**Mid-Term Review of the Cambodia Australia Agricultural Value Chain Program, Phase II**

**Management response, December 2020**

Australia’s Cambodia-Australia Agricultural Value Chain Program, Phase II (CAVAC II) is bolstering Cambodia’s agriculture sector to support inclusive growth and poverty reduction in Cambodia. With a focus on improving the quality of irrigation infrastructure, it is contributing to increased resilience in Cambodia. The program commenced in 2016 and is due for completion at the end of 2021.

The Department of Foreign Affairs and Trade (DFAT) welcomes the findings and recommendations of the CAVAC II Mid-Term Review and notes the review’s findings that the program remains highly relevant to the Cambodian Government’s development agenda, as well as the Australian Government’s objectives in Australian and the Indo-Pacific region more broadly. The Review also noted that CAVAC II has been widely acknowledged as making a “critically important contribution to shifting perspectives… regarding the role to be played by the agricultural private sector in growing the rural economy”, and that the innovative work in the irrigation sector - developing a “proof of concept” for effective and sustainable irrigation - has the “potential to be a long term legacy with influence and impact within and beyond Cambodia”.

The Review provides useful recommendations about how CAVAC II can continue its transition from a program primarily focused on delivering discrete support directly, to one that is more concerned with large-scale impact and influencing the transformation of the agricultural sector broadly.

DFAT also agrees with the review’s findings that CAVAC II needs to take a more proactive approach to tackling gender inequality and promoting women’s economic empowerment, and is carefully monitoring implementation of the relevant recommendation.

Of the six recommendations, DFAT fully agrees with five of the recommendations, and partially agrees with the remaining recommendation. DFAT and CAVAC have already made considerable progress in implementing the recommendations, including during the COVID-19 pandemic, and these efforts will continue. The details of the individual recommendations and DFAT’s responses are set out below.

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| Recommendation | Response | Comments |
| 1. Revise CAVAC’s program logic to better reflect the Program Narrative and its enhanced focus on supporting policy reform. | Agreed | DFAT supports this recommendation which has now been implemented. CAVAC’s new Strategic Framework (approved in February 2020) includes a revised program logic which reflects the directions and principles outlined in the Program Narrative. This Strategic Framework is guiding the program’s implementation in its final two years and establishes redefined objectives to leverage existing capabilities and relationships with the Cambodian Government, development partners and private sector as entry points to support policy reform. |
| 1. Review the documents which make up the Monitoring and Evaluation (M&E) Framework to ensure they align with and will collect the data required to report on progress towards the revised end-of-program outcomes. | Agreed | DFAT supports this recommendation and its implementation is underway. CAVAC is updating its M&E framework to be consistent with the revised objectives. Following the placement of an M&E Adviser and M&E Manager within the program, impact measurement methodologies have been strengthened and expanded to better capture and disseminate the revised end-of-program outcomes, such as targets to reflect the support for improving women’s access to finance. The revised M&E framework is expected to be finalised by the end of 2020. |
| 1. Refresh CAVAC’s Women’s Economic Empowerment (WEE) Strategy to better align with DFAT’s expectations in relation to gender equity and women’s empowerment. | Agreed | DFAT supports this recommendation and implementation is underway. CAVAC has refreshed its conceptual framework for addressing gender and appointed an international gender specialist to work with the national WEE specialist to better align the program’s gender performance with DFAT’s expectations and expand its focus from women’s economic empowerment to gender equality more broadly. CAVAC has worked over the last 12 months to assess evidence on the differential impacts of its program, reaching robust findings about the specific and extensive benefits for women as a result of CAVAC interventions. CAVAC and other stakeholders are drawing on these studies to inform approaches to gender mainstreaming, including training activities with selected FWUCs to improve women’s representation and participation in leadership roles. |
| 1. A series of comprehensive influencing strategies should be developed which clearly articulate key reform areas of interest to CAVAC, stakeholders needing to be targeted for change to be actualised, the manner/medium through which CAVAC expects to influence them, and expected outcomes. | Agreed | DFAT supports this recommendation and it has been implemented. CAVAC adopted a comprehensive policy engagement strategy (approved in September 2019) that leverages its knowledge and capabilities to address priority policy issues and broaden stakeholder engagement. This involves providing technical and advisory services to the Cambodia Government and development partners to raise the standard of irrigation infrastructure and ensure stronger returns on investment to the sector as a whole. To build awareness of the importance and availability of these services, CAVAC is taking a leading role in existing dialogue channels and seeking new cooperation opportunities, working closely with DFAT. |
| 1. Progress already achieved in relation to strengthened private-public sector cooperation should be consolidated and further promoted through targeted, high quality data gathering and dissemination that demonstrates a causal pathway between quality of extension services, increased market share and improved outcomes for agricultural value chain participants. | Partially agreed | DFAT partially supports this recommendation and implementation of relevant aspects are underway. Pursuant to CAVAC’s revised Strategic Framework, strengthened private-public sector cooperation continues to be a priority. However, the emphasis has shifted away from a focus on extension services to public-private cooperation in other aspects of agricultural development. This includes public-private engagement to encourage greater private investment in crop diversification, long-term sustainability in the management of irrigation systems and to promote mechanisation and contract farming approaches. |
| 1. DFAT and CAVAC should work collaboratively to develop an approach for ensuring and building on the legacy of irrigation schemes during the final post-CAVAC II. | Agreed | DFAT supports this recommendation and its implementation is underway. CAVAC is engaging in a number of initiatives to ensure the legacy of the approach embedded in CAVAC irrigation schemes. This includes awareness raising activities such as the Cambodian Prime Minister visiting a CAVAC scheme with the Australian Ambassador and endorsing its approach. CAVAC has also been working with a range of development partners such as the ADB and RGC to embed key scheme elements in non-CAVAC schemes. And CAVAC is embedding its accumulated expertise into scheme development and management manuals as a resource for the Cambodia Government and other partners. CAVAC is also piloting public private partnership models through a collaboration with the ADB and RGC to develop new sustainable operating models.  CAVAC has also developed a partnership with eWater (an Australian Statutory Corporation) to integrate broader water resource management into its engagement in Cambodia. Long-term, DFAT and CAVAC are also exploring the option of integrating CAVAC’s water capabilities with eWater to establish a Centre of Excellence on Water and Agriculture in Cambodia. This would provide a vehicle for the continued practical dissemination of knowledge on effective irrigation and integrated water resource management, including to address issues of water insecurity. |