



Australian Government
Department of Foreign Affairs and Trade



AID PROGRAM PERFORMANCE REPORT 2017-18

Cambodia

September 2018



KEY MESSAGES

Australia's reputation in Cambodia as an effective, adaptable and innovative development partner makes us an influential partner in Cambodia and the Indo-Pacific region. Our principled approach to development — focusing on sustainable outcomes, implementing innovative solutions to challenging problems, promoting women's empowerment, and applying high standards for environmental and social safeguards protection — stands us in good stead to deliver effective and efficient development in Cambodia.

Australia's 2017 **Foreign Policy White Paper** has sharpened our focus to pursue our vision for the Indo-Pacific as a secure, open and prosperous region and to find opportunities to demonstrate and impress upon our partners our values of freedom, equality, the rule of law and mutual respect. Australia's development assistance program in Cambodia aims to alleviate poverty by supporting the development needs of some of the most vulnerable people in our region, and provides an opportunity for Australia to share our vision and our values.

Cambodia has made great improvements in reducing absolute poverty over the past decade. However, the Asian Development Bank (ADB) and the World Bank have warned about the percentage of Cambodian people who are 'near poor': **more than 70 per cent of Cambodians live on less than USD 3 a day** and remain highly vulnerable to falling back into poverty.¹ Despite strong economic growth over two decades, Cambodia remains one of the poorest nations in our region with the second lowest GDP per capita.² Australia's aid program is supporting inclusive economic growth, ensuring sustainable benefits for the Cambodian people.

This report summarises the performance of Australia's aid program in Cambodia from July 2017 to June 2018 measured against the [Aid Investment Plan \(AIP\) Cambodia: 2015-18](#).³ Over this last financial year, we delivered an estimated \$89.1 million in development assistance through a balanced mix of implementing partners. In 2017-18, Australia did not provide any aid funding directly to the Cambodian Government.

Our Ambassador for Women and Girls, Dr Sharman Stone, made a visit to Phnom Penh in February 2018, demonstrating **Australia's strong support for gender equality and women's empowerment** in both public and private life in Cambodia. The Ambassador announced that Australia would fund a new priority program stimulating greater public investment from the Cambodian Government to address gender-based violence and strengthen disability services. This program will continue our longstanding valued work in these fields.

We reflected on our strategic direction and performance through a program-wide Aid Health Check in September 2017 led by senior DFAT staff. This established that our bilateral aid program is performing well, has notable innovative approaches to working with the private sector and vulnerable people, and demonstrates good aid management practices despite a complex, high-risk environment. The Aid Health Check recommended strengthening the overarching strategic focus of the aid program, and contracting additional aid management expertise in some key areas to increase our policy impact — this work is already underway.

This year we have **reshaped a number of programs** including our highly popular Australia Awards Scholarships, gender and disability advocacy projects and our support to public financial management (PFM). This sharper focus means that we are better placed to achieve development impact and better able to support a more stable, prosperous and resilient community.

We have made good progress towards achieving our objectives in all our priority sectors and our **performance record is stronger** than the previous year. We attained all green ratings in infrastructure, agriculture, health and education — an improvement on recent years. We have also remediated two investments requiring improvement, a process which took concerted effort and was led by senior staff.

We have **pursued sustainable and innovative strategies** across the program. Under the Cambodia Agriculture Value Chain Program (CAVAC), we have demonstrated that the numerous benefits from concrete irrigation

¹ <http://www.eastasiaforum.org/2018/07/24/cambodias-growth-metrics-need-nuance-to-uplift-citizens/>

² <http://documents.worldbank.org/curated/en/132951507537966126/pdf/120298-WBAR-v1-PUBLIC.pdf>

³ <https://dfat.gov.au/about-us/publications/Pages/aid-investment-plan-aip-cambodia-2015-2018.aspx>



canals outweigh the costs, which has led the Cambodian Government to state that it intends to roll out concrete canals nationwide.

Our portfolio is achieving real outcomes for the most vulnerable Cambodian people and demonstrating effective public policy which can have catalytic impact when taken to scale.

CONTEXT

Economic growth remains very strong but slowed slightly in 2017 to 6.8 per cent (from seven per cent). Cambodia's GDP per capita is almost identical to Myanmar's – the two are now significantly poorer on this measure than other Southeast Asian countries (including Laos). Manufacturing, construction and tourism remained the primary contributors to GDP growth – with some emerging diversification of manufacturing beyond garments. Agriculture remains important for the Cambodian economy, contributing around a quarter of annual GDP and accounts for about 42 per cent of jobs.

Cambodia's Human Development Index (HDI) — which measures per capita income, education and life expectancy — continues to improve rapidly, from a low base. It currently ranks 143 of 188 countries worldwide, second lowest in Southeast Asia. The World Bank and ADB have warned that about 70 per cent of the population remain 'near poor' and vulnerable to shocks, which can drive households suddenly back into poverty. Chronically weak social protection — especially in public health where Cambodia has the third highest out-of-pocket health costs in the world — amplify the vulnerability of the near poor.

The political situation in Cambodia deteriorated in 2017-18. The main opposition party was dissolved and there were restrictions on freedom of expression and association affecting media outlets and civil society.

The development finance landscape in Cambodia is now fundamentally different to four years ago, when the current AIP was developed. The government has doubled its revenue in the past five years, as a result of strong economic growth and effective tax reforms, though coming from a low base and amounting to just USD 4.4 billion in 2017. Foreign investment has also increased significantly, particularly from China. This is creating valuable fiscal space for public sector wage increases, infrastructure development and increased spending on public services. However, behind Cambodia's strong economic growth figures remain significant risks, including in relation to income inequality, social and political stability, environmental sustainability and volatility to shocks.

The benefits of rapid revenue and investment growth is still subject to emerging risks in Cambodia's financial sector. Strong supervision of financial institutions and ongoing regulatory reform is necessary to safeguard Cambodia's impressive development gains against systemic financial risks as private sector activity increases. Fortunately, at this time Cambodia is at low risk of debt distress according to the International Monetary Fund, though still exposed to macroeconomic shocks, such as commodity price volatility (e.g. rice).

This new financial landscape means the Cambodian Government is currently making significant spending decisions, particularly on infrastructure. This has the potential for long-term impacts on Cambodia's society, environment, and economic and political sovereignty. The need and appetite for capacity building of government institutions and think tanks — to ensure policymakers are able to access sufficient data and analysis to inform these decisions — appears to be increasing.

Australia's aid program continues to support a more resilient Cambodian economy and society, which has benefits for our region. The aid program is doing this through bottom-up work in agriculture, water and energy to support Cambodia's poorest citizens in rural areas, and through national-level initiatives such as the roll out of a public health system which incorporates performance-based incentives to encourage improved quality and equity in service delivery.

In 2017, according to official Cambodian Government statistics, Australia was the fifth largest bilateral donor to Cambodia, following China (USD 224 million), Japan (USD 127 million), France (USD 103 million) and USA (USD 76 million). Notably, France has more than tripled its contribution to Cambodia in 2017. Some multilateral organisations including the World Bank, Asia Development Bank and the Global Fund also

increased their contributions significantly. These increases probably reflect, in part, that Cambodia is at a critical development juncture as it transitions to middle-income status and in this context larger amounts of development assistance can be absorbed effectively.

While Australia is by no means the greatest donor in terms of quantum, we remain a significant development partner to Cambodia through our strong relationships and the delivery of high impact programs.

We will consider the dynamic and complex Cambodian context, and Australia’s foreign policy objectives, while developing our new AIP. Our grant-based aid program will need to continue to deliver highly relevant development outcomes to the Cambodian people while delivering on Australia’s national interests.

EXPENDITURE

Total official development assistance (ODA) expenditure for 2017-18 is set out in Table 1. Regional and Global Programs include the Australian Non-Governmental Organisations (NGO) Cooperation Program (ANCP), global contributions to the Australia Awards program and the Australian Volunteers program — an increasing proportion of our total aid program. Other Government Departments expenditure in Cambodia covers programs by the Australian Centre for International Agricultural Research (ACIAR).

Table 1 Total ODA Expenditure in FY 2017-18

Objective	A\$ million	% of total ODA
Objective 1: Improving access to essential infrastructure	14.0	15.7%
Objective 2: Increasing agricultural productivity and farmer incomes	21.6	24.2%
Objective 3: Better health and education outcomes	19.9	22.3%
Other: Cross cuttings	6.9	7.7%
<i>Sub-Total Bilateral</i>	62.4	70.0%
<i>Regional and Global</i>	23.7	26.6%
<i>Other Government Departments</i>	3.0	3.4%
Total ODA Expenditure	89.1	100%

PROGRESS TOWARDS AIP OBJECTIVES

In **infrastructure**, we are making stronger progress towards our objective of improving access to essential infrastructure. This objective was rated Amber last year and is now rated Green – meaning progress has improved and it is likely the objective will be achieved. We exceeded two of our performance indicators in our Performance Assessment Framework (Annex E), and partially achieved a third indicator. This included: surpassing the number of people that will directly benefit from electricity or piped water connections through our 3i program — exceeded by over 188,000 people; and the proportion of unskilled labour days performed by women on the Rural Roads Improvement Project — eight per cent above target.

In **agriculture**, overall, we are progressing well towards this objective in a challenging operating environment in a sector undergoing unprecedented, rapid change. Australia’s largest aid investment in Cambodia, CAVAC II, has undertaken critically important work to support rural resilience. On-going structural weaknesses in the sector plus external shocks—such as floods, drought and commodity price volatility—pose serious challenges to smallholder farmer livelihoods. CAVAC II’s flexible approach continues to mitigate these risks. Our landmine clearance project, which releases land for agricultural use, continues to exceed our targets, with 22km² of land cleared this year. These tangible impacts makes the project highly relevant.

Progress towards our **health** objective is generally on track. The target of more than 80 per cent of women delivering in a health facility with a skilled birth attendant was achieved. However, the percentage of women

using modern contraceptive methods was very low, according to public health statistics, at just less than 25 per cent. Two other indicators were either delayed or did not have data available. The new National Quality Enhancement Monitoring System for public health facilities was finalised and the first and second rounds of the assessment were undertaken, covering 38 per cent of public health facilities. Independent verification found that 10 per cent of the assessed health centres exceeded the quality score target.

Our support to **education** through Australia Awards Scholarships, continues to provide talented Cambodians with the opportunity to study in Australia at the postgraduate level. In 2017-18, we offered scholarships to 50 Cambodians to pursue studies in fields that are vital for Cambodia’s development and complements our broader foreign, trade and development objectives. This includes: agribusiness; biomedical science; urban and regional planning; applied economics; and public policy. We continue to strive towards our performance indicator of awarding 50 per cent of scholarships to women. Through targeted efforts we increased the percentage of women applicants from 36 per cent in 2016 to 44 per cent in 2017.

Next year will be the last to report against our current AIP for Cambodia. A new AIP will be developed and published in 2019. Going forward, we will need to recalibrate our program to achieve maximum development impact and influence, within our resourcing.

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	Green
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



Program progress has improved against Objective One in 2017-18, due to continued strong performance of **Investing in Infrastructure** (3i) and better performance of the **Rural Roads Improvement Program Phase II** (RRIP2) in delivering connective infrastructure, lifting ratings to green.

Infrastructure development will remain a high priority in Cambodia for many years. Cambodia’s road network, while rapidly improving, still acts as a handbrake on growth. Rapid industrialisation and pockets of rapid urbanisation are putting pressure on infrastructure and increasing the need for robust planning. In rural areas, sustained support for infrastructure development is needed to ensure equitable access to clean water, energy and markets for low-income households.



Cambodia's pipeline of landmark infrastructure projects such as expressways, ports and power plants is also growing. This presents an opportunity to stimulate growth and create jobs. However, careful assessment of new infrastructure proposals and contractual arrangements will be important to secure high quality assets, and avoid risks to sovereign debt and national security.

Australia and Cambodia have a shared interest in expanding quality infrastructure both in and outside of cities. As donor grant-financing from Australia and other bilateral partners for infrastructure decreases, our value-add is increasingly clear; we can help Cambodia ensure new infrastructure investment is well planned, represents good value for money, and promotes high quality inclusive growth. Engaging in policy influence through an evidence base and sharing best practices to achieve these outcomes will become a key focus.

Our infrastructure program **Investing in Infrastructure** (3i, \$45.38 million 2015-2021) demonstrated a new and efficient approach to stimulating private sector investment in essential utilities. 3i accelerated its outputs over 2017-18, exceeding its target of signing 49 contracts and leveraging \$25.7 million in private investment. It has now leveraged a total of \$31.1 million in new private investment for water and energy distribution. An additional 706,000 people (361,000 women) will be able to connect to reliable, affordable and safe piped water. An independent Scalability Review of 3i found its performance compared very well to other similar programmes elsewhere, concluded the program was on course to achieve its objectives and recommended that the program be scaled-up. Following early connections women have reported improved overall wellbeing, including reduced skin conditions and less hours spent on household chores.

In electricity, 3i leveraged private investment through competitive co-financed grants which will see 152,000 people (78,000 women) benefit from a new, more reliable household energy connection. In addition, 8,000 homes in Svay Rieng province were connected to the electricity grid under our support for the ADB **Rural Electrification Project**, bringing this project to a close.

Delivery of these concrete results has helped deepen relationships with infrastructure policymakers in the Cambodian Government. We are building on this to help Cambodia develop robust policies to encourage evidence-informed decision-making in infrastructure delivery. For example, advisers from 3i are assisting in developing policy measures to encourage renewable energy uptake through a new Cambodian Government renewable energy working group, and strengthening economic officials' skills in public private partnerships.

Performance on the ADB-managed **Rural Roads Improvement Program Phase II** (RRIP II, \$22.6 million 2015-2020) improved, with sound progress against expected work plans, and heightened focus on road safety and community awareness components. Gender performance also demonstrated better results, with female unskilled labour employees comprising 28 per cent of the total, exceeding the 20 per cent target which is a significant achievement for promoting women's labour force participation. This investment is no longer an Initiative Requiring Improvement, helping to get our performance record back on track, and ensuring we are supporting the effective delivery of quality rural roads.

Our engagement on roads will focus on working with the ADB and Cambodian Government to improve planning and implementation of road maintenance to safeguard our investment in capital works, and to ensure we continue to support sustainable strategies. Through this initiative, we will fund measures to increase road safety along project roads and encourage the Cambodian Government to apply such measures nationally. Road safety is a particularly important issue for Cambodia to address effectively — traffic accidents remain a leading cause of death, with 1,780 deaths recorded in 2017.

OBJECTIVE 2: INCREASING AGRICULTURAL PRODUCTIVITY AND FARMER INCOMES



Under Objective Two, the **Cambodia Agriculture Value Chain Program Phase 2 (CAVAC II)** and **Clearing for Results Phase 3 (CfR III)** have achieved strong results, improving incomes for small holder farmers and exceeding targets for clearing land mine areas. This objective is therefore rated green.

Despite its decreasing share of the economy (now 24.7 per cent of total GDP in 2017, down from 33.5 per cent in the last five years), the agricultural sector remains a significant source of livelihoods for some of Cambodia's poorest and most marginalised people. According to the Cambodian Government, 42 per cent of Cambodians rely on agriculture for employment or income. However, this is down from 73 per cent in 2008 — a dramatic change. These figures underscore the rapid transformation in rural areas as farmers leave the land to seek cash incomes elsewhere in Cambodia and neighbouring countries. While this transformation provides opportunities for farming households, it also threatens the resilience of the agricultural sector. Beyond labour shortages caused by rural-to-urban migration, other threats to resilience include: inadequate irrigation infrastructure, limited utilisation of new technologies, land market changes, export market price volatility and climate change.

Cambodia Agriculture Value Chain Program Phase 2 (CAVAC II), \$82.4 million, 2016 -2021), in its second year, responded effectively to these challenges. The program delivers irrigation infrastructure and knowledge to smallholder farmers to improve productivity and encourage crop diversification with the aim of improving household incomes. The building of irrigation schemes was on schedule, with an additional two schemes completed in the reporting period (making a total of eight completed schemes). CAVAC II estimates these two new schemes cover 3,086 hectares of agricultural land. In 2017-18, 4,121 households gained access to irrigation, assisting farmers to produce up to three crops a year where they could only produce one crop under rain-fed methods. CAVAC II estimates this resulted in an additional 28,769 tonnes of paddy rice production - which is 99 per cent of the annual performance benchmark.

To drive gender equality outcomes, CAVAC II completed case studies to explore how the lives of female farmers were transformed after a CAVAC II irrigation scheme was established. Qualitative findings show that access to irrigated water in CAVAC II schemes enabled female farmers to significantly increase their incomes, with measurable impacts on the wellbeing of their families. Case studies found that CAVAC II's irrigation development also promoted positive social attitudes towards women as leaders in FWUCs set up to operate and maintain irrigation schemes. A further five Women's Economic Empowerment case studies have been developed on yield increases, better knowledge of agriculture inputs, women's leadership of agricultural cooperatives, and mechanisation—highlighting the positive impact agricultural modernisation can have on women's livelihoods.

CAVAC II is playing an important role to help address acute and growing labour shortage in rural areas. This is being done by stimulating markets for mechanised farming equipment, which in turn is supporting social stability and the viability of locally-owned smallholder plots. For example, CAVAC II is helping to create a market for Eli Seed Planters. This highly-innovative, Cambodia-invented technology saves labour, reduces the rice seeding rate from 300kg to 100 kg per hectare, and improves germination vigour and yield. CAVAC II's promotion of this technology contributed to the design winning a prestigious *Patents for Humanity* award.⁴

CAVAC II is playing a critical convening role to help Cambodia maintain access to the European Union (EU) rice market, which accounts for about 48 per cent of total rice exports. The program is providing technical assistance and brokering high-level discussions to respond to an EU ban on a fungicide residue widely used in Cambodia — ensuring the economic resilience of the rice sector and the diversity of export markets for Cambodian farmers.

⁴ <http://www.pressreleasepoint.com/uspto-announces-2018-patents-humanity-winners>



CAVAC II also established 19 new partnership agreements to boost trade and smallholder farmer income through private sector engagement in agriculture, exceeding our target. For example, CAVAC II assisted Camfood (a local chilli sauce processor) to obtain a Hazard Analysis and Critical Control Points certification, enabling the company to export its products overseas, especially to the EU market.

A reduction to the bilateral Australian aid program in Cambodia for 2018-19 will have an impact on CAVAC II. In response, DFAT is working with CAVAC II to minimise the impact on program outcomes, while still maintaining good relationships with key stakeholders.

Clearing for Results Phase 3 (CfR-III, \$9.0 million, 2016-2019), is the current phase of our long-running support for mine action in Cambodia. This UNDP-led program improved its performance considerably in 2017 and is no longer an Investment Requiring Improvement. In the reporting period, the project was instrumental in assisting the Cambodian Government to develop its new Mine Action Strategy 2018-25. The Strategy will guide the Cambodian Government and its partners to reduce landmine injuries and deaths and increase availability of land for housing, agriculture and other productive uses. In 2017, the project continued to exceed landmine clearance targets (6.75 km²): it cleared and released 22 km² using traditional survey and land release methods. Clearing of this land has allowed people living in the target area to use it for farming without fear of danger. According to UNDP, the combination of these methods makes landmine clearance under CfR-III some of the most cost-effective in the world, establishing Cambodia as a role model in this field.

The **Australian Centre for International Agricultural Research** (ACIAR, \$3 million in 2017-18) continues to work collaboratively with Cambodian research partners on sustainable intensification and diversification of agriculture and aquaculture. In 2017-18, research work assisted rain-fed lowland rice farmers with varying degrees of access to irrigation water. Mungbean, peanuts and maize have been identified to be suitable to be grown between wet season rice. Optimum methods of land preparation, time of planting, crop spacing and fertilizer application were also identified. One key research finding is that the inclusion of these non-rice crops in crop rotation increases the yield of rice in the wet season.

Further information on ACIAR's Cambodia program can be found on its [website](#).⁵

OBJECTIVE 3: BETTER HEALTH AND EDUCATION



The health and education portfolio activities continue to perform well and progress against this objective is green for 2017-18.

Health

The Cambodian Government health system continued to make strong progress towards its goal of universal health coverage, with the Ministry of Economy and Finance delivering on its commitment to increase health sector financing as a means of meeting increasing demand from citizens for high quality public health care. In 2017, the Cambodian Government fully funded Service Delivery Grants (SDGs), which were previously jointly funded by donors. This ensures public health facilities can access additional and more sustainable financing to improve the quality of health services.

Australia is supporting universal health care through significant financing and policy contributions to the **Health Equity and Quality Improvement Project** (H-EQIP, \$50 million, 2016-2021). A large portion of H-EQIP funding is tied to results and is designed to reward reform and tangible improvements in public health service delivery.

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



Overall progress is satisfactory under this objective, particularly due to the solid performance of Australia's major investment, H-EQIP, despite some mixed results against the performance assessment framework indicators. For example, indicators 9 and 11 were not achieved, while indicator 10 was exceeded (Annex E). These indicators are national targets to which Australia's investments are only one contribution. The indicator results also reflect some limitations in current national health information systems. The narrative below focuses on the contribution of Australia's investments.

Under H-EQIP we saw increased Ministry of Health (MoH) ownership of the quality improvement agenda in 2017-18. For example, the new National Quality Enhancement Monitoring (NQEM) system was finalised and the first assessments were undertaken, covering 38 per cent of public health facilities. Independent verification found that 10 per cent of the assessed health centres exceeded the 60 per cent quality target.

Another major achievement under H-EQIP was improved functioning of the Health Equity Fund (HEF) system, the system that subsidises health care for the poorest Cambodians. Subsidised health care was offered in 2.64 million cases in 2017, up by 340,000 cases from 2015. The management of HEF operations shifted from NGOs to public health facility staff in July 2016, with systems becoming more embedded in MoH over 2017.

Significant delays in processing the disbursement of funds from the National Treasury to health institutions has led to a slowdown in the program, including the roll-out of the quality assessment for indicator 8. H-EQIP partners are working with MEF and MoH to overcome this bottleneck. At Australia's initiative, a gender assessment of H-EQIP was completed in 2018. Australia will monitor implementation of the recommendations, for example ensuring at least one member of the quality assessment teams is female.

Australia (with German co-funding) is supporting the Cambodian Ministry of Planning to develop a database of poor and vulnerable households through the **Identification of Poor Households Program Phase 3** (IDPoor III, \$5.4 million 2016-2019). The Cambodian Government relies on this database to target pro-poor programs, including to identify beneficiaries for Australian-supported health and infrastructure programs. This support is helping to break the poverty cycle and encourage social sector investment.

IDPoor is becoming increasingly relevant with the Cambodian Government's ambitious new National Social Protection Policy Framework. Australia plans to extend our support for IDPoor until 2021 to take advantage of its new policy importance and to ensure greater sustainability of the system.

Overall, both H-EQIP and IDPoor have achieved major targets in 2017 and are largely on track to achieve their PAF indicators and final outcomes.

Our **Partnering to Save Lives** (PSL, \$19.7 million, 2013-2018) program is near completion and has achieved important reproductive, maternal and neonatal health outcomes — especially for vulnerable groups such as the poorest communities, ethnic minority groups and people with a disability. For example, in the four north-eastern provinces targeted by PSL, the percentage of women from ethnic communities who gave birth in a health facility with a skilled birth attendant increased from 37.4 per cent in 2014 to 63.3 per cent in 2018.

Investments in accessible and quality reproductive and maternal health services for garment factory workers have translated into economic benefits for the workers and their families, as well as for the sector at large through increased productivity gains — contributing to 6 per cent less staff turnover and 24 per cent less leave without permission. This program demonstrates the importance of access to reproductive health services not only for individuals but for productivity increases and women's labour force participation. The percentage of garment factory workers of reproductive age targeted by PSL who used modern contraception increased from 10.6 per cent in 2014 to 25.2 per cent in 2018, against a national backdrop of a general decrease in Cambodian women using modern contraceptives in 2017. PSL's success means the MoH is considering using the PSL model as a foundation for the development of a training module for health service providers across the country, a testament to Australia's influence through effective development.

Education

In 2017-18, we met our target of offering 50 **Australia Awards Scholarships** for talented Cambodians to pursue their postgraduate studies in Australia, following a robust selection process. Forty-eight candidates

accepted the scholarship offer, including one reserve candidate. We ensured scholarships were offered to Cambodians from a diverse range of backgrounds and made good progress towards our benchmark of offering 50 per cent of scholarships to women, with 48 per cent of scholarships (24 out of 50 scholarships) awarded to women. This was a 12 per cent increase in the number women scholars compared to 2016-17. This increase could be attributed to more targeted promotion, including joint information sessions with the Ministry of Women's Affairs to promote Australia Awards to civil servants and the Linking Women to a World of Opportunity workshops to showcase the experiences of women who have studied in Australia.

Australia Awards in Cambodia continue to be offered in fields of study that are vital for Cambodia's development, complement our broader objectives and are significantly less likely to be pursued by self-funded students, including effective governance (27 per cent); health (19 per cent); building resilience (15 per cent); trade (15 per cent); agriculture; education; infrastructure; and empowering women and girls.

Australia Awards alumni are making a contribution to Cambodia's development on their return. In 2017, 95 per cent of year two survey respondents believe they are progressing along their planned career path. They see themselves making a significant contribution to Cambodia, as a direct outcome of their scholarship.

In 2017, Australia Awards Cambodia piloted a Women in Leadership program to support women alumni as they progress through their professional careers. Australia Awards Cambodia worked with 32 women alumni over a six-month period to enhance their leadership skills, support their career planning, and create stronger networks of women across different organisations and roles. Feedback from women alumni was positive and this component will continue in the next phase of Australia Awards Cambodia.

Over the last year, we undertook a successful design process for the next phase of the Australia Awards in Cambodia, re-aligning our scholarship investment to our current policy settings and ensuring the program stays agile to meet Cambodia's development needs, including piloting short-course awards.

CROSS-CUTTING ISSUES




Inclusive participation

The Australian aid program in Cambodia continued to demonstrate Australian leadership in promoting disability inclusion, through funding Australia's only dedicated disability program in Southeast Asia, **Disability Rights Initiative Cambodia** (DRIC, \$10.4 million, 2014-17). This included supporting the Cambodian Government to implement the Convention on the Rights of Persons with Disabilities, Disabled People's Organisations to raise the voice and protect the rights of people with disability, rehabilitation systems strengthening, and the provision of community-based services.

DRIC supported the Cambodian Government to better implement its national disability strategic plan and mainstream disability across the government development agenda. This was made possible through establishment of 19 disability working groups in line ministries and sub-national agencies and allocations from the national budget for the groups (ranging from USD 5,000 to USD 1.2 million) to implement their work plans. In this financial year, DRIC also supported the Government to develop and endorse several policies needed to improve and sustain rehabilitation services for people with disability in both physical rehabilitation centres and public health facilities. In 2017, the Government allocated a total budget of USD 1,156,000 for rehabilitation activities (an increase from USD 765,500 in 2013).

Australia provided strong support for efforts to eliminate violence against women in Cambodia, mainly through the **Ending Violence Against Women** (EVAW, \$13.4, 2012-2017) program. The prevalence of domestic violence and sexual assault in Cambodia remains high – 20 per cent of women report having



experienced physical and/or sexual violence by an intimate partner. This included improving policy settings and guidelines for government services to people affected by violence and enhancing gender sensitive responses to violence against women. EVAW developed the basic building blocks required to begin establishing accessible, appropriate and quality services for affected women. EVAW delivered services to 12,907 women and their families over the course of the program (exceeding targets two-fold).

In 2017-18, DFAT designed an innovative program called ACCESS to improve the sustainability of quality, inclusive services for people with a disability and those affected by gender-based violence. This program, announced by the Ambassador for Women and Girls in February 2018, will bring together our former work in these two sectors and advocate for greater public investment in these issues.

Australia also designed a new women's economic empowerment project across Cambodia, Vietnam and Myanmar called Empower (\$10.3 million, 2018-2021). This initiative will support women and girls to realise their economic potential through improved utilisation of sexual and reproductive health services.

Improved governance

The World Bank's Public Financial Management Program Phase I (2004-2017), financed by a coalition of donors including Australia, supported the Cambodian Government's agenda to increase financial accountability. Our investment of approximately \$3 million helped yield benefits worth far more than this, including a uniform budget classification and chart of accounts, regular internal audits in 12 line ministries, and payment of civil servants' wages through commercial banks. We are exploring opportunities to continue our support for public financial management in Cambodia following the conclusion of this program in 2017.

The Cambodia Communications Assistance Project Phase 2 (\$3.5 million, 2015-2018) delivered real accountability for communities, with local government officials responding to concerns raised on radio programs under the project. In 2017, sixty-five per cent of promises made by officials on air during these radio programs were fulfilled.

In 2017-18, the Cambodian National Police (CNP) released a directive requiring all police posts across the country to implement community policing. This was a significant achievement for the Community Policing Initiative (\$4.4 million, 2016-2019), which introduced community policing to the CNP to improve police responsiveness to gender-based violence and help police to work with communities on drug prevention.

Our long-term funding to the Extraordinary Chambers in the Courts of Cambodia (ECCC) assisted the Courts to complete trial hearings for Case 002/02 which, among other charges, is considering alleged genocide by two senior members of the Khmer Rouge. The Courts also progressed cases against four other defendants.

AUSTRALIA'S GLOBAL AND REGIONAL AID PROGRAMS IN CAMBODIA

Regional and global programs account for almost a third of Australia's total ODA in Cambodia. From 2018-19, this portion is currently projected to increase significantly relative to our bilateral expenditure.

Australian NGO Cooperation Program (ANCP)

Australian NGOs play an important role for the Australian aid program in Cambodia, in particular through their ability to reach the poorest and most vulnerable communities. The primary DFAT mechanism supporting Australian NGOs in Cambodia is the ANCP. In 2017-18, Cambodia received the most ANCP funding: 26 Australian NGOs received approximately \$13 million to implement 66 projects. Projects focused on a range of themes including gender, agriculture, climate change, health, education and disability.

See the [DFAT web site](https://dfat.gov.au/aid/who-we-work-with/ngos/ancp/Pages/australian-ngo-cooperation-program.aspx) for more information on ANCP.⁶

⁶ <https://dfat.gov.au/aid/who-we-work-with/ngos/ancp/Pages/australian-ngo-cooperation-program.aspx>



Australian Volunteers

The Australian Volunteers Program supports skilled Australians to contribute to the Australian Government's aid program in Cambodia. Australian volunteers work with local counterparts in Cambodian government ministries, NGOs, civil society, multilateral organisations and academic institutions to build knowledge, share skills and promote positive people-to-people links. In 2017-18, we supported 45 Australian volunteers in Cambodia, of whom 15 were women. This included 32 new volunteer assignments across community and social development, health, human resources, marketing, media and communications, law and justice, and environmental management. Under Australia's new Indo-Pacific Health Security Initiative (2017-2022) two Health Security Corps volunteers were deployed with the World Health Organisation in Cambodia.

ASEAN and Mekong Aid Program

Australia's ASEAN and Mekong Program supports ASEAN countries, including Cambodia, to implement a coordinated response to cross-border challenges by promoting economic growth and trade, combatting human trafficking, and improving management of the Mekong's water resources.

Highlights include providing more than 75,000 ASEAN workers with advice and/or legal support on safe and fair migration and providing more than 1.99 million people (of which more than 770,000 were women) with access to financial services through innovative private sector projects in ASEAN.

See the [ASEAN and Mekong Aid Program's APPR](#) for more detail.⁷

Other

A small but important initiative established in early 2018 with The Asia Foundation provides an opportunity for Australia to work with Chinese factories in Cambodia on improving gender sensitivity and corporate responsibility. This is an example of Australia sharing our experience and prosecuting our values of equitable and inclusive development, which is likely to become increasingly valuable in a changing donor landscape.

The World Bank Multi-Donor Trust Fund (MDTF) for Integrating Donor Financed Health Programs supports countries in strengthening their health systems with a focus on assessing and supporting the sustainability of health programs such as TB, malaria, HIV and immunisation. In Cambodia, work is underway to develop the Health Financing System Assessment (HFSA) which will focus on allocation challenges for immunisation and nutrition. A gender assessment completed under H-EQIP will inform the HFSA. A new five year Cambodia Nutrition Project is also under design for consideration for co-financing under the MDTF.


MUTUAL OBLIGATIONS

Infrastructure: Australia remains committed to funding Cambodia's key multilateral infrastructure financing partners - the ADB and World Bank - and to supporting rural and peri-urban infrastructure through bilateral aid grants. In 2017-18, the Cambodian Government strengthened its commitment to centralising the approval of sovereign debt obligations and developing a systematic, coordinated approach to developing public-private partnerships. It also established a Renewable Energy Working Group and has committed to including infrastructure advisors from Australia's 3i program as formal members of this group.

Agriculture: In 2017-18, the Cambodian Government remained committed to the implementation of the *Policy on the Promotion of Paddy Production and Rice Export 2011-2020* and to assisting Australia's engagement with government and non-government stakeholders in support of this policy. We focused on development of irrigation for rice production and support to the rice export market. Since 2010, the annual rice paddy production has exceeded domestic demands by around five million tonnes. This surplus is exported through informal and formal channels. In 2017, these exports increased by 17 per cent.

Health: The Cambodian Government continues to assume greater ownership and management responsibility for health financing and quality improvement. An important milestone in 2017 was the establishment of the

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



Health Payment Certification Agency, a government semi-autonomous institution that will verify and certify the payments of performance-based grants to hospitals and other public health facilities. This was one of DFAT's key requirements for H-EQIP to ensure rigorous financial controls are in place and one we are monitoring closely, including as a management response to this report.

Scholarships: We continue to engage with the Cambodian Government through an Annual Strategic Review to discuss program management issues including the effectiveness, efficiency and relevance of the scholarships program. This dialogue helps ensure the program is meeting Cambodia's human resource needs and is aligned with our Cambodia AIP.

PROGRAM QUALITY AND PARTNER PERFORMANCE

Overview

In this APPR, we report our achievements against last year's Performance Assessment Framework (PAF) indicators and seven priority Performance Benchmarks. We have developed an interim PAF and Performance Benchmark for 2018-19 (Annex F) while a new Aid Investment Plan is being formulated.

In 2017-18, the program had 17 investments, encompassing 26 agreements. This compares to 22 investments and 31 agreements in 2016-17. This delivers an aggregate 54 per cent consolidation of the total number of agreements since 2015-16, a substantial achievement.

During the reporting period, one independent evaluation (3i Scalability Review) and one review (Supporting Effective Governance in Cambodia) were undertaken. Three completion reports (EVAW, PFM, and Disabilities Rights Initiative) were finalised. The findings and recommendations of our monitoring and evaluation inform our on-going and planned investments. Annex C lists details of planned evaluations and reviews.

Aid Quality Checks (AQC)

In 2017-18, the Cambodia program had 17 investments. Of these, 13 required Aid Quality Checks (AQC) and four of those were final AQCs. A table of AQC ratings is included at Annex D.

The overall ratings across the program confirm strong performance and quality of our investments in Cambodia. All 13 investments were rated satisfactory for the Effectiveness, Relevance, Monitoring and Evaluation, and Sustainability criteria. The performance of our projects decreased slightly against both the Efficiency and Gender Equality criteria. While we met the departmental priority to achieve 80 per cent of all programs satisfactorily addressing gender equality, we will aim to improve this score in future.

In 2016-17, two investments were rated as Initiatives Requiring Improvement: Clearing for Results Phase 3; and the Rural Roads Improvement Project Phase 2. Both investments were successfully remediated throughout 2017-18 as verified by the 2018 AQC process.

Performance of key delivery partners

We assessed our implementing partners through 12 Partner Performance Assessments. In general, scores were higher than satisfactory. One partner was assessed as performing less than adequately on three criteria and this triggered a financial penalty for the partner as permitted under the contract for this aid investment. An Improvement Plan with senior management oversight is in place to lift performance.

RISKS

During 2017-18, the risk profile of the aid program did not shift dramatically, but considerable risks continue to threaten the program. Many of the risks identified in Table 3 were also identified in 2016-17. These were all managed effectively over the last year. Staff received training in fraud control to ensure they were up to date with departmental policies and procedures. We continued to engage with the Cambodian Government to ensure alignment to our common development priorities – securing relevance and effectiveness in our program – and we monitored political developments closely.

Table 3 below outlines risks to the achievements 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 Post's Risk Register
Further deterioration in the political context, after the 2018 national election adversely impacts on our bilateral relationship. This makes it difficult for Australia to advance or implement its foreign, trade and development priority objectives.	We continued to monitor the political situation and made representations, as appropriate. We worked with implementing partners to develop strategies to continue delivering aid programs during this period.	We will continue to monitor the political context, ensure good working relations and make representations, as appropriate. We will also robustly monitor the implementation of the aid program and continue to work with partners to deliver aid programs.	High	Yes
Australia's influence diminishes due to the relative size of its aid program compared to the growing contributions from emerging donors and the large portion of Australian aid delivered in Cambodia outside the bilateral aid program	We continued to maintain ongoing engagement with the Cambodian Government in the delivery of our aid programs. This ensured our investments remained relevant to the Cambodia's development needs maintaining our reputation as an effective donor.	We will continue to engage with Cambodian stakeholders in developing the new Aid Investment Plan to ensure our investments achieve maximum impact for the Cambodian people. We will assess the ramifications of a large non-bilateral component of our aid program, and will continue to attempt to engage with emerging donors.	Medium	Yes
Fraud, corruption and non-compliance with safeguards policies, including child protection, work health and safety could adversely affect the reputation of the Australian Government's aid program	DFAT's Fraud and Anti-Corruption Section delivered training to staff at Post and implementing partners to ensure they are up to date on DFAT's fraud and anti-corruption policies. In addition, DFAT does not deliver aid through Cambodian Government financial systems.	We will ensure staff at Post and implementing partners are up to date on DFAT's safeguards policies through providing regular training. In 2018-19, we will be working with DFAT's Safeguards area to deliver training in risk management and child protection for staff and to implementing partners.	Medium	Yes
Staff capacity is stretched impacting on the effective delivery of the aid program the ability of staff to engage strategically in their respective sectors	We continued to work closely with desk to effectively share resources and tasking, as appropriate.	We will continue to identify innovative opportunities to ensure we have sufficient resources to engage strategically and ensure the effective delivery of the aid program. For example, we will consider contracting in aid expertise to strengthen program performance and quality.	Medium	Yes



MANAGEMENT ACTIONS

In 2017-18, we made strong progress against 2016-17 management actions. This progress is outlined in Annex A. We facilitated a Health Check of the Cambodia aid program, commissioned an assessment of opportunities for the aid program to support effective governance in Cambodia and convened a workshop for relevant staff to improve the strategic clarity of the aid program. The updated Performance Assessment Framework generated more meaningful and compelling information, along with realistic indicators to measure, manage and report on the performance of our aid program in Cambodia.

Political analysis informed DFAT decisions and guidance during the reporting period, and will continue to inform the program going forward.

Strategic

- Develop a new Aid Investment Plan for implementation from 1 July 2019 to ensure our future development cooperation in Cambodia furthers the objectives of the Foreign Policy White Paper and responds to the development needs of the Cambodian people.
- Pursue avenues for utilising administered funding from financial year 2018-19 to mobilise additional personnel in support of our increasing focus on achieving policy influence objectives.

Operational

- In response to the Aid Health Check outcomes, adjust CAVAC II and 3i to also conduct policy dialogue with the Cambodian Government on key agriculture and infrastructure policy issues, including energy, rice production, irrigation and public-private partnerships by December 2018.
- As a result of the 2018-19 budget, manage any necessary CAVAC II budget reductions to minimise impacts on the program outcomes; work closely with the CAVAC II team to manage the expectation of government partners and inform them about any change to the program's scope by November 2018.
- Maximise the benefit of our broader bilateral ODA engagement by exploring opportunities for promoting ACIAR's promising research findings under CAVAC II's 'diversification' pillar before the commencement of the mid-term review in February 2019.
- Continue our support for sustainable investments by ensuring appropriate steps are being taken to address barriers to effective road maintenance, including capacity shortfalls, incomplete road maintenance planning and low or inconsistent road maintenance funding by June 2019.
- Introduce new components to Australia Awards Cambodia, including short-term awards and an Australia Awards Alumni Engagement Coordinator by June 2019, as a result of last year's design process to advance our foreign, trade and development objectives.
- Complete the tendering process for the new design of ACCESS, followed by project set-up and implementation in 2018-19.
- To effectively manage the implementation of ACCESS and to improve the mainstreaming of disability sensitivity within existing programs, work with DFAT Disability Section to conduct disability inclusive development training and identify priority actions by March 2019.
- Extend our contribution to the IDPoor program in 2018 to take advantage of its increasing importance to social protection and public service delivery, including its role in identifying Cambodia's most vulnerable people and facilitating their access to health care rebates.
- Closely monitor Payment Certification Agency under H-EQIP through 2018-19 and implementation of the Gender Assessment recommendations by the Gender Mainstreaming Working Group through the H-EQIP mid-term review process by June 2019.

ANNEX A- PROGRESS IN ADDRESSING MANAGEMENT ACTIONS

Progress made against management actions in 2016-17 report

Management actions identified in 2016-17 APPR	Rating	Progress made in 2017-18
<p>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.</p>	Achieved	In 2017-18, DFAT undertook a Health Check of the Cambodia aid program, commissioned a review of the aid program's support for effective governance in Cambodia and convened a workshop for all aid program staff to improve the strategic clarity of the aid program and ensure it is underpinned by strong analysis. Recommendations from these exercises will ensure the next Aid Investment Plan aligns closely with the objectives contained in the Foreign Policy White Paper.
<p>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.</p>	Achieved	The updated Performance Assessment Framework (PAF) served as effective tool to communicate with implementing partners and has improved a program management. The updated PAF generated more meaningful, compelling information and realistic indicators to measure, manage and report on the performance of our aid program in Cambodia. The PAF has also guided the priorities of the program by informing sector plans and program designs; supported public diplomacy efforts; and, fostered collaboration across the program.
<p>Consider opportunities for further efficiency gains and maintain judicious control of the number of agreements and investments in 2017-2018.</p>	Achieved	In 2017-18, the aid program made significant progress in consolidating initiatives, with the total number of agreements reducing from 40 on 1 July 2017 to 26 by 30 June 2018.
<p>Monitor the domestic political situation ahead of national elections in July 2018, and ensure risk analysis informs program implementation.</p>	Partly achieved	The Embassy effectively monitored the political situation, and political analysis informed DFAT decisions and guidance. However, during the reporting period, one implementing partner's performance was less than satisfactory against some criteria. DFAT will continue to manage partner performance closely.
<p>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.</p>	Achieved	<p>Agriculture: The Program has considered and effectively implemented recommendations from CAVAC I evaluation, and four Strategic Advisory Team inputs. The SAT provided strategic advice and support to DFAT and CAVAC II on policy, program and operational issues. The Gender Strategy of the CAVAC program has now become an important tool for integration of Women's Economic Empowerment in component activities.</p> <p>Health: A Gender Assessment of H-EQIP was completed in November 2017. The Ministry of Health Gender Mainstreaming Working Group accepted the recommendations has requested relevant departments to take action.</p>



		<p>Infrastructure Programs are actively adopting lessons learnt across all program aspects and ensuring these are informing implementation. For instance, recommendations identified in the 3i Scalability Review are being carried out including a recommendation for program extension in order to maximise program’s policy and investment outcomes.</p> <p>Several gender impact studies were conducted and employed both qualitative and quantitative methods. Findings from these studies have led to program interventions which will check that rates of access to new energy and water utilities is the same for women and men. Interventions such as subsidising the connection cost to IDPoor families and female-headed households to increase accessibility to clean water and electricity have been integrated into grant offers to local operators.</p> <p>RRIP II has demonstrated impressive results in response to recommendations from specialist gender expertise on review missions and specific project covenants. For instance, employing of female unskilled labour was 28 per cent in average, exceeding its target of 20 per cent. The Social and Environmental Office in the Ministry of Rural Development has employed four women out of seven total staff, and has demonstrated steadily improving capacity.</p>
<p>Closely monitor the two IRI investments to ensure improvements in program performance by March 2018 in accordance with our remediation plan for both investments.</p>	<p>Achieved</p>	<p>RRIP II exited its IRI status due to improved performance compared to the previous year’s significant progress delays. Improvement was driven by range of factors including better management oversight by the ADB project team and increased involvement of co-financers in scrutinising implementing partners. All civil work and soft packages have been now awarded. Overall civil work progress was ahead of the revised progress schedule, despite several individual packages experiencing significant delays. Catch-up within the project time frame is possible for these packages. CfR III is no longer an IRI. The performance of the project improved significantly, in terms of the improvement of the CMAA’s leadership; the finalisation and approval of National Mine Action Strategy (2018-2025); the development of the Performance Monitoring System; and filling critical vacant positions on the project.</p>
<p>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.</p>	<p>Achieved</p>	<p>Design for the next phase of Australia Awards in Cambodia was finalised in the fourth quarter of 2017. Coffey International Development was selected through an open tender process to manage and implement the next phase of Australia Awards in Cambodia (2018-2022). The next phase of Australia Awards Cambodia commenced on 1 July 2018, as scheduled.</p>
<p>Assess the impact of the specific activities undertaken to better target and attract women applicants for the Australia Awards Scholarships 2018 Intake.</p>	<p>Achieved</p>	<p>Targeted activities to better target and attract women applicants were a success, as the percentage of women awarded an Australia Awards Scholarship increased from 36 per cent in 2016-17 to 48 per cent in 2017-18. The targeted activities included joint information sessions with the Ministry of Women’s Affairs to promote Australia Awards to civil servants and <i>Linking Women to a World of Opportunity workshops</i> to showcase the experiences of women who have studied in Australia.</p>
<p>Undertake a tracer study for the Australia Alumni program by June 2018.</p>	<p>Achieved</p>	<p>The Australia Awards Global Tracer Facility undertook a tracer study of Cambodians who studied in Australia and returned to Cambodia between 1996 and 2005. The Australia Awards Global Tracer Facility is analysing the results and we expect to receive a tracer study report for Cambodia shortly.</p>
<p>Finalise the design for the new Australia-Cambodia Cooperation for Equitable and Sustainable Services (ACCESS) Program, with program implementation underway by 1 July 2018.</p>	<p>Partly achieved</p>	<p>The ACCESS program design was completed with comprehensive consultation with the stakeholders. The design was endorsed by the Cambodian Government and finalised in January</p>

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.

Achieved

2018. The program is expected to commence in September 2018, after a slight delay due to the July 2018 national elections, leading to the amber rating.

PSL supported cross-agency efforts to develop national guidelines for Midwifery Coordination Alliance Teams, the guidelines for the Establishment of Enterprise Infirmaries and the National Strategy for Reproductive and Sexual Health 2017-2020.

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 2017-18

Aid objective	Performance Benchmark	Rating	Progress in 2017-18
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)	Achieved	Target exceeded (674,357 people with committed connections). This is the expected number of people that will be reached by new private electricity and water networks being built by companies that have entered into output-based co-investment contracts with Investing in Infrastructure (3i).
Increasing agricultural productivity and farmer incomes	Additional production per year as a result of DFAT-supported irrigation schemes (29,000 tonne of paddy)	Achieved	In 2017-18, the irrigation activities through CAVAC resulted into additional production of 28,769 tonne of paddy.
	Land contaminated by landmines and other ERW released for productive use (6.75km ²)	Achieved	Target exceeded. 22 km ² of land was cleared using technical clearance. This exceeded the clearance target of 6.75 km ² (DFAT contribution is 40 per cent).
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)	Partly achieved	The roll-out of the quality assessment was delayed in 2016-17. So the 2017-18 round is considered as the baseline (10 per cent).
	Number and per cent of Australia Awards scholarships awarded to women and men (50 per cent women, 50 per cent men)	Partly achieved	Some progress has been made towards awarding 50 per cent of scholarships to women in 2017-18, 48 per cent of scholarships were offered to women, which is a 12 per cent increase from 2016-17. As we did not reach the 50 percent target, this resulted in an amber rating.
Reduced gender-based violence	Additional 1,000 women survivors of violence receiving services such as counselling.	Partly achieved	761 women. EVAW Program completed in September 2017. Program is in transition to ACCESS, reflected in the amber rating.

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

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
3i Scalability Review	INL435 Investing in Infrastructure (3i)	15 December 2017	15 February 2018	15 February 2018	22 December 2017
n/a	Supporting Effective Governance in Cambodia	May 2018	n/a	n/a	no

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
Rural Road Improvement Mid-term Review	INL044 Rural Road Improvement Project Phase II (Name in AidWorks- Cambodia Infrastructure Investment)	October/ November 2018	November/ December 2018	Reviewing Progress Results Verifying Performance Drawing lesson learned and recommendations where necessary project scope can be adjusted	Led by Asian Development Bank
CAVAC Phase II Mid-term Review	INL089 Cambodia Agriculture Value Change Program	February 2019	May 2019	Improve existing investment, with a focus on policy dialogue and strategic influence	DFAT led (includes consultants engaged by DFAT)
H-EQIP Mid-term Review	INL968 Health Equity and Quality Improvement Program	February-March 2019	June 2019	Review of the progress of the implementation of H-EQIP	Joint by H-EQIP Donors

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
Cambodia Infrastructure Investment 2013-2020 (RRIP II)	\$40.0m	2018 AQC	4	4	4	4	4	4	n/a
	2013-20	2017 AQC	4	3	2	3	4	4	n/a
3i - Investing In Infrastructure	\$45.4m	2018 AQC	5	5	5	4	5	4	n/a
	2015-21	2017 AQC	5	5	5	4	5	4	n/a
Cambodia Agricultural Value Chain Program Phase 2	\$89.7m	2018 AQC	4	4	3	4	5	4	n/a
	2016-21	2017 AQC	5	4	4	4	5	4	n/a
Clearing for Results Phase III	\$9.0m	2018 AQC	5	4	4	4	4	4	n/a
	2016-18	2017 AQC	5	3	3	4	4	4	n/a
Delivering Better Health (includes Partnering to Save Lives)	\$22.7m	2018 AQC	5	5	5	5	4	5	n/a
	2007-18	2017 AQC	5	5	5	5	4	5	n/a
Health Equity and Quality Improvement Program (IDPoor3)	\$55.3m	2018 AQC	6	4	5	4	5	4	n/a
	2016-20	2017 AQC	6	4	4	4	5	4	n/a
Cambodia Australian Scholarship Initiative	\$13.2m	2018 AQC	5	4	5	5	4	5	n/a
	2013-18	2017 AQC	5	5	5	5	4	4	n/a
Community Policing Initiative in Cambodia	\$4.4m	2018 AQC	4	5	5	4	5	4	n/a
	2016-19	2017 AQC	5	5	4	4	5	4	n/a
Cambodia Communication Assistance Project Phase 2	\$3.5m	2018 AQC	5	5	5	5	4	5	n/a
	2015-18	2017 AQC	5	5	5	5	4	5	n/a

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
Disability Rights Initiative Cambodia	\$10.4m 2014-17	4	5	4	4	4	4	4	n/a
Ending Violence Against Women in Cambodia	\$13.4m 2012-17	5	5	5	4	5	4	5	n/a
Rural Energy Project	\$7.8m 2014-18	4	4	4	3	4	5	3	n/a
Cambodia Public Financial Management	\$3.3m 2005-16	5	6	5	5	5	5	3	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	2017/18 Targets	2017/18 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).	486,000	674,357	Target exceeded. This is the expected number of people that will be reached by new private electricity and water networks being built by companies that have entered into output-based co-investment contracts with Investing in Infrastructure (3i).
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.	90 per cent of packages	Civil works progress +0.83 per cent ahead of schedule, with overall progress slippage of -2.5 per cent.	Improved project coordination, and revised civil works plans are the basis of better progress scores. Three civil works packages remained >10 per cent behind schedule, but with satisfactory catch-up plans in place. This indicator should be considered 'partially achieved'.
	3. Proportion of unskilled labour days on Australian-funded rural road rehabilitation works performed by women.	20 per cent	28 per cent	The project has exceed its target by employing 28 per cent of women for unskilled labour days as of May 2018.

Objective 2: Increasing agricultural productivity and farmer incomes

	Indicator	2017/18 Targets	2017/18 Results	Explanation for Results
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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	20,601 Households	12,243 households	Partly achieved: total of 12,243 households benefitted from CAVAC activities in Productivity and Diversification (component 1) and Irrigation and Water management (component 2).
	5. Additional production per year as a result of DFAT-supported irrigation schemes (AIP Benchmark)	29,000 tonne of paddy	28,769 tonne of paddy	Achieved (within acceptable margin): In 2017-18, the irrigation activities through CAVAC resulted into additional production of 28,769 tonne of paddy.
4. Farming households have improved access to quality agricultural inputs	6. Number of farming households that gain access to sustainable irrigation	2,900 households	4,121 households	Target exceeded
5. More land available for productive use	7. Land contaminated by landmines and other ERW released for productive use (AIP Benchmark)	6.67 km ²	22 km ²	Target exceeded. 22 km ² of land was cleared using technical clearance. This exceeded the clearance target of 6.67 km ² . DFAT contribution is 40 per cent)

Objective 3: Better health and education outcomes

	Indicator	2017/18 Targets	2017/18 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 + 20 per cent	10 per cent (baseline)	The roll-out of the quality assessment was delayed. 2017-18 is now the baseline.

	9. Utilisation of health services by Health Equity Fund (HEF) beneficiaries	60 per cent	Data unavailable	Results for this indicator cannot be reported using current national health information systems. An alternative indicator is the number of outpatient services covered by HEF, which increased from 2.3 million cases in 2015-16 to 2.64 million cases in 2017-18.
	10. Percentage of women delivering in a health facility with a skilled attendant	>80 per cent	88.99 per cent	Achieved
	11. Percentage of women aged 15-49 years who are married or in union and used modern contraceptive methods	42 per cent	24.82 per cent	This national indicator is routinely measured by the Ministry of Health's Health Management Information System. Reasons the national target was not achieved include: 1) some target women have moved from public health facility services to private providers where services were not properly recorded; and 2) reduction in number of community health volunteers whose roles were to distribute modern contraceptive commodities and services in the community.
7. Australia Awards Alumni contribute to Cambodia's development	12. Number and percentage of Australia Awards scholarships awarded to women and men (AIP Benchmark)	50 per cent women, 50 per cent men	24/26 (48 per cent women, 52 per cent men)	Good progress has been made towards awarding 50 per cent of scholarships to women. In 2017-18, 48 per cent of scholarships were offered to women, which is a 12 per cent increase from 2016-17. Australia Awards Cambodia will continue to implement activities to

				better support women applicants in the pre-application stage to enhance the likelihood of women successfully applying and receiving a scholarship.
13. Increase in percentage of applicants for an Australia Awards Scholarship who are women	40 per cent of applicants for Australia Awards Scholarships are women	44 per cent of applicants for Australia Awards Scholarships are women.	Australia Awards Cambodia successfully met its target of having 40 per cent of applicants being women. Australia Awards Cambodia will continue its efforts to better support women applicants apply for and succeed in receiving an Australia Awards scholarship	

Cross-cutting issues

	Indicator	2017/18 Targets	2017/18 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	761 women	Partly achieved. The achievement was slightly lower than the target because the EVAW program was winding down in 2017. However, overall, the EVAW program provided services to 12,907 women and their families in five years (exceeding targets more than two-fold).
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)	26,243 people with disability, of them, 6,795 were women and girls.	Target exceeded. However, this figure shows that there is a lower proportion of female people with disability accessing physical rehabilitation services (26 per cent), due in part to the majority of the 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	36 contracts signed (35 3i contracts; one CAVAC II contract)	68 contracts signed	<p>Target exceeded.</p> <p>3i: 49 contracts signed. Investing in Infrastructure (3i) signed 49 co-investment contracts (39 water and 10 electricity) as of 30 June 2018. Cumulatively, 3i had signed 71 contracts, exceeding the end of AIP target by 10.</p> <p>CAVAC: 19 contracts signed.</p>
	17. Value of private investment leveraged (AUD)	AUD \$5,300,000 (\$4,550,000 attributable to 3i; \$750,000 attributable to CAVAC II)	AUD 26,556,504	<p>Target exceeded.</p> <p>3i: with AUD 25,738,909⁸ 3i leveraged this amount of private investment calculated as the total value of co-investment commitments across all 49 contracts as of 30 June 2018.</p> <p>CAVAC: In partnership with private sector, CAVAC realized AUD 817,595 of leveraged funds.</p>

⁸ 3i's leverage ratio at June 2018 was 1.85 (i.e. each dollar of 3i investment leveraged 1.85 dollars of new private investment)

ANNEX F: PERFORMANCE ASSESSMENT FRAMEWORK FOR THE INTERIM PERIOD 2018/19

Objective 1: Improving access to essential infrastructure

	Indicator	2018/19 Targets	Remarks
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)	441,531 people	
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 of less than five per cent	*Based on the revised project schedule agreed in March 2018
	3. Proportion of unskilled labour days on Australian-funded rural road rehabilitation works performed by women.	20 per cent	

Objective 2: Increasing agricultural productivity and farmer incomes

	Indicator	2018/19 Targets	Remarks
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	23,280 households	
	5. Additional production per year as a result of DFAT-supported irrigation schemes (AIP Benchmark)	30,000 tonne	
4. Farming households have improved access to quality agricultural inputs	6. Number of farming households that gain access to sustainable irrigation	10,666 households	CAVAC will build 3 new schemes
5. More land available for productive use	7. Land contaminated by landmines and other ERW released for productive use (AIP Benchmark)	6.67 km ²	

Objective 3: Better health and education outcomes

	Indicator	2018/19 Targets	Remarks
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)	30 per cent	
	9. Number of outpatient services (episode) covered by Health Equity Fund	2.80 million cases	Achieved 2.64 million cases (2017/18) and end H-EQIP project target is 3.10 million cases (2020/21). Since there is no annual targets during 2019-2021 in the revised H-EQIP Project Appraisal Document (May 2018), based on the estimation, annual targets should be: 2.80 million (2018/19), 2.95 million (2019/20), and 3.10 million (2020/21)
	10. Percentage of women delivering in a health facility with a skilled attendant	89 per cent	
	11. Percentage of women aged 15-49 years who are married or in union and used modern contraceptive methods	43 per cent	
7. Australia Awards Alumni contribute to Cambodia's development	12. Percentage of Australia Awards scholarships awarded to women and men (AIP Benchmark)	50 per cent women, 50 per cent men	

13. Percentage of male and female alumni use their skills and knowledge to make a positive contribution to their field of expertise

75 per cent of alumni are employed in a position relevant to their field of study after 2 years of return

Cross-cutting issues

	Indicator	2018/19 Targets	Remarks
8. Increased investment in quality services for women affected by gender-based violence	14. [Indicator to be established in agreement with the Cambodian Government]	Baselines established	ACCESS Program
9. Improved quality of life for people with a disability	15. [Indicator to be established in agreement with the Cambodian Government]	Baselines established	ACCESS Program
10. Increased opportunities for Cambodia's private sector (especially small- and medium-sized enterprises) to participate in transparent and effective public-private partnerships	16. Number of private industry associations assisted to promote sustainable and inclusive development	50	CAVAC: 18 3i: 32 contracts
	17. Value of private investment leveraged for development purposes (AUD)	AUD17,800,000	CAVAC: AUD 800,000 3i: AUD 17,000,000