



MID-TERM REVIEW OF THE CAMBODIA AUSTRALIA PARTNERSHIP FOR RESILIENT ECONOMIC DEVELOPMENT (CAPRED)

MANAGEMENT RESPONSE

CAPRED is Australia's flagship bilateral economic program in Cambodia. It aims to foster resilient, inclusive, and sustainable economic growth by focusing on development in agriculture, trade, investment, and infrastructure, with cross-cutting priorities on Gender Equality, Disability, and Social Inclusion (GEDSI), climate resilience, and a policy hub.

The Department of Foreign Affairs and Trade (DFAT) commissioned the Mid-Term Review (MTR) of CAPRED with primary purpose to evaluate the extent to which CAPRED has been effective in supporting resilient, inclusive, and sustainable economic growth in Cambodia. The MTR report with findings and recommendations was formulated by an independent review team in June 2025. It presents a comprehensive account of CAPRED's achievements, performance and continued strategic relevance to the development priorities for the Australian and Cambodian governments as outlined in the Australia–Cambodia Development Partnership Plan (DPP) 2025–2029. The review provides recommendations for DFAT and CAPRED focussing on areas that require further refinements and improvements to achieve key program objectives by program completion. The review also provides evidence of satisfactory performance to guide the decision on a program extension beyond June 2027.

All parties (DFAT, CAPRED and Cowater International) were consulted in the finalisation process of the responses to these recommendations. All parties will implement the recommendations in a collaborative manner.

Agreed	Partially Agreed	Disagreed
--------	------------------	-----------

No.	Recommendation	Response	Comments	Lead Implementor(s)
1	The MTR concurs with the view of the Quality and Technical Assurance Group (QTAG) recommending a need for a brief, standalone document (2–3 pages) that clearly defines what systemic change means in the CAPRED context and how the program is or intends to pursue it. This should be complemented by a Theory of Change (ToC) that sits beneath and reports against the current Program Logic and captures CAPRED's strategic approach to achieving systemic change.	Partially Agreed	This recommendation is partially agreed. DFAT acknowledges there is a need to reach an agreement on the definition of systemic change as it relates to CAPRED's context. DFAT agrees with the proposal to have a workshop with CAPRED and Cowater International, to be facilitated by an independent body (such as QTAG), to build a shared understanding of the systemic change definition. The objective would be to ensure that the systemic change definition is clearly aligned with intended program objectives and outcomes. The need for a standalone Theory of Change (ToC) nested beneath the existing Program Logic is not required, as this may complicate	DFAT and CAPRED

	This process should be collaborative, ideally through a facilitated workshop with DFAT, to build a shared understanding of systems, systemic change in Cambodia, CAPRED's role, and how progress can be assessed.		program reporting. Ensuring the program provides clear and coherent account of how well it is achieving its intended outcomes as outlined in the existing program logic is more important.	
2	There is a need for agreement to be reached on a revised and more purposeful MERL system, including reporting approaches that better meet the needs of both DFAT and CAPRED. The MTR proposes that this involves 'pathways to systemic change' being used as the entry point for reporting, since this will bring to life the interaction and lateral linkages of CAPRED as they are configured to support systemic change – while recognizing the ongoing importance of CAPRED reporting against its Intermediate Outcomes (IOs), as per its contractual requirements.	Agreed	This recommendation is agreed. DFAT's Design and Monitoring, Evaluation and Learning Standards and CAPRED MERL strategy (which was mutually agreed and approved in September 2024) continue to provide purposeful and clear guidance on MERL and DFAT's reporting requirements. Any need for further adjustment of MERL system and reporting approaches will be considered following DFAT's review of the quality of the progress report (annual report) and its ability to respond to DFAT's reporting requirements.	DFAT and CAPRED
3	It is proposed that there is a shift from the current format of six-monthly progress reporting to annual reporting, augmented by six monthly deliverables which succinctly report activities within that six-month period (which provides an evidence-based assessment of progress against outcomes). The longer time span of annual reporting is more realistic in terms of capturing stories of change and demonstrating accumulated progress. The aim here is to strike the right balance between capturing cumulative progress and ensuring that DFAT is best	Agreed	This recommendation is agreed . DFAT agrees that the reporting needs to be less burdensome and DFAT's focus is on the 'quality' and not 'quantity' of reporting. DFAT will undertake further discussions with CAPRED to examine suitable reporting structure against DFAT's reporting requirements, after it has reviewed and assessed the quality of the annual report due in August 2025. As noted in the recommendation, all types of reporting must include evidence-based assessment of progress against outcomes.	DFAT and CAPRED

	equipped to meet its own reporting requirements.			
4	There is a need to review and update CAPRED's portfolio of interventions, and to clearly communicate decisions around opportunities to consolidate, reduce, or restructure them.	Partially Agreed	This recommendation is partially agreed . Decisions around restructuring the program portfolios and interventions will be done in consultation with DFAT and will be based on clear rationale, deliberate planning and an assessment of impacts on resources, and overall program continuity and efficiency.	DFAT and CAPRED
5	There is an urgent need to clearly settle on an approach, entry points and target value chains within the agriculture/agro processing work area, noting that there is currently limited alignment between CAPRED and MAFF around systemic change on the agriculture landscape.	Agreed	This recommendation is agreed . CAPRED to implement this recommendation and consult with DFAT as required.	CAPRED
6	The MTR team believe that early-stage pathways to systemic change are in place and illustrate that progress towards the achievement of the programs End of Facility Outcomes (EFOs) is being made. DFAT should start early thinking and planning for a possible extension of the program.	Agreed	This recommendation is agreed . With only two years remaining to program completion, DFAT will commence relevant consultations and follow DFAT's program extension processes and requirements. DFAT will keep CAPRED and Cowater International advised on all developments related to program extension.	DFAT
7	Consideration should be given to establishing the Government-Private Sector Forum (G-PSF) as a standalone portfolio. This would improve the accountability and visibility of its contributions to CAPRED's broader objectives and the trust it has built in managing commercial information, while also identifying a strategic approach to share G-PSF insights more broadly within CAPRED without compromising the trust and confidentiality established with the Royal Government of Cambodia.	Disagreed	This recommendation is not agreed . The rationale outlined in the review is not sufficient to elevate G-PSF as a standalone portfolio. CAPRED already has significant number of portfolios (12). G-PSF, as a standalone portfolio, would not add value to the whole program. G-PSF work is important and is seen as an element of the broader policy hub agenda. Instead, DFAT would like better visibility of G-PSF's achievements and its contributions to other CAPRED portfolios. We encourage CAPRED to improve reporting on G-PSF's contributions to Cambodia, and how it strategically complements broader CAPRED efforts.	DFAT and CAPRED

8	The current set of Payment By Result (PBRs) indicators would benefit from simplification and should be reviewed. This would logically occur after final decisions are taken regarding the MERL system.	Agreed	This recommendation is agreed . DFAT will simplify the PBR indicators, however the revised PBRs indicators would still have a focus on results and achievements towards outcomes. The list of PBRs will be developed and mutually agreed in the first quarter of each financial year. The PBRs indicators will be linked, but not limited to, the Performance Assessment Framework (PAF) and MERL framework.	DFAT and Cowater International
9	The Strategic Coordination Group mechanism (a part of CAPRED's governance structure) is in need of review as it is not currently meeting the needs of participants.	Agreed	This recommendation is agreed . CAPRED to implement this recommendation and consult with DFAT and the Royal Government of Cambodia as required.	CAPRED
10	CAPRED should appoint individual 'relationship managers' to act as a primary contact and entry point for key Government and private sector partners, and to take responsibility for helping direct partners to the right desk within CAPRED in relation to a specific subject.	Agreed	This recommendation is agreed . CAPRED to implement this recommendation and consult with DFAT as required.	CAPRED
11	The strategy in relation to 'Women's Economic Empowerment (WEE)' is underdeveloped. Given the centrality of MSMEs to RISE, it is recommended that 'women in MSMEs' be the strategic focus of CAPRED's WEE related work.	Agreed	This recommendation is agreed . CAPRED to action it and consult with DFAT as required.	CAPRED
12	CAPRED should ensure that disability inclusion is embedded across the program's portfolios. This should include meaningful consultation with Cambodia's disability focused civil society sector and address current gaps in measurement, reporting and visibility along other key inclusion areas.	Agreed	This recommendation is agreed . CAPRED to action it and consult with DFAT as required.	CAPRED