

**CAMBODIA AUSTRALIA TECHNICAL ASSISTANCE  
FACILITY (CATAF)**

**INDEPENDENT COMPLETION REPORT**

**MARCH 2008**

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## ANNEXES

**Annex A: Terms of Reference**

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## ACTIVITY DATA

<b>Activity:</b>	Cambodia Australia Technical Assistance Facility
<b>Coordinating Counterpart:</b>	Council For Administrative Reform (CAR)
<b>Contractor:</b>	Coffey International Development Pty Ltd (formerly SAGRIC International)
<b>Commencement:</b>	February 2004
<b>Term:</b>	3 years (to February 2007)
<b>Extension:</b>	1 Year (to February 2008)
<b>Mid- Term Review:</b>	June 2005
<b>Program Review:</b>	July 2006
<b>Total Approved Budget:</b>	AUD \$6,500,000
<b>Total Expenditure:</b>	AUD \$6,247,899

### MAP OF CAMBODIA



CATAF is based in Phnom Penh, Cambodia. Some activities were undertaken in provincial areas, but the vast majority of activities were undertaken with key Ministries, agencies and organisations located in Phnom Penh.

## EXECUTIVE SUMMARY

The purpose of the Independent Completion Reports is to provide an initial assessment of the effectiveness of Cambodia Australia Technical Assistance Facility (CATAF) and to identify lessons learned. Preparation of this ICR is based on a desk review of secondary sources including original project documentation, independent reviews and the Completion Report prepared by the contractor.

CATAF had a broad objective to promote economic reform and good governance across the public sector through the provision of flexible and responsive support for a range of small activities. Over a four year period starting in 2004, CATAF managed the implementation of 63 activities at a cost of just under \$A6.5 million. CATAF had a similar rationale and design to Governance Facilities in other AusAID country programs in terms of flexibility, responsiveness and progressive engagement.

Addressing governance was not an explicit objective in the Australia Cambodia Country Strategy 2003-06 Performance Assessment Framework, although good governance was viewed as a key cross cutting issue in the program. Consequently, there is some ambiguity in reconciling some key areas of CATAF assistance (eg most private sector development) with the country strategy objectives. Additionally, in a number of cases high level requests were probably accepted for political or whole of government reasons rather than consistency with the country strategy.

However, at the time CATAF was designed it is clear the need to address good governance in the public sector was an emerging issue in Cambodia. It was recognized in RGC planning documents and it was recognized as a cross cutting issue in the country strategy. In this sense the sector focus was broadly relevant although some areas did not specifically align with country strategy objectives. The changes in focus over the duration of the Facility reflect the reality of emerging development issues on the ground and the flexibility of the Facility delivery mode allowed these issues to be readily addressed.

Management of CATAF was highly regarded by all stakeholders including RGC officials, development partners and Australian Embassy officials. Office support, procurement processes, coordination, risk management and activity monitoring was sound. Activity outputs were generally delivered on time, on budget and to a high standard.

The Facility objective statements in the PDD included development and process objective statements. The process objectives (efficiency) were fully met. The development objective statements are broad and difficult to measure and the PDD did not include clear and realistic development performance indicators at the program level in terms of the country strategy performance framework. Hence, whilst it is reasonable to conclude that individual activities were in most instances effective, performance measurement at higher objective levels within a strategic program assessment framework is more difficult to

determine. That is, the aggregate impact of a large number of small activities, providing random results, even when well implemented individually, is difficult to assess.

It is an interesting point that CATAF had a mandate to improve governance and public sector efficiency, and played an active role in donor coordination and harmonisation, including managing activities and funds for other donors. But at the same time CATAF operated outside of government. Harmonization places emphasis on reducing transaction costs and enhancing government ownership of projects/programs.

Conversely however, at the commencement of the strategy period, given capacity weakness, perceived corruption and lack of accountability of Cambodian public institutions, the focus in the bilateral program of delivery through contractors was probably sound (this constraint is slowly changing which has implications for this type of delivery model in the future program).

CATAF along with similar facilities in other country programs had high management costs. This is not a reflection on management or operation of the facility - it is simply that this mode of delivery involving a large number of small activities is expensive. With administration accounting for 50% of the budget CATAF would appear to be at the high end of facility management costs.

However, for most Facilities the distinction between administrative and activity costs is often blurred. For example, the costs of CATAF office staff are classified as administrative, whereas in practice much of the manager's time (and some of others) was spent in providing background research, providing briefing to and technical advice to consultants as well as high level translation and interpreting services. If not provided by CATAF staff, these services would need to have been included in sub-contracted activity costs.

In summary, CATAF was well managed and efficient in delivery. Given concerns about local capacity and accountability a facility delivery model provided a low level risk approach to entry into the governance sector. Individual activities were implemented efficiently and activity outputs and outcomes delivered successfully.

The counter argument is that the CATAF model promotes a scattergun approach, impact and sustainability are uncertain and that it is difficult if not impossible to assess the contribution of CATAF at the program level in addressing public sector reform in Cambodia. In the case of CATAF both arguments are probably true.

## INTRODUCTION

1. AusAID Interim Guidelines note an Independent Completion Report (ICR) is required for all monitorable activities generally with a budget exceeding \$3 million. Completion and Independent Completion Reports are intended to provide an initial assessment of the effectiveness of the activity and to identify lessons learned<sup>1</sup>.
2. Terms of Reference (TOR) for preparation of this Independent Completion Report are included at Annex A<sup>2</sup>. For reasons documented in the TOR, preparation of the ICR is based on a desk review of secondary sources, notably
  - AusAID Country Strategy 2003-2006
  - AMU TAF Project Design Document (October 2003)
  - AMU TAF Amended Scope of Services (August 2005)
  - CATAF Review Report (September 2006)
  - Effectiveness review of Cambodia Australia Country Strategy (August 2007)
  - CATAF Completion Report (February 2008)<sup>3</sup>

## BACKGROUND

3. The Cambodia Australia Technical Assistance Facility (CATAF)<sup>4</sup> had a broad objective to promote economic reform, good governance and improve effectiveness across the public sector through the provision of flexible and responsive support for a range of small activities. It commenced operation in March 2004, initially for a three year period. A review of CATAF in July 2006 proposed a one year extension until March 2008 as well as a number of refinements to operating procedures.
4. The Project Design Document (PPD) noted the RGC had outlined a program of public sector reforms demonstrating a broad consensus between the Government

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<sup>1</sup> The interim guidelines (and hence the contractor Completion Report) confuse effectiveness and efficiency – for example, efficiency issues such as management systems, procurement processes, manuals, monitoring systems and risk management approaches used (as opposed to the results generated) are included under effectiveness in the guidelines. In this ICR the quality of operational systems, processes and management is addressed under efficiency and results (outputs and outcomes) are addressed under effectiveness.

<sup>2</sup> The ICR was prepared by David Barber (independent consultant).

<sup>3</sup> The Completion Report collates all the relevant CATAF documentation including individual activity TOR, agency certification records and activity impact assessments.

<sup>4</sup> CATAF was originally established alongside an Activity Management Unit (AMU) which was set up on a trial basis to manage AusAID funded agricultural projects. The AMU was closed in September 2005 and responsibilities transferred to the in-country AusAID office.

- and the donor community on development needs. These reforms were contained in various RGC documents including the National Poverty Reduction Strategy (NPRS) and the Socio-Economic Development Plan II supported by various initiatives, strategies and action plans for civil service reform, administrative reform and governance reform (including decentralization, anti-corruption, gender equity, natural resources management and military reform).
5. Over the four year period CATAF managed the implementation of 63 activities (separate phases of work requiring additional documentation are counted separately) at a cost of just under \$A6.5 million. These activities are summarized in Annex B. Technical assistance activities were implemented, often in highly specialized areas, by international and local consultants as well as Australian government officials. A similar number of requests were rejected mainly on the basis they did not accord with priority areas, lack of agency capacity or duplication with other activities.
  6. The Council for Administrative Reform was the Cambodian counterpart agency. At the time it was identified as having a key role in coordinating public sector and governance reform. Priority sectors for CATAF assistance were agreed annually at the PCC. There was widespread awareness amongst government agencies of opportunities for accessing CATAF funding. Activities were identified both by recipient agencies and AusAID. Individual activity requests were submitted to CATAF and approved by AusAID Post based on a recommendation from CATAF.
  7. CATAF evolved beyond its initial design to include management of activities and funds of other donors including the World Bank, ADB, UNDP, DANIDA, SIDA and CIDA primarily where these activities were undertaken in conjunction with Australia. CATAF on occasion also provided some logistical and other support to AusAID and other Australian government agencies in Cambodia, including DFAT, AFP and AGs. In this way it became an additional resource available to the AusAID Post in facilitating a range of priority program initiatives.

## RELEVANCE

8. CATAF Goal, Purpose and Objective statements specified in the Program Design Document (PDD) dated October 2003 are:  
  
Goal: To enhance economic performance and governance  
Purpose: To promote good governance by the public sector  
Objective: Timely and appropriate response to priority needs for technical assistance in key ministries.

9. These encompass both development (Goal, Purpose) and process (Objective) statements. The development objective statements are broad and difficult to measure. The PDD did not include development performance indicators.
10. The rationale for establishment of the Governance Facility was that standards of governance were viewed as a major constraint to Cambodian development, there was an emerging opportunity to support the RGC's reform agenda but that addressing governance issues was typically politically charged and that small targeted initiatives were seen as the best approach for initial engagement. Consequently, CATAF was designed to follow a process of progressive engagement that allowed for further, more intensive, stages of technical assistance depending upon initial results. Initial activities could involve small-scale technical assistance and/or 'scoping' studies to accurately assess issues and expertise required. Hence CATAF had a similar rationale and design to Governance Facilities in other AusAID country programs in terms of flexibility, responsiveness and progressive engagement.
11. Addressing governance was not an explicit objective in the Australia Cambodia Country Strategy 2003-06 Performance Assessment Framework (Annex C). However, good governance was viewed as a key cross cutting issue in the program and three of the four initial CATAF priority areas for support identified in the PDD did fit either within the priority areas for sector focus (agriculture, public finance) or for policy engagement (agriculture) of the country strategy<sup>5</sup>. Once established CATAF priority areas evolved based on annual PCC discussions (Table 1).
12. It is evident that over the period of CATAF implementation there were both subtle and significant shifts away from the original concept, for example the inclusion of criminal justice (including transnational crime issues), donor harmonization and private sector development. Private sector development was not an explicit objective within the country strategy, nor was donor harmonization. Donor harmonization was a policy objective and could be considered as important for all activity implementation. However, the changes in focus do reflect the reality of emerging development issues on the ground and the flexibility of the Facility delivery mode allowed these issues to be readily addressed.

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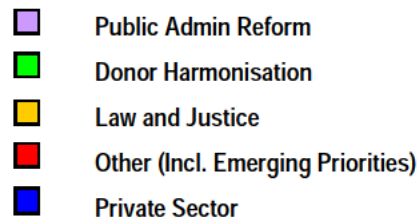
<sup>5</sup> The fourth area, covering trade related issues including WTO accession requirements, was not explicitly identified in the country strategy objectives or key areas for policy engagement.



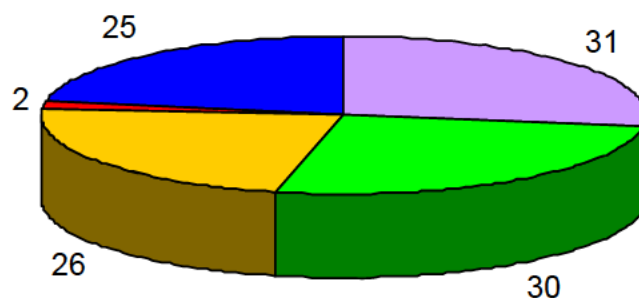
**Table 1: CATAF Priority Areas as Agreed by the PCC**

Sector	Agreed 23 August 2004	Agreed 26 July 2005	Agreed 27 October 2006
Private Sector Development	<ul style="list-style-type: none"> <li>Assisting Cambodia benefit from WTO accession and enhanced trade and investment, particularly through Technical Assistance in areas where Australian models and experiences are of interest to Cambodia.</li> <li>Strengthening Service Delivery in priority areas to promote Private Sector Growth.</li> </ul>	<ul style="list-style-type: none"> <li>Market-linked agricultural development, particularly focusing on SMEs (including enhancing enabling environment for agricultural enterprises).</li> </ul>	<ul style="list-style-type: none"> <li>Private sector development and trade liberalization with a particular focus on agriculture and provincial business;</li> </ul>
Legal and Judicial Reform	<ul style="list-style-type: none"> <li>Facilitating Legal and Judicial Reform, particularly in areas which will enhance the environment for private sector development.</li> </ul>	<ul style="list-style-type: none"> <li>Criminal Justice (including counter-terrorism and other transnational crime issues).</li> </ul>	<ul style="list-style-type: none"> <li>Criminal Justice (including counter-terrorism and other trans-national crime issues);</li> </ul>
Public Administration Reform	<ul style="list-style-type: none"> <li>Supporting the public financial management reform program.</li> <li>Developing the capacity of the Administration to become a trusted development partner and provider of public services through support for the Cambodia Knowledge Centre and research on capacity development practices.</li> </ul>	<ul style="list-style-type: none"> <li>Civil service pay reform/initiatives to phase out donor salary supplementation (linked to TWG-PAR).</li> </ul>	<ul style="list-style-type: none"> <li>Civil service reform with a focus on facilitating the implementation of the PAR Policy Framework;</li> </ul>
Donor Harmonisation		<ul style="list-style-type: none"> <li>Donor Harmonisation in agriculture, legal &amp; judicial reform and public financial management sectors, including support within a coordinated donor approach for sector strategies and functional analysis where appropriate (linked to TWGAW, TWGLJR and PFM working group).</li> </ul>	<ul style="list-style-type: none"> <li>Donor harmonization, particularly in agriculture, legal and judicial reform and public finance management sectors, including support within a coordinated donor approach for sector strategies and functional analysis where appropriate (linked to TWGAW, TWGLJR and PFM working group); and</li> </ul>
Others			<ul style="list-style-type: none"> <li>Emerging priorities.</li> </ul>

13. From Table 1 and for purposes of analysis, assistance over the duration of CATAF can be broadly categorized as follows<sup>6</sup>



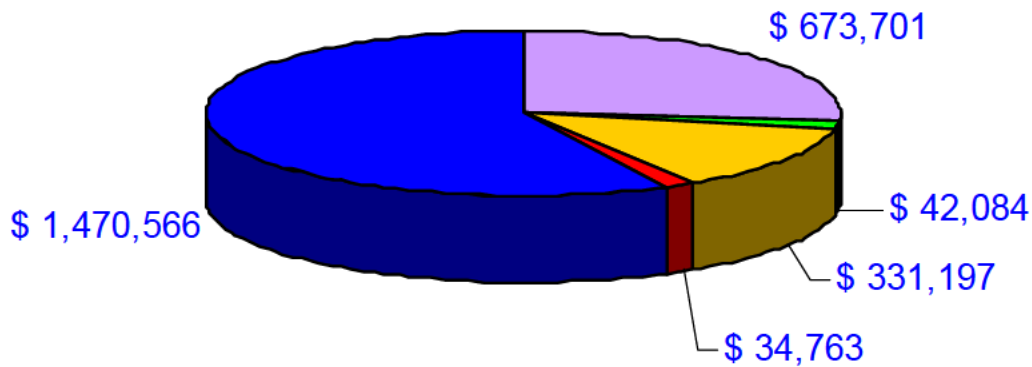
14. The number of activities by category is shown in the chart below. Some activities are relevant to more than one area and have been counted more than once. There is a reasonably even distribution of activity numbers across the priority areas, although this does tend to distort donor harmonisation which was built into most activities.



15. Expenditure provides a better comparison below. Activities relevant to more than one area have been nominated to the primary area (this explains the low percentage of expenditure under donor harmonisation).

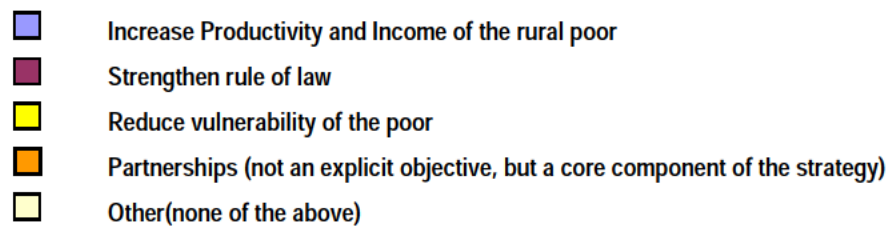
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<sup>6</sup> The categorization and diagrams are taken from the CATAF Completion Report (February 2008) prepared by the Facility contractor.

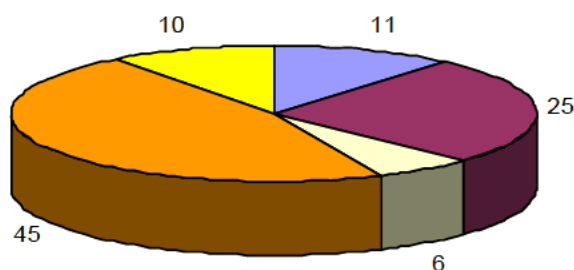


16. This Chart shows that in terms of expenditure, there was a significant weighting towards private sector development. This is due largely to the fact that two major activities were funded in this area (Customs Risk Management, and Provincial Business Scorecard and Provincial Business Association activities). In both of these areas several significant components were funded in accordance with the concept of progressive engagement.

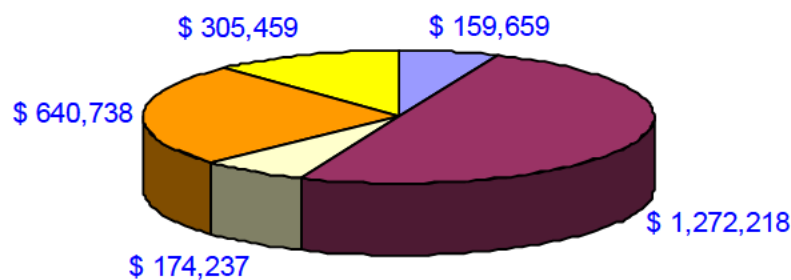
17. CATAF funded activities can also be classified according to the Cambodia Australia Country Strategy objectives and performance assessment framework:



18. The number of activities categorised by country program objective is shown in the chart below. Activities relevant to more than one objective, have been counted more than once



19. The chart is clearly weighted towards activities which can be categorised as contributing to developing important partnerships<sup>7</sup>. There were 6 activities which did not fall clearly under any specific objective.
20. In budget terms, again allocating funding to the primary country program objective, the bulk of CATAF funding was spent on activities focusing on the rule of law.



21. Although the CATAF focus area of Law and Justice overlaps the AusAID country strategy objective of Strengthening the Rule of Law, they are not the same. For example, customs activities have been classified by CATAF as private sector in terms of CATAF priority areas and as strengthening the rule of law in terms of country strategy objectives.
22. This highlights some confusion in reconciling the focal areas of CATAF assistance (eg most private sector development) with the country strategy objectives. Whilst in broad terms they are consistent and relevant, both the original focus of CATAF as designed and revisions to priority areas over the duration of the Facility did not accord strictly with the country strategy objectives and performance assessment framework<sup>8</sup>. In a number of cases high level requests were probably accepted for political or whole of government reasons rather than consistency with the country strategy.

<sup>7</sup> As noted 'partnerships' is not a strategic objective - it is a policy and process issue. Some form of partnership approach should be inherent in all activities. The country strategy breaks down partnerships to include donor-government; donor-donor; donor (AusAID)-Australian constituencies; and whole of government.

<sup>8</sup> It's not clear why the CATAF priority areas and the AusAID strategic objectives are different. It would have been preferable if the CATAF subject areas fitted in as sub groups of the country program strategic objectives. For example, considerable funds were expended on developing partnerships but it needs to be justified if outside the strategy or re-classified if the activities really fit under the strategic objectives.

23. Flexibility can be viewed as both a strength and weakness of the Facility mode of delivery. There is ample scope to change direction particularly in response to emerging priorities or political pressures on the ground, but this can also be viewed as a scattergun approach, providing random results, at the expense of performance measurement against a more strategic program assessment framework<sup>9</sup>.

## EFFICIENCY

### Management

24. Management of CATAF was highly regarded by all stakeholders. CATAF staff were motivated and supportive; professional and proactive. Recruitment and mobilization processes were efficient. Almost uniformly advisers were of high quality, well regarded and mobilized quickly.
25. High level management was provided by a Program Coordinating Committee (PCC) comprising AusAID and the coordinating counterpart the Secretariat of the Council for Administrative Reform (CAR). The PCC met annually and was mainly concerned with determining priority areas for funding support<sup>10</sup>, although CATAF also submitted quarterly and six monthly reports for information/review.
26. CAR had a particular focus on civil service reform – a much narrower focus than CATAF. The CATAF Review (2006) expressed concern that CAR had a conflict of interest – at the time of the Review CAR had received the largest amount of funds (although this quickly changed over time). Nevertheless there was probably little need for a formal counterpart – each of the agencies involved were effectively counterparts for that activity. Management arrangements and terms of reference were developed on an activity-by-activity basis that suited the needs of individual agencies.
27. Given the perceived broad scope of CATAF it would be difficult for a single RGC counterpart to provide guidance on the value of particular activities or monitor performance. Individual activity funding decisions were made by CATAF and AusAID<sup>11</sup>, rather than CAR. CATAF took the lead in monitoring and evaluation.

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<sup>9</sup> For example, the CATAF Review (2006) noted CATAF was tasked with a number of activities that do not have a clear development objective including counter terrorism legislation part funded by the British Foreign and Commonwealth Office rather than DFID

<sup>10</sup> The PDD nominated CAR as the counterpart agency and proposed that CAR should provide guidance on annual priorities consistent with the RGC reform agenda.

<sup>11</sup> Indeed CAR proved a poor counterpart, not only for AusAID. There is currently a standoff between donor partners and government on the commitment to reform and the pace of reform.

## **Coordination**

28. Coordination between CATAF and AusAID was well managed on both sides. There is no indication of any significant issues. On the contrary the level of cooperation has been an important strength of the Facility operation.

## **Facilitation**

29. While CATAF can generally be described as providing specific and targeted TA, this has sometimes been a complex undertaking and has involved far more than simply ensuring the logistics are well managed. This facilitation role has extended to
- Working with the RGC to design sub activities
  - Working with other donors to develop ways of implementing joint donor activities
  - Working with other donors to provide suitable mechanisms for managing other donor funds
  - Providing technical inputs in the scoping and design process of sub activities
  - Providing specific technical support to activities – for example, specialised expert translation services.
30. An example of this facilitation role can be seen in the Counter Terrorism activities undertaken with the Australian Attorney General's Department, the UK Embassy, and other RGC agencies, where extensive preliminary work was undertaken in the design stage, and complex coordination, extensive liaison and translation services were provided. CATAF has been more than a 'hands off' provider of technical assistance. It has worked with AusAID to further Australian interests in a whole of government approach. The CATAF Review 2006 noted the support provided to the Australian Embassy. In numerous instances CATAF seemed to fill a gap in resources available at the Post.

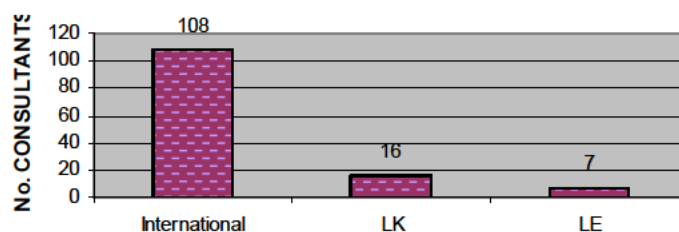
## **Procurement**

31. CATAF adhered to Australian Commonwealth Government Procurement Guidelines in the procurement of all goods and services. The most significant procurement activity was contracting of technical assistance.
32. In facilitating appropriate recruitment, the contractor (Coffey) was able to draw upon extensive resources including an international database of consultants, the development of a local database of Cambodian and international consultants based in Cambodia, and targeted international recruiting.
33. The contractor also demonstrated strong management practices in providing an induction for international experts, including a copy of a specifically developed manual covering all aspects of CATAF operation including processes and procedures, contract requirements, reporting requirements, cultural

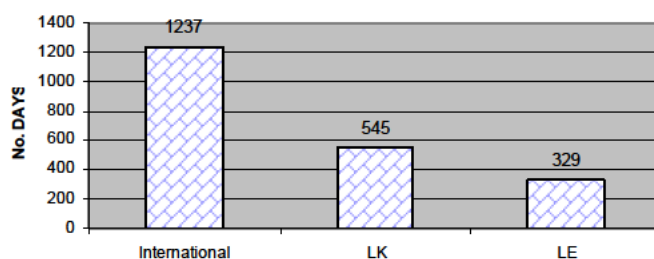
considerations, and other useful information to provide each consultant with the information needed to deliver their inputs in the most effective manner possible. Contracts included a comprehensive TOR providing detailed background material, activity design, counterpart arrangements and reporting requirements.

34. CATAF also provided a range of support for consultants including logistics support, assistance with travel arrangements, briefing and debriefing sessions, translation, transport, a range of office facilities and services, organising workshops and other functions, sourcing equipment, hardware, and software, and more.
35. CATAF engaged a large number of consultants reflecting the diversity of its activities. The following graphs<sup>12</sup> show the numbers of international, Khmer (LK) and locally engaged Expatriate consultants (LE) engaged by CATAF. This is shown firstly by the number of people, and secondly by the number of days employed.

Number of Consultants



Number of Consultant Days




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<sup>12</sup> This information has been extracted from the CATAF Completion Report (2008) prepared by the contractor

36. The following chart gives details of the consultant profile in terms of local and international engagement, and costs:

	INTERNATIONAL Consultants	LOCAL (LK and LE) Consultants	TOTAL
No. Day	1094 Days	863 Days	1957 Days
No. Consultants	108	23	131
Average No. Day per Consultants	10 Days	38 Days	15 Days
Average Cost Per Consultants	\$631.64	\$395.95	\$590.26
Lowest Rate	361.80	192.00	
Highest Rate	1900.00	636.00	

37. In total CATAF engaged 108 male and 23 female consultants. Even allowing for some bias towards being complimentary, without exception recipient agencies indicated a high level of satisfaction with the advisers and the scope of work provided.

38. The chart indicates the average duration of international assignments to be less than two weeks. This means consultants quickly must become effective. The consistently high rating of consultants by recipient agencies suggests the selection process and local support for consultants and liaison with agencies by CATAF staff worked well.

39. There was only one instance where CATAF was unable to find specific specialised expertise for an agency which specifically required a Khmer consultant, and ultimately a compromise was agreed and a local expatriate was engaged with the agency's consent.

40. The rates paid for international and local consultants are within acceptable limits.

## **Risk Management**

41. A proactive approach was taken to risk management in relation to CATAF activities, and a range of strategies employed. CATAF undertook an initial assessment of the risk profile of all activities (detailed in the activity summary in Annex B).

42. Risk strategies varied depending on the activity, but included design features such as regular (monthly) reporting requirements and staged funding which was contingent on progress, and ongoing formal and informal engagement with activity counterparts, other donors, and consultants. Where particularly high risks



were identified close contact was maintained with AusAID, and issues were openly discussed with counterpart agencies.

43. Typically activities implemented had a relatively low level of financial risk, due in part to the relatively low cost of most CATAF activities and moderate levels of counterpart risk, reflecting varying levels of counterpart capacity.
44. Not unusually for a facility with a focus on governance and public sector reform, the most significant risk issue is the relatively high level of political risk associated with the CATAF activity portfolio. This reflects the highly sensitive nature of some of the activities undertaken by CATAF. For example, at the high end of the scale, assistance was provided to MONASRI in fraud investigation techniques, and this activity was undertaken in response to serious fraud allegations by another donor. Activities with high assessed political risk involved closer attention and support by CATAF staff.

### **Monitoring and reporting systems**

45. The PDD required that CATAF be monitored at the program level, the individual activity level, and in terms of the performance of the Contractor. However, little guidance was provided as to how this should be done. Verifiable indicators in the logframe at the objective level (number of new public sector practices implemented and contributions to improved governance) are not very helpful and there was no clear positioning of CATAF within the country strategy performance assessment framework.
46. Most of the guidance in the PDD related to process rather than development objectives. For example management of sub-contractors, timely provision of inputs, flexibility, etc.
47. The key monitoring tool was the agency certification form which was required to be completed at the end of each activity, and sought agency views on the effectiveness of the assistance provided and the quality of advisers. Additionally, consultants prepared monthly and completion reports and CATAF management met with consultants and agencies on a regular basis. Individual agencies monitored activities to varying degrees.
48. In addition to monitoring activity progress and outputs through agency certification, CATAF engaged an M&E consultant to undertake a review and impact assessment of each activity implemented, at least three months after completion. This work was undertaken by a visiting consultant. For each visit the consultant would review activities which had been completed for three months or more.
49. The contractor has been responsive to advice and changing needs for monitoring and evaluation. In particular improvements to the monitoring system and a revised assessment process were introduced following the CATAF Review (2006).

## **Harmonisation**

50. It is an interesting point that CATAF had a mandate to improve governance and public sector efficiency, and played an active role in donor coordination and harmonisation, including managing activities and funds for other donors. But at the same time CATAF operated outside of government.
51. Harmonization places emphasis on reducing transaction costs and enhancing government ownership of projects/programs. There is an argument that an alternative approach could involve flexible funding built into existing projects or donors combining to establish trust funds managed by government.
52. The Country Program Effectiveness Review (2007) notes the aid environment in Cambodia is highly de-concentrated and fragmented. That is, there are a large number of donors with similar size programs all operating in a large number of sectors. This puts pressure on limited local expertise and can lead to donor partners focusing on their own results rather than the overall development effort. The Review notes that donors generally have shown a limited willingness to delegate partnership and decision making arrangements, although this is slowly changing. However, the Review also notes that at the commencement of the strategy period, given capacity weakness, perceived corruption and lack of accountability of Cambodian public institutions, the focus in the bilateral program of delivery through contractors was probably sound.

## **Value for money**

53. The CATAF Review 2006 found unanimous support for CATAF from all stakeholders including RGC officials, development partners and Australian Embassy officials. Stakeholders were particularly complimentary of its flexibility, responsiveness, timeliness, strategic involvement and quality of technical advisers. Donors commented favourably on CATAF compared with their own processes as being faster and less bureaucratic with decisions taken locally without being referred back to headquarters. RGC officials also noted the operational efficiency of CATAF compared with time consuming processes of other donors.
54. CATAF delivered 63 activities over a period of four years at a cost of just under \$A6.5 million (in the context of a country program with a current annual budget of approximately \$A54 million). About 50% of costs were activity costs and 50% were management costs (see Financial Summary at Annex D). All facilities have high management costs, typically in excess of 30-40% of the budget. This is not a reflection on management or operation of the facility - it is simply that this mode of delivery is expensive, particularly when there are a large number of small activities requiring a lot of administrative support.
55. Prima facie CATAF would appear to be at the high end of facility management costs. However, it is clear overhead costs were not excessive. The CATAF

contract provided for bonus payments to the contractor for superior performance. The criteria were vague but nevertheless most bonus payments were made to the contractor in recognition of the high standard of facility management, suggesting AusAID considered the facility offered value for money.

56. Further, for most Facilities the distinction between administrative and activity costs is often blurred. For example, the costs of CATAF office staff are classified as administrative, whereas in practice much of the manager's time (and some of others) was spent in providing background research, providing briefing, translation and interpreting services and technical advice to consultants as well as occasional services to the Embassy in supporting ministerial visits, organizing workshops, etc. If not provided by the CATAF office, many of these services would probably need to have been included in sub-contracted activity costs to ensure the same level of activity effectiveness. Some examples of strategic inputs provided by CATAF are listed in Table 2.

**Table 2: CATAF Strategic Inputs**

- Technical translation services and simultaneous translation during major workshops.
- Extensive and detailed background research and the provision of a detailed technical brief for the Police Powers Scoping Mission
- Facilitating inter-ministerial cooperation and coordination of inputs from DFAT, the Australian Attorney General's Department and UK agencies in the development of the Counter-Terrorism Law.
- Undertaking an active role in the organising committee of the International Leadership Summit: Seizing the Global Opportunity as the AusAID representative and managing the profile of Australian Government contributions as joint sponsors of the summit.
- Delivering a presentation on Risk Management Policy & Strategy to donor and government officials at the World Bank Trade Facilitation & Competitiveness Project Retreat.
- Establishing a mechanism for pooled donor funding and managing co-donor funds (including World Bank, ADB, UNDP, DANIDA, SIDA, CIDA)
- Providing assistance to AusAID Canberra regional program and Post in the Joint Singapore/Australian Government program of WTO Training to Cambodia including logistical support and representation of both the Australian and Singapore Government's contribution to the program.
- Providing occasional liaison with DFAT, AFP, Defence and the Ambassador at the Australian Embassy and AusTRAC Canberra in respect of Australia's whole-of-government initiatives on Counter Terrorism.
- Providing logistical assistance associated with the visit of the Australian Attorney general.

- General assistance to the Australian Attorney General's Department in its activities with the MOJ, in particular in assisting with general liaison relating to the Chemical Weapons Convention and other legislative processes
57. The CATAF Review (2006) notes that in some instances, particularly in the early years of operation, there was some confusion among stakeholders as to the status of CATAF – as a contractor or as part of AusAID. This probably relates as much to the failed experiment of contracting out the management of agriculture projects (AMU) and combining it with the governance facility. The 'Australian Cooperation Office' was subsequently removed from CATAF documentation. However, the way in which CATAF has been used does highlight a need to closely assess the provision of additional Post resources or more selective use of Post resources versus contracting out AusAID management tasks.

## EFFECTIVENESS

### Outputs

58. A scan of activity terms of reference confirms they were generally well prepared and required tasks, outputs and reporting requirements well specified.
59. The CATAF Review (2006) noted that activity outputs had been delivered to a high standard and in a timely way. The contractor Completion Report (2008) confirmed that in the period following the Review outputs continued to be delivered effectively with assessment reports indicating a high level of recipient satisfaction. Indeed based on information from various sources there is little disputing that individual activity outputs were completed successfully whether it be draft legislation, conference delivery, business plans, advisory reports or databases.
60. Both Review and Contractor reports identified other strengths of CATAF including the ability to leverage other donor funds, the extent to which numerous activities had raised AusAID's profile in Cambodia, the promotion of a whole of government approach and close working arrangements with the Embassy. Amongst donors CATAF was the only program activity that had the capacity to respond quickly on the ground. The response of stakeholders would suggest there was a clear demand for what CATAF could provide.

### Impact and Sustainability

61. Following the comments of the CATAF Review (2006), CATAF attempted to introduce a process for the measurement of impacts in addition to activity outputs. This involved an assessment after 3 months as to whether activity objectives were achieved and what was the likely impact and sustainability of the activity.

62. These CATAF assessments suggest all but two activities achieved their objectives and that 80% of activities had a moderate or high impact. Less than 5% (3 activities) had little or no impact. Similarly the analysis suggests 70% of activities had a moderate or high degree of sustainability and less than 16% (10 activities had little or no sustainability)<sup>13</sup>.
63. However, few if any of these activities lend themselves to cost benefit analysis<sup>14</sup>. No cost benefit analysis has been undertaken of individual CATAF activities essentially because of the difficulty of quantifying 'governance' benefits. This is in accord with practice in most other governance facilities.
64. The Country Strategy 2003-07 states explicitly the aim is to target Australian aid where it can make a difference. The Effectiveness Review (2007) notes in this sense the performance assessment framework in the strategy was probably over ambitious with the scale of the Australian program insufficient to make an impact across all the (equal) priority areas identified in the strategy, especially where interventions are delivered as small one-off projects, no matter how effectively.
65. This summation applies similarly to CATAF. The CATAF development Goal and Objective was largely unattainable and unrealistic<sup>15</sup> for a small facility funding small activities. Many of the suggested outcomes (impacts) in the terms of reference for activity implementation are more realistically activity outputs. The linkages between activity objectives and the CATAF development objectives (good governance/improved economic performance) are tenuous. Undoubtedly there have been some good outputs and positive localized impacts but given the scale of activities measurable changes in terms of the country strategy performance framework are difficult to confirm or attribute to CATAF.

### **Cross cutting issues**

66. Gender equity, environment and anti corruption issues relevant to particular activities were clearly addressed in terms of reference for all sub contractors.
67. In terms of specific activities, assistance was provided to the Council for Administrative Reform in developing HRM and HRD policies for the Cambodian public service. This addressed policy level issues of gender equity, and proposed appropriate implementation strategies.

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<sup>13</sup> These figures do not take account of the relative size of activities, for example expensive failures or low cost successes.

<sup>14</sup> A notable exception was assistance to MAFF in control of the coconut hispine beetle. A biological control was introduced which it is claimed reduced infection, and increased production and farmer incomes over a wide area. However it appears no systematic cost benefit analysis was undertaken.

<sup>15</sup> The process objective relating to timely and responsive delivery was clearly achieved.

68. A larger number of CATAF activities related to environmental considerations, ranging from the Coconut Beetle control activity which looked at non-chemical controls, through to considerations of environmental factors in trade facilitation activities. Anti-corruption activities included assistance to MONASRI to develop capacity and specific skill in fraud investigation techniques, and human rights issues undertaken in the area of juvenile justice.
69. Private sector support included promoting economic growth work with SME's in the development of provincial business associations, legislative and policy development under the multi donor trade facilitation and streamlined import and export processes and procedures.

## CONCLUSIONS

70. CATAF was explicitly designed to deliver flexible, responsive and targeted short term small scale technical assistance in a range of governance areas. It has done this effectively. The focus of the program has been adjusted over time to address current RGC policy and reform agenda priorities. Activity outputs have been delivered effectively and the contractor has performed administrative and more strategic tasks to a high standard and maintained an effective working relationship between stakeholders. Demand for funding has exceeded available funds and the Facility has been strongly supported by government, other donors and Embassy stakeholders. In this sense CATAF has met a need, it is relevant and justified the rationale in the PDD for the approach and delivery mode. The process objective of CATAF was fully met.
71. CATAF operated outside government. Alternatives were not considered in the PDD. In view of the situation at the time eg concerns about corruption, local capacity etc it was probably appropriate that the fund be managed by a contractor and not the RGC. However, given progress in multi-donor funding approaches and increased emphasis on harmonization the CATAF model may be less relevant for the future.
72. At the same time it is difficult to assess the contribution of CATAF to achievement of the country strategy objectives. Its individual successes may be sound but are localized and limited in addressing governance constraints in the public sector in Cambodia. The CATAF development objectives are very broad and not a lot of guidance was provided in the PDD on how to measure program success as opposed to activity success (the logframe objective level indicators for example are not very helpful) and CATAF was not clearly positioned within the strategy performance framework - if anything it had an initial focus on agriculture but the sector focus evolved outside the framework (eg private sector assistance) even though this was in line with local priorities.

73. The country strategy itself and performance assessment framework were perhaps ambitiously broad. However, if there is a question about CATAF it really relates to how it fits into the country strategy/performance assessment framework and how to assess it in these terms.

## LESSONS LEARNED

- The success of CATAF and all facilities is dependent upon strong capable management and recruitment of appropriate quality technical assistance and close working relationship between the facility management and AusAID Post.
- There is a demand for flexible, responsive small scale assistance in the Cambodia context. It meets the needs of a range of stakeholders, but
  - flexibility exposes the facility to undertake non development activities beyond its original intent and scope
  - whilst it is easy to measure the success of individual activities it is more difficult to assess the contribution of random successes in moving forward the reform agenda consistent with the country program strategy
  - in the future it may be more appropriate that flexible funds are managed within the government system or within existing AusAID projects/programs.