting agriculture and agro-processing, and quality infrastructure.
Cambodian-led landmine clearing services release land for productive use (target: 2021: 9.92km ²)	In 2021 the Cambodian-led Clearing for Results project cleared and released 26km ² of land (against a target of 9.92km ²). The majority of cleared land has been used for agriculture.
Cross-cutting: Two or more examples of significant policy change from across the portfolio (such as health, social protection, infrastructure, agriculture, or economic policy)	Our eleven-year investment in Cambodia's national poverty register helped build and maintain the targeting system, which enabled the RGC to deliver a new nationwide cash transfer program to the nation's poor during COVID-19.



Key Results Indicators	Progress/Result
	<p>Contribution to building the evidence base for social protection efforts in Cambodia, including providing a rationale for RGC’s ongoing waves of cash transfers (UNDP).</p> <p>Australia supports ongoing reforms to Cambodia’s health sector through the Health Equity and Quality Improvement Project. This includes support for a new RGC-developed Payment Certification Agency, which strengthens the accountability of health care providers to health care users by independently verifying payments to health facilities based on the quality and volume of health services provided.</p>

ANNEX 2: INVESTMENT PERFORMANCE RATINGS

Investment Details	Year	Effectiveness	Efficiency	Gender Equality
Cambodia Agricultural Value Chain Program Phase 2 Investment duration: 2016-22; Budget: \$90m	2022	5	5	4
	2021	5	5	3
Health Equity and Quality Improvement Program Investment duration: 2016-22; Budget: \$57.34m	2022	5	5	4
	2021	6	5	4
Australia-Cambodia Cooperation for Equitable Sustainable Services Investment duration: 2016-25; Budget: \$25m	2022	5	6	5
	2021	5	5	5
Australia Awards Scholarships Cambodia Investment duration: 2018-26; Budget: \$25.5	2022	5	5	5
	2021	5	5	5
Knowledge Sector Investment duration: 2019-22; Budget: \$5.8m	2022	4	4	4
	2021	4	6	4
Resilience Fund Investment duration: 2020-24; Budget: \$13.5m	2022	5	5	4
	2021	5	5	4

FINAL INVESTMENT PERFORMANCE RATINGS

Investment Details	Year	Effectiveness	Efficiency	Gender Equality
Investing In Infrastructure Investment duration: 2014-22; Budget: \$52.5m	2022 FIMR	4	4	3
	2021 IMR	5	4	3

Satisfactory (4, 5 and 6)

6 = Very good; satisfies criteria in all areas.

5 = Good; satisfies criteria in almost all areas.

4 = Adequate; on balance, satisfies criteria; does not fail in any major area.

Less than satisfactory (1, 2 and 3)

3 = Less than adequate; on balance does not satisfy criteria and/or fails in at least one major area.

2 = Poor; does not satisfy criteria in major areas.

1 = Very poor; does not satisfy criteria in many major areas.