



Australian Government
AusAID

Quality at Entry Report and Next Steps to Complete Design for Cambodia Water Resources Management Sector Development Program

A: AidWorks details <i>completed by Activity Manager</i>			
Initiative Name:	Cambodia Water Resources Management Sector Development Program		
AidWorks ID:	INJ724	Total Amount:	A\$ 5 million
Start Date:	1 March 2011	End Date:	30 June 2014

B: Appraisal Peer Review meeting details <i>completed by Activity Manager</i>	
Initial ratings prepared by:	Alexander Marks
Meeting date:	Wednesday 6 October 2010
Chair:	– Phillippe Allen, (then) Minister Counsellor, Mekong and Regional, Bangkok
Peer reviewers providing formal comment & ratings:	<ul style="list-style-type: none"> – Graham Rady, M&E Advisor, Asia Division – Neal Forster, Effectiveness & Performance, Mekong Section – Therese Postma, Gender Advisor
Independent Appraiser:	– Sokhem Pech, Water Resources Specialist, Hatfield Consultants, Vancouver
Other peer review participants:	<ul style="list-style-type: none"> – Sam Beever, Counsellor (Subregional), Bangkok – John Dore, Senior Water Resources Adviser, Mekong Region – Brett Ballard, Rural Development Adviser, Cambodia Program – Kenneth Harri, Water Program Officer – Christopher Wensley Task Team Leader, ADB

C: Safeguards and Commitments <i>(new!) completed by Activity Manager</i>		
<i>Answer the following questions relevant to potential impacts of the activity.</i>		
1. Environment	Have the environmental marker questions been answered and adequately addressed by the design document in line with legal requirements under the <i>Environmental Protection and Biodiversity Conservation Act</i> ?	Yes
2. Child Protection	Does the design meet the requirements of AusAID's Child Protection Policy?	N/a
3. Imprest Account	Does the business case and risk assessment support the use of an imprest account as the most efficient, effective and ethical use of Commonwealth funds in accordance with the Commonwealth Financial Framework and AusAID policy?	N/a

D: Initiative/Activity description <i>completed by Activity Manager (no more than 300 words per cell)</i>	
4. Description	<p>AusAID is being asked by ADB to contribute A\$5 million in grant financing to the Cambodia Water Resources Management Sector Development Program (CWRMSDP), working with the Royal Government of Cambodia (RGC). The CWRMSDP is a US\$63 million program of assistance from 2010 to 2017 to the Royal Government of Cambodia (RGC) to:</p> <ul style="list-style-type: none"> • Reform institutions and policies, and build capacity to improve water governance and IWRM; • Rehabilitate a series of small to medium-scale irrigation systems in the Tonle Sap Basins; and • Provide supporting technical assistance to build RGC capacity to implement the project. <p>The revised AusAID Design Summary and Implementation Document (DSID) and the associated ADB Program and Project Administration Manual (PAM) outline a joint co-financing program involving ADB, OPEC Fund for International Development (OFID), Nordic Development Fund (NDF) and AusAID.</p>
5. Objectives Summary	<p>The Design and Monitoring Framework (DMF) provides the following hierarchy of objectives:</p> <ul style="list-style-type: none"> • The Goal/Impact level objective is "to enhance food security"; • The Purpose/Program Objective/Outcome level is "to improve management of water resources in Cambodia and provide more efficient and sustainable irrigation systems in the proposed project area"; • Output A (Component level) objective is "to enhance the capacity of government to manage water resources"; • Output B (Component level) objective is "to enhance capacity of MOWRAM to manage and deliver irrigation services"; and • Output C (Component level) objective is "to sustainably rehabilitate a number of existing small and medium-scale irrigation schemes in the Tonle Sap Basin".

E: Quality Assessment and Rating *(no more than 300 words per cell)**completed by Activity Manager after agreement at the Appraisal Peer Review meeting*

Criteria	Assessment	Rating (1-6) *	Required Action (if needed)
6. Relevance	<p>The Program is consistent with the Australian Mekong Water Resources Program (AMWRP) – Delivery Strategy (approved in 2009); especially the institutional strengthening aspect but also improving the availability of reliable knowledge and promoting informed decision making. It is also clearly consistent with other underlying intents of working through and with alliances of other key donors. This CWRMSDP Activity was specifically flagged in the AMWRP Delivery Strategy</p> <p>As stated in the Cambodian Deputy Prime Minister's letter to the President of the ADB, the CWRMSDP is consistent with the RGC's</p> <ul style="list-style-type: none"> • Strategic Framework for Agriculture and Water (SAW) (2006-10); • Rectangular Strategy on Growth, Employment, Equity and Efficiency, Phase 2 (2008); • National Strategic Development Plan (2006-10); and • Law on Water Resource Management (2007). <p>The case for supporting improved water resource management is strong when you look at the poverty and other socio-economic information for Cambodia. Increasing agricultural production through improved irrigation services is a central poverty reduction strategy. As is better integration of efforts by the authorities responsible for water resources management, land-based food production, watershed management, environmental protection and energy production.</p> <p>Potentially massive low-condition funds are flowing to Cambodia for irrigation development, rehabilitation or modernisation from new donors such as Korea, Kuwait, Qatar, China, India. More than US\$1 billion in projects are currently on the table at MOWRAM, submitted by various development partners. Many hydropower projects are also under consideration by the energy ministry. Hence assistance to build RGC capacity to better manage this investment is extremely timely. However, there is reference in the PAM documentation to proactively engage with these non-Paris aligned donors. While the prospects for influencing these other donors may be limited, this seems to be a significant gap in the planning to this point. As this Program also involves OFID it is possible that we can influence the Middle East donors (Kuwait and Qatar).</p>	5	<p>A plan for engaging non-Paris donors with CWRMSDP will be discussed with RGC and other partners (ADB, OFID, NDF) during the February 2011 Inception Mission.</p> <p>The further potential of the existing Technical Working Group (co-chaired by Australia) for the SAW should be examined.</p>

E: Quality Assessment and Rating <i>(no more than 300 words per cell)</i> <i>completed by Activity Manager after agreement at the Appraisal Peer Review meeting</i>			
7. Analysis and Learning	<p>The development of this Program has taken 3 years. This is partly due to complications and negotiations over key sensitive issues, which are not outlined in the PAM due to its public nature.</p> <p>AusAID is well aware of water resources management institutional challenges in Cambodia as a result of:</p> <ul style="list-style-type: none"> • Experiences of AusAID staff (including the Senior Water Resources Advisor) and partners. • Recent analysis of MOWRAM commissioned by AusAID. • A Sector Assistance Program Evaluation (SAPE) provided by the ADB's Independent Evaluations Department, which provides a stock take and reflection on what has been learnt over a 14 year period ending 2008. <p>The ADB's Program and Project Administration Manual includes considerable analysis on a range of matters that demonstrate the design is well advanced:</p> <ul style="list-style-type: none"> • A set of conditions precedent for the first Tranche and for the release of the second Tranche. • A list of core and potential sub-projects • Criteria for assessing the preparedness of the sub-projects • Budget analysis • Resettlement framework • Environmental assessment and review framework • Poverty situation <p>The SAPE notes that</p> <ul style="list-style-type: none"> • ARD policy and sector management programs have been highly relevant, effective, mostly less efficient, are likely sustainable, and have contributed substantially to country-wide impacts in a policy sense, but there appears to be little said about implementation of these new policies. • Large irrigation projects have been less relevant, likely to be less effective when evaluated, have generally been less efficient, and are likely to be sustainable, but only if special efforts and inputs are provided. 	5	<p>The DSID has been revised to better explain the issues that took most time, and slowed negotiations between RGC and ADB.</p> <p>During the February 2011 Inception Mission an actionable Risk Management Plan will be prepared by AusAID linked to an enhanced Design and Monitoring Framework.</p> <p>The role of local NGOs needs to be better explored and factored into implementation. This is embedded in the program for the February 2011 Inception Mission.</p> <p>More explicit lessons about success and failure of past efforts to renovate irrigation systems also need to be compiled and discussed between RGC and ADB. This is equally relevant to CAVAC as it is to CWRMSDP. This is also a task for the February 2011 Inception Mission.</p>

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8: Effectiveness	<p>As effectiveness is defined as achievement of stated objectives it is essential that broad, potentially ambiguous objective statements (like improved, enhanced etc), can be adequately defined through the performance targets. The Appraisal Meeting raised the following concerns with the appropriate definition and assessment of the objective statements outlined in the Design and Monitoring Framework (PAM, Appendix 1, page 31):</p> <ul style="list-style-type: none"> • <i>Impact-level:</i> Provincial statistics will be inadequate to assess Program level impacts on households. Hence, the baseline study will need to be repeated at completion to objectively assess evidence of whether or not local food security has been enhanced. • <i>Outcome-level:</i> The establishment of policy, legal and institutional frameworks will be evidence of progress by 2013. However, by 2018 we will need more robust evidence about the application and enforcement of these reforms. The current performance targets for 2018 are more appropriate as evidence of enhanced food security (Impact-level). There are targets, other than improved rice yields, that can evidence more efficient and sustainable irrigation systems (e.g. whether system is being used and maintained) that can also be included. • <i>Output-level:</i> Issuing regulations and the establishing of various committees may be very important by 2013. However, by 2018 we want other evidence of the application of these systems. <p>AusAID is concerned about effectiveness, based on past performance by RGC, ADB and others who have sought to implement water resources reforms, improve the performance irrigation, and improve the integration of water resources decision making to take better account of different development options. However, important reforms are embedded in the Policy Matrix (PAM, Appendix 3, page 39-43) as conditions for the release of the second tranche of the Program Loan.</p>	4	<p>Although the overall design has been thorough, further improvements need to be made during the Inception Phase.</p> <p>The targets in the DMF need to be improved during the Inception Mission in February 2011.</p> <p>It is noted that the Policy Matrix provides some helpful additional detail of measures for assessing institutional reforms.</p> <p>At the same time the Policy Matrix will be checked against any similar conditions forming part of arrangements with other donors, such as World Bank.</p>

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9. Efficiency	<p>ADB has recent, if not overly successful, experience with irrigation rehabilitation projects in Cambodia. The ADB's recent SAPE for the agriculture and rural development consistently (with the exception of rural infrastructure; which excludes significant irrigation projects) rated management efficiency by the RGC as unsatisfactory. Is it correct to lay all the blame at the feet of the RGC?</p> <p>It is noted that CWRMSDP has taken 3 years to negotiate with RGC. This is partly a reflection of the challenge of achieving agreement on a significant reform agenda. However, it may also be a reasonable proxy for the difficulty of subsequently implementing this reform agenda.</p> <p>While the ADB-provided DMF outlines a number of risks, there are others referred to in the AusAID-written DSID. For example, the lack of support by MOWRAM's Minister for IWRM, inter-ministerial coordination, basin and watershed management approaches and analysing trade-offs between hydro-power and agriculture-fisheries is not encouraging. However, it should be recognised that some senior staff do recognise the importance of IWRM for Cambodia's future.</p> <p>Lessons from Stung Chinit and Northwest irrigation scheme development, funded by ADB, are of vital importance to CWRMSDP (and CAVAC).</p>	4	<p>Lessons from the past are articulated in the DSID. Further efforts need to be maintained to ensure that the analysis of past experiences, and lessons (by CEDAC and others), are continually fed into the deliberations of the Steering Committee for PSC, and kept clearly in mind by all ADB, AusAID, MOWRAM and CDTA implementators.</p>

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10. Monitoring and Evaluation	<p>As mentioned under Effectiveness we have some concerns with the performance targets of the broad objective statements.</p> <p>Base line data survey will need to be repeated at project completion as we cannot expect adequately disaggregated household data to be available from the provincial statistics.</p> <p>The mid-term review (MTR), in addition to the project/program completion report (PCR), needs to be used to assess progress at the Outcome level.</p> <p>It is not valid to expect the PCR, the country and sector assistance and program evaluations and 6-monthly mission reports to be major sources of data for reporting at the Outcome and Output level. These macro M&E reports rely on secondary data provided by the projects/programs and if this data is not already available through some method budgeted for in the individual projects/programs then such macro reports will struggle to be evidence-based.</p> <p>It appears that the key instruments for collecting primary data are the "benefit monitoring surveys" and unspecified methods of obtaining "feedback from water users". Neither of these instruments is discussed in the reports.</p> <p>Over \$11 million of the total \$63 million project cost is for TA to build capacity to undertake the rest of the Program. This requires its own M&E, with very different data and methods. This is not addressed in the current documentation, and needs to be fixed. Presumably ADB has a few M&E models that relate to TA management.</p> <p>In summary, we do not yet have a sufficiently documented system for collecting the performance management information that we will need to both assess performance and improve performance based on understanding what is working, what is not, why and what are the constraints. In addition we do not have anything that will be satisfactory for assessing the capacity building TA (i.e., performance of consultants, quality of training, workshops, seminars etc).</p> <p>These short comings flow through to the standard report formats in Appendix 25. These do not appear to be particularly useful for assessing the quality (relevance, effectiveness, efficiency, likely sustainability) of the capacity building TA. Note particularly section D of Appendix 25. It is possible to say now this will not address our QAI reporting requirements. A quick look on the ADB website indicates that they have appropriate capacity building TA M&E systems.</p> <p>In addition there are not yet sufficient resources allocated to M&E. In Appendix 18, only 9 person months are allocated to a national consultant. In AusAID's view at least 12 months will be required (2 months upfront, 2 weeks preparation for each supervisory mission, 1 month MTR and 1 month PCR). Secondly based on my experience in the Mekong we will need some additional international involvement.</p> <p>A final point to note is that in the TA discussion it says that Program Monitoring is one of four major focal areas. However, Table 2 on Appendix 19 does not confirm this emphasis.</p>	4	<p>Some work is needed to improve the proposed M&E system for CWRMSDP.</p> <p>This will need to be carefully worked through during the Inception Mission, and proposed improvements should be submitted to <u>AusAID Asia Quality Advisor</u> for review, prior to <u>finalisation of the Aide-Memoire for the Mission.</u></p>

E: Quality Assessment and Rating <i>(no more than 300 words per cell)</i> <i>completed by Activity Manager after agreement at the Appraisal Peer Review meeting</i>			
11. Sustainability	<p>Will benefits last?</p> <p>CWRMSDP has a much longer and more realistic timeframe than is often the case in Activity designs presented for appraisal.</p> <p>As discussed in the previous section, the M&E system needs to be enhanced in various areas, including to ensure the CDTA is assessed. Moreover, we also need to bear in mind sustainability and ensure we are asking the right questions to make judgements about, for example, the persistence of the national reform agenda.</p> <p>Evidence will need to be sought to assess, for example:</p> <ul style="list-style-type: none"> • Ownership and enforcement/application of the laws, regulations; • Functionality of the inter-ministerial working group and its influence on key decisions; • Multi-sectoral planning and implementation; • Increased RGC budget allocation in support of aspects of the Program; • Continued operation and observed maintenance of all irrigation schemes rehabilitated as part of this project. 	4	More thought and documentation of the measures by which likely sustainability would be assessed.
12. Gender Equality	<p>How will we achieve gender equality?</p> <p>Contributing to the achievement of gender equality is a corporate priority of AusAID. This is a significant challenge in Cambodia, where very few women are visible in the public sector agencies responsible for water resources related management. The CWRMSDP Gender Action Plan is a good start. However, there needs to be explicit resources allocated to support its implementation. The PAM documentation does not provide necessary resource allocation and implementation detail. The tertiary institute ICT should be requested to clearly articulate its gender equality agenda, and CDTA (or other ADB) resources need to be earmarked for supporting necessary actions.</p>	4	ADB be requested to strengthen the gender aspects of CWRMSDP, and that this be clearly dealt with during the Inception Mission in February 2011. Gender issues need to be specifically addressed with MOWRAM and ICT.

* Definitions of the Rating Scale:			
Satisfactory (4, 5 and 6)		Less than satisfactory (1, 2 and 3)	
6	Very high quality; needs ongoing management & monitoring only	3	Less than adequate quality; needs to be improved in core areas
5	Good quality; needs minor work to improve in some areas	2	Poor quality; needs major work to improve
4	Adequate quality; needs some work to improve	1	Very poor quality; needs major overhaul

E: Next Steps <i>completed by Activity Manager after agreement at the Appraisal Peer Review meeting</i>		
Provide information on all steps required to finalise the design based on <i>Required Actions</i> in "C" above, and additional actions identified in the peer review meeting	Who is responsible	Date to be done
1. Negotiate AusAID Activity management arrangements between Vientiane and Phnom Penh to ensure that CWRMSDP implementation is efficiently supported.	Alexander Marks, Katherine Mitchell, John Dore	December 2010 (done)
2. Confirm participation by NDF.	ADB	NDF Board confirmed their participation on 14 December 2010
3. Strong engagement by AusAID in the Inception Mission to ensure that improvements are made in the CWRMSDP planning and implementation. AusAID Vientiane and AusAID Cambodia are organised to attend to various tasks spelled out in this QAE summary. In addition the Cambodian independent appraiser has been engaged to participate in the Inception Mission.	ADB	February 2011 (arrangements made)

F: Other comments or issues <i>completed by Activity Manager after agreement at the APR meeting</i>
The CWRMSDP is complementary to and reinforcing of existing bilateral and regional activities including the: Cambodia Strategy for Agriculture and Water (SAW), Cambodia Agricultural Value Chain Program (CAVAC); and support to the Mekong River Commission.

F: Approval <i>completed by ADG or Minister-Counsellor who chaired the peer review meeting</i>		
On the basis of the final agreed Quality Rating assessment (C) and Next Steps (D) above:		
<input checked="" type="checkbox"/> QAE REPORT IS APPROVED , and authorization given to proceed to:		
<input checked="" type="radio"/> FINALISE the design incorporating actions above, and proceed to implementation		
or: <input type="radio"/> REDESIGN and resubmit for appraisal peer review		
<input type="checkbox"/> NOT APPROVED for the following reason(s):		
<hr/> <hr/> <hr/>		
NEAL FORSTER <name of MC/ADG>	signed: <i>Neal Forster</i>	31/1/11 < date >

EFFECTIVENESS MANAGER.
When complete: MEKONG SECTION.

- Copy and paste the approved ratings, narrative assessment and required actions (if any) (table D) into AidWorks
- The original signed report must be placed on a registered file

*Signed on behalf of Philippe Allen, MC MEKONG, given
Philippe's posting has concluded and he is unavailable to sign.*

