



Australian Government

Department of Foreign Affairs and Trade



Aid Program Performance Report 2013-14

CAMBODIA

September 2014

Key Messages

This report summarises the aid program's progress in Cambodia from July 2013 to June 2014.

Australian official development assistance in 2013–14 was \$77.2 million. This places Australia as the 3rd largest donor in Cambodia and is made up of \$56.1 million bilateral funding and \$21.1 million flowing from regional programs and other Australian Government departments.

2013-14 was a challenging year in Cambodia. General elections held in July 2013 led to some short-term political uncertainty, with demands from the opposition party to establish an independent committee to investigate the election outcome. This has since been resolved with the Opposition joining the National Assembly in July 2014.

Notwithstanding these challenges, the Cambodia program delivered positive results and met performance targets for the 2013-14 year, as summarised below:

Agriculture and rural development:

In 2013-14, the Cambodia Agricultural Value Chain program (CAVAC) rehabilitated or constructed seven irrigation schemes. This allowed an estimated additional 3,897 hectares (ha) of land to be irrigated, which will enable 4,221 families to grow more than one rice crop per year. During 2013, 17.33 square kilometres of land was cleared and released for productive use under the multi-donor Clearing for Results Phase 2 project. Mine clearance operators found and destroyed 2,406 anti-personnel mines, 11 anti-tank mines and 2,091 Explosive Remnants of War (ERW) which contributed to a 66.7 per cent decrease in landmine casualty rates in the three project provinces, from 39 casualties in 2012 to 13 casualties in 2013.

Health:

Australia's health program in Cambodia is focused on improving access to quality health services for the poorest Cambodians. We are a leading donor in the health sector and work with the Cambodian Ministry of Health and a range of development partners to tackle these challenges. In 2013-14, our programs delivered strong results in this challenging area. For example, through our combined efforts, the poorest 20 per cent of Cambodians (approximately 2.5 million people) had access to free essential health care. Through our policy discussions with the Cambodian Government, we are working to expand this coverage further. Australia also launched a new program that will improve maternal and neonatal health in the most remote provinces and help ensure vulnerable young women working in Cambodia's garment factories have access to better reproductive health information and services.

Infrastructure:

Australia met its financial obligations to the Asian Development Bank with respect to the Rehabilitation of the Railway in Cambodia Project. The Southern Line was deemed substantially complete, with regular freight services carrying primarily petrol, cement, coal, agricultural produce and some containers between Sihanoukville and Phnom Penh.

Road works on the Southern Coastal Corridor, both new construction and maintenance, were successfully completed. The cross-border facility at the Vietnamese border is more than 50 per cent complete, with all key structures at more than 80 per cent complete. The Road Asset Management Project is in its final stages, and has achieved 92 per cent of its target for maintained roads. The Cambodian Flood Disaster and Emergency Rehabilitation Project has completed about 75 per cent of the total project rehabilitation targets for infrastructure damaged in the 2011 floods. Australia has agreed to enter into a second phase that will

address damage to national and rural roads, bridges and irrigation systems caused by flooding in 2013.

Two risks continue to occupy significant management attention - child protection and managing fiduciary risk. Child protection has been managed closely through extensive training to aid program staff and delivery partners, in addition to a specific child protection due diligence assessment that provides a framework to manage ongoing risks. Operating in Cambodia also carries high fiduciary risks, which is managed by delivering the majority of our program through trusted partners who have strong fiduciary and risk management systems. Where we enter into agreements with less established partners, we conduct stringent assessments of their capacity prior to funding.

Context

The dynamic operating environment in Cambodia means that the aid program must remain flexible and responsive in the way it engages with and supports Cambodia's key development challenges.

Economic development and challenges

Economic growth in Cambodia continues to be strong. In 2013, growth was 7.2 per cent—driven by increases in garment exports and services, especially wholesale and retail trading, and by tourism. The agricultural sector was hit hard by flooding and lower commodity prices, but continued to grow on the back of improved farming techniques. Inflation is rising, but moderate.

The economic outlook remains positive. Growth looks set to continue on the back of garment exports as economic conditions improve in Europe, tourist arrivals from the region increase, and the agricultural sector recovers. The IMF forecasts growth to rise steadily to 7.5 per cent a year by 2017.¹ On current trends, Cambodia could graduate to middle-income status as early as 2015.

But Cambodia remains vulnerable to economic shocks. The country's narrow economic base makes it vulnerable to slowdowns in a few key export markets. Domestically, major risks include excessive risk taking by banks, labour market tensions in the garment industry and extreme weather conditions, which could affect agricultural production.²

The major constraints on economic growth in Cambodia include poor-quality infrastructure, corruption and a lack of skilled workers. Limited infrastructure, particularly energy and transport, remains a significant challenge for future growth. Cambodia ranked 160th out of 177 countries on the Transparency International 2013 Corruption Perceptions Index, the lowest of all countries in South East Asia. The lack of skilled workers discourages foreign investment in higher-value-added manufacturing industries.

Expanding government revenues, and encouraging the most effective and efficient expenditure of these funds, remains a priority—over 50 per cent of expenditure on public goods still comes from donors. While government revenues have increased over the past decade, growth slowed in 2013. The slower growth saw domestic revenue fall to 14.8 per cent of GDP, below the peak of 15.3 per cent in 2012. While there is still some way to go, the quality of public expenditure is increasing.

¹ International Monetary Fund (2014), *Cambodia: 2013 Article 4 Consultation*.

² International Monetary Fund (2013), *Cambodia: 2012 Article 4 Consultation*. International Monetary Fund Country Report No. 13/2, p.18.

Poverty, demography and other development challenges

Despite almost halving the poverty rate since 2006, Cambodia remains one of the poorest countries in the region. Almost 20 per cent of the population remains below the national poverty line. Many of those who have moved above the poverty line in recent years have only barely done so—they remain vulnerable to falling back into poverty due to shocks, such as an illness or death in the family, lost employment, or natural disaster. It is estimated that a small shock of less than USD0.30 per day could double the poverty rate to 40% of the population.

Thirty seven per cent of Cambodian children under the age of 5 suffer from chronic malnutrition. The high rates of stunting³ (an indicator of poverty caused by unclean water and poor sanitation facilities, poor health service provision, and lack of nutrition) highlight this vulnerability.

As is typical in post-crisis periods, Cambodia's fertility rate increased dramatically in the post-war period, with about 65 per cent of the population now below the age of 30. With population momentum projected to continue for at least another two decades,⁴ this presents both risk and opportunity. With careful management Cambodia will experience a demographic dividend as the ratio of working to non-working age people increases, sustaining and promoting economic growth. However this demographic profile places strain on low capacity health and education services. This is particularly true for urban centres. The push factor of poverty in rural areas combined with the pull factor of wage earning opportunities in urban centres is driving large-scale migration within the country. In 1998 one in 20 Cambodians lived in Phnom Penh. In 2012 the figure was one in 10.⁵

Disability and gender inequality remain strong concerns for Cambodia. Based on estimates by the World Health Organization and World Bank,⁶ there could more than two million people with disability in Cambodia. These are among the poorest and most marginalised, with recent research finding that 24 per cent of surveyed children with disability had never attended school, and 58 per cent had been denied access to the public school system within the previous two years.⁷ Significant gender disparities remain in all areas of life in Cambodia. Recent UN and Cambodian Government studies have found that rates of violence against women and children are amongst the highest in the region. Violence impacts negatively on productivity as well as on family and community harmony and is an obstacle to women fully benefiting from and contributing to economic growth. Similarly, secondary or higher level educational attainment for adult women is far lower in Cambodia than the average in East Asia and the Pacific. The Minister of Women's Affairs is a strong advocate for gender equality within Government and with development partners and her Ministry has been active in promoting plans and policies across government.⁸

Political situation

Some political uncertainty persisted in the aftermath of the national election held in July 2013. The Cambodian People's Party formed government, with the opposition party only agreeing to take their seats in parliament 12 months after the elections.⁹ The government, employers and

³ 40 per cent of Cambodian children are stunted. *Cambodia Demographic and Health Survey, 2010*.

⁴ *Migration in Cambodia: report of the Cambodian Rural Urban Migration project*, Ministry of Planning 2012.

⁵ Based on a population of 14.31 million from 2011 World Bank data (<http://data.worldbank.org/country/cambodia>).

⁶ World Health Organization, World Bank, 2011, *World report on disability*.

⁷ Cambodian Government gender assessment 2009, *Partners for prevention*.

⁸ Neary Rattanak 4 (MOWA Strategic Plan), National Action Plan on Violence Against Women

⁹ In August 2014, as this document was being finalised, the opposition CNRP had joined the National Assembly, after negotiating a number of reforms including to the national election commission.

unions remain in a dispute over minimum wages in the garment sector and there are numerous ongoing land disputes across the country.

Official development assistance:

In 2013 - 14, Australia's bilateral program aid to Cambodia totalled \$56.1 million. Other assistance through Australia's regional and global programs and through other government agencies brought Australia's total official development assistance (ODA) to an estimated \$77.2 million. This places Australia as the third largest bilateral aid donor to Cambodia among China (\$414.4 million), Japan (\$155.8 million) the United States (\$70.3 million) and the Republic of Korea (\$53.8 million).¹⁰ Foreign aid to Cambodia increased from just under US\$600 million per annum in 2004 to almost US\$1.46 billion in 2013. In recent years, there has been a large increase in loan financing, suggesting that Cambodia is making a transition from grant aid and concessional multilateral resourcing to an external assistance profile more in line with lower-middle income status. The ratio of Australia's ODA to Cambodia's GDP is significant at 4.3%.

Australia's program

The Australia-Cambodia Joint Aid Program Strategy 2010-2015 focuses on responding to Cambodia's rapidly changing economic and social environment. Priority sectors include agriculture and rural development, health, infrastructure for growth, and law and justice. Australia also supports disability inclusive development, human resource development (through our scholarships program), and ending violence against women.

In 2013-14, 68 per cent of Australia's aid program was delivered through agreements with multilaterals (including World Bank, Asia Development Bank, UN Women, UNDP, UNFPA and WFP),¹¹ 27 per cent was delivered by commercial suppliers and five per cent of the program was delivered through non-government organisations/civil society.

Australia's bilateral program is complemented by regional development assistance including through a range of ASEAN and Mekong River Commission programs. Regional programs support regional approaches to trade reform, people trafficking, HIV/AIDS, child protection and water resource management challenges across the Mekong Basin. These programs account for approximately 29% of Australia's total ODA to Cambodia.

Expenditure

Table 1: Expenditure in 2013-14

Objective	A\$ million	% of bilateral program
Objective 1A: Increased value of agricultural production and smallholder income in targeted provinces	9.81	18.1
Objective 1B: Increased food and livelihood security for the rural poor through social protection and landmine clearance	2.00	3.7
Objective 2: Increased access to quality health services through improved health management	15.97	29.5
Objective 3: Improved transport and energy infrastructure	10.44	19.3
Objective 4: Women, youth and children are safer and communities have less crime, a more effective non-custodial sentencing system, strengthened evidence-based performance management	10.12	18.7

¹⁰ Council for the Development of Cambodia, Development Cooperation Trends in Cambodia: Using Evidence to Promote Partnerships and Development Effectiveness, July 2014

¹¹ More information on multilaterals is in the Performance of Key Delivery Partners section on page 13.

Objective	A\$ million	% of bilateral program
Other (cross-cutting themes)	5.74	10.7
Total	54.08	100

Source: AidWorks – DFAT's internal financial monitoring system.


Progress towards objectives


In 2013-14, the agriculture, rural development, and health programs confirmed that their strategic objectives would be fully achieved by 2015. Infrastructure, and law and justice however, are expected to meet some but not all of their objectives.


Table 2: Rating of the program's progress towards Australia's aid objectives

Objective	Previous rating	Current rating
Objective 1A: Increased value of agricultural production and smallholder income in targeted provinces	Green	Green
Objective 1B: Increased food and livelihood security for the rural poor through social protection and landmine clearance	Green	Green
Objective 2: Increased access to quality health services through improved health management	Green	Green
Objective 3: Improved transport and energy infrastructure	Amber	Amber
Objective 4: Women, youth and children are safer and communities have less crime, a more effective non-custodial sentencing system, strengthened evidence-based performance management	Amber	Amber

Note:


 Green. Progress is as expected for this point in time and it is likely that the objective will be achieved. Standard program management practices are sufficient.

 Amber. Progress is somewhat less than expected for this point in time and restorative action will be necessary if the objective is to be achieved. Close performance monitoring is recommended.

 Red. Progress is significantly less than expected for this point in time and the objective is not likely to be met given available resources and priorities. Recasting the objective may be required.

Objective 1a: Increased value of agricultural production and smallholder income in targeted provinces

Development outcome: Increased value of agricultural production and smallholder income in targeted provinces.	Green
---	-------

 Green. Progress is as expected for this point in time and it is likely that the objective will be achieved. Standard program management practices are sufficient.

Annual milestone targets 2013-14

- › Partnerships with 22 companies, counterpart ministries and associations to improve the availability of quality inputs and information for farmers, as well as access to processing and final markets (Fully Achieved)
- › Seven irrigation infrastructure improvements completed, giving up to 2,562 ha of land access to irrigation and allowing up to 4,036 farmer households to plant additional crops each year (Fully Achieved – actual result estimated 3,897 ha and 4,221 households)
- › 5,700 model farmer households trained and sharing their knowledge with an estimated 51,300 other farming households (Partially Achieved - 2,297 farming households were trained up to the point that the Cambodia Agricultural Value Chain (CAVAC) program halted this activity to conduct evaluations and improve the methodology before resuming).

The goal of the CAVAC program is to increase the value of agricultural production and smallholder income in rice-based farming systems. By building the productive capacity of agriculture, CAVAC's expenditure contributes to the 20 per cent aid-for-trade target for the

Australian aid program. CAVAC's innovative approach to working with markets and the private sector is increasingly upheld as a model in Cambodia and elsewhere. It has influenced other Australian aid programs, including the new design of 3i: Investing in Infrastructure, due to commence in 2015.

To date, CAVAC has supported 32 interventions in agribusiness and information systems with 36 partners; including private companies, associations and the Cambodian Government. Key sectors include fertiliser, pesticides, seeds, rice milling and media. There is evidence that CAVAC interventions are having a positive impact on partner behaviour and increasing potential for scalability.

CAVAC works with media companies to increase awareness of the benefits of providing quality information to the rural population. There has been much interest in the market research and a television program is now in development with CAVAC's assistance. The vegetable market activities made progress in 2013, and CAVAC has found that farmers are adopting partner companies' inputs and techniques because of their labour saving potential.

Another key component of CAVAC is the construction and rehabilitation of irrigation schemes. By the end of 2013, CAVAC completed or commenced 20 schemes. This includes canals with total length of 117 kilometres, which should allow at least 22,617 ha to be irrigated supporting at least 20,642 households. Each completed scheme is handed over to Farmer Water User Communities (FWUCs) to support sustainable operation and maintenance. To date this includes 19 FWUCs.

Recent monitoring and evaluation work has helped CAVAC determine likely impacts against outcome-level indicators. CAVAC now estimates conservatively that agribusiness and farmer information activities will have supported 264,000 farming households to improve their yields by 2017. Adding this to results from irrigation work, the total increase in production attributable to CAVAC is projected to be 250,000 tons of paddy per year in 2017. In 2013 alone, irrigation infrastructure constructed by CAVAC is estimated to have allowed an additional \$21 million of rice to be grown. More work will be completed in the coming year to demonstrate project outcome-level results.

Based on the findings of a very positive independent Mid Term Review, CAVAC has been extended by 18 months and will now run until 31 December 2015.

CAVAC continued to use gender analysis to see how information channels in selected value chains can give male and female farmers equitable access to improved information. Further work is however needed to influence private sector practices. In the past year, CAVAC facilitated gender training for provincial government units responsible for irrigation. CAVAC also continued efforts to improve female representation within the FWUCs. CAVAC established a Gender and Agricultural Development Research Fund which funded six studies in 2013.

Australian Centre for International Agricultural Research (ACIAR) activities in Cambodia are focused on: productivity of rice-based farming systems, agricultural diversification, and climate variability and climate change. In 2013-14, ACIAR's research supported the following results: 300ha of smallholder land was laser levelled and local contractors are being developed to provide ongoing services; 50 farm business advisers in Svay Rieng province trained in rice double cropping on the back of nearly 200 research trials; 200 rice drum seeders sold across Cambodia since 2011; and research at 16 reservoirs on fish stocking has been used to develop community management procedures adopted by Government.

Objective 1b: Increased food and livelihood security for the rural poor through social protection and landmine clearance

Development outcome: Increased food and livelihood security for the rural poor through social protection and landmine clearance

Green

■ Green. Progress is as expected for this point in time and it is likely that the objective will be achieved. Standard program management practices are sufficient.

Annual milestone targets 2013-14

- At least 15 square kilometres of high priority land released through clearance or technical survey in support of local development priorities (Fully Achieved – 17.33 square kilometres)
- 11,250 targeted beneficiaries received food or cash scholarships under the cash-food scholarship pilot (Fully Achieved – 24,373 students)
- Public Assets and Livelihood Support program pilot and operational guidelines designed and 600 tonnes of rice distributed to target beneficiaries under the pilot (Fully Achieved – beneficiaries received cash not food transfers under reformed scheme)

During 2013, 17.33 square kilometres of land were cleared and released for productive use under the multi-donor Clearing for Results Phase 2 project. Clearance operators found and destroyed 2,406 anti-personnel mines, 11 anti-tank mines and 2,091 Explosive Remnants of War (ERW) in 49 villages. Land released through these contracts will be used for agriculture (75.61 per cent), risk reduction (22.87 per cent), housing (0.92 per cent), and school construction (0.60 per cent). It is estimated that mine clearance work funded in 2013 will directly benefit 539 families or 2,241 individuals (1,252 female and 989 male) and indirectly benefit 23,922 families or 90,651 individuals (46,881 female and 43,770 male).

In 2013 there was another steep decline (66.7 per cent) in the casualty rates in the three project provinces, from 39 in 2012 to 13 in 2013. The project has achieved substantial improvements in cost-efficiency of land release activities. Accordingly, Cambodian Mine Action and Victim Assistance Authority (CMAA) updated the end-of-project land release target from 35 to 80 square kilometres.

The Baseline Survey (BLS), a major output of the project, was also completed in 2013. This is an important achievement as Cambodia had committed to the survey as part of its extension request for its obligations under Article 5 of the Anti-Personnel Mine Ban Convention. The BLS found that 1,915 square kilometres of land remain contaminated in the 124 districts surveyed. Despite the huge workload the BLS identified, it is a critical step in targeting future operations.

Australian support to the World Food Programme (WFP) for a pilot project testing the efficiency and effectiveness of social protection mechanisms concluded at the end of 2013. Data comparing cash versus food for school scholarships and school feeding will be used to refine Cambodian Government and WFP systems, especially to increase the use of cash which was more efficient and supported better educational outcomes. The pilot also included the design and implementation of a new Public Assets and Livelihood Support program. As well as the short-term benefits of rural road construction and an income for poor families, new guidelines produced will support more effective cash-for-work activities if such schemes are funded in the future. Australia's support for a World Bank managed trust fund allowed the continued development of a pilot to provide cash transfers to improve maternal and child nutrition. After some delays because of the national election, design of the pilot has now resumed and it is expected to begin operating in the last quarter of 2014.

While the WFP pilot was largely positive and we await the outcomes of the World Bank cash transfer pilot, Australia is unlikely to invest further in this area because of the low potential for significant development of large-scale, state-funded schemes in the medium-term.

Objective 2: Increased access to quality health services through improved health management

Development outcome: Increased access to quality health services for the poor, women and children through improved health management

Green

■ Green. Progress is as expected for this point in time and it is likely that the objective will be achieved. Standard program management practices are sufficient.

Annual milestone targets 2013-14

- 84% births attended by a skilled birth attendant
- 93% of poor Cambodians covered by Health Equity Funds
- Five HAARP sites (four needle and syringe exchange and one methadone therapy program)

Access to health care in Cambodia continued to improve in 2013-14. The number of people covered by Health Equity Funds increased, as the Cambodian Government expanded the geographical reach of the scheme. Skilled birth attendance also continued to increase from 75 per cent in 2012 to 84 per cent in 2013.

These achievements took place in a dynamic environment in the health sector. The Cambodian Government is placing high priority on building human capital, including a focus on improving health care. At the same time, Australia remains the largest bilateral donor working closely with the Cambodian Government. Uncertainties regarding ongoing World Bank funding for health have increased Australia's prominence in the sector. While this flux has created challenges, it has presented an excellent opportunity for Australia's health program to support the Cambodian Government and exert significant policy influence.

During 2013-14, Australia continued to assist the Cambodian Government to deliver essential health care, especially to poor and marginalised groups. Through the Second Health Sector Support Program (HSSP2), Australia, in collaboration with the World Bank and other development partners, enabled approximately 2.5 million of the poorest Cambodians access to primary health care and hospital services. We also continued to provide performance-based funding directly to health centres and hospitals to incentivise the delivery of better health services. HSSP2 will be extended until December 2015, while Cambodia's next health strategic plan is produced and Australia leads a joint process between development partners and the Cambodian Government to establish a more sustainable financing mechanism.

In 2013-14, we also launched Partnering to Save Lives, a unique partnership between CARE, Save the Children, Marie Stopes International, the Australian Government and the Cambodian Government. Partnering to Save Lives will improve reproductive, maternal and neonatal care for women and their babies. It is specifically working in the four remote north-eastern provinces and also in Cambodia's garment factories, which are the largest formal employers of women. The program is in its establishment phase and too early to report specific results. As lessons are learned, they will be shared with the Cambodian Government to enable it to take over.

Australia has also taken a leading role among development partners in strategic policy discussions with the Cambodian Government. In 2013-14, Australia's advocacy efforts helped to secure Cambodian Government funding for essential contraceptive commodities, reducing reliance on donors. Improving the quality of care, strengthening public financial management for health and expanding subsidised services beyond the poorest to include the 'near-poor' (those living on \$1.25-\$2 per day) are ongoing policy priorities for Australia and other development partners. Throughout 2014-15, Australia will continue to drive these discussions between the Cambodian Government and development partners, particularly as we plan a new health financing mechanism to follow HSSP2.

During 2013-14, the Australian Government decided to bring forward the closure of the HIV/AIDS Asia Regional Program (HAARP). In Cambodia, HAARP will now close in December 2014 – six months earlier than planned. A sustainable exit plan for HAARP has been developed and responsibility for services under the program will shift to the Cambodian Government with the support of other funders and implementing partners.

Objective 3: Improved infrastructure quality, quantity and access

Development outcome: Improved transport and energy infrastructure

Amber

Amber. Progress is somewhat less than expected for this point in time and restorative action will be necessary if the objective is to be achieved. Close performance monitoring is recommended.

Annual milestone targets 2013-14

- › Contractors (on several completing projects) complete civil works (Almost achieved)
- › One periodic and routine maintenance contract let through a competitive bidding process (Fully achieved)
- › 100 resettlement cases resolved (Not Achieved: Decision to resettle postponed due to civil works priority resetting)
- › 500 affected households accessing low income loan and safety net grant (Fully achieved)
- › Undertook road safety awareness program (Fully Achieved)
- › Established market rate for maintenance activities in Cambodia (Not achieved)

Despite impressive increased coverage of transport and energy infrastructure in Cambodia, these gains are from a low base, and needs remain high. Infrastructure constraints remain a hindrance to economic growth and undermine other advantages, in particular Cambodia's location in the heart of a growing region.

In what is overall a strongly performing portfolio, this objective is rated amber due to issues relating to resettlement, particularly concerning the Rehabilitation of the Railway Project. While Australia has fully met its financial commitments to the Project, not enough has changed in the past 12 months to alter the amber rating. There is enough evidence however to expect improvements by June 2015.

Other donors, notably China, have outstripped Australia as investors in national level infrastructure. At the same time investment in local level infrastructure to link communities to markets and unlock economic activity remains low. As flagged in the 2013-14 APPR, Australia has begun the process of moving our infrastructure portfolio away from large-scale infrastructure projects. We have commenced the design process for a new project on small-scale infrastructure working directly with the private sector.

Regular rail freight services (average of at least two per day) now operate between Sihanoukville and Phnom Penh. In recognition of the challenges with resettlement, Australia agreed that implementation of the Expanded Income Restoration Program under the Project be allowed to continue until at least the end of 2014.

In early 2014, the Asian Development Bank's Compliance Review Panel released its report on complaints regarding the project's compliance with the ADB safeguards policy. The Report was critical of ADB's management of resettlement and the Board directed ADB to develop a remediation plan.

The report noted that measures undertaken by the Australian Government to address resettlement issues had impacted positively on resettlement efforts. These measures included the Expanded Income Restoration Program, under which 14 self-help groups have been established covering 469 households. Of these, 298 have borrowed from their community loan

schemes to fund small income-generating activities, to a total value of almost \$225,000. In addition, community centres have been built at each of the five resettlement sites and all sites have received infrastructure upgrades. Training has been provided to 376 households to enable greater financial literacy.

Many of these income restoration activities are home-based, providing opportunities for women and especially women who head their household. Observations made during more than 30 site visits by DFAT staff, confirmed that women are the predominant beneficiaries. The inclusion of women is also supported by data from the financial literacy training, which shows that of 3,425 'attendances', 2,227 were by women.

The Southern Coastal Corridor Project has completed construction on the new 15 kilometre road and agreed road maintenance contracts. The works at the cross-border facility are over 50 per cent complete, with most of the major structures at more than 80 per cent complete. The HIV and Trafficking Awareness and Prevention Program has been fully met, with 800 people (70 per cent were women) reached. The project is on track for December 2014 completion.

The Road Asset Management Project recalculated its targets to 950 kilometres of roads, which is now substantially (92%) complete and on track for 2014 completion.

The revised Rural Energy Project was approved by the ADB Board in early 2013, but staff shortages (including deployment of ADB Manila staff to the Typhoon Hainan response) slowed the finalisation of formalities. The project was deemed formally 'effective', and bid documents are now under preparation, with civil works due to start following the monsoon season in late 2014.

Support to the Cambodian Flood Damage Emergency Rehabilitation Project continued to be effective. The Project has completed one major dyke rehabilitation, constructed four bridges, rehabilitated four kilometres of provincial and 382 kilometres of rural roads, as well as 10 irrigation schemes. The irrigation outputs are expected to achieve around 150 per cent against the original plan. There was again serious flooding in late 2013, primarily affecting different regions to the 2011 floods. Due to the continuing level of need and good project performance to date, Australia has agreed to enter into a second phase of this project in 2014-15.

Objective 4: Women, youth and children are safer and communities have less crime, a more effective non-custodial sentencing system, strengthened evidence-based performance management

Development outcome: Women, youth and children are safer and communities have less crime, a more effective non-custodial sentencing system, strengthened evidence-based performance management	Amber
---	--------------

■ Amber. Progress is somewhat less than expected for this point in time and restorative action will be necessary if the objective is to be achieved. Close performance monitoring is recommended.

Annual milestone targets 2013-14

- › Community security mechanisms better function in targeted districts to improve crime prevention (partially achieved)
- › Police crime data upgraded/redesigned to serve management and decision making (partially achieved).
- › Alternative and non-custodial sentencing piloted in two of project targeted provinces (not achieved)
- › Appeal court databases upgraded to serve management and decision making (not achieved)
- › Prison databases upgraded to serve management and decision making (not achieved)
- › Court register databases established and piloted (partially achieved)

In this sector, Australia's assistance is channelled through the Cambodia Community Justice Assistance Partnership (CCJAP), support for legal aid through two NGOs, and anti-corruption through Transparency International. In accordance with the recommendations of a 2012 evaluation, Australia's 16 years of assistance to the sector will be phased out by mid-2016. The final phase of CCJAP is linked to the strategic agenda of our three government counterpart ministries (the National Police, General Department of Prisons, Ministry of Justice).

This objective is rated amber, due to the slow pace of reform and insufficient progress on the development of a more effective non-custodial sentencing system and on strengthened evidence-based performance management, particularly in the prisons and courts.

Throughout 2013-14, it has become clear that there is more appetite and scope for reform at sub-national level, which is increasingly where the project will focus in its final phase – specifically on community crime prevention and community safety. During 2013-14, over 14,000 villagers in nine provinces took part in forums on community safety issues, including 6,893 women (46 per cent of total attendees) and 2,067 juveniles (14 per cent). In many cases these activities provided the first opportunity for communities to question law enforcement authorities about crime prevention and community safety.

Other factors impacting performance of CCJAP are attributed to start-up delays of the final phase and the extended unavailability of key counterparts during the uncertainty of the post-election period in Cambodia. This has been overcome in 2014.

In 2013-14, Australian funding enabled International Bridges to Justice (IBJ) and Legal Aid Cambodia to extend legal aid coverage to 84 per cent of the total courts in Cambodia (21 Courts). IBJ handled 572 new cases, representing 755 new clients (including 93 women). IBJ lawyers closed 382 cases, representing 436 clients with 47 per cent of cases dropped, dismissed, acquitted or proportionate sentences handed down. This helps reduce prison overcrowding and strengthens the argument for Cambodian government funded legal aid. Australian support enabled Legal Aid Cambodia to assist 45 survivors of domestic violence and sexual abuse take action through the formal judicial system, challenging the culture of impunity.

In February 2013, the Australian Government announced a major commitment to ending violence against women in Cambodia. During 2013-14, the Ending Violence Against Women program (EVAW) completed its foundation phase, and in 2014 has been consolidating its approach. During this period, Australian funding enabled the formulation of the Second National Action Plan on Violence Against Women; the inclusion of violence against women and disability modules in the 4th Cambodian Demographic Health Survey; and the commencement of the first nationwide study into the prevalence of violence against women in Cambodia. 497 women and girls experiencing violence were supported to access counselling, legal aid, medical services and shelter as well as reintegration with their families and communities. These activities have helped us build strong relationships within MOWA and with development partners. Results from the studies will provide evidence on which to design our future investments in EVAW.

The aid program's anti-corruption efforts are being implemented through an agreement with Transparency International Cambodia (TIC) in cooperation with the Swedish International Development Cooperation Agency (SIDA). Australia supports the initial three-year workplan of TIC: research and advocacy; partnership and coalition building; and citizen and youth engagement. In 2013-14, TIC engaged government, media, private and community sectors to evaluate key governance 'pillars' and compile a National Integrity System Assessment (NISA). It will be released September 2014.

In 2013-14 Australia provided \$3.25 million to the Khmer Rouge Tribunal (the Extraordinary Chambers of the Courts of Cambodia). A guilty verdict in case 2a against the second and third

defendants was handed down on the 6th of August. Availability of Cambodian Government funding to the national side of the courts remains an issue, although the Cambodian Government has shown a greater willingness to contribute in 2014.

Australia contributes to the Public Financial Management Reform Program (PFM) through a World Bank Multi-Donor Trust Fund. The PFM is a key Government reform program that has high level and far-reaching government involvement and a broad range of support from development partners despite slow progress. Australian support provides access to high-level policy dialogue with the Ministry of Economy and Finance, as well as development partners.

Australia Awards

Since 1994, over 500 postgraduate Australian scholarships have been provided for Cambodians, with a 94 per cent successful completion rate. In 2013-14, 55 scholarships were awarded for the 2014 intake (19 for females), 20 for the public sector and 30 for the open category. Five awardees are also Australia Awards Leadership Program participants.

Achieving 50 per cent female awardees continues to be a challenge. Three of the priority sectors for scholarships (agriculture, infrastructure, law & justice) are not traditionally areas that attract high numbers of female applicants. However, the larger barrier is the lower female completion rates of secondary and tertiary education and the cultural barriers for women leaving extended family to pursue education abroad.

The Australia Awards Alumni Association is a productive and supportive partner of the Australia Awards Scholarships with a large and growing membership. In 2013-14, with the support of the Australian aid program, the Association held a range of professional development and networking activities aimed at enhancing the people-to-people, organisation and institutional linkages created through the scholarships program.

Disability inclusive development

In 2013, Australia consolidated its disability programs and developed a new single, larger, longer-term program – the Disability Rights Initiative Cambodia (DRIC) – in partnership with UNDP, UNICEF and WHO. This five year program's objective is 'to improve quality of life for people with disability in Cambodia.' This investment is Australia's largest ODA funded disability program globally. The program maintains its support to the Cambodian Disabled People's Organisation (CDPO) and the Disability Action Council (DAC) and was crucial to enhancing the participation of people with disabilities in the 2013 national elections.

Mutual Obligations

The Cambodian Government has recently published its new National Strategic Development Plan. For 2013-14 we have assessed performance against the four former priority areas of reform - decentralisation and deconcentration, legal and judicial reform, public financial management and public administration reforms. Next year's APPR will assess government against its new reform agenda.

Reform in each of these core cross-cutting areas has been slower than expected. There are a number of reasons including entrenched interests across national and sub-national institutions and the size and scale of the reforms being attempted. Nevertheless, the limited progress has had a positive effect on Australia's aid program. The Cambodian government has:

- › Established sub-national administrative structures with nearly 10,000 civil servants integrated into the new structures.
- › Largely completed the design of sub-national administration systems.

- › Established the District/Municipality Fund, created by a transfer 0.8% of the national recurrent revenues to sub-national levels. These funds support an extensive and active capacity development program, including organizational development, training, and coaching and mentoring of councillors.
- › Adopted three fundamental laws governing the judiciary - Law on the statute of Judges and Prosecutors, Law on the Organization and Functioning of Courts and Law on the Supreme Council of the Magistracy.

Program Quality and Management

Annex E contains an assessment of progress against the Cambodia Program Performance Assessment Framework. Annex C provides details of the evaluations completed in 2013-14. The forward pipeline is strong with mix of continuing, concluding and future investments. Progress towards consolidation of investments is encouraging with four initiatives out of 28 to be closed over the next year. Nevertheless, with the requirement for increased efficiency combined with a range of potential new programs, continued effort to consolidate the program is required.

Analysis of Quality at Implementation Ratings

Ratings for most indicators remained steady across 2012-13 and 2013-14. The 2013-14 QAI process found that almost all initiatives in the Cambodia program are highly relevant. They also rated well on M&E, sustainability, gender equality and effectiveness. The key areas for improvement are in the Rehabilitation of the Railway in Cambodia Project which rated 'less than adequate' on effectiveness and efficiency; the Cambodia Community Justice Assistance Partnership which rated as 'less than adequate' in effectiveness and sustainability; and Ending Violence Against Women in Cambodia which rated 'less than adequate' in efficiency.

Management responses, especially for the initiatives with 'less than adequate' rating are detailed below. Annex A reports on progress of management responses outlined in the 2013 APPR.

Four initiatives, including Support to Khmer Rouge Tribunal, Rural Electrification and Transmission Project, Smallholder Agriculture and Social Protection, and Cambodia Communication Assistance Project were exempted from quality reporting.

Performance of key delivery partners

Cambodia has been recognized as a leading partner country in implementing the *"Paris Declaration"* and *"Accra Agenda for Actions on Enhancing the Effectiveness of Cooperation Financing"* in the Asia-Pacific region. There is much more to be done, however, in achieving the effectiveness of cooperation financing. Government and stakeholders have committed to:

- » Ensuring the alignment of external assistance with national priorities.
- » Harmonizing processes for managing external flows.
- » Building capacities for improved public sector management.

Multilateral agencies continue to maintain a significant presence in Cambodia. The Cambodian Government's reengagement with the World Bank is progressing slowly. This will have implications for Australia's aid strategy going forward, particularly in the health sector. The Asian Development Bank's portfolio in Cambodia has grown significantly. Between 2006 and 2011 the bank signed agreements for US\$377 million in new Asian Development Fund loans and US\$211 million in new Asian Development Fund grants.

28 United Nations agencies maintain a presence in Cambodia and, while this number has diminished, the UN remains an important part of the aid landscape. In particular, DFAT works with the Food and Agriculture Organization, the World Food Programme, UN Women, United

Nations Population Fund, United Nations Development Programme, World Health Organization and United Nations Children's Fund. Multilaterals represent an efficient model for delivery of aid in Cambodia and allow us to leverage the aid dollar by combining with larger programs. However multilateral bodies also represent some of our poorer performing partners.

Risks

Table 3 Management of key risks to achieving objectives

Key Risks	What actions were taken to manage the risks over the past year?	What further actions will be taken to manage the risks in the coming year?
Agriculture and rural development <ul style="list-style-type: none"> - Difficulties with relationship between CAVAC and key government counterparts prevents or delays program implementation. - No successor program for CAVAC upon its completion in December 2015. 	<p>Post and CAVAC organised quarterly meetings with government counterparts to resolve issues related to irrigation activities.</p> <p>Work was commenced on CAVAC Phase 2 design including discussions with the Cambodian Government and development partner counterparts</p>	<p>Post to engage counterparts early on CAVAC Phase 2 design.</p> <p>CAVAC Phase 2 design process completed by end March 2015</p>
Health <p>No successor program for HSSP 2 upon its completion in December 2015.</p>	<p>Initial discussions were held with the Cambodian Government and development partners regarding the successor program.</p>	<p>Ongoing consultation with Ministries of Health and Finance</p> <p>Australian led design process with development partners and Cambodian Government to be finalised by June 2015</p>
Infrastructure <p>Resettlement remains the major risk until end 2014.</p>	<p>The Program was actively managed with significant management and staff resources devoted to resettlement and project implementation more broadly.</p>	<p>Develop exit strategy for resettlement activities</p> <p>Continue engagement with all stakeholders as per the past year.</p>
Law and justice <ul style="list-style-type: none"> - Lack of political and bureaucratic support for key outcome areas - fiduciary risk – small scale fraud - lack of strong linkages across portfolio particularly EAW and CCJAP - expectation by Cambodian Government that CCJAP will continue 	<p>Ongoing dialogue was held with counterparts in line ministries and provincial governments to agree on program outputs.</p> <p>Internal analysis and review commissioned on key issues – reviewed program objectives, police response to violence against women, impact of police posts on community safety.</p> <p>Ongoing participation in Legal and Judicial Reform Technical Working Group.</p> <p>Procurement and internal financial management processes overhauled, outputs based contracts instituted for government counterpart focal points, GPS trackers installed on project vehicles.</p>	<p>Act on the internal review of CCJAP outcome areas where appropriate</p> <p>Reinforce CCJAP end date at 2014 HLCs</p> <p>Develop CCJAP exit strategy in consultation with Ministry of Interior (MOI)</p> <p>Ongoing dialogue with key counterparts</p> <p>Recruit EAW Coordinator to design CCJAP EAW activities</p> <p>Include CCJAP, Police and MOI in EAW Steering Committee.</p>
<p>Disability – Slow and/or difficult implementation of new program does not meet expectations of partners.</p>	<p>Monitored progress with key partnerships and activities and where applicable, advocated for improvements through board meetings and other governance structures.</p>	<p>Continued monitoring for performance. Where appropriate, funding will be redirected to higher performing activities.</p>

Management Responses

Strategic priorities for the Cambodia program during 2014-15 are:

- › Through High-Level Consultations in September, seek agreement from the Cambodian Government on strategic direction, program consolidation, clear mutual obligations and enhanced performance benchmarks

- › Maintain dialogue with the Cambodian Government on key reform areas
- › Continue to ensure programs are delivered through mechanisms that minimise fiduciary risk
- › Move out of programs where we are underperforming
- › Continue to ensure compliance of all program partners with child protection policies
- › Expand the collection and use of gender disaggregated data across all programs.

Sector specific








- › Agricultural and rural development:
 - » Initiate an Investment Design for a second phase of CAVAC.
 - » Develop improved outcome level reporting in CAVAC
 - » Link sector reporting to DFAT Aid for Trade and private sector development objectives
- › Health:
 - » Work with key donors and technical agencies to support the Cambodian Government develop a roadmap for a more sustainable health financing mechanism in line with the next health strategic plan particularly addressing the 'near-poor' and marginalised groups
 - » Implement the exit strategy for HAARP Cambodia
- › Infrastructure:
 - » Continue realignment towards small scale projects and private sector partnerships
 - » Ensure documentation of lessons learned from the Rehabilitation of the Railway in Cambodia Project
 - » Closely manage the completion of any resettlement activities
- › Law and justice:
 - » Refocus CCJAP on those areas where there is progress and Cambodian Government support based on internal review and agreement with Cambodian Government.
 - » Link CCJAP and ERAW community policing and justice components to maximise program synergies to improve police response and access to justice for women suffering violence.
 - » Develop exit strategy for CCJAP
 - » Use surveys and research in CCJAP and ERAW to guide 2015 ERAW programming

Annex A




Progress in addressing 2012-13 management responses

Management consequences identified in 2012 annual program performance report	Rating	Progress made in 2013-14
Overall program		
Given the rapid pace of change in Cambodia, Post will continue to closely monitor the development context and engage closely with key stakeholders over the coming year as we set our future strategic direction. This will involve early work on country and sector specific strategies that have a strong focus on flexibility and adaption to changing circumstances.	Green	Strong progress made on key analysis for future strategic direction over 2013-14 in line with move to new strategy from 2015 onwards.
To ensure adequate staff resourcing, Post will recruit appropriately skilled people and provide ongoing staff development to enable Post to manage an expanding program that operates within an uncertain and rapidly changing environment.	Green	The AusAID-DFAT integration process necessarily led to some delays in recruitment. Alignment of conditions of service has also presented challenges for staff. However, new human resources and management structures have now been fully implemented and staffing levels and staff movement has stabilised.
A range of due diligence assessments will be undertaken to ensure compliance with DFAT's new due diligence framework and to improve implementation of high risk programs.	Green	Achieved: Since January 2013, due diligence assessment was conducted on organisations prior to them receiving new funding.
Opportunities will be explored to make greater use of outputs-based mechanisms with strong economic business case for the design and delivery of Australian investments.	Green	Investing in Infrastructure (3i) design process commenced. Health Equity Funds prioritised in health financing. CCJAP implemented outputs based contracts for government focal points CCAP incorporates outputs based contracts with Provincial counterparts for project deliverables. CAVAC continued implementation of outputs based contracts.
Policy options will be developed to address the increasingly complex and sensitive issue of salary supplementation to government counterparts seconded to work on Australian funded projects	Amber	Australia has participated in development partner dialogue and research on this issue in an attempt to forge a consensus position. An internal research paper has been written for discussion within the Embassy which will feed into discussion around development partner recommendations and Cambodian Government policy directions on subsistence allowance continuing through 2014. CCJAP and EAW programs using outputs based contracts as an alternative approach.
Objective 1a, 1b: Increased value of agricultural production and smallholder income in targeted provinces		
Prepare a rural development delivery strategy by the end of 2013	Green	Due to changes in the Australian Aid Program architecture this will no longer be completed.

Management consequences identified in 2012 annual program performance report	Rating	Progress made in 2013–14
Liaise frequently with the World Bank and government representatives to help progress implementation of the cash transfer pilot through the Smallholder Agriculture and Social Protection Trust Fund		Progress has been slow but steady. The World Bank has advised that the pilot design should be completed imminently.
Work with and encourage the Cambodian Mine Action and Victim Assistance Authority and United Nations Development Programme to implement key recommendations of the mid-term review and bidding review of the Clearing for Results (Phase II) program		Several recommendations have been followed, though some slowly or not at all. Post will continue to follow up on these.
Finalise Development for All design and commence implementation.		Completed. Program implementation has begun.
Objective 2: Increased access to quality health services through improved health management		
Produce a new delivery strategy for the health sector in 2013–14		The delivery strategy was drafted, but not finalised due to changes to the aid program's internal process.
Recommence and enhance policy dialogue with the Cambodian Government over key reforms in the health sector. This includes budget transparency and counterpart funding to health equity funds and contraceptive commodities		Australia has held good policy discussions with the Cambodian Government. A key success has been gaining the agreement of the Cambodian Government to increase its funding to contraceptive commodities through the national budget. We also held robust discussions regarding expanding access to subsidised health care for the near-poor and other vulnerable groups.
Negotiate the extension of the second Health Sector Support Program		The Second Health Sector Support Program has been extended until December 2015
Start designing a successor program to the second Health Sector Support Program		A successor program to HSSP2 is being developed, in collaboration with other development partners and the Cambodian Government
Begin implementing the Partnering to Save Lives program		Achieved
Objective 3: Improved infrastructure quality, quantity and access		
Develop delivery strategy for infrastructure, noting the move towards alignment with other key sectors of the country strategy, particularly agricultural productivity and rural development		Delivery Strategy no longer required under revised Aid Programming Guide. Concept note for future infrastructure investments being developed for discussion at High Level Consultations in September 2014. 3i design process commenced.
Select interim infrastructure investments on the basis of their alignment with the emerging strategy, as outlined above		Internal policy approval to invest in Phase 2 of the ADB Rural Roads Improvement Project approved in 2014. Project expected to commence 2014-15.

Management consequences identified in 2012 annual program performance report	Rating	Progress made in 2013-14
Continue to move towards an end date of December 2013 for engagement in civil works component of the Cambodia Railway Rehabilitation Project		Achieved
Closely monitor the implementation of relocations--including the final 100 households which are due to relocate in 2013--and continue seeking improved conditions at resettlement sites		Achieved. Policy dialogue ongoing with Cambodian Government. Field visits to relocation sites occurred throughout 2013-14. Infrastructure upgrades completed at every project resettlement site. Financial literacy training delivered to each family relocated under the Railway project. Resettlement of the final 100 households on hold until the Cambodian Government agrees to continue works on the relevant section of line: this decision has not yet been confirmed.
Ensure rural electrification project commences implementation.		Achieved: some delays experienced but in inception phase
Objective 4: Women, youth and children are safer and communities have less crime, a more effective non-custodial sentencing system, strengthened evidence-based performance management		
Ensure effective transition to, and implementation of, the Cambodia Community Justice Assistance Partnership (CCJAP Phase 4). This includes closely monitoring the change in focus to ensure that a well-established program is able to effectively transition to its new strategic focus.		Achieved
Establish an alternative sentencing pilot in two provinces with Cambodia Community Justice Assistance Project (CCJAP Phase 3) support		Not achieved: MOJ released three circulars to guide judges and prosecutors, but these do not provide much further guidance to stakeholders and there seems little appetite in Ministry of Justice to pursue this issue.
Continue policy dialogue with the Ministry of the Interior and Ministry of Justice to support technical assistance for alternative sentencing, as well as small scale infrastructure to alleviate prison overcrowding.		Partly achieved: Alternative sentencing not satisfactory as per above comment. However small scale infrastructure in prisons has helped improve prison conditions.
Start implementing the Ending Violence Against Women program, including establishing a joint steering committee, a memorandum of understanding with the Ministry of Women's Affairs, and agreements with the four implementing partners.		Achieved. Joint Steering Committee established. Memorandum of Subsidiary Arrangements signed. Agreements with major implementing partners signed.

Note:

-  Achieved. Significant progress has been made in addressing the issue
-  Partly achieved. Some progress has been made in addressing the issue, but the issue has not been resolved
-  Not achieved. Progress in addressing the issue has been significantly below expectations

Annex B

Quality at Implementation (QAI) ratings

Initiative name	Approved budget and duration	QAI year	Relevance	Effectiveness	Efficiency	Monitoring and evaluation	Sustainability	Gender equality	Risk management
Cambodia Agricultural Value Chain Program	\$61m 6.5 years	2012	6	6	5	6	5	5	M
		2013	6	5	5	6	5	5	
Smallholder Agriculture and Social Protection	\$4.3m three years	2012	5	4	4	3	4	5	M
		2013	E	E	E	E	E	E	E
Clearing for Results Phase II	\$6.3m three years	2012	6	6	5	6	4	5	M
		2013	6	5	5	4	5	4	M
Cambodia Delivering Better Health	\$74.8m 8.5 years	2012	5	5	3	5	4	5	M
		2013	5	5	4	5	5	5	M
Cambodia Railway Rehabilitation Project	\$27.7m 4.5 years	2012	6	3	2	4	5	4	I
		2013	6	3	3	4	5	4	I
Southern Coastal Corridor Cambodia	\$10.3m 7.5 years	2012	5	4	4	4	3	4	M
		2013	5	5	5	5	4	4	M
Cambodia Road Asset Maintenance Project	\$6.0m six years	2012	5	4	4	3	4	3	M
		2013	5	5	5	5	4	4	M
Cambodia Emergency Flood Rehabilitation Project	\$5.0m three years	2012	5	5	5	5	5	5	M
		2013	5	5	5	5	5	5	M
Rural Electrification and Transmission Project	\$7.7m six years	2012	E	E	E	E	E	E	E
		2013	E	E	E	E	E	E	E
Cambodia Law and Justice Sector Support	\$15.0m 3.5 years	2012	4	5	5	4	n/a	n/a	M
		2013	4	3	4	4	3	4	M

Initiative name	Approved budget and duration	QAI year	Relevance	Effectiveness	Efficiency	Monitoring and evaluation	Sustainability	Gender equality	Risk management
Community Development Fund	\$4.3m four years	2012	4	4	5	4	3	4	I
		2013	4	5	4	4	4	4	M
Support to Khmer Rouge Tribunal	\$16.9m 11 years	2012	E	E	E	E	E	E	E
		2013	E	E	E	E	E	E	E
Cambodia Communication Assistance Project	\$2.0m two years	2012	5	5	5	5	5	5	M
		2013	E	E	E	E	E	E	E
Cambodia Public Financial Management	\$3.3m 10 years	2012	4	3	3	4	3	2	B
		2013	4	4	3	4	4	3	B

Definitions of rating scale:

Satisfactory (4, 5 and 6)

■ = 6 = Very high quality

■ = 5 = Good quality

■ = 4 = Adequate quality, needs some work

Less than satisfactory (1, 2 and 3)

■ = 3 = Less than adequate quality; needs significant work

■ = 2 = Poor quality; needs major work to improve

■ = 1 = Very poor quality; needs major overhaul

Risk Management scale 2012:

■ Mature (M). Indicates the initiative manager conducts risk discussions on at least a monthly basis with all stakeholders and updates the risk registry quarterly.

■ Intermediate (I). Indicates the initiative manager conducts ad-hoc risk discussion and updates the risk register occasionally.

■ Basic (B). Indicates there are limited or few risk discussions and the risk register has not been updated in the past 12 months.

E – Exemption from QAI

n/a – not available

Annex C

Evaluation and Review Pipeline Planning

List of evaluations completed in the reporting period

Name of Initiative	AidWorks number	Name of evaluation	Date finalised	Date Evaluation report uploaded Into AidWorks	Date management response uploaded Into AidWorks	Published on website
Law and Justice Support Sector	INK523	The Impact of Police Posts on Crime and Safety in Cambodian Communes: An assessment of commune police post construction 2011-2013	20 May 2014	22 May 2014	N/A	No. An internal management document that is being used to assist in planning.
Law and Justice Support Sector	INK523	Crime Prevention and Community Safety Project Results Survey	20 May 2014	22 May 2014	N/A	Not yet. Permission will be sought from National Management Board of CCJAP.
Assessment of National (PFM) Systems	N/A	Assessment of National Systems Cambodia	Not yet finalised	N/A	N/A	Yet to be approved.

List of evaluations planned in the next 12 months

Name of Investment	AidWorks number	Type of evaluation	Purpose of evaluation	Expected completion date
Rehabilitation of Railway in Cambodia Project	INI552	Independent Evaluation	to verify program outcomes	December 2015
Cambodia Emergency Flood Rehabilitation Project	INK456	Independent Evaluation	to verify program outcomes	December 2015
Southern Coastal Corridor Cambodia	INH666	Independent Evaluation	to verify program outcomes	December 2015

Cambodia Law and Justice Sector Support	INK523	Progress review	to assess progress in cooperation with Cambodian National Police on addressing violence against women	December 2015
Australian Development Scholarships	INJ293, INJ676, INK662	Independent Evaluation	Verify program outcomes	March 2015
Cambodia: Delivering Better Health	ING741	Independent Evaluation	Verify program outcomes	December 2015
Cambodia Communications Assistance Project	INK481	Progress Review	To assess and verify program outcomes	September 2014

Annex D

Performance Benchmarks 2014 -15

Identify a small set of performance benchmarks to be used to assess the performance of the country or regional program in 2014-15. Performance benchmarks can reflect intended results (e.g. 250 scholarships provided), milestones (e.g. construction started/completed on an infrastructure project) or measures of increased effectiveness and efficiency (e.g. better investment quality ratings).

Aid objective	2014-15 benchmark	Rationale for selecting this performance benchmark
<i>Describe the objective of the program that the performance benchmark will measure progress towards, as per the relevant Country Program Strategy or AIP.</i>	<i>Describe the performance benchmark.</i>	<i>Provide a brief description of the reasons for selecting this performance benchmark with respect to the criteria outlined in the Good Practice Note (section 4, page 3).</i>
<i>Objective 1: Rural poverty reduction through agricultural development</i>		
Increased value of agricultural production and smallholder income in targeted provinces	Rehabilitation or construction of six irrigation infrastructure schemes, allowing irrigation for up to an additional 3,950 ha of land , allowing 3,950 farmer households to plant additional crops each year	The largest activity conducted by the Cambodia Agricultural Value Chain program (CAVAC) each year is the design and construction of irrigation infrastructure in three provinces. This makes it an ideal performance benchmark. DFAT asked CAVAC to increase the quantity of infrastructure supported in this, the final year for major construction works. Construction occurs in cycles based on the rainy season, so progress can be matched to a 12 month period. Existing program monitoring can provide this data.
Poor and vulnerable Cambodians will be increasingly protected against chronic poverty and hunger, shocks, destitution and social exclusion, and benefit from investments in their human capital	At least 25.7 square kilometres of land contaminated by landmines and other ERW released for productive use	Over 80 per cent of project funds are allocated for land clearance and release activities so this is the most useful activity for a performance benchmark. Through its competitive bidding process the project has already achieved substantial increases in cost-efficiency. Contracts for land release are set for 12 month periods and verification is confirmed through regular program monitoring.

Objective 2: Increased access to quality health services for the poor, women and children, progressing towards the health MDGs.

Increased access to quality health services through improved health management	84% births attended by trained health staff (Australian contribution: 287,662 x 12/328.048 = 11,118 births).	Skilled birth attendance is essential to reduce maternal mortality and also acts as a proxy indicator for the strength of the health system.
	93% of poor people now able to access health care through the health equity funds.	Out-of-pocket expenditure on healthcare is a major driver of impoverishment in Cambodia and also inhibits use of available health services. Providing financial protection through the health equity funds encourages use of health care and reduces impoverishment from catastrophic health costs

Objective 3: Improved transport and energy infrastructure

Improved transport infrastructure to support increased economic activity.	80% of physical completion of national, provincial and rural roads under Flood Damage Emergency Reconstruction Project I	Repairs to flood damaged roads will have significant impact on economic recovery and development in flood damaged areas.
---	--	--

Objective 4: Prosperous, safe and secure communities in Cambodia

Women, youth and children are safer and communities have less crime.	Agreement with Ministry of Women's Affairs on 2015-2017 Australian funded EVAW activities.	Will provide certainty and clarity to EVAW program over next 4 financial years. Any agreement based on three milestones to be reached by the end of 2014. 1. Approval by the Cambodian Government of the National Action Plan on Violence Against Women will provide the platform on which to structure a coordinated EVAW program. 2. Foundation activities funded by Australia over 2013-14 will provide the evidence and lessons learned on which a 3 year program can be built. 3. The signing of the Memorandum of Subsidiary Arrangements in August 2014 provides the formal basis on which to negotiate a future program with the Cambodian Government.
--	--	---

Annex E

Australia–Cambodia Joint Aid Program Strategy 2010–2015 performance assessment framework

Cambodian Government development outcomes 2015	Australian Government country strategy objectives 2015	Strategy objective Indicators	2012 milestones	2013 milestones	2014 milestones	Australian Government assistance
1. Rural poverty reduction through agricultural development						
Accelerated growth in the value of national agricultural production	1a. Increased value of agricultural production and smallholder income in targeted provinces	<ul style="list-style-type: none"> › 120 000 poor men and women farmers reporting rice and vegetable yields increased by seven per cent. › 30 000 ha of land under improved water management and irrigation. › Cambodian Government and development partners implementing the government's strategy for agriculture and water in a harmonised and aligned manner 	<ul style="list-style-type: none"> › Partnerships in place with 15 companies and associations to improve the availability of quality inputs and information for farmers, as well as access to processing and final markets. › Six irrigation infrastructure improvements completed, giving up to 8600 ha of land access to irrigation and allowing up to 6600 farming households to grow additional crops during the dry season. › More than 6000 model farmer 	<ul style="list-style-type: none"> › Partnerships with 22 companies, counterpart ministries and associations to improve the availability of quality inputs and information for farmers, as well as access to processing and final markets. › Seven irrigation infrastructure improvements completed, giving up to 2,562 ha of land access to irrigation and allowing up to 4036 farmer households to plant additional crops each year. › 5700 model farmer households trained and sharing their 	<ul style="list-style-type: none"> › Major irrigation infrastructure works completed on all 21 schemes constructed through CAVAC › The majority of CAVAC irrigation schemes have been handed over to local stakeholders › 22,600 ha of land able to be irrigated as a result of construction by CAVAC › Outcome-level impacts (outreach, yield, production volume and income) of CAVAC projected for end of 2015 and end of 2017. › Program Strategy Objective 1 met by 	<ul style="list-style-type: none"> › Implementation of the Cambodia Agricultural Value Chain Program—Australia's flagship agricultural development program—in Kampong Thom, Takeo and Kampot. › Analytical support to implement policy and institutional reforms and design and evaluate pilot activities addressing priority constraints in smallholder agriculture through the World Bank.

Cambodian Government development outcomes 2015	Australian Government country strategy objectives 2015	Strategy objective Indicators	2012 milestones	2013 milestones	2014 milestones	Australian Government assistance
			households trained and sharing their knowledge with an estimated 60 000 other farming households.	knowledge with an estimated 51,300 other farming households.	mid-2015.	
Poor and vulnerable Cambodians will be increasingly protected against chronic poverty and hunger, shocks, destitution and social exclusion, and benefit from investments in their human capital	1b. Increased food and livelihood security for the rural poor through social protection and landmine clearance	<ul style="list-style-type: none"> › Social protection systems strengthened through improved targeting and safety net support for the poor. › Increased food security of vulnerable households through targeted food assistance and livelihood interventions. › Substantial progress on clearance of land mines and 	<ul style="list-style-type: none"> › Support provided to implement Cambodia's National Social Protection Strategy, including: <ul style="list-style-type: none"> » implementing recommendations to improve the identification of the poor households targeting mechanism » piloting the integration of social protection programs » assessing effectiveness and efficiency of cash versus food 	<ul style="list-style-type: none"> › At least 15 square kilometres of high priority land released through clearance or technical survey in support of local development priorities. › 11 250 targeted beneficiaries received food or cash scholarships under the cash-food scholarship pilot. › Public Assets and Livelihood Support program pilot and operational guidelines designed. Program 	<ul style="list-style-type: none"> › At least 25.7 square kilometres of land contaminated by landmines and other ERW released for productive use › Maternal and child nutrition cash transfer pilot begins operation 	<ul style="list-style-type: none"> › Clearing for Results (Phase II) program supporting mine/unexploded ordnance clearance and support to the Cambodian Mine Action and Victim Assistance Authority through the United Nations Development Programme. › Analytical support provided to implement policy and institutional reforms, pilot activities designed and evaluated to address priority constraints in social protection, through the World Bank. › Non-government organisation partnerships, which are improving the livelihood security of poor communities.

Cambodian Government development outcomes 2015	Australian Government country strategy objectives 2015	Strategy objective Indicators	2012 milestones	2013 milestones	2014 milestones	Australian Government assistance
		unexploded ordnance in priority areas, releasing at least 35 square kilometres of land to poor communities for livelihood purposes.	transfers » designing a pilot of cash transfers to support maternal health and child nutrition. » At least 12 square kilometres of high priority land released through clearance or technical survey in support of local development priorities.	reforms providing beneficiaries with cash transfers instead of physical rice were achieved.		
2. Health Service Delivery						
Increased access to quality health services for the poor, women and children, progressing towards the health MDGs.	2. Increased access to quality health services through improved health management	<ul style="list-style-type: none"> » Number of births attended by trained health staff. » Coverage of Health Equity Funds and Community Based Health Insurance. » Number of sites offering harm reduction services. 	<ul style="list-style-type: none"> » 281 822 births attended by trained health staff (AusAID contribution: 17 502). » 78% of poor people now able to access health care through the health equity funds. » Four sites (three needle and syringe program and one methadone maintenance therapy) providing 	<ul style="list-style-type: none"> » 369 690 births attended by trained health staff (AusAID contribution: 369 690 x 18/371 = 17 936). » 78% of poor people now able to access health care through the health equity funds. » Five sites (four needle and syringe program and one methadone maintenance therapy) providing 	<ul style="list-style-type: none"> » 84% births attended by trained health staff (Australian contribution: $287,662 \times 12/328.048 = 11,118$ births). » 93% of poor people now able to access health care through the health equity funds. » Five sites (four needle and syringe program and one 	<ul style="list-style-type: none"> » Harmonise with other donor partners in the Second Health Sector Support Program through the Joint Partnership Interface Group. » Align with Cambodian Government's National Strategic Plan for Health 2008–2015 and National Strategic Plan for Illicit Drug Related HIV 2008–2010, and support linkages to the national Public Financial Management and Administrative Reform program. » Support complementary activities with multilateral and bilateral agencies, non-government organisations and universities that provide evidence or pilot new methods for inclusion in Second Health Sector Support Program

Cambodian Government development outcomes 2015	Australian Government country strategy objectives 2015	Strategy objective Indicators	2012 milestones	2013 milestones	2014 milestones	Australian Government assistance
			<p>harm reduction services for people who inject drugs.</p> <ul style="list-style-type: none"> › Quality of health care improved by supporting pre-service training for midwives through seven Australian volunteer midwives, and by supporting establishment of national medical examinations. › Value for money assessment of training funded through our program conducted to improve efficiency. › Joint work undertaken with other donors to improve budget efficiency in the Ministry of Health through targeted discussions around the procurement budget. › Quality and 	harm reduction services for people who inject drugs.	methadone maintenance therapy) providing harm reduction services for people who inject drugs.	<p>and harm reduction activities.</p> <ul style="list-style-type: none"> › Policy, advocacy and technical engagement in the joint Cambodian Government–donor Health Technical Working Group.

Cambodian Government development outcomes 2015	Australian Government country strategy objectives 2015	Strategy objective Indicators	2012 milestones	2013 milestones	2014 milestones	Australian Government assistance
			<p>accessibility of care improved by supporting the decentralisation of health services through the government's decentralisation and de concentration process.</p> <p>› Equitable access to quality services supported by funding non-government organisations to provide maternal and neonatal care and eye care in hard to reach areas.</p>			

3. Infrastructure

Increase economic activity in targeted areas	3. Improved transport and energy infrastructure	<ul style="list-style-type: none"> › Higher traffic volume on improved rural roads. › Lower passenger and freight vehicle operating costs and travel times on improved rural roads. › More rural households benefiting from electricity provision. › Improved arrangements for infrastructure operations and maintenance. › National railway for freight is operational and competitive with national road transports. 	<ul style="list-style-type: none"> › Expanded income restoration program commenced (rail project). › Clear unexploded ordnance to start civil works (completed). › Award civil work contracts (done). › Upgrade and maintain roads in the project target areas (partially completed). › Construct a cross border facility to facilitate cross border movement (ongoing). › Implement resettlement plans (ongoing) › Implement environment management plan. › Approve and implement income restoration program at resettlement sites. › Approve and implement HIV/AIDS, Trafficking 	<ul style="list-style-type: none"> › Completed the civil works by the contractors as per revised plan (Almost complete). › One periodic and routine maintenance contract awarded through a competitive bidding process (Fully achieved). › 100 resettlement cases resolved (95 cases resolved, 19 rejected and 2 deferred due to changes in project scope). › 500 affected households accessing low income loan and safety net grant (Fully achieved). › Implementation of road safety awareness program (Fully achieved). › Established market rate for maintenance activities in Cambodia (not achieved). 	<ul style="list-style-type: none"> › Southern Coastal Corridor Project complete, with all works contracts in compliance with contract conditions › Road Asset Management Project complete, with all works contracts in compliance with contract conditions › Cross Border Facility at VN Border operational › Road Data Collection Management Unit in MPWT starts generating the annual roads maintenance planning prioritization › Commencement of medium voltage distribution works on the ground › 80% of physical completion of national, provincial and rural roads under Flood Damage Emergency Reconstruction 	<ul style="list-style-type: none"> › Southern Coastal Corridor Project (Asian Development Bank). › Road Asset Management Project (Asian Development Bank). › Rural Electrification and Transmission project (Asian Development Bank). › Cambodia Railway Rehabilitation Project (Asian Development Bank). › Flood Damage Emergency and Rehabilitation Project I (Asian Development Bank). › Flood Damage Emergency and Rehabilitation Project II (Asian Development Bank). › Rural Roads Improvement Project (Asian Development Bank).
--	---	---	---	---	--	---

			<p>Awareness and Prevention Program (ongoing).</p> <ul style="list-style-type: none"> › Establish project-specific website (done). › Complete road maintenance program for Year 2 and start road maintenance program for Year 3. › Commence rural electrification civil works. 		<p>Project I</p> <ul style="list-style-type: none"> › Commencement of civil works of Additional Financing Flood Damage Emergency Reconstruction Project › First contracts awarded under Rural Roads Improvement Project › Additional Australian supported projects for Household Affected by Railway Rehabilitation complete. 	
<p>4. Law and justice</p> <p>Prosperous, safe and secure communities in Cambodia</p>	<p>4. Women, youth and children are safer and communities have less crime. More effective non-custodial sentencing system. Strengthened evidence-based performance management.</p>	<ul style="list-style-type: none"> › Australian support will help commune and police posts to prevent crime and assist the formal justice institutions to deal justly with juveniles, women and other vulnerable groups. 	<ul style="list-style-type: none"> › Improved community safety in targeted districts. 	<ul style="list-style-type: none"> › Community of safety in targeted province improved as there was a higher rate of reported crime to police per 100,000 people decreased from 14 in 2012 to 11 in 2013 (The national figure decreased from 19 to 18 during the same period) 	<ul style="list-style-type: none"> › Cambodia National Police focus on gender based violence (GBV) response and prevention increases at national and subnational level › Crime Prevention and Community Safety (CPCS) related requests for CCJAP support at commune level 	<ul style="list-style-type: none"> › Through the Cambodia Community Justice Assistance Partnership (CCJAP Phase 4) to June 2016, support courts, police, prisons, provincial authorities and non-government organisations to improve community-based justice with a focus on the needs of juveniles and women. › Through the Cambodia Community Justice Assistance Partnership, harmonise with other donors including UN Women and GIZ, to strengthen the capacity of law enforcement to address violence against women.

				<ul style="list-style-type: none"> for gender based violence activities increase as a percentage of total CPCS related activities. › Ministry of Interior agree on role of Ministry of Women's Affairs and Ministry of Social Affairs, Veteran and Youth Rehabilitation in GBV CPCS activities › Rescoped EAW design agreed › Cambodia Demographic Health Survey finalised › Violence Against Women Prevalence Study field work commences › Cambodia Gender Assessment Violence Against Women Chapter published 	<ul style="list-style-type: none"> › Engage International Bridges to Justice to provide legal aid support in all Cambodia courts. › Work in partnership with Swedish International Development Agency through Transparency International Cambodia to support anti-corruption efforts › Provide policy and technical engagement in the Legal and Judicial Reform Technical Working Group. › Through the EAW program support the Cambodian Government to implement the National Action Plan on Ending Violence Against Women
	<ul style="list-style-type: none"> › By 2015, Australia aims to help reduce the number of people in pre-trial detention 	<ul style="list-style-type: none"> › Guideline for piloting alternative sentencing established and endorsed by Ministry of Justice 	<ul style="list-style-type: none"> › Three alternative sentencing circulars include judicial supervision, suspended sentence with 	<ul style="list-style-type: none"> › Alternative Sentencing Strategy initiated by Ministry of Justice 	

from 36% of the prison population to 25%, and increase non-custodial sentencing for petty crime convictions from zero to 25%.	to address overcrowding. › Draft prison law approved and enacted.	probation and community service approved by Ministry of Justice.	
› Between 2012 and 2015, help Cambodia implement a national crime database, prison database and court register to strengthen the administration of law and justice.	› Government structures to manage crime data of the police, database of court register, criminal case management of Appeal Court and the database of the prison established and strengthened.	› Cambodian National Police has capacity to operate and maintain the crime database with less support from CCJAP. › Data entry was done with prison database.	› General Department of Prisons reports improvement in accuracy of time served in prison due to CCJAP data management support
