



Australian Government

Department of Foreign Affairs and Trade



AID PROGRAM PERFORMANCE REPORT 2016-17

Cambodia

September 2017



KEY MESSAGES

Australia's aid program in Cambodia is a key component of the bilateral relationship. It sits within a broader suite of foreign, trade and aid policies which aim to strengthen the relationship and contribute to greater prosperity and reduced poverty within our region. Our aid program allows Australia to engage the Cambodian Government across a broad spectrum of ministries, and work constructively to influence system-wide policy change, most notably in areas like health financing. While development needs in Cambodia remain high, our aid program encourages Cambodia to increasingly take charge of its own development needs, and empower the private sector to play its part in Cambodia's ongoing development.

This report summarises the progress of Australia's aid program in Cambodia from July 2016 to June 2017, the second year of the Cambodia Aid Investment Plan (AIP) 2015-2018. In 2016-17, we provided \$89.1 million in development assistance to Cambodia through a variety of partners including multilateral organisations, managing contractors, the private sector and non-government organisations (NGOs).

Bilateral High Level Consultations on Aid, held in October 2016, confirmed Australia remains a trusted, responsive and respected partner. It also confirmed our aid investments are strongly responsive to Cambodia's needs, aligned to the Cambodian Government's development priorities and with Australia's national interests.

The past year was one of continuing consolidation. We reduced our active portfolio of agreements to 31, down from 53 agreements last year. All the while maintaining funding levels.

Australia continued to make sound progress against our objectives in agriculture, health and education. However, performance against our infrastructure objective remained mixed.

Investments to promote private sector development, aid-for-trade and inclusive growth performed strongly. Our major investments in agriculture and infrastructure have an explicit focus on working directly with the private sector to improve access to essential services in rural areas. The Cambodian Government and other partners value our role as a pragmatic donor willing to engage with risk to leverage development results in close collaboration with private sector actors. We leveraged over \$6.3 million of private sector funds into Cambodia's infrastructure sector in 2016-17, almost doubling our performance target.

With the majority of Cambodians still dependent on agriculture and the rural economy for jobs and income, Australia maintains a high performing portfolio of aid investments to provide better access to food, jobs and services for rural Cambodians. Cambodia's dependence on agriculture makes it particularly vulnerable to disasters and the impacts of climate change and our development assistance takes these risks into account. An independent evaluation of the first phase of our flagship agriculture investment—the Cambodian Agriculture Value Chain Program (CAVAC)—found the program to be an innovative, efficient and effective approach to improving the livelihoods of smallholder farmers. The second phase continues this approach, while increasingly using its successes and knowledge as a platform to influence policy reforms.

Cambodia's economy is strengthening, and becoming less reliant on donors. A major accomplishment of our health programs this year has been the degree to which the Government of Cambodia has taken on responsibility for implementing and financing key health system components, particularly those focused on providing services to the poorest. Guidelines developed and launched this year under the Ending Violence Against Women program have benefited from similar strong ownership from key Cambodian Government ministries.

This report outlines the tangible results the Australian aid program to Cambodia achieved in 2016-17. Highlights include:

- Support to 11 water and 14 energy companies to increase the financial viability of bringing piped, treated water and reliable electricity to rural communities, benefitting over 212,000 Cambodians, (51 per cent of who were women), exceeding targets.
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- Rehabilitation of flood damaged roads and drainage infrastructure, which enhanced resilience to flooding in the future and provided employment for unskilled labourers, 32 per cent of whom were women.
- Completion of seven new irrigation schemes as planned, to provide smallholder farmers (8,368 households) with reliable, affordable water throughout the seasons and climatic changes.
- Successfully transitioned management and implementation of the Health Equity Fund, the program that subsidises health care for the poorest 20 per cent of the Cambodian population, from external donors to Government of Cambodia.
- Shelter, counselling, legal aid and peer support services provided to over 7,000 women and their families affected by violence.
- Support to over 12,000 people (5,311 women) with a disability to vote in the 2017 commune elections, and disability services to 26,447 people (6,590 female), surpassing our goal by more than 40 per cent.

Consistent with the Australian Government’s commitment to an effective aid program that delivers value for money, we took decisive steps to identify and address aid investments that were performing poorly. As a result, two aid investments are now subject to detailed remediation plans to improve their performance. In addition, an updated robust Performance Assessment Framework now supports our assessment of individual investment performance and the program as a whole (see Annex E).

CONTEXT

Cambodia has made impressive gains in poverty reduction: from 53.0 per cent in 2004, down to 13.5 per cent in 2014.¹ Driving this poverty reduction is Cambodia’s economic growth record - it has been among the fastest growing economies in the world over the last two decades, a particularly impressive result for a post-conflict society. This growth remained strong in 2016 at seven per cent. On the back of growing foreign direct investment and manufacturing exports, the forecast is for continued strong growth in the coming years.

Cambodian Government revenue is growing, and remained at a similar proportion of GDP (18.5 per cent) in 2016 as previous years.² Though the national budget remains small, the Cambodian Government’s ability to use its own resources to meet public needs is steadily improving.

Incomes beyond the agriculture sector are improving due to high levels of investment in the garment and construction sectors. However, income inequality—particularly between urban and rural areas—remains high and risks widening. Indebtedness among low-income households is growing due to low agricultural commodity prices and rapid credit growth in recent years. This leaves many Cambodians exposed to financial shocks that can result in basic needs gaps. Other inequalities, based on gender and disability, remain pressing concerns particularly with the focus of the Sustainable Development Goals on leaving no one behind.

The political environment in Cambodia over the period of this report remained fraught. Preparations for the 2017 commune council elections and the 2018 national elections dominated the political discourse. While the conduct of the June 2017 commune council elections was smooth, the political atmosphere in the lead up to the election was tense, characterised by frequent legal skirmishes involving Opposition politicians, amendments to political party laws and heightened rhetoric. The situation deteriorated in September 2017 and will remain unpredictable in coming months, with national elections scheduled to take place in July 2018.

As outlined in the Cambodia AIP 2015-2018, Australia’s aid program prioritises three key objectives: improving access to infrastructure; increasing agricultural productivity; and, better health and education. Across all our aid investments we focus on inclusive participation, governance, women’s empowerment and disability. Our support prioritises innovative approaches to delivering aid, particularly working closely with the private sector to drive growth and reduce poverty. At the mid-point of our AIP, we judge our aid program to Cambodia is

¹ <http://www.kh.undp.org/content/cambodia/en/home/countryinfo.html>

² <http://documents.worldbank.org/curated/en/780641494510994888/pdf/114938-PUBLIC-may-16-8pm-Cambodia-Economic-report-v2-s.pdf>



delivering on these commitments. Our aid program remains relevant to development needs and aligns strongly to the Cambodian Government's priorities for development.

Our aid program has influenced how Cambodian Government revenue is budgeted. Our policy dialogue on health budget issues has translated to more equitable and higher-quality public health services. Long-standing Australian support to public financial management reform has also helped establish electronic systems for more robust financial management, and better links between budget processes and policy priorities. Such reforms underpin economic stability and broad-based prosperity.

Australia contributes to areas outside the scope of the Cambodian Government's national budget through our support to civil society and private sector focused aid investments. Australia's proactive approach to private sector development—through our agriculture and infrastructure aid investments—is achieving strong results. This is valued by civil society and increasingly by the Cambodian Government. While there are risks with this approach, and impacts are difficult to predict at the outset of new programs, a focus on the private sector has proved to be effective.

In 2016-17, Australia was Cambodia's fourth largest bilateral donor. China consolidated its position as Cambodia's largest donor, while Japan (USD \$120 million) and the United States (USD \$71 million) remained significant bilateral development partners for Cambodia³.

Australia's long-term, constructive relationship with Cambodia is broader than just our aid program and is allowing our two countries to work together effectively on complex and shared challenges, maximising opportunities for Cambodia and Australia.

EXPENDITURE

Total official development assistance (ODA) expenditure for 2016-17 is set out in Table 1. Regional and Global Programs include the Australian NGO Cooperation Program (ANCP), global contribution to the Australia Awards program and the Australian Volunteer program.

Table 1 Total ODA Expenditure in FY 2016-17

AIP Objectives	A\$ million	% of total ODA
Objective 1: Improving access to essential infrastructure	4.92	5.5
Objective 2: Increasing agricultural productivity and farmer incomes	21.73	24.4
Objective 3: Better health and education outcomes	28.26	31.7
Others: Inclusive participation and governance	7.39	8.3
Sub-Total Bilateral	62.3	69.9
Regional and Global	23.5	26.3
Australian Centre for International Agriculture Research (ACIAR)	3.3	3.8
Total ODA Expenditure	89.1	100.0

PROGRESS TOWARDS AIP OBJECTIVES

This report marks the half-way point of the Cambodia AIP 2015-2018.

The need for access to basic transport and energy **infrastructure** remains highly relevant. Strong results with our Investing in Infrastructure program and the Flood Damage Emergency Reconstruction Project show that

³ These figures are for 2016 and are provided by the Cambodia Government's aid coordination agency, the Council for the Development of Cambodia.



we have been able to deliver results. Our on-going irrigation work in the CAVAC program is providing essential economic infrastructure to improve the incomes of smallholder farmers. However, delays in the ADB-managed Rural Roads Improvement Project Phase 2 shows the importance of strong performance management by all implementing partners.

In **agriculture**, engagement will need careful management as the sector is vulnerable to external shocks caused by climate events (floods and droughts) and volatile food prices. Needs in agriculture remain and the sector is still crucial for livelihoods. However, shocks and government plans to rapidly modernise the sector could make it difficult for programs to remain effective. The flexible approach of the Cambodia Agriculture Value Chain Phase 2 helps mitigate these risks. Our landmine clearance project continues to achieve our benchmarks (8.8 km² of primarily agricultural land cleared this year) and is highly valued by the Cambodian Government. Despite these successes, other performance issues with this project remain a concern.

Australia's **health and education** programs made good progress this year. Our health investments continue to assist the Cambodian Government to deliver strong improvements in health outcomes by improving the quality of public health services, particularly for the poorest Cambodians. In 2016-17, the major achievement was to secure additional Cambodian Government resources to implement public health services, reducing reliance on donors.

Australia Awards Scholarships continue to provide opportunities for Cambodians to further their studies in fields that are vital for development. This year, 46 Cambodians were offered scholarships to pursue Masters degrees in areas such as epidemiology, agribusiness, molecular biology, public policy and health informatics. However, awarding at least 50 per cent of scholarships to women remains a challenge.

Table 2 Rating of the Program's Progress towards Australia's Aid Objectives

Objective	Previous Rating	Current Rating
Objective 1: Improving access to essential infrastructure	Amber	Amber
Objective 2: Increasing agricultural productivity and farmer incomes	Green	Green
Objective 3: Better health and education outcomes	Green	Green

Green. Progress is as expected at this stage of implementation and it is likely that the objective will be achieved. Standard program management practices are sufficient.

Amber. Progress is somewhat less than expected at this stage of implementation 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 at this stage of implementation and the objective is not likely to be met given available resources and priorities. Recasting the objective may be required.

OBJECTIVE 1: IMPROVING ACCESS TO ESSENTIAL INFRASTRUCTURE



Overall progress against Objective 1 remains amber for 2016-17. Our private sector focussed program made positive gains since the previous Aid Program Performance Report (APPR). Progress was slower than expected in 2016 on a major multi-donor rural road improvement project. Our infrastructure investments



support the Sustainable Development Goals 6 - Clean Water and Sanitation, 7 - Affordable and Clean Energy, 9 - Industry, Innovation and Infrastructure, and 13 - Climate Action.

Infrastructure development is a key priority for the Cambodian Government. While revenue growth has been strong in recent years, infrastructure investment in the national budget remains low by both regional and global standards. Non-concessional and concessional loans from China, Japan and the Asian Development Bank (ADB) fund most large-scale infrastructure. To improve the prioritisation and efficiency of investment in economic infrastructure, the Cambodian Government is aiming to establish a framework for Public Private Partnerships (PPPs) by 2020. Australia is a respected partner in this field and responded to a high level of interest by the Cambodian Government by delivering a workshop on PPPs at the High Level Consultations on Aid in 2016.

Access to basic infrastructure—such as grid-quality electricity and piped, treated water—has been steadily improving but remains limited in the rural areas where most Cambodians live and where the burden of household tasks often fall on women. Adequate national spending and institutional capacity to deliver public utilities in these areas will still take time to develop. To accelerate coverage of essential infrastructure, Australia is leveraging the private sector to deliver reliable energy and treated water to households through our **Investing in Infrastructure (3i) Program** (\$45.4 million, 2015 – 2021).

In 2016-17, 3i provided technical support and entered into ‘last mile’ funding contracts with 11 water companies and 14 energy companies. Through overall contract commitments of \$3.8 million, 3i has leveraged \$6.3 million of additional private investment (a leverage ratio of 1.6) which will bring piped, treated water or reliable electricity to over 210,000 people. Poorer households receive subsidies to meet modest connection fees. This support improves the quality of water and energy used by households. It is also making consumption cheaper as it enables a move away from expensive carted water, or inefficient diesel generators and car batteries. 3i has developed a gender sensitive approach to maximise the impact of energy and water connections on all members of the household.

Our support to the **Flood Damage Emergency Reconstruction Project** (\$12.6 million, 2012 – 2018), in partnership with the ADB, saw millions of dollars of roads and drainage infrastructure rehabilitation completed to help communities affected by severe flooding in 2011 and 2013. A more resilient and climate-proofed road network in Cambodia is essential for limiting the social and economic costs of extreme weather events. The project employed the ‘build-back-better’ philosophy, incorporating climate resilient design informed by a hydrology study. Progress in this last year was ahead of schedule with 96 per cent of physical works completed against a target of 93 per cent. On average, 32 per cent of unskilled labourers were women exceeding the target of 25 per cent. Our grant contribution closed on time and on budget in March 2017.

Approval of several major procurements under the ADB-managed **Rural Roads Improvement Program Phase 2** (RRIP II, \$22.6 million, 2014 – 2020) experienced substantial delays in 2016, leading to the program being rated as an ‘Initiative Requiring Improvement’ (IRI) in the 2016 Aid Quality Check. To address delays, civil works catch up plans were implemented reducing overall project slippage from -6 per cent in December 2016 to only -1.3 per cent by June 2017.

Physical works on our **Rural Energy Project** (REP, \$7.8 million, 2014 – 2018) experienced some delays this year. The rollout of transmission infrastructure, to connect up to 8,000 households to the electricity grid, was slower than expected. While the tempo of physical works improved in the second half of the year, a 12-month no-cost extension (to June 2018) was necessary to secure household connection outcomes. The project’s work to promote improved cook stoves (ICS), in partnership with NGO GERES, concluded successfully. By December 2016, REP had facilitated the sale of 85,000 ICS by working directly with stove manufactures, distributors and retailers. These ICSs provide health and economic benefits at the household level, particularly for women who accessed 63,000 of the ICSs provided by the project.



OBJECTIVE 2: INCREASING AGRICULTURAL PRODUCTIVITY AND FARMER INCOMES



Progress towards Objective 2 remains on track through the continued good performance of our flagship agriculture program, CAVAC, and is rated green. Two aid investments support Objective 2; both align with Sustainable Development Goal 2 - Zero Hunger and our agriculture value chain program aligns closely to Goal 13 - Climate Action.

Accelerated migration away from rural communities in search of jobs is having both positive and negative impacts on the agriculture sector. Off-farm jobs in the Cambodian construction and manufacturing sectors, and migration to Thailand and elsewhere, creates financial benefits through remittances. However, this is also causing chronic and acute labour shortages on many smallholder farms. Negative social impacts, such as childhood malnutrition and child protection issues, can be exacerbated when parents leave children behind as they search for off-farm jobs. This is transforming the rural economy and the structure of agricultural households.

External shocks—such as the collapse of the price for rice and other produce, as well as a severe drought—confirmed deep weaknesses remain in the agricultural sector. The price for the 2016 wet season rice harvest collapsed from US\$235 per tonne in 2015 to less than US\$130 in 2016. This caused profound hardship and anger from farmers nationwide. A severe drought in late 2016 compounded hardship for farming communities and underscored the lack of sufficient irrigation and water storage across Cambodia. Both events drove increased indebtedness in many farming households.

Cambodia Agricultural Value Chain Program Phase 2 (CAVAC II, \$89.7 million, 2016 – 2021), Australia's largest aid investment in Cambodia, responded effectively to these challenges. The program delivers irrigation infrastructure and knowledge to smallholder farmers to enable improved productivity, crop diversification and ultimately household incomes. The building of irrigation schemes is on schedule, with seven built to date (out of a total of 20 planned for the six-year program). To operate and maintain these schemes, CAVAC II established five Farmer Water User Communities (FWUCs). CAVAC II works with Provincial Departments to improve women's participation in the FWUCs and the design of the schemes to ensure equitable gender impacts. We estimate that an additional 8,368 farming households can now access year round reliable, sustainable irrigated water. This represents 38 per cent of the revised total impact number (22,000) for CAVAC's irrigation work to be completed by 2021, which is ahead of expected progress at this point.

CAVAC has established seven intervention partnerships with agricultural input suppliers to drive improvements in the quality of knowledge, services and products available to smallholder farmers. Similar contacts have been struck with the Cambodian Government to improve their ability to regulate and develop Cambodia's agriculture market. CAVAC II estimates these partnerships will provide over 18,000 farming households with enhanced ability to improve their farming practices.

CAVAC II continues to support the Cambodian Government's goal to export one million tonnes of milled rice per year. In 2016-17, the program completed investigations and strategies to support rice variety registration and release on five new rice varieties, including Sen Kra Ob—a fragrant rice variety with promising export potential. The program has also been influential in supporting the Cambodian Government's response to a European Union ban on the import of produce containing residue of a chemical widely used in Cambodia.

Climate change is one of the key challenges impacting agricultural productivity in Cambodia. This includes increased frequency and severity of floods, dry spells and drought events. In response to the climate change, CAVAC II integrated resilient measures to mitigate climate change impacts on agricultural production. These

include provision of high quality irrigation schemes; improving market resilience by offering a wide range of rice varieties; and, support for farmers to choose climate change resilient crops.

An Office of Development Effectiveness (ODE) evaluation of CAVAC's first phase (2010 – 2015), conducted in May 2017, verified CAVAC impacts. The evaluation found CAVAC to be an innovative, efficient and effective approach to improving the livelihoods of smallholder farmers. The report's recommendations provide a solid foundation to strengthen future Australian Department of Foreign Affairs and Trade (DFAT) market systems development programs, including CAVAC II. ODE will publish the report on its web site in October 2017⁴.

Clearing for Results Phase 3 (CfR-III, \$9.0 million, 2016 – 2019), managed by the United Nations Development Programme (UNDP), is the current phase of our long-running support for mine action in Cambodia. While CfR-III's work to clear landmines and other unexploded remnants of war did well, exceeding its benchmark performance indicator by 23 per cent, other vital quality investment standards on effectiveness and efficiency were not met. The project was rated as an IRI in the 2016 Aid Quality Check. Remediation efforts are ongoing.

The **Australian Centre for International Agricultural Research** (ACIAR, \$3.3 million in 2016-17) Cambodia program aims to improve the profitability of farming systems. In 2016-17, research partnerships focused on improving the resilience of crop and livestock systems, more effective forage and fodder production and improved use of water and soil nutrients. ACIAR also supported scholarships and professional development to build the leadership capacity of mid-career agricultural scientists and economists. Further information on ACIAR's Cambodia program can be found on their web site⁵.

OBJECTIVE 3: BETTER HEALTH AND EDUCATION OUTCOMES



The 2016-17 rating for this Objective remains green. Four Australian aid investments support Objective 3 and align with Sustainable Development Goals 3 – Good Health and Well-Being and 4 – Quality Education.

Health

The 2016 Cambodian Government Health Sector Report found the health system achieved most of its 2016 health outcome targets. While this is encouraging, changes in Cambodia's socio-demography and epidemiological profile means the health system is grappling with increasingly complex issues. These include communicable disease threats and other public health issues, and a demand for a more accountable and responsive health system. The Report identified specific challenges including strengthening the regulation and licensing of health care providers; improving the quality of routine service delivery; and, improving access for all Cambodians to quality public health services.⁶

Our major health investment, the **Health Equity and Quality Improvement Project** (H-EQIP, \$50 million, 2016 – 2020), is applying lessons learnt from previous health investments to target quality improvement and equity issues. While plans were put in place to ensure a smooth transition from its predecessor program without interruption of health service delivery on the ground, the project's official start date was delayed by four months. Work did continue ahead of the revised official start date, but full implementation of many H-EQIP activities was impacted. This affected the number of patients able to attend facilities for treatment. The system is now operating as it should, with the number of beneficiaries receiving treatment at near baseline levels.

Health indicators, updated recently in our revised Performance Assessment Framework, now align with H-EQIP targets. Reporting against revised health indicators will be available in early 2018.

⁴ <http://dfat.gov.au/aid/how-we-measure-performance/ode/Pages/the-office-of-development-effectiveness.aspx>

⁵ <http://aciarc.gov.au/country/cambodia>

⁶ 2016 Health Sector Report (Khmer version) distributed at the 2017 Health Congress in March 2017.



The major success for H-EQIP this year has been the transition to Cambodian Government ownership of the project including in management, implementation and financing. The Ministry of Health is implementing the project, particularly the Health Equity Fund component, with limited external donor support. This is in comparison to the preceding project where a donor Program Implementation Unit was necessary. Cambodian Government funding of H-EQIP, originally estimated to be 54 per cent of total funding, has already exceeded expectations. In the first nine months of operation, the Cambodian national budget funded 64 per cent of program costs. While this ownership has taken substantial effort to establish, it will ensure the long-term sustainability of the system. There will be a continued need to ensure capacity constraints within the Ministry of Health are carefully monitored and addressed.

H-EQIP is using performance-based payments (called disbursement-linked indicators, or DLIs) to drive performance improvement necessary for quality public healthcare. This is the first time the World Bank is using its DLI mechanism in Cambodia. H-EQIP met three-quarters of its 2016-17 DLI targets. The remaining unmet DLIs will require restructuring due to the changing circumstances in the health sector.

Australia has effectively used H-EQIP as a platform for reform efforts across the health sector more broadly, with a focus on sector financing and quality service provision. In 2016-17, we used our leadership role as Chair of the H-EQIP Donor Committee to drive key health reforms. This included influencing the restructure of malaria, HIV and tuberculosis assistance in Cambodia delivered through the Global Fund (which Australia also supports through our global aid programming). Australia's efforts also secured a gender analysis of H-EQIP to inform stronger gender performance during project implementation.

Our investment in the **Identification of Poor Households Program Phase 3** (IDPoor3, \$5.3 million, 2016 – 2019) continues long-term efforts to identify the poorest Cambodians so they can access essential social services, such as health services under H-EQIP. The program is on track to roll out the IDPoor system to urban Cambodian households. Rapid economic and social changes in Cambodia means IDPoor3 must adapt if it is to remain effective. Analytical and piloting work is underway to support this adaptation.

Our **Partnering to Save Lives Program** (PSL, \$19.7 million, 2013 – 2018) is now in its final year and focused on concluding activities and sustaining outcomes. In 2016-17, PSL kept its focus on the four northeast provinces that lag behind in health outcomes due to more remote populations and higher proportion of ethnic minority groups. PSL also supports reproductive health and family planning activities in an additional 18 provinces and 20 garment factories. In 2017, PSL won a CARE innovation award for its Chat! Contraception package used in garment factories. This Chat! package will now be implemented in garment factories beyond Cambodia. This year PSL also focused on strengthening sexual and reproductive health rights for women with disabilities.

Sexual and reproductive health services in Cambodia will face funding challenges in the coming years. This is due to changes in global donor financing trends as well funding reductions in Cambodia – many programs, including PSL, will end in the near future. DFAT is using its influence in the health sector to develop a sustainability strategy for this work, including advocating for greater Cambodian budget allocation. This agenda is important to strengthen women's economic empowerment in Cambodia.

Education

Since the Australian Government began offering scholarships in Cambodia in 1994, over 700 Cambodians have completed their PhDs or Masters in Australia. Many alumni have become leading professionals in their fields working as senior Cambodian Government officials, CEOs, academics and researchers. They are the next generation of influencers and leaders in Cambodia and key interlocutors across all aspects of our bilateral relationship.

In 2016-17, Australia Awards Cambodia aimed to offer 50 **Australia Awards Scholarships**, 50 per cent of which would be to women. This was not achieved. Only 45 Australia Awards Scholarships were offered, 16 of which were offered to women. We did not reach our target due to an increase in the number of ineligible applications, a decrease in applications from women and an overall lower quality of women applicants, compared to previous years.





To address the eligibility and gender equity issues, Australia Awards Cambodia undertook a more extensive promotions campaign in early 2017 for the next scholarships intake. This included more information sessions to highlight eligibility requirements. Australia Awards Cambodia also jointly hosted a women in leadership workshop with the Cambodian Ministry of Women’s Affairs. Through these activities, we expect an increase in the number and quality of applications from women for the 2018 Australia Awards Scholarships intake.

Australia Awards Scholarships in Cambodia continue to fill a development gap in key sectors outlined in our Cambodia AIP 2015-18, including agriculture (16 per cent); health (22 per cent); infrastructure (13 per cent, a nine per cent increase compared to 2015-16); reducing violence against women (11 per cent); education management (2 per cent); trade (20 per cent); and other sectors (16 per cent). Postgraduate studies in these sectors are less likely to be pursued by self-funded students.

In 2016-17, we funded a Secretariat to support the Australian Alumni Association of Cambodia (AAA-C), an association for all Cambodians who have studied in Australia. We supported the AAA-C to deliver 10 alumni activities in 2016-17, including a thematic workshop on environmental reform in Cambodia. This event attracted over 150 participants, including Australian Government and self-funded alumni, Cambodian Ministers, international businesspeople in Cambodia, private sector representatives, academics and representatives from multilateral partners and NGOs. We will build on this in 2017-18 to grow our alumni community in Cambodia and strengthen our connections.

CROSS-CUTTING ISSUES



We support a range of investments which contribute to inclusive participation and improved governance. These are complementary to our key objectives in infrastructure, agriculture, health and education. Strong networks built and maintained through these investments contributed to successful implementation of broader Australian objectives in Cambodia, such as consular services and Australian Federal Police cooperation with Cambodian counterparts.

Inclusive participation

Australia is a principle donor to the disability sector in Cambodia, with our support for disability-specific programs beginning in 1995. Based on global data, an estimated 2.25 million people live with a disability in Cambodia. The **Disability Rights Initiative Cambodia Program** (DRIC, \$10.4 million, 2014 – 2017)—implemented by UNDP, World Health Organization, United National Children’s Fund and NGOs—is the only disability-specific initiative funded by DFAT in South-East Asia.

This year DRIC ensured greater representation of disability groups in Cambodian Government policy development. For example, we worked with the National Election Committee to ensure reasonable adjustments for people with disabilities were made so they could exercise their political rights at the 2017 commune elections. As a result, 12,652 people with a disability registered to vote in the 2017 elections, with Embassy staff witnessing some voting during election monitoring.

This year DRIC also contributed to the provision of physical rehabilitation services to 26,447 Cambodians, (6,590 of who were women) and produced or repaired 21,808 assistive devices. DRIC’s NGO grant schemes reached 67,227 beneficiaries. The program continues to achieve well above the Performance Benchmark.

In Cambodia, at least one in five women between the ages of 15 and 64 have suffered physical or sexual intimate partner violence in their lifetime. The **Cambodian Ending Violence Against Women Program** (EVAW, \$13.4 million, 2012 – 2017) aims to change attitudes and prevent violence so that women and girls can be safe in their homes, workplaces and communities.



This year Australia's funding provided shelter, counselling, legal aid and peer support services to 7,469 women and their families. In its final year of implementation, the EAW Program has focused on developing policy and practice guidelines to support service providers in delivering quality services to people affected by violence. February 2017 saw the launch of the Referral Guidelines for Women and Girl Survivors of Gender-Based Violence (GBV); and, the Minimum Service Standard for Basic Counselling of Women Survivors of GBV. EAW program partners have also trialled the implementation of a Clinical Handbook on Health Care for Women Subjected to Intimate Partner and Sexual Violence. The clinical handbook is for health care providers in health centres and referral hospitals to increase their understanding of violence against women and to provide first-line support and clinical management for victims.

Improved governance

In 2016-17, we began our **Community Policing Initiative** (CPI, \$4.4 million, 2016 – 2019). CPI works in partnership with the Cambodia National Police (CNP) to establish community-policing approaches. The initiative aims to strengthen responsiveness under the Cambodia Village and Commune Safety Policy and improve police responses to GBV. CPI is leveraging the CNP's genuine interest in reforming the delivery of police services at the commune level in Cambodia, resulting in a truly partner-driven initiative. In 2016-17, CPI undertook a major survey to identify crime and safety issues in all 1,633 communes across Cambodia. Based on the results of this survey, CPI has helped CNP to develop three community policing guideline kits addressing GBV, drugs and theft. The CPI initiative complements the EAW Program and supports the relationship between the CNP and Australian Federal Police.

Australia continues to be one of the key financial supporters to the **Extraordinary Chambers in the Courts of Cambodia** (ECCC), also known as the Khmer Rouge Tribunal. In November 2016, a final judgement upheld life sentences for crimes against humanity for two of the most senior surviving members of the Khmer Rouge regime. Over 200,000 Cambodians have attended the trials since the ECCC's inception. This exceeds the number of spectators of the other major international war crimes tribunals in the last 20 years combined. Up to 530,000 people have watched the courts' proceedings through television and radio coverage. Cambodians gain a more balanced, complete understanding of their history through ECCC outreach programs.

The **Cambodia Communications Assistance Project Phase 2** (CCAP2, \$3.5 million, 2015 – 2018), delivered by the Australian Broadcasting Corporation, is the only program of its kind in Cambodia. Through local radio programs, CCAP2 builds 'bridges' between citizens and local government and strengthens citizen participation at the sub-national level. In 2016-17, the program helped deliver 1,068 talkback radio programs, an established platform for citizens to raise concerns and ask questions of their local government officials, as well as 283 programs to improve awareness and reporting of violence against women. New and improved Facebook pages established by CCAP2 have already generated over one million website views across the four target provinces, taking advantage of the increasing role social media plays in this area.

The World Bank's **Trust Fund for Public Financial Management Reform**, to which Australia has been a long-standing supporter (\$3.3 million, 2005 – 2016), will conclude in late 2017. The Fund has supported important reforms including rollout of electronic systems essential for more robust and efficient management of public finances in Cambodia.

Volunteers

The **Australian Volunteers for International Development** program supports Australians to contribute to the Australian Government's aid program in Cambodia. Australian volunteers work with local counterparts to build knowledge and share skill, as well as promote positive people-to-people links. In 2016-17, Australia supported 78 volunteers in Cambodia, of whom 46 were women. This included 41 new volunteer assignments. Australian volunteers contributed to a range of sectors, including government and civil society (19 per cent); social infrastructure and services (21 per cent); supporting people with disability (19 per cent); health (20 per cent); gender equity (9 per cent); and, education (12 per cent).





AUSTRALIA'S AID PROGRAM IN THE REGION

ASEAN and Mekong Aid Program

In 2016-17, our ASEAN and Mekong programs administered initiatives within and across Cambodia. Our regional program helps countries implement a coordinated response to cross-border challenges such as human trafficking, constraints to trade and transboundary water management. See the ASEAN and Mekong Aid Programs APPRs for more detail.⁷

Support to Australian NGOs in Cambodia

Australian non-government organisations (NGOs) are vital partners for the Australian aid program in Cambodia. Australian NGOs have a proven ability to reach the poorest and most vulnerable communities in Cambodia to deliver lasting development results. The primary DFAT mechanism supporting Australian NGOs in Cambodia is the Australian NGO Cooperation Program (ANCP).⁸

Cambodia is the largest country recipient of ANCP funds: this year 27 Australian NGOs received a total of \$11.7 million to implement 69 projects, including 15 regional projects that deliver activities in Cambodia. This represents 13 per cent of total Australian aid to Cambodia in 2016-17. Projects focused on a wide range of themes including gender, agriculture, climate change, health, education and disability.

To develop deeper and more consistent engagement with our Australian NGO partners, two initiatives were undertaken this year. The first was an Australia-Cambodia ANCP Forum. This brought together over 100 representatives of Australian NGOs and their local implementing partners. The Forum helped develop stronger links between ANCP funded projects, as well as with other Australian Government aid investments in Cambodia. The second was a monitoring and engagement mission to examine five projects supported by ANCP. The mission confirmed all five projects were achieving sound, sustainable development results and represented strong value for money.

MUTUAL OBLIGATIONS

Our mutual obligations are set out in the Cambodia AIP 2015-2018. These align to the Cambodian Government's National Strategic Development Plan (NSDP) 2014-2018. This year's progress is outlined below.

Infrastructure: According to the Cambodian Ministry of Mines and Energy, approximately 78 per cent of all villages had some form of grid connection as of mid-2017 (up from 62 per cent in mid-2016). Approximately 58 per cent of households had a connection to a grid-quality electricity source by December 2016 (up from 55 per cent in December 2015). The target is for all villages to have some form of grid connection by 2020, and 70 per cent of all households with a grid-quality electricity source by 2030. Public and private investment is playing a role in expanding energy access, including private investment leveraged by the 3i program.

Agriculture: In 2016, Cambodia again fell short of the target set by the Cambodian Government to export one million tonnes of rice with just over half of this target reached (542,144 tonnes). This was due to a range of entrenched weaknesses in the rice sector. A severe drought in 2016 and a depressed global rice price compounded these problems. In 2016, Cambodia won the award for the World's Best Rice (following the same award for the previous four years). The Cambodia Government and the Cambodian Rice Federation created higher prices for some rice exports by leveraged this recognition. Three main crops—cassava, maize and bean—were the Cambodian Government priorities for crop diversification. The cultivated area of these crops increased by approximately 10 per cent compared to 2015.

Health: This year the Cambodian Government has assumed greater ownership and management responsibility for key components of health financing and quality improvement. New implementation

⁷ <http://dfat.gov.au/geo/east-asia/development-assistance/Pages/development-assistance-asean-mekong.aspx>

⁸ <http://dfat.gov.au/aid/who-we-work-with/ngos/ancp/Pages/australian-ngo-cooperation-program.aspx>





arrangements under H-EQIP has been instrumental in these reform efforts. The Ministry of Health is now fully implementing the Health Equity Fund, which subsidises health care for the poorest Cambodians as well as new quality improvement systems. As noted above, Cambodian Government investment in H-EQIP exceeded expectations this year (already funding 64 per cent of project costs).

Scholarships: We continue to engage closely with the Cambodian Government through the Annual Strategic Review to discuss outcomes of the previous intake and to set the strategic direction for the next intake of Australia Awards Scholarships. This dialogue also ensures the program is relevant in meeting the Cambodian Government's human resource needs and aligned with our Cambodia AIP 2015-18. Through our promotion and selection processes, we place a strong emphasis on targeting mid-career professionals and emerging leaders in their respective fields, in both public and private sectors. This helps ensure a return on our investment.

Gender Equality: The Cambodian Government recognises the importance of gender mainstreaming and empowering women to promote social and economic development. Cambodia has a Five Year Strategic Plan for Gender Equality and Women's Empowerment (2014-2018). The Australian Embassy developed a Gender Action Plan (GAP) 2016-2017 for our engagement in Cambodia to strengthen our gender equality and women's empowerment outcomes across all elements of our work including activities undertaken by DFAT, Defence and the Department of Immigration and Border Protection within Cambodia. Progress against the GAP has been solid, with results including a panel discussion on achieving gender equality at our High Level Consultations on Aid in October 2016, and maintaining strong social media messaging on gender equality.

PROGRAM QUALITY AND PARTNER PERFORMANCE

This year we updated our Performance Assessment Framework (PAF) to improve its utility as a program management tool. The updated PAF (summarised at Annex E) aims to generate more meaningful, compelling information and realistic indicators to measure, manage and report on the performance of Australia's aid program in Cambodia. Our PAF will guide the priorities of the program by informing sector plans and program designs; supporting public diplomacy efforts; and, fostering collaboration across the program. The PAF articulates Australia's development cooperation goals in Cambodia through our three strategic objectives plus a cross cutting section. In this APPR, we are now reporting the results generated against seven Performance Benchmarks (Annex B) and the PAF outcome indicators.

In 2016-17, the program had 20 investments, encompassing 31 agreements. This compares to 26 investments and 53 agreements in 2015-16. This represents a 42 per cent consolidation this year at the agreement level.

We assessed our implementing partners through 16 Partner Performance Assessments (PPAs). We worked with a diverse portfolio of partners including multilateral organisations commercial service suppliers, NGOs and other agencies. PPA scores in all criteria were higher than satisfactory level.

This year one independent evaluation was undertaken (Cambodia Agriculture Value Chain Program Phase 1). Three completion reports (Human Resources for Health; Flood Damage Emergency Reconstruction Project; and, the Second Health Sector Support Program) were finalised. The findings, recommendations and lessons learned of our monitoring and evaluation efforts inform our on-going and planned investments. We prepared management responses to the review recommendations to improve program performance. In 2017-18, we will conduct a mid-term evaluation of CAVAC II and a scalability review for 3i. Annex C lists details of planned evaluations and reviews.

Aid Quality Checks (AQC)

In 2016-17, 18 Aid Quality Checks (AQC)—including four Final Aid Quality Checks (FAQC)—were prepared as part of the annual aid program performance cycle. An external party moderated thirteen of these. Annex D lists AQC and FAQC ratings for this year, along with 2015-16 AQC ratings for comparison.





The overall ratings across the program confirm the quality of our investments. Of the 18 investments assessed through the AQC process, 10 were rated satisfactory for all criteria. Sixteen investments, regardless of their objectives, effectively addressed gender issues in their implementation and 10 investments addressed climate change. Of these investments, 89 per cent received satisfactory scores or higher for gender equality. Ratings remained stable for Relevance, Effectiveness and Gender Equality but were on lower on average for Efficiency, Monitoring & Evaluation and Sustainability compared to the 2015-16 scores.

We rated two aid investments as Initiatives Requiring Improvement through the AQC process: Clearing for Results Phase 3; and, Rural Roads Improvement Project Phase 2. Both investments were assessment as performing poorly against both the Efficiency and Effectiveness performance criteria. Consistent with the Australian Government's commitment to a quality aid program that delivers value for money, and in-line with the DFAT Investment Quality Reporting policy, these aid investments are now subject to senior level DFAT oversight and detailed remediation plans to improve their performance. The 2017-18 AQC process will inform decisions on further funding to these investments.

RISKS

Over the last year, the risk profile of the aid program has shifted somewhat. The 2015-16 APPR identified working more directly with the private sector and safeguards (including child protection, fraud, Work Health and Safety, environmental and resettlement) as key risks. These risks cannot be fully eliminated, but we are effectively managing them: our monitoring and evaluation of our private sector initiatives (CAVAC II and 3i) is providing assurances they are effective and delivering value for money. On safeguards, DFAT and implementing partners effectively managed child protection, environment, climate change, displacement and resettlement risks over the course of 2016-17. The AQC process confirms this assessment.

Political risks increased. The 2017 commune elections affected the operational environment, but impacts were manageable. This will continue to be challenging in the lead up to and immediately beyond the 2018 national elections. Regional dynamics—including changes in strategic weight of regional players—may also have implications for our aid program's broader influence. Table 3 below outlines overarching risks to the achievement of aid program objectives and management responses.



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?	For emerging/ongoing risks provide a Risk Rating (low, medium, high, very high)	Are these same risks in in Post's Risk Register (Yes/No)*
Australia's influence diminishes due to the relative size of its aid program compared to the growing contributions from emerging donors	Australia continued to maintain ongoing engagement with the Cambodian Government in the delivery of our aid programs. This ensured our investments remained relevant to Cambodian Government needs while helping us maintain our reputation as an effective donor.	Australia will continue to closely engage with the Cambodian Government in designing new programs and preparing the new Aid Investment Plan to ensure our investments are targeted on specific areas of both need and influence and where we assess we can make the most difference.	Medium	Yes
The lead up to the 2018 national election affects Australia's ability to engage bilaterally, including making it difficult to implement aid programs	We monitored the political situation and made representations, as appropriate. We worked with implementing partners to develop strategies to minimise impact.	Continue to monitor the political situation, ensure good working relations and make representations, as appropriate. Work with aid program implementing partners to develop strategies to continue delivering aid programs during this period.	Medium	Yes
A humanitarian disaster impacts on our ability to deliver on our investments	We continuously monitored likely triggers (i.e. weather events, political environment) in Cambodia. Should a large-scale response be required, we would reprioritise, reshuffle existing resources early and/or seek additional resources to respond to the situation to ensure continued program implementation.	This is an ongoing risk and we will continue to monitor the likely triggers.	Low	Yes
Staff capacity is stretched, making it difficult for staff to effectively manage risk and ensure strategic policy influence and engagement	We are proactively seeking solutions. We have restructured the team to create efficiencies	We will continue to investigate options for further efficiencies, including through using outside expertise.	Medium	Yes
Safeguards and cross-cutting issues such as child protection, work health and safety and fraud are not proactively managed	Embassy management has reiterated the need for staff to proactively manage safeguard and cross-cutting risks. Prior to funding any new partners, Post undertakes a baseline due diligence assessment to ensure the recipient organisation has appropriate policies and processes in place. Staff regularly engage with partners on safeguards issues.	We will continue to keep abreast of any policy changes and ensure the current high level of proactive management of safeguards and risks continues.	Medium	Yes



MANAGEMENT ACTIONS

Solid progress was made against last year's management responses as outlined in Annex A. While not all management responses were achieved in full, some exceeded their targets significantly. Examples include the development of our Gender Action Plan seven months ahead of schedule, and the reduction in the number of agreements we manage down to 31, well ahead of the target of 47.

This year's management actions are outlined below.

Strategic

- Improve strategic clarity by analysing the strategic significance of our aid program. This will feed into developing the next Aid Investment Plan by the end of 2018 and include an assessment of the effectiveness of our current narrative and how we can maximise impact and influence.
- Institutionalise our newly revised Performance Assessment Framework to ensure that it becomes a living document benefitting program performance and improving how we communicate our achievements by the end of the next PAF report cycle in May 2018. Include consideration of policy dialogue indicators in the next PAF cycle.
- Consider opportunities for further efficiency gains and maintain judicious control of the number of agreements and investments in 2017-2018.

Operational

- Monitor the domestic political situation ahead of national elections in July 2018, and ensure risk analysis informs program implementation.
 - Implement lessons learnt from recent program evaluations and assessments in agriculture, health and infrastructure to strengthen program implementation and inform current and future programs. Particular focus on ensuring more gender-responsive programming.
 - Closely monitor the two IRI investments to ensure improvements in program performance by March 2018 in accordance with our remediation plan for both investments.
 - Finalise the design for the next phase of the Australia Awards Scholarships program in Cambodia, with the next phase in operation by 1 July 2018.
 - Assess the impact of the specific activities undertaken to better target and attract women applicants for the Australia Awards Scholarships 2018 Intake.
 - Undertake a tracer study for the Australia Alumni program by June 2018.
 - Finalise the design for the new Australia-Cambodia Cooperation for Equitable and Sustainable Services (ACCESS) Program, with program implementation underway by 1 July 2018.
 - Work with the Cambodian Government and development partners on ensuring continued sexual and reproductive health services for Cambodian women, to assist their active participation in the economy.
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ANNEX A- PROGRESS IN ADDRESSING MANAGEMENT ACTIONS

Management actions identified in 2015-16 APPR	Rating	Progress made in 2016-17
Review the ongoing relevance of our aid program with the Cambodian Government at biennial High Level Consultations on Aid in October 2016. This will feed into early planning for our next Aid Investment Plan and pipeline planning	Achieved	The 14th High Level Consultation on Aid were successfully held in Canberra as planned in October 2016. Thirteen high-level Cambodian Government delegates travelled to Canberra for three days of meetings. Senior Minister, HE Chhieng Yannara, led the Cambodian delegation. The joint Australia-Cambodia HLC statement confirmed Australian aid remains aligned to Cambodian Government priorities.
Focus our efforts on safeguards risks, specifically child protection and resettlement when working in partnership with multilateral organisations.	Achieved	Post management continues to stress the importance for staff to proactively manage safeguard and cross-cutting risks. Prior to funding any new partners, Post undertakes a baseline due diligence assessment to ensure the partner has appropriate policies and processes in place to manage risks, especially child protection, Work Health & Safety, fraud and corruption issues. Sectoral managers also engage with their respective partners on these issues throughout the duration of the program. Post is proactively working with the Fraud Control Section to progress and close active cases. Post continues to keep abreast of any revised safeguard policies and ensure that all staff and implementing partners are aware and briefed of any policy changes.
Assess and implement the most efficient and effective mechanism to employ safeguard specialists on retainer for access by all investments by March 2017	Achieved	Sector specialists, including resettlement expertise, have been recruited to assist in program oversight of key aid investments including health and infrastructure
Enhance gender equality performance of our investments, documenting how this will be achieved and measured in the Post Gender Action Plan (GAP) to be developed by June 2017.	Achieved	The Post GAP was approved in November 2016 and included several commitments to strengthen performance of aid investments. Gender focal points regularly review and monitor progress under this plan. Post will report on achievements under this Plan annually.
Continue to consolidate on the good progress already made throughout 2015-16, with a goal to reduce agreements under management to 47 by June 2017.	Achieved	Post further reduced the number of investments and agreements from 26 to 20 and 53 to 31, respectively.
Revise the indicators in the Performance Assessment Framework to align with the new programs by December 2016. Review regularly to ensure they maintain currency.	Achieved	PAF indicators have been reviewed and updated. The revised PAF indicators has been monitored and reported in Annex E.
Pursue dialogue with the Cambodian Government and other donors using the lessons and examples of the CAVAC program: on private sector development in the agriculture sector; and, irrigation scheme planning, operation and maintenance.	Achieved	Post organised a dissemination workshop on CAVAC achievements. ODE is finalising the completion evaluation of CAVAC I report. The findings and recommendation of the evaluation will feed into CAVAC II through management responses.
Consider ways to reduce men's vulnerability to landmine incidences, by reviewing landmines education activities and exploring behavioural insights, in consult with our partners by June 2017.	Achieved	Post regularly communicated with UNDP and the Cambodian Government officials to strengthen their mine risk education activities, in particular among men. From January to December 2016, 83 Mine / Explosive Remnants of War (ERW) casualties were recorded. Of them, 75 were men and boys. Although the number of male casualties is still high, this number decreased significantly from 100 male casualties (25 per cent) in 2015.

Employ technical assistance (gender, public financial management and health financing) by October 2016 to strengthen Post oversight of the Health Equity and Quality Improvement Project and scope potential support for private sector engagement within the health sector, based on a pending International Finance Corporation (IFC) report and on further analysis, by June 2017.

Partly achieved

Public Financial Management and Health Financing advisers were recruited in March 2017 and provided inputs to the March H-EQIP Implementation Support Mission (held twice a year). A Gender Adviser has been recruited to participate in the H-EQIP Gender Assessment being conducted in early 2017-18.

The private sector engagement in the health sector report developed by the IFC did not identify a clear way forward for Australia to engage in the private health sector in Cambodia. Post will continue to explore other avenues for identifying potential engagement.

Assess and decide whether to continue our investments in ending violence against women and disability beyond 2016-17. If support continues, design an efficient and effective mechanism to maximise investments in both areas by June 2017.

Achieved

The Australia-Cambodia Cooperation for Equitable Sustainable Services (ACCESS) program design is nearing completion. This design will continue Australian investment in ending violence against women and disability from 2018-2023.

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 – PERFORMANCE BENCHMARKS

Progress towards Performance Benchmarks in 2016-17

Aid objective	Performance Benchmark	Rating	Progress in 2016-17
Improved access to essential infrastructure	Number of people (women and men) that will directly benefit from a new committed household or business connection to electricity and/or piped, treated water (202,500 people with committed connections)	Achieved	Exceeded target. 212,111 people (108,601 women and 103,510 men) will directly benefit from a new committed household or business connection to electricity and/or piped, treated water. The 3i program allocates grant co-financing across the electricity distribution and piped, treated water sectors based on market interest. This is the basis for a combined electricity and/or water connection target.
Increased agricultural productivity and farmer incomes	Additional production per year as a result of DFAT-supported irrigation schemes (83,680 ton of paddy)	Partly achieved	Preliminary calculations as at 30 June 2017. A more accurate calculation will be undertaken at the end of rice season on December 2017. Practices are still changing to allow full uptake of year-round irrigation. For example, some farmers continue to grow rice varieties which do not allow them to grow a second rice crop, even with improved access to water.
	Land contaminated by landmines and other Explosive Remnants of War (ERW) released for productive use (6.75km ²)	Achieved	Exceeded target. 8.8 km ² land contaminated by landmines and other ERWs released for productive use.
Better health and education outcomes	Number of health facilities exceeding 60 per cent score on the quality assessment of health facilities tool (Baseline + 10 per cent)	Not available	Due to delays in H-EQIP project implementation in its first year the quality assessment tool only begun to be implemented in May 2017. The first round of assessments will set the baseline. To date, only a third of health facilities have been assessed, with remaining facilities to be assessed by the end of 2017.
	Number and per cent of Australia Awards scholarships awarded to women and men (50 female/50 male)	Partly achieved	Partly achieved as progress less than anticipated. 45 Australia Awards Scholarships were offered, and of those, only 16 scholarships (36 per cent) were offered to women. We did not reach our target due to an increase in the number of ineligible applications, a decrease in applications from women and an overall lower quality of applicants, compared to previous years.
Reduced gender-based violence	Additional women survivors of violence receiving services such as counselling (1,000)	Achieved	While technically this target was not met (in 2015-16 9,950 women received services, an additional 1,000 women would be 10,950), 2015-16 had a higher than expected rate of service delivery. The rate of service delivery achieved this year was still higher than original targets. In 2014-15 3,200 women received services. As such, the target for 2016-17 was originally 5,200 women receiving services in 2016-17 (an additional 2,000 women).

Note:

- Achieved. Significant progress has been made and the performance benchmark was achieved
- Partly achieved. Some progress has been made towards achieving the performance benchmark, but progress was less than anticipated.
- Not achieved. Progress towards the performance benchmark has been significantly below expectations

Performance Benchmarks for remainder of Aid Investment Plan

Aid objective	Performance Benchmark	2017-18	2018-19 New AIP	2019-20 New AIP
Improving access to essential infrastructure	Number of people (women and men) that will directly benefit from a new committed household or business connection to electricity and/or piped, treated water	486,000 people with committed connections		
Increasing agricultural productivity and farmer incomes	Additional production per year as a result of DFAT-supported irrigation schemes	29,000 ton of paddy		
	Land contaminated by landmines and other ERW released for productive use	6.75km ²		
Better health and education outcomes	Number of health facilities exceeding 60 per cent score on the quality assessment of health facilities tool	Baseline + 20 per cent		
	Number and per cent of Australia Awards scholarships awarded to women and men	25/25 (50 per cent women, 50 per cent men)		
Reduced gender-based violence	Additional women survivors of violence receiving services such as counselling	N/A (program in transition)		

ANNEX C- EVALUATION PLANNING

List of evaluations completed in the reporting period

Investment number and name (if applicable)	Name of evaluation	Date completed	Date Evaluation report Uploaded into AidWorks	Date Management response uploaded into AidWorks	Published on website
ING741: Cambodia Delivering Better Health	Second Health Sector Support Program Independent Completion Review	29 December 2016	06 March 2017	06 March 2017	World Bank website
ING741 Cambodia Agricultural Value Chain Program Phase I	Office of Development Effectiveness Completion Evaluation	September 2017	To be uploaded September 2017	To be uploaded September 2017	To be published DFAT website

List of program prioritised evaluations planned for the next 12 months

Evaluation title	Investment number and name (if applicable)	Date – planned commencement (month/year)	Date – planned completion (month/year)	Purpose of evaluation	Evaluation type
3i Scalability Review	INL435 Investing in Infrastructure (3i)	In progress. Completion expected December 2017	To be uploaded March 2018	Determine future scale of budget and timeframe based on assessment of effectiveness and efficiency to date	DFAT led
CAVAC Phase II Mid-term Evaluation	ING741 Cambodia Agricultural Value Chain Program Phase II	February 2018	May 2018	Improve existing investment, with a focus on policy dialogue and strategic influence	DFAT led (includes consultants engaged by DFAT)

ANNEX D - AID QUALITY CHECK RATINGS

AQC RATINGS

AQC investment performance over the previous 12 months and where available last year's AQC ratings are included.

Investment name	Approved budget and duration	Year on year	Relevance	Effectiveness	Efficiency	Monitoring and Evaluation	Sustainability	Gender equality	Risks and Safeguards
Rural Energy Project	\$7.8m	2017 AQC	5	4	4	5	5	5	n/a
	2014-18	2016 AQC	5	4	5	5	5	5	5
Cambodia Infrastructure Investment 2013-2020 (includes RRIP II*)	\$40.0m	2017 AQC	4	3	2	3	4	4	n/a
	2013-20	2016 AQC	5	5	5	5	5	4	4
3i - Investing In Infrastructure	\$45.4m	2017 AQC	5	5	5	4	5	4	n/a
	2015-21	2016 AQC	5	4	4	4	4	3	5
Cambodia Agricultural Value Chain Program Phase 2	\$89.7m	2017 AQC	5	4	4	4	5	4	n/a
	2016-21	2016 AQC	E	E	E	E	E	E	E
Clearing for Results Phase III*	\$9.0m	2017 AQC	5	3	3	4	4	4	n/a
	2016-18	2016 AQC	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Delivering Better Health (includes Partnering to Save Lives)**	\$22.7m	2017 AQC	5	5	5	5	4	5	n/a
Delivering Better Health **	\$118.7m	2016 AQC	6	5	4	5	5	4	4
Health Equity and Quality Improvement Program (includes IDPoor3)	\$55.3m	2017 AQC	6	4	4	4	5	4	n/a
	2016-20	2016 AQC	n/a	n/a	n/a	n/a	n/a	n/a	n/a

*Rated as an Initiatives Requiring Improvement (IRI) in the 2016 Aid Quality Check process.

**Note the Delivering Better Health Initiative consisted of over 60 agreements, including the Second Health Sector Support Program (HSSP2) and IDPoor Phase 2. In 2016 HSSP2 and IDPoor Phase 2 ended. It was decided to undertake an FAQC for this major part of the initiative (\$77.2m of the total). As a result, the 2017 AQC only refers to residual active activities under the Initiative - Partnering to Save Lives and Human Resources for Health project.

Investment name	Approved budget and duration	year on year	Relevance	Effectiveness	Efficiency	Monitoring and Evaluation	Sustainability	Gender equality	Risks and Safeguards
Cambodia Australian Scholarship Initiative	\$13.2m	2017 AQC	5	5	5	5	4	4	n/a
	2013-18	2016 AQC	5	5	5	5	5	4	5
Disability Rights Initiative Cambodia	\$10.4m	2017 AQC	4	4	4	4	3	4	n/a
	2014-17	2016 AQC	4	4	3	4	3	4	4
Ending Violence Against Women in Cambodia	\$13.4m	2017 AQC	5	5	4	5	4	5	n/a
	2012-17	2016 AQC	5	4	4	4	4	5	5
Community Policing Initiative in Cambodia	\$4.4m	2017 AQC	5	5	4	4	5	4	n/a
	2016-19	2016 AQC	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Cambodia Communication Assistance Project Phase 2	\$3.5m	2017 AQC	5	5	5	5	4	5	n/a
	2015-18	2016 AQC	5	4	5	4	4	5	5
Cambodia Public Financial Management	\$3.3m	2017 AQC	4	4	4	4	5	2	n/a
	2005-16	2016 AQC	5	4	4	4	4	3	4
Support to the Khmer Rouge Tribunal	\$39.0m	2017 AQC	E	E	E	E	E	E	E
	2003-18	2016 AQC	E	E	E	E	E	E	E

FAQC RATINGS

Final AQC's assess performance over the lifetime of the investment (ratings are not compared to previous years).

Investment name	Approved budget and duration	Overall rating	Relevance	Effectiveness	Efficiency	Monitoring and Evaluation	Sustainability	Gender equality	Risks and Safeguards
Cambodia Emergency Flood Rehabilitation Project	\$12.6m 2012-18	5	5	5	5	5	5	4	n/a
Smallholder Agriculture and Social Protection	\$4.0m 2009-17	4	4	4	4	3	3	3	n/a
Delivering Better Health (Second Health Sector Support Program and IDPoor Phase 2)	\$77.2m 2007-16	5	6	5	4	5	5	5	n/a
Cambodia Law and Justice Sector Support	\$11.3m 2012-16	4	4	3	5	4	4	4	n/a

Definitions of rating scale:

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 area.



ANNEX E – PERFORMANCE ASSESSMENT FRAMEWORK

Objective 1: Improving access to essential infrastructure

	Indicator	2016/17 Targets	2016/17 Results	Explanation for Results
1. Improvements in infrastructure and the economic environment	1. Number of people (women and men) that will directly benefit from a new committed household or business connection to electricity and/or piped, treated water (AIP Benchmark)	202,500 people with committed connections	212,111 people (excluding electricity connection through REP)	3i allocates grant co-financing across the electricity distribution and piped, treated water sectors based on market interest. This is the basis for a combined electricity and/or water connection target.
2. Improved access to schools, health care facilities and other essential services in targeted rural areas	2. Satisfactory progress is achieved on the implementation of civil works and 'soft work' packages in rural road rehabilitation efforts.	Overall slippage does not exceed 10 per cent and no major delays are experienced on financing packages.	Overall slippage of -1.3 per cent with some major procurement delays	While overall slippage was within acceptable limits due to good civil works progress in 2017, slow procurement of the original financing package during 2016 contributed to major delays on several project components.
	3. Proportion of unskilled labour days on Australian-funded rural road rehabilitation works performed by women.	25 per cent of labour days	27.44 per cent	Based on Gender Action Plan Report, as of March 2017.

Objective 2: Increasing agricultural productivity and farmer incomes

	Indicator	2016/17 Targets	2016/17 Results	Explanation for Results
3. Farming households have knowledge of and apply improved farming practices	4. Number of farming households that have changed farming practices due to DFAT interventions	2,655 Households	Not validated	The timing to validate this new indicator in 2017 is not feasible, but will be validated in 2018.
	5. Additional production per year as a result of DFAT-supported irrigation schemes (AIP Benchmark)	83,680 ton of paddy	65,430 ton of paddy	Preliminary calculations as at 30 June 2017. A more accurate calculation will be undertaken at the end of rice season on December 2017.



4. Farming households have improved access to quality agricultural inputs	6. Number of farming households that gain access to sustainable irrigation	8,010 households	5,539 households	Partly achieved. While the planned seven irrigation schemes were completed this year, household impact numbers were lower than expected.
5. More land available for productive use	7. Land contaminated by landmines and other ERW released for productive use (AIP Benchmark)	6.75km ²	8.8 km ²	Target exceeded.

Objective 3: Better health and education outcomes

	Indicator	2016/17 Targets	2016/17 Results	Explanation for Results
6. Increased access to quality health services for the poor, women and children	8. Number of health facilities exceeding 60 per cent score on the quality assessment of health facilities tool (AIP Benchmark)	Baseline + 10 per cent	Not available	Due to delays in H-EQIP project implementation in its first year, the quality assessment tool only begun to be implemented in May 2017. The first round of assessments will set the baseline. To date, only a third of health facilities have been assessed, with remaining facilities to be assessed by the end of 2017.
	9. Utilisation of health services by Health Equity Fund beneficiaries	55 per cent	Not available	Data for this indicator is not currently available. DFAT is working with H-EQIP partners to rectify this issue. Data on the number of Health Equity Fund cases shows that while numbers decreased by six per cent in the first quarter of 2017 due to delays in some elements of H-EQIP project implementation, the number of Health Equity Fund cases has increased in the second quarter to near baseline levels.
	10. Percentage of women delivering in a health facility with a skilled attendant	> 80 per cent	80.52 per cent	Achieved.



	11. Percentage of women aged 15-49 years who are married or in union and used modern contraceptive methods	40 per cent	37.65 per cent - 42.65 per cent	Achieved. The target reflects the Cambodian Government target of 40 per cent use in public and private (including NGO) facilities. However, in 2016-17 the Ministry of Health only provided accurate figures for utilisation in the public health system. The Ministry of Health estimated that the percentage of modern contraceptive methods by private providers contributed a further 5 to 10 per cent (2017 Health Congress).
7. Australia Awards Alumni contribute to Cambodia's development	12. Number and percentage of Australia Awards scholarships awarded to women and men (AIP Benchmark)	25/25 (50 per cent women, 50 per cent men)	16/29	Not achieved. In 2016-17 there was an increase in ineligible applications, a decrease in applications from women and an overall lower quality of applicants, compared to previous years.
	13. Increase in percentage of applicants for an Australia Awards Scholarship who are women	38 per cent of applicant for an Australia Awards Scholarship are women	36 per cent	While women applicants were on par with male applicants with getting a scholarship, the gender inequality rests in there being less female applicants.

Cross-cutting issues

	Indicator	2016/17 Targets	2016/17 Results	Explanation for Results
8. Increased access to gender-based violence response services in targeted provinces	14. Additional women affected by violence receiving services such as counselling (AIP Benchmark)	1,000 women	7,469 women	Achieved. While technically this target was not met (in 2015-16 9,950 women received services, an additional 1,000 women would be 10,950), 2015-16 had a higher than expected rate of service delivery. The rate of service delivery achieved this year was still higher than originally envisaged (in 2014-15 3,200 women received services. An additional 2,000 women would have seen only



				5,200 women receiving services in 2016-17.)
9. Improved quality of life for people with a disability	15. Number of people (women/men) provided with disability services	15,000 people (7,500 women and 7,500 men)	26,447 people with disability, of them, 6,590 were women and girls.	Overachieved: however this figure shows that there is a lower proportion of female people with disability accessing physical rehabilitation services (25 per cent), due in part to the majority of their clients being landmine survivors, who are predominately men.
10. Increased engagement with Cambodia's Private Sector in the delivery of the aid program	16. Number of co-investment contracts signed with infrastructure SMEs and private equity or impact investors	25 contracts signed	25 contracts signed	Achieved. 3i signed 25 co-investment contracts as of 30 June 2017.
	17. Value of private investment leveraged (AUD)	\$3,585,000	\$8,000,769	3i leveraged \$6,259,335 private investment (calculated as the total value of co-investment commitments across all 25 contracts) as of 30 June 2017. (leverage ratio* of 1.6). CAVAC II leveraged \$1,741,434 private sector investment (leverage ratio of 1.7).

*Leverage ratio is how many additional dollars of private sector investment each dollar of program investment leverages.

APPENDIX 1: 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT INFOGRAPHICS

 <p>1 NO POVERTY</p>	End poverty in all its forms everywhere	 <p>10 REDUCED INEQUALITIES</p>	Reduce inequality within and among countries
 <p>2 ZERO HUNGER</p>	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	Make cities and human settlements inclusive, safe, resilient and sustainable
 <p>3 GOOD HEALTH AND WELL-BEING</p>	Ensure healthy lives and promote well-being at all ages	 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	Ensure sustainable consumption and production patterns
 <p>4 QUALITY EDUCATION</p>	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	 <p>13 CLIMATE ACTION</p>	Take urgent action to combat climate change and its impacts
 <p>5 GENDER EQUALITY</p>	Achieve gender equality and empower all women and girls	 <p>14 LIFE BELOW WATER</p>	Conserve and sustainably use the oceans, seas and marine resources for sustainable development
 <p>6 CLEAN WATER AND SANITATION</p>	Ensure availability and sustainability management of water and sanitation for all	 <p>15 LIFE ON LAND</p>	Protect, restore and promote sustainable use of terrestrial ecosystems
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	Ensure access to affordable, reliable sustainable and modern energy for all	 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	Promote peaceful and inclusive societies for sustainable development and provide access to justice for all
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	Promote sustained, inclusive and sustainable economic growth, full and productive employment	 <p>17 PARTNERSHIPS FOR THE GOALS</p>	Strengthen the means of implementation and revitalise the global partnership for sustainable development
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation		