

# MEKONG AUSTRALIA PARTNERSHIP PHASE 2

## PORTFOLIO DESIGN FRAMEWORK

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## EXECUTIVE SUMMARY

The Mekong subregion (Cambodia, Laos, Myanmar, Thailand, Vietnam) is key to Australia's vision for a stable and prosperous region, where international law, rules and norms are upheld. The subregion is economically, strategically and environmentally important and its trajectory has a direct bearing on sustainable development, regional stability and cohesion. Many of the challenges facing the Mekong subregion are transboundary in nature and reflect the complex and intertwined opportunities and challenges for the region.

As Australia deepens regional economic linkages through the *Southeast Asia Economic Strategy to 2040*, it is critical to promote regional cooperation in managing external pressures and shocks and support stability. The Mekong subregion is particularly vulnerable to the effects of climate change given the significance of natural resources, especially water, to economic growth, livelihoods and wellbeing. Effects of economic development and climate change are placing these resources under severe strain. Transnational organised crime poses a significant threat to development, good governance and security. While gender equality has been improving in Mekong countries (with some variation), the gender parity gap remains large especially in terms of political representation, leadership and labour force participation. Women, people with disabilities and other marginalised populations are especially disadvantaged by climate change which amplifies existing inequalities.

Australia has long invested in the Mekong subregion's development through decades of bilateral and ASEAN development programs and other support. Australia launched the Mekong-Australia Partnership (MAP) in 2020, a \$232 million four-year (2020-21 to 2023-24) initiative to elevate Australia's engagement with the subregion. An Independent Strategic Review of MAP Phase 1, completed in May 2023, concluded that as a flexible and responsive funding mechanism, MAP Phase 1 had expanded and deepened Australia's engagement in the Mekong subregion as a credible and responsive partner of choice on mutually important policy priorities.

MAP Phase 2 (\$222.5 million over five years, 2024-25 to 2028-29) will build on the achievements and lessons of MAP Phase 1 to progress the goal of a *more resilient and inclusive Mekong subregion that pursues joint solutions to shared and transboundary challenges*. The purpose of MAP Phase 2 is that *Australia is a trusted and reliable partner in supporting a resilient, inclusive and sustainable Mekong subregion*. MAP Phase 2 has five thematic areas across its portfolio, that align with DFAT's forthcoming Southeast Asia Regional Development Partnership Plan (DPP). The following thematic areas frame the portfolio's intent and will guide investment selection: climate resilience; water security; economic resilience and subregional integration; gender equality, disability and social inclusion (GEDSI); and preventing and countering transnational crime (TNC).

MAP Phase 2 is a portfolio made up of several investments and activities. This design outlines a logic for the portfolio as a whole. Some investments that fall under MAP Phase 2 will be subject to their own design processes. Design and quality assurance requirements for these investments will be streamlined and proportionate, subject to their value and risk profile.

MAP Phase 2 has the following five end-of-portfolio outcomes (EOPO):

- Mekong subregion partners reduce vulnerability to impacts of climate change
- Mekong subregion partners manage water resources in a more coordinated and sustainable way
- Mekong subregion partners increase leadership and economic opportunities for women, people with disabilities, and other marginalised groups

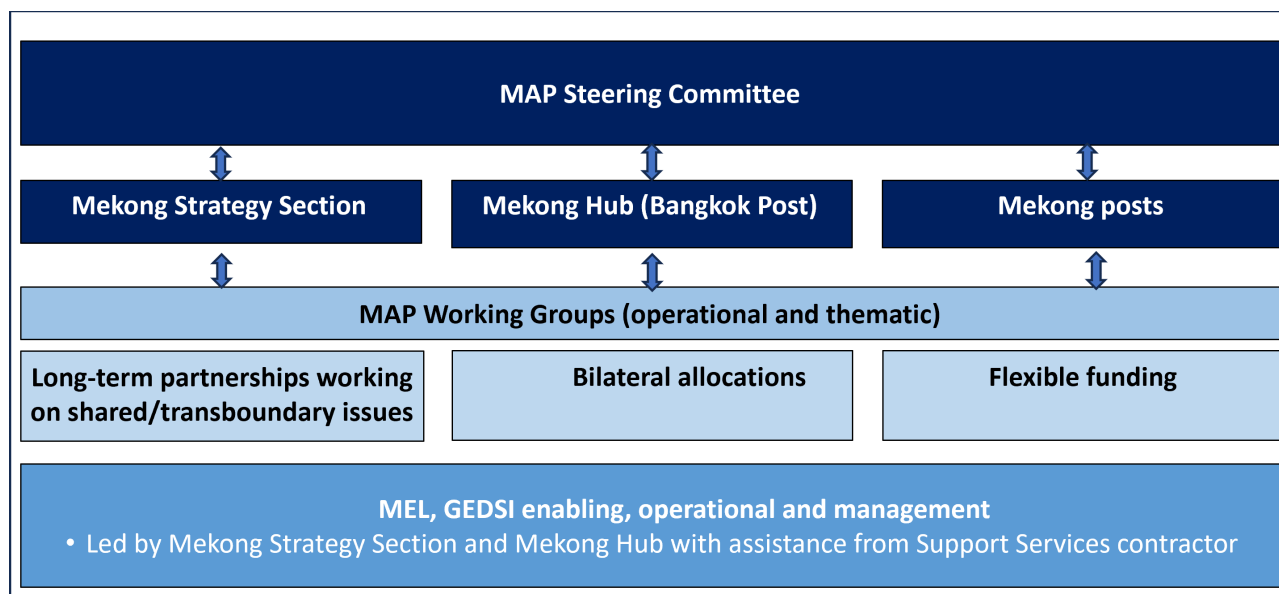
- Mekong subregion partners enable strengthened economic resilience and subregional integration
- Mekong subregion partners better prevent and counter targeted transnational crime.

MAP Phase 2 will be delivered through long-term partnerships with a diverse range of partners, including with local counterparts and, where possible, through locally led architecture in the thematic priority areas. MAP Phase 2 will invest in trilateral, multi-country and subregional activities that respond to shared and transboundary challenges and will seek opportunities for collaboration with likeminded partners. Additionally, MAP Phase 2 will fund bilateral Mekong programs to deliver bilateral solutions to complex transboundary challenges in line with MAP thematic areas. This is in recognition of the importance of these programs in strengthening Australia's reputation as a trusted, pragmatic and reliable partner that provides high quality offerings, delivers on commitments and upholds rules and norms.

Delivery strategies on each of the thematic areas will be developed to guide investment options and pipeline planning. These strategies will include detailed situational analysis of key shared and transboundary challenges in the Mekong subregion in each thematic area, and Australia's policy priorities and key investments in the sector. It will include a more detailed mapping of other development partners' investments in the sector, and lessons from DFAT and others working in the sector. A more detailed exploration of proposed outcomes and approach will be included.

MAP Phase 2 will be delivered under the strategic and technical leadership of DFAT. The portfolio will be governed by a MAP Steering Committee, chaired by the Assistant Secretary, Vietnam and Mekong Strategy Branch (AS VMB) in the Office of Southeast Asia with representation from Mekong Posts and DFAT thematic, policy and operations sections as required. The Mekong Strategy Section (MKS) will ensure MAP retains strategic relevance and coherence and will lead collaborative planning of high-level budget allocations. The DFAT-led Mekong Hub (housed in the Australian Embassy in Bangkok) will manage regional and multi-country program pipeline development and associated budgets, and support implementation, quality control and regional relationship management across the portfolio. Mekong Posts will contribute to pipeline planning, manage bilateral allocations and selected multi-country investments, and will lead engagement with in-country stakeholders. DFAT departmental MAP capability will be augmented by a team of program funded locally engaged staff, in-sourced long-term advisers and specialist short-term advisers. A Support Services Contractor will mobilise advisers and provide logistical, operational and administrative support across the portfolio and deliver selected activities as required. See Figure 1 below for a summary of DFAT structure, roles and responsibilities for MAP Phase 2.

Figure 1: DFAT Structure, roles and responsibilities on MAP Phase 2



Policy dialogue and engagement with counterparts will happen on multiple levels. The Steering Committee will ensure alignment with policy priorities set out in the Southeast Asia regional and bilateral DPPs. DFAT officers will lead policy dialogue with bilateral and subregional counterparts. Supporting access to Australian technical expertise will be central to pursuing portfolio and investment level policy dialogue and engagement.

MAP is a highly visible and substantial contribution to Australia’s engagement in the Mekong subregion. DFAT will develop and implement a nuanced and suitably resourced public diplomacy and communications approach to effectively convey how MAP investments contribute to priority policy objectives in the Mekong subregion, making outcomes and achievements visible and tangible.

MAP Phase 2 will take a twin-track approach to gender equality and intersectional disadvantage. GEDSI is both a stand-alone thematic area of work and will be mainstreamed across other thematic areas. The portfolio includes a GEDSI specific EOPO and immediate outcome. MAP funded activities will meet standards for being *GEDSI responsive* or *GEDSI transformative*, with specific approaches to be detailed in the GEDSI thematic strategy.

MAP will establish a proportionate and robust Monitoring, Evaluation and Learning (MEL) approach to assess achievements, regularly review portfolio objectives, strategies and activities, learn lessons from ongoing implementation, and adjust and strengthen approaches for improved results. The MEL system will: inform strategic decision-making; ensure DFAT understands and learns from results; and drive efficient management decisions. An independent Mid-Term Review of the portfolio will be undertaken in 2026-27.

The portfolio budget is \$222.5 million over five years. The budget will be managed directly by DFAT. Most of the budget will be invested in long term partnerships working on shared and transboundary issues, including a standalone allocation for GEDSI. A proportion of the budget will be allocated for bilateral investments and for a flexible funding arrangement to support emerging priorities and partnerships. Funding will also support MEL, GEDSI, management and operations, including staff and in-sourced specialist advisers.

Long-term partnerships are a key delivery approach, and the choice of contracting modalities (grant agreement or contract) will depend on the nature of the investment and the lead implementing partner. DFAT will extend and amend selected funding agreements with current effective implementing partners for continuity, while also initiating new open calls for proposals and open tender processes. A Support Services Contractor will be procured through a competitive DFAT-managed open tender process and engaged through an initial five-year contract to support operations and logistics across the portfolio.

Based on the Risk and Safeguard Assessment tool, MAP Phase 2 has an overall residual risk rating of **medium**. Key risks relate to DFAT leadership and management of a large portfolio delivered through a range of modalities in a variety of complex political and security environments across the Mekong subregion. Other risks relate to: vulnerability to natural disasters, which are becoming increasingly frequent and severe due to climate change; engagement with vulnerable groups such as survivors of transnational crime, children, people living with disabilities, ethnic minorities and other marginalised groups; and investment in activities that affect the natural environment. The MAP Steering Committee will review key strategic and portfolio management and the whole-of-portfolio risk register. The Mekong Hub will establish, maintain and regularly review a portfolio risk register, capturing DFAT's assessment of strategic and operational risks including the performance and capability of implementing partners and the Support Services Contractor. Implementing partners and the Support Services Contractor will establish and maintain risk registers corresponding to DFAT's risk assessments and will liaise with DFAT officers regularly on risk.

MAP Phase 2 will be implemented in two sub-phases. It will start with a 12-month inception period (1 July 2024 to 30 June 2025) to allow time to adapt from MAP Phase 1, including changes to thematic areas (including the absorption of MAP-TNC into MAP Phase 2), systematic GEDSI mainstreaming and a revised ratio between single country to multi-country activities. Inception phase activities will include:

- pipeline planning, development of thematic delivery strategies, GEDSI principles and mainstreaming
- establishment of the Mekong Hub, including recruitment and mobilisation of staff
- contract/grant amendments for continuing MAP Phase 1 investments,
- scoping and design of priority new investments/updating and adapting existing investments
- development of detailed policy dialogue matrices as part of thematic delivery strategies
- establishment of MEL and reporting system and processes
- establishment of a Communications Strategy and systems for capturing and storing stories of change
- procurement and mobilisation of a Support Services Contractor.

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## ACRONYMS AND ABBREVIATIONS

Term	Definition
A-based	Australian-based overseas DFAT staff
ACMECS	Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy
ADB	Asian Development Bank
AS VMB	Assistant Secretary, Vietnam and Mekong Strategy Branch
ASEAN	Association of Southeast Asian Nations
AWP	Australian Water Partnership
CRC	Climate Resilient Communities
DFAT	Department of Foreign Affairs and Trade (Australia)
DPP	Development Partnership Plan
EOPO	End-of-portfolio Outcome
G2G	Government to government
GEDSI	Gender equality, disability and social inclusion
GNI	Gross National Income
HOM	Head of Mission
IMR	Investment Monitoring Report
ImO	Immediate Outcome
IAI	Initiative for ASEAN Integration
IO	Intermediate Outcomes
LES	Locally Engaged Staff
MAP	Mekong-Australia Partnership
MEF	Monitoring and Evaluation Framework
MEL	Monitoring, Evaluation, Learning
MKS	Mekong Strategy Section
MRC	Mekong River Commission
MTR	Mid Term Review
ODA	Official Development Assistance
OPD	Organisations of People with Disabilities
P4I	Partnership for Infrastructure
PSEAH	Preventing Sexual Exploitation, Abuse and Harassment
SDG	Sustainable Development Goals
TNC	Transnational Crime



# 1. DEVELOPMENT CONTEXT AND SITUATIONAL ANALYSIS

The Mekong subregion (Cambodia, Laos, Myanmar, Thailand, Vietnam) is a key focus for Australia's national interests. The subregion is economically, strategically and environmentally important and its trajectory has a direct bearing on sustainable development and regional stability and cohesion. Many of the challenges in the Mekong subregion are transboundary in nature and reflect the complex and intertwined opportunities and challenges for the region. The Mekong subregion warrants a special focus for Australia owing to its geography and the shared and cross-border nature of many of its most pressing challenges. A regional portfolio of investments is a sound pathway to support Mekong countries to address transboundary issues.

This section draws on additional political economy analysis undertaken by DFAT and implementing partners. Further analysis will be commissioned as needed in implementation, including as part of thematic strategies. Analysis will draw upon existing research and lessons learned across all themes from MAP Phase 1 implementation.

## 1.1 THE MEKONG AS A SUBREGION

**The Mekong subregion is important as an engine of economic growth integral to international supply chains.**

**Mekong-led subregional architecture is a complex environment** with varying levels of influence, effectiveness and efficiencies. The Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy (ACMECS) aims to facilitate shared development and cooperation, and bridge economic gaps between Mekong countries through close cooperation in priority areas. ACMECS has potential to foster sustained dialogue and solidarity on shared challenges among Mekong countries as it includes all five Mekong subregion countries. The Mekong River Commission (MRC) is the subregion's only treaty-based institution and has a unique focus on environmental sustainability, water diplomacy and technical exchange between its four downstream member states (Vietnam, Cambodia, Laos, Thailand). The MRC prioritises proactive planning for sustainable and equitable development and engages with its members on disputes requiring trade-offs.

International engagement in the subregion plays out through numerous subregional and wider regional groupings and cooperation frameworks. The Initiative for ASEAN Integration assists ASEAN's least developed members (Cambodia, Laos, Myanmar and Vietnam) to leverage the potential benefits of regional integration, while also helping them cope with challenges and economic risks. External (donor) support is welcomed and sought after.

The lack of a single agreed Mekong institution means that there is no agreed whole of subregion development strategy or plan. While various subregional institutions have high-level strategies, some of these are either narrow in scope or do not have universal buy-in across the subregion. This has implications for consultation, planning and governance approaches for any Mekong subregion program.

**Climate change threatens sustainable growth, livelihoods and water and food security for millions of people, thus potentially reversing gains in agriculture and impeding attainment of the Sustainable Development Goals (SDGs).** The Mekong subregion is particularly vulnerable to the effects of climate change given the significance of natural resources to economic growth and populations' livelihoods and wellbeing.<sup>1</sup> Water, food, agriculture and energy systems are sectors particularly sensitive to the effects of climate change and are also key to climate adaptation and

<sup>1</sup> Three Mekong countries continue to score low on the Notre Dame Global Adaptation Initiative (ND-GAIN) Index for climate vulnerability (Cambodia 144/185, Laos 121/185, Myanmar 160/185) which summarises a country's vulnerability to climate change and its readiness to improve resilience. See <https://gain.nd.edu/our-work/country-index/>

resilience. The subregion increasingly suffers from erratic weather patterns and associated droughts, floods, landslides, heat waves and storms, which are often transboundary in nature. Rainfall patterns are becoming difficult to predict, and changes in monsoon-related rainfall increase the risk of floods and drought. Low-lying coastal and river delta regions are highly vulnerable to rising sea levels.<sup>2</sup>

**Not everyone is affected equally by climate change, and women and intersecting marginalised populations are disproportionately affected.** Women's greater reliance on, and unequal and lack of access to, land, water and other natural resources reduces their capacity to adapt to climate change. Despite the deep knowledge and skills of women and indigenous communities in managing the land, the voice and participation of diverse women in environment and climate related decision-making bodies is often absent or marginal.<sup>3</sup> Rural, forest and riverine communities who depend on ecosystems for their survival are highly vulnerable to climate change, as are the poor, remote, and often ethnic and indigenous minority communities.

Water resources are critically important as sources of food, energy, health and hygiene. **Previously bountiful, these resources are diminishing as economic development impacts sustainable management of resources across the major river basins of the subregion** (Ayeyarwady, Salween, Chao Phraya, Mekong and Red). In addition to changing rainfall patterns because of climate change, human-induced activities driving increased water scarcity, erosion, salinity and insecurity<sup>4</sup>. These include controlled water flows for hydropower generation, over-harvesting and habitat destruction of fisheries, destruction of wetlands and ecosystem services for land reclamation and urbanisation, chemical pollution by plastics, pesticides and industrial waste, riverbed alterations in the construction of dams and excessive groundwater extraction and sand mining.

**The Mekong River and its tributaries are very important for economic, livelihoods, social and environmental reasons and as a means of connecting the Mekong subregion,** symbolising the interdependence of the subregion's countries.

The **economic vulnerability** of Mekong countries to external pressures and shocks has implications for the stability of the Mekong subregion and wider ASEAN. While Thailand and Vietnam are middle-income countries, Cambodia and Laos face heightened economic vulnerabilities as smaller countries. The 2021 coup in Myanmar has reversed gains and diminished international support beyond humanitarian response.

**The Mekong subregion enjoys varied levels of economic connectivity.** Thailand is a top-tier trading partner for Cambodia, Laos and Myanmar and hosts significant migrant worker populations from each. It has the region's deepest capital markets and provides a range of financial products, including green bonds, to private sector interests across the subregion. Vietnam is a top-tier trading partner for Cambodia, Laos and Thailand. Personal remittances made up 8.9 per cent of Cambodia's GDP in 2022, and over three per cent of the GDP of Vietnam and Myanmar in the same year. Despite this connectivity, there is economic competition among Mekong countries. Considerable diversity in levels of economic and social development between Mekong countries make for an uneven economic playing field and differing incentives in progressing economic integration such as in manufacturing supply chains, energy and labour markets.

**Transnational, serious and organised crime poses a significant threat to economic development, good governance and security.** According to the United Nations Office on Drugs and Crime

<sup>2</sup> In Vietnam alone, it is anticipated that 3-9 million people will be impacted by river flooding by 2035-2044 (in Laos the number of people exposed to river flooding is expected to double to 80,000 by the 2030s) and 6-12 million people could be affected by coastal flooding by 2070-2100 without effective adaptation action

<sup>3</sup> Jenny Yi-Chen Han, Camille Pross, Rashi Agarwal, and Andreea Raluca Torre, State of Gender Equality and Climate Change in ASEAN, ASEAN and UNWOMEN, 2022. Also see UNWOMEN, Leveraging Co-Benefits between Gender Equality and Climate Action for Sustainable Development

<sup>4</sup> ADB has developed a framework with five interdependent key dimensions of water security: societies can enjoy water security when they successfully manage their water resources and services to (i) satisfy rural household water and sanitation needs in all communities; (ii) support productive economies in agriculture, industry, and energy; (iii) develop vibrant, livable cities and towns; (iv) restore healthy rivers and ecosystems; and (v) build resilient communities that can cope with water-related extreme events.

(UNODC), illicit trafficking flows increased 30 per cent between 2013 and 2019, and the Mekong is described as “one of the biggest drug trafficking corridors in the world”.<sup>5</sup> The scale of illegal goods crossing Southeast Asia is estimated to exceed USD 110 billion annually, with methamphetamine alone accounting for over USD 33 billion.<sup>6</sup> Serious and organised crime cost the Australian community up to \$60.1 billion in 2020-21, and up to 70 per cent of Australia’s serious and organised crime is either based offshore or has strong offshore links.<sup>7</sup> Australia is affected by drug flows and needs the ability to cooperate with countries in the Mekong to prevent, detect and respond to transnational crime. It is in Australia’s national interest to work collaboratively to address transnational crime.

**While gender equality indicators have been improving in Mekong countries (with some variation), the gender parity gap remains large especially in terms of political representation, leadership, and labour force participation.**<sup>8</sup> This is magnified for women with disability and from other disadvantaged groups including the poor, ethnic minorities and gender and sexual minorities. Across the region gendered social norms, power relations and structural barriers assign women most of the unpaid care and domestic work. This limits female labour force participation and influences the quality and productivity of women’s economic potential, keeping women in vulnerable and informal jobs, part time jobs, jobs below women’s skill level and contributing to the gender pay gap.<sup>9</sup> Women with disabilities are further disadvantaged by discrimination and multiple barriers to accessing education, jobs, health, social services and transport.<sup>10</sup> Discriminatory policies, legislation and business practices hinder women entrepreneurs and macro-economic policies are developed without sufficient consideration of their gendered effect and potential to advance gender equality.<sup>11</sup> ASEAN data shows that the poorest women and girls from minority ethnicities living in rural areas of remote provinces are the most underserved and deprived.<sup>12</sup>

**Gendered social norms, conscious and unconscious bias and structural barriers are obstacles to diverse women entering the political sphere and advancing into leadership. Women with disabilities and gender diverse minorities are especially disadvantaged.** The result is that societies miss out on the benefits of women’s leadership and the diversity of perspectives, voices and abilities. Women are also under-represented at management level.

## 1.2 DEVELOPMENT CONTEXT – MEKONG COUNTRIES

The **countries of the Mekong subregion are at varying stages of development.** Thailand is the only upper middle-income economy and generates significantly higher per capita GDP than other subregional countries. Vietnam is a lower middle-income country and has continued strong economic growth, forecast at around 6 per cent in 2024, mostly generated from the services sector.<sup>13</sup> Laos, Cambodia and Myanmar are ASEAN’s least developed countries and are all lower middle-income economies. According to World Bank data, Cambodia continues to experience relatively high economic growth and moderate inflation, while Laos has lower economic growth, high inflation and high levels of public debt.

<sup>5</sup> UNODC, Transnational Organised Crime Threat Assessment, *Transnational Organized Crime in Southeast Asia: Evolution, Growth and Impact*, 2019. UN News, *Policing one of the world’s ‘biggest drug trafficking corridors’*, 30 June 2023

<sup>6</sup> DFAT, Mekong Australia Program on Transnational Crime, Investment Design, 30 June 2020. P12. See as described by the Global Initiative against Transnational Organized Crime

<sup>7</sup> Smith, Russell and Hickman, Amelia, Australian Institute of Criminology, *Estimating the costs of serious and organised crime in Australia, 2020-2021, 2022*. Also see Australian Criminal Intelligence Commission, *Organised Crime in Australia 2017*, August 2017.

<sup>8</sup> UN Women and UNDP, *The Paths to Equal. Twin indices on women’s empowerment and gender equality*, 2023.

<sup>9</sup> UN Women, *Technical Brief. Forecasting Time Spent in Unpaid Care and Domestic Work*, 2023.

<sup>10</sup> ESCAP, *A Three Decade Journey toward Inclusion*, ESCAP, Bangkok, 2022.

<sup>11</sup> World Bank, *Enterprising Women. Toward Equal Business Opportunity in Southeast Asia*, World Bank, 2023, accessed 29 January 2024. UNWOMEN, *Why Macroeconomic Policy Matters for Women*. 2015; L Abramovsky and I Selwaness, *Fiscal Policy and Gender Income Inequality. The Role of Taxes and Spending*, ODI Report, June 2023.

<sup>12</sup> ASEAN and UNWOMEN, *Gender Outlook*, 2021.

<sup>13</sup> ADB, <https://www.adb.org/where-we-work/viet-nam/economy>, and The Economist Intelligence Unit, <https://country.eiu.com/vietnam>. Also see World Bank Analysis [here](#).

Thailand is grappling with economic and demographic constraints commonly associated with the ‘middle-income trap’ including an aging population, stagnating private and foreign direct investment, limited gains in productivity and declining participation in global value chains.<sup>14</sup> The macroeconomic situation in Laos is challenging and the country remains economically dependent on exports of its natural resources (mining, hydropower, forestry).<sup>15</sup> Most of Laos’ 7.5 million people live rurally and depend on agriculture and natural resources. Economic resilience is a matter of mutual dependence in the subregion where economies are heavily intertwined through trade, investment and flows of labour.

In the United Nations global rankings on human development, Thailand ranks “very high” and is 66 out of 191 countries/territories.<sup>16</sup> Vietnam enjoys “high” human development (115 of 191 countries/territories), while Cambodia, Laos and Myanmar are all ranked as “medium” and are 146, 140 and 149 in country rankings respectively. World Bank-assessed poverty rates are highest in Laos and Myanmar, and relatively low in Vietnam and Thailand when measured by national poverty lines.

The February 2021 coup in Myanmar reversed a decade of development gains and Myanmar’s economy has contracted rapidly since the coup. Economic activity is disrupted by high input prices, inflation, electricity outages, conflict and logistics constraints, trade and foreign exchange restrictions and currency depreciation.<sup>17</sup> In Myanmar, the coup, conflict and COVID-19 have severely disrupted education and public healthcare. Public spending on health and education fell to about 1.8 per cent of GDP in 2023. Food security and nutrition appear to be worsening with high food prices, declining household incomes and climate and disaster-related impacts, particularly in conflict affected regions.

**Types of government and electoral systems vary greatly across the subregion.** Governance effectiveness including political voice and accountability, absence of violence, rule of law, and control of corruption and transnational crime vary widely across the Mekong subregion as highlighted in the World Bank’s global rankings data.

The absence of diversity in national political representation and leadership, and social attitudes and norms that favour men in leadership roles across Mekong countries spills into subregional platforms, voice, influence, and agendas.

At the national level, gender machineries across the Mekong subregion experience common constraints on capacity, resources and influence. National disability bodies face similar challenges. In short, the gender and inclusion gap in leadership, weaknesses in the GEDSI capacity of subregional architecture and platforms, and threats to the functioning of women’s rights organisations and OPDs are national and subregional challenges.

### 1.3 OTHER DEVELOPMENT PARTNERS

Japan, the Republic of Korea, the Asia Development Bank (ADB), the World Bank and the European Union are significant donors in Mekong countries. China is actively increasing connectivity and investment links with the subregion. China is a key financier and backer of the subregions’ major infrastructure and connectivity projects. The US-led ‘Friends of the Mekong’ was initiated as part of the US’ intensified commitment to the subregion, advocating for transparency, good governance, equality, gender equity and mutual respect and trust.<sup>18</sup> Several development partners have shifted

<sup>14</sup> Craig Keating’s article in *Asialink*, ‘Thailand risks growing old and poor’

<sup>15</sup> See the World Bank economic overview for Laos.

<sup>16</sup> World Bank Data. United Nations Conference on Trade and Development Country Profiles - Accessed 30 January 2024

<sup>17</sup> World Bank update and country overview.

<sup>18</sup> <https://www.usaid.gov/asia-regional/lower-mekong-initiative-lmi> . See the Press Statement from the 2022 Friends of the Mekong Senior Officials meeting [online](#).

their ODA engagement in Myanmar to reflect their political approach to the military regime since the coup.

## 1.4 EVIDENCE AND LESSONS

Australia has long invested in the Mekong subregion's prosperity and development through decades of bilateral and ASEAN development programs and other support. Australia launched the Mekong-Australia Partnership (MAP) in 2020, a \$232 million four-year (2020-21 to 2023-24) initiative to elevate Australia's engagement with the subregion. An Independent Strategic Review of MAP Phase 1, completed in May 2023, found that the investment was strategically relevant and coherent and delivered outcomes through a range of initiatives across five thematic pillars. The review found that:

- as a flexible and responsive funding mechanism, MAP had expanded and deepened Australia's engagement as a constructive, practical partner on mutual policy priorities in the Mekong subregion
- MAP had boosted Australia's credentials with senior government interlocutors in the subregion – as well as with likeminded partners – particularly after a period of ODA budget cuts and diminished influence
- Mekong partner countries noted the benefits of Australia's practical, flexible and demand-driven approach – which contrasts with that of other development partners
- staffing resources funded by MAP had enabled Australia to deepen engagement and influence in the subregion, with a significant expansion of capacity on economic, trade and development issues
- MAP was strategic and coherent when treated as a strategic framework for enhanced Mekong engagement rather than as a single program – noting also that its branding and narrative was sometimes confusing to partners, and it was often not relevant to refer to it as anything but Australian assistance
- MAP was delivered under challenging circumstances, with unrealistic time pressures and complicated and sometimes fragmented management arrangements, which affected its efficiency.

This Portfolio Design Framework draws on the Independent Strategic Review's recommendations and extensive document review and DFAT consultations in Canberra and with all Mekong posts. All posts tested broad ideas for Australian Mekong subregional engagement with partner government counterparts and reflected feedback in this design process. Further stakeholder consultations are underway and will continue into the inception period to inform pipeline planning and development of partnerships.

GEDSI was not a standalone pillar or adequately mainstreamed into much of MAP Phase 1. Rapid start up in the context of the COVID-19 pandemic, and low awareness and capacity on GEDSI among partners contributed to missed opportunities. That said, well established programs and implementing partners did thread gender and inclusion through the project cycle. **During design consultations for MAP Phase 2 there was general consensus that a more intentional and effective approach to advancing GEDSI was needed in line with Australia's International Development Policy.**

## 1.5 THE MEKONG-AUSTRALIA PARTNERSHIP FOR TRANSNATIONAL CRIME

The Mekong-Australia Partnership for Transnational Crime (MAP-TNC) was a standalone \$30 million (2021-29) program to leverage Australian Government capability to prevent and counter transnational crime threats (such as drug trafficking, child sexual exploitation and financial crimes)

and strengthen border security in the Mekong subregion. The program has sponsored six Australian Government Agencies and two research partners to deliver relevant activities.

A recent Mid Term Review of MAP-TNC found that Australian national interests warrant renewed and expanded efforts to address TNC in the subregion, and that the program would benefit from being reconfigured to:

- facilitate better focus at strategic rather than activity level
- make better use of expertise dispersed across DFAT, its Program Support Unit, Australian Government Agencies and external partners
- shift to larger, multi-year programs of work.

To maximise strategic coherence and enhance administrative efficiency, MAP-TNC will be fully integrated into the MAP Phase 2 portfolio when the current standalone administrative arrangements come to an end in 2024-25.

## 2. STRATEGIC INTENT AND RATIONALE

### 2.1 ALIGNMENT WITH AUSTRALIA'S INTERESTS

Australia is committed to deepening engagement with Southeast Asia, working towards a region where countries have agency and shared responsibility and cooperate, trade and thrive. MAP Phase 2 aligns with Australia's *International Development Policy* (2023) for a peaceful, stable and prosperous Indo-Pacific, including through commitments to enhancing state and community resilience to external pressures and shocks, regional architecture and partnerships, and cooperation on shared challenges.

**This portfolio contributes to Australia's commitment to work in partnership with our neighbours to achieve a peaceful, stable and prosperous Indo-Pacific.** Australia prioritises supporting partners to build effective, accountable states that drive their own development, connect with Australia and regional architecture, and generate collective action on challenges that affect the region.<sup>19</sup>

Mekong subregional cooperation is a key theme of DFAT's forthcoming *Southeast Asia Regional Development Partnership Plan* (DPP) and Mekong subregion analysis and strategy. The Southeast Asia Regional DPP outlines Australia's strategic interests in the Mekong subregion and rationale for MAP Phase 2.

**Australia's interests lie in promoting Mekong countries' cooperation on shared issues to enhance the resilience of individual Mekong countries and the subregion as a whole.** It is important that Australia – and the way in which MAP Phase 2 and other investments operate – remains a trusted, and reliable partner that provides high quality offerings, delivers on commitments and uphold rules and norms. It is in Australia's interests that the Mekong subregion is resilient, and its countries work in solidarity to pursue joint solutions to their shared challenges.

### 2.2 AUSTRALIA'S VALUE ADD

Australia has a long history of working together with the Mekong subregion, both bilaterally and sub regionally, and is recognised as a pragmatic and responsive partner. The thematic priorities of MAP Phase 2 reflect areas where Australia has demonstrated value add and comparative advantage as a development partner. MAP thematic strategies will further identify where Australia can play a key role across each of MAP's key themes.

<sup>19</sup> Prime Minister Albanese, IISS Shangri-La Dialogue Speech, 3 June 2023.

Australia recognises the risks that climate change pose to the stability of national economies and populations and sees **climate action as essential for meaningful engagement on broader regional and global human development, economic development and trade.**<sup>20</sup> Australia's *International Development Policy* highlights climate change as a core focus across economic and social sectors. It underscores Australia's commitment to support countries in its region to work towards their climate change targets, implement adaptation policies and transition to low-carbon growth, including through mainstreaming of climate considerations throughout the Australian development program. These measures are a shared priority for Australia and Mekong partner countries.

In 2023, Australia strengthened its previous climate finance commitment of \$2 billion and is now expected to deliver \$3 billion towards the global goal on climate finance over 2020 to 2025. MAP will be a significant contributor to this commitment.

Australia's *International Development Policy* also recognises that climate change is often manifesting itself by increasing water insecurity. The 2023 COP28 Global Stocktake recognises the critical role of protecting, conserving and restoring water systems and water-related ecosystems in delivering climate adaptation benefits. Australia has been active across the subregion in the water sector for many years through the former Greater Mekong Water Resources Program, including support to the MRC since its establishment in 1995. **MAP Phase 2 builds on Australia's longstanding experience supporting improved water governance in the region and the relationships, expertise and knowledge it has developed.** Australia has much to offer in addressing water governance and management through our many well established, technically credible federal, state and territory agencies, and private sector partners that are leveraged in the subregion including via the Australian Water Partnership. As the driest continent in the world, Australia has world leading water management practises and expertise in water security. Australia's support to the MRC, ACMECS and the Mekong Institute is central to our commitment to back locally led Mekong subregion institutions that amplify local voices and priorities and drive change in water governance and management.

MAP Phase 2 aligns with *Invested: Australia's Southeast Asia Economic Strategy to 2040* which highlights the centrality of the region for Australia's economic destiny and for shared prosperity.<sup>21</sup> **It is in Australia's interests that countries of the region are interconnected, and that competition is managed responsibly and transparently** so that the region can continue to prosper as a centre of economic growth and innovation. As a leading export-oriented economy highly integrated globally, Australia has much to offer via our technically credible and sought after technical departments and agencies. Where possible, MAP Phase 2 will utilise these and build on partnerships with others to continue to support improved public financial management, productive foreign investment, and inclusive growth, in particular in lower-income Mekong economies. Australia has much to offer in addressing barriers to women's labour force participation and broader economic inclusion for enhanced productivity, economic resilience and integration.

**Escalating transnational crime is seriously undermining development in the Mekong subregion, spilling over into Australia and damaging a wide range of Australian interests.** It is an increasing threat to national sovereignty and security in the region; and is a priority concern of partner countries. Australian agencies have valued capability to assist, and strong relations to build on. Australian national interests warrant renewed and expanded efforts to address transnational crime in the Mekong.

**Australia's global standing on gender equality and disability inclusion makes it a credible and valued partner to address this shared challenge.** MAP Phase 2 aligns with the *International Development*

<sup>20</sup> See Prime Minister Albanese 2023 Lowy Lecture, *Australia in the world*, Lowy Institute, 19 December 2023.

<sup>21</sup> Prime Minister Albanese, Southeast Asia economic strategy to 2040, speech, 6 September 2023

*Policy* which places gender equality and disability equity as core issues for action and requires all ODA investments of \$3m or more to include a gender equality objective. The portfolio aligns with the prioritisation of women's economic empowerment and women's participation in leadership and decision-making in DFAT's *Gender Equality and Women's Empowerment Strategy*. *Invested: Australia's Southeast Asia Economic Strategy to 2040* notes that 'for all countries, empowering women and girls to participate in business, ensuring equality of salaries, addressing the unequal distribution of unpaid care and domestic work, and improving social infrastructure will unlock economic dividends.'

## 2.3 WHAT IS CHANGING FROM MAP PHASE 1?

MAP Phase 2 represents an evolution from MAP Phase 1. MAP Phase 2 will build on the achievements and lessons of MAP Phase 1 to progress the goal of a more resilient and inclusive Mekong subregion that pursues joint solutions to shared and transboundary challenges. **MAP Phase 2 will support the Mekong subregion through longer-term partnerships with local counterparts and locally led architecture and sharing Australian expertise** in the thematic priority areas of climate change and water security, economic resilience and subregional integration, preventing and countering transnational crime and GEDSI.

MAP Phase 2 will invest in trilateral and multi-country activities that respond to shared and transboundary challenges, collaborate with likeminded partners and invest in productive subregional cooperation. Additionally, MAP Phase 2 will provide additional funds to bilateral Mekong programs in recognition of the importance of these programs as the bedrock of Australia's relationship with countries in the subregion. Australia will deliver development cooperation that aligns with Mekong countries and broader ASEAN priorities, cementing Australia as a committed and trusted partner of choice that supports resilience and sovereignty. Changes are summarised in Table 1 below.

**Table 1: Changes in approach from MAP Phase 1 to MAP Phase 2**

Phase 1 approach	Phase 2 approach
Hybrid ODA/non-ODA program managed across several DFAT divisions, including trade and cyber areas, with a separate TNC program	ODA-only portfolio managed entirely by DFAT's Office of Southeast Asia, discontinuing non-ODA components. (MAP Phase 2 delivery mechanisms will retain flexibility to consider incorporating non-ODA arrangements in future years if circumstances change).
Rigid thematic pillars with fixed budgets and varying management and accountability arrangements	New EOPOs that focus on select thematic priorities with the combined impact on shared resilience and cooperation, with a shared budget governed by a Steering Committee
Strong focus on bilateral activities but with inefficient approval and reporting arrangements	Increased focus on multi-country and subregional partnerships, with high-priority bilateral activities managed more efficiently through direct allocations to posts
Tendency to fund many small value, short duration activities	Focus on fewer, larger long-term partnerships prioritised through an integrated pipeline development process and agreed by Steering Committee



DFAT managed without a central contractor; several small contracts to manage MEL and individual advisers	DFAT retains strategic management but with assistance of a Support Services Contractor to provide logistical support, capability to source technical expertise and to deliver selected activities
Standalone MAP-Water Energy and Climate Program Management Unit in Bangkok	Enhanced Mekong Hub to lead on whole of MAP portfolio implementation and operations
Limited visibility and mainstreaming of GEDSI	GEDSI standalone thematic area of work and mainstreamed across the portfolio

### 3. PROPOSED OUTCOMES AND INVESTMENT OPTIONS

#### 3.1 PORTFOLIO LOGIC

The objective of MAP Phase 2 is that ‘*The Mekong subregion is more resilient and inclusive and pursues joint solutions to shared and transboundary challenges.*’ This objective defines Australia’s aspiration for the Mekong subregion to be resilient in the face of existing and emerging global, regional, and national challenges, and inclusive of all its citizens. MAP Phase 2 is a catalytic portfolio investment to support capacity in the subregion to withstand and recover from shocks and adapt to changing conditions in an equitable way. It reflects Australia’s values of inclusion, diversity and equity to maximise the full potential and talent of its peoples, and the importance of safeguarding the subregion’s environment and the viability and vitality of its ecosystems as the substrate of human social and economic activities, now and for future generations. This requires sustained commitment, coordination, collaboration, and cooperation among countries underpinned by mutual responsibility and accountability. By promoting resilience, inclusion and sustainability, Australia will support the Mekong subregion to actively shape its own future, contribute to the well-being and prosperity of its diverse populations and ecosystems, and have enhanced capability to respond to future uncertainties.

The purpose of MAP Phase 2 is that ‘*Australia is a trusted and reliable partner in supporting a resilient, inclusive and sustainable Mekong subregion.*’ This defines Australia’s aspiration for the Mekong subregion to be resilient in the face of existing and emerging global, regional and national challenges. It also recognises the benefits of a collaborative approach where sustained commitment, cooperation and coordination among countries are guided by principles of equity, solidarity and shared responsibility. By working together to address common challenges and leverage collective strengths, Australia will contribute to a more peaceful, stable and prosperous Mekong subregion.

MAP Phase 2 is a portfolio made up of several investments and activities. This design outlines a logic for the portfolio as a whole. Some investments that fall under MAP Phase 2 will be subject to their own design processes. Design and quality assurance requirements for these investments will be streamlined and proportionate, subject to their value and risk profile.

MAP Phase 2 has five end of portfolio outcomes (EPO) that reflect thematic areas of interest. These represent an evolution of MAP Phase 1 pillars, are aligned with *Australia’s International Development Policy* and DFAT’s *Southeast Asia Regional DPP*, and will guide investment selection:

- Climate resilience
- Water security
- Gender equality, disability and social inclusion (GEDSI)

- Economic resilience and subregional integration
- Transnational crime (TNC).

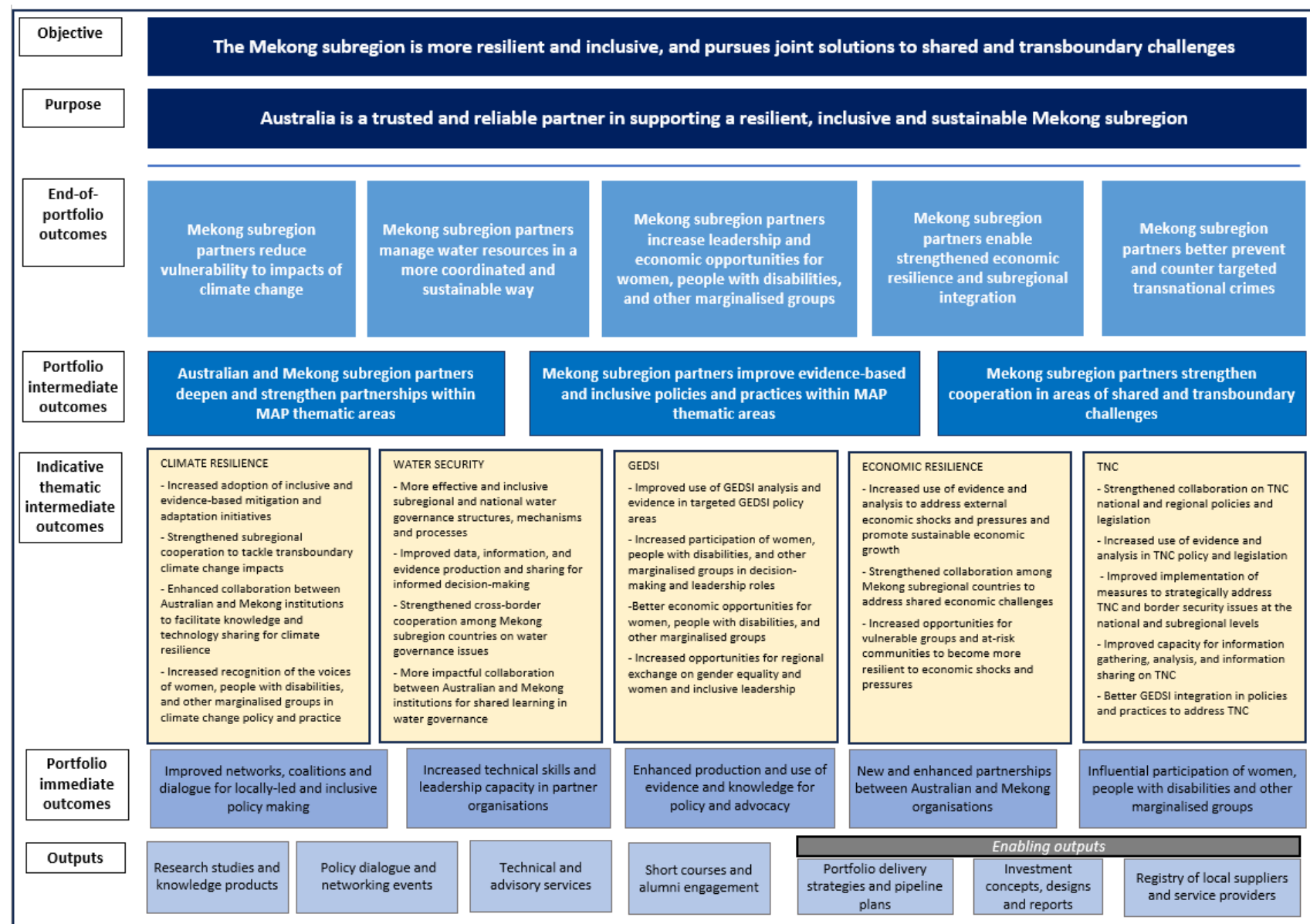
These areas are interconnected and mutually reinforcing. Progress in one area often supports and facilitates progress in others, for example:

- enhancing climate resilience and water security can promote economic resilience and social well-being by safeguarding livelihoods and ecosystems, while also ensuring the voices of women and marginalised groups are heard in policy and decision-making processes
- enhancing women's labour force participation and economic empowerment contributes to gender equality, economic resilience, and community resilience to economic shocks, and can open the door to greater opportunities for other marginalised groups
- organised crime not only profits from the effects of climate change but it also drives some environmental degradation. Strengthening cooperation on countering transnational crime can therefore contribute to reduced climate change vulnerability, and regional stability and security, fostering an environment conducive to improved economic integration.

Given the breadth of MAP Phase 2 portfolio and the need to retain a high level of flexibility, the portfolio immediate and intermediate outcomes focus on enabling pathways and drivers of change. The indicative thematic intermediate outcomes (to be refined throughout thematic strategies) focus on measurable progress in each thematic area of MAP Phase 2. Each level of the portfolio logic is linked through a causal chain. Investments will be diverse, and many will include multiple pathways, contributing to several immediate outcomes. Achievement of these outcomes are expected to lead to stronger partnerships, more evidence-based and inclusive policies and practices, and increased cooperation and joint pursuit of mutually beneficial solutions, which in turn will promote sought-after changes in the five targeted areas (EOPOs). The culmination of these efforts is expected to result in increased visibility and trust of Australia in the subregion (purpose), and a Mekong subregion more inclusive and better equipped to address shared and transboundary challenges (objective). The objective and purpose represent the sphere of MAP Phase 2's interest and are above the line of accountability, represented by the blue line in the portfolio logic diagram (Figure 2).

A high proportion of MAP Phase 2 investments will target Mekong country government institutions, including inter-governmental agencies (within and between partner governments). Building on strengths and lessons from MAP Phase 1 and to maximise efficiency, MAP Phase 2 will channel support through delivery partners such as multilateral development banks and agencies, non-government organisations (NGOs), community groups, academic and research institutions, and private sector organisations. Opportunities to support new partnerships, and to scale up, adapt and revise existing ones, will be examined through the pipeline planning and thematic delivery strategy development process, all to be approved by the MAP Steering Committee. Importantly, MAP will support targeted partnerships between Australian and Mekong subregion organisations, although not exclusively – some partnerships will be between Mekong subregion organisations, and with international organisations working in the region. By strengthening collaboration, these partners will leverage their collective resources, expertise and networks to progress MAP Phase 2 outcomes.

Figure 2: MAP Phase 2 Portfolio Logic



The portfolio logic has been developed collaboratively with MKS, relevant Posts and other relevant DFAT teams. Deeper engagement with relevant Mekong counterparts and implementing partners will be undertaken during the inception period as part of the development of the thematic delivery strategies. Intermediate and immediate outcomes are likely to be refreshed during the development of the thematic delivery strategies to further tighten the framing of support to each thematic area. The portfolio logic will be reviewed periodically through the Mid-Term Review process and other processes (see Section 6) to ensure it remains fit for purpose. Any significant revisions will be approved by the MAP Steering Committee (see Section 4).

### **3.1.1 End of Portfolio outcomes**

#### ***EPO 1 – Mekong subregion partners reduce vulnerability to impacts of climate change.***

MAP Phase 2 support will enable Mekong subregion partners to intensify their efforts to mitigate vulnerabilities and enhance resilience across the subregion. Through collaborative initiatives, local communities, governments, civil society organisations, private sector, academia, and other stakeholders will implement various initiatives including community-based adaptation strategies; nature-based and nature-positive solutions; disaster risk reduction; and management practices to strengthen overall resilience. Through inclusive decision-making processes that take into account the voices of marginalised groups such as women, persons with disabilities, and indigenous peoples, Mekong subregion partners will ensure that mitigation and adaptation measures are equitable and responsive to the needs of all.

Investments under this EPO may include: land-use and urban planning; climate-smart agriculture; biodiversity protection and restoration; transport; infrastructure; low-emission technology development; community level renewable energy and efficiency; and preparedness and response to natural disasters and climate-related hazards (e.g. floods, droughts and storms). In developing these investments, nature-based solutions will be actively explored and pursued when possible, including through considering, valuing and revitalising indigenous knowledge systems and practices. All investments will be designed to be GEDSI responsive.

#### ***EPO 2 – Mekong subregion partners manage water resources in a more coordinated and sustainable way.***

Mekong subregion partners will strengthen their efforts to manage water resources in a more coordinated and sustainable way across the subregion. Local communities, governments, civil society organisations, private sector, academia and other stakeholders will work together to implement integrated water management systems and processes, inclusive initiatives to address water pollution, better river basin management and support for sustainable livelihoods among riverine communities.

A coordinated approach will require inclusive and effective water governance structures, data sharing mechanisms, and cross-border cooperation initiatives to ensure that water resources are managed in a holistic and equitable manner. Rural, riverine and urban nature-based approaches will be actively explored and pursued when possible, including through considering, valuing and revitalising indigenous knowledge systems and practices. All investments will be designed to be GEDSI responsive.

***EOPO 3 – Mekong subregion partners increase leadership and economic opportunities for women, people with disabilities and other marginalised groups.***

Mekong subregion partners will help enable greater equality and social inclusion by providing opportunities for meaningful participation of women, people with disabilities and other marginalised groups in leadership and economic development. Australia will support partners in facilitating diverse representation in public dialogue and decision-making, strengthening evidence for and participation in inclusive policy, developing organisational capacity for inclusive policy and practice aligned with gender equality and inclusion principles.

MAP Phase 2 will support targeted GEDSI investments across topics such as the care economy; the economic empowerment of women, people with disability and ethnic minorities; inclusive leadership development; the strengthening of women's rights, minority rights, and human rights organisations and organisations of people with disability; and GEDSI statistics and evidence for policy advocacy and systemic changes. In addition, MAP Phase 2 will ensure at least 80% of all investments in other thematic areas are GEDSI responsive or transformative with the remainder GEDSI sensitive (see Section 5). GEDSI mainstreaming efforts will focus on tangible outcomes of leadership, agency and economic opportunities for women, people with disability and other marginalised groups so that they equitably benefit from their cascading impact and outcomes.

***EOPO 4 – Mekong subregion partners enable strengthened economic resilience and subregional integration.***

With the support of MAP Phase 2, Mekong subregion partners will actively work together to strengthen economic resilience and subregional integration by pursuing mutually beneficial economic initiatives, increasing economic cooperation, harmonising regulations, and leveraging collective strengths and resources to achieve equitable and inclusive economic growth.

MAP Phase 2 will invest in activities that support inclusive economic development, diversification and integration of Mekong countries to enhance their resilience to external shocks and promote shared prosperity. It will include developing a follow-up investment to support improved capacity to review and assess risks related to foreign direct investment across the subregion. MAP Phase 2 could also invest in fostering inclusive economic resilience through contributions to social protection and/or labour mobility initiatives and supporting economic connectivity through trade and supply chain linkages, potentially via other relevant DFAT investments (see section 3.2 below). There is merit in investing in initiatives to support women's labour force participation and entrepreneurship, including addressing the significant barrier of an under-developed care economy.

***EOPO 5 – Mekong subregion partners better prevent and counter targeted transnational crime.***

Mekong institutions, at all levels, will strengthen analysis and operational capacity, including from GEDSI perspectives, to prevent, detect and address TNC transnational and border security threats. Institutional and individual relationships between Mekong countries and between Australian Government Agency counterparts will also be strengthened to better tackle transnational crime challenges. MAP Phase 2 will invest in initiatives that promote collaboration and cooperation on preventing and countering transnational crime such as child sexual exploitation, illicit drug trafficking and financial crimes.

Following a Mid-Term Review (MTR), a sub-design update of MAP-TNC is underway and will clarify relevant investment selection criteria (including targeted crime types) and delivery modalities. This may include investments such as conducting research and analysis, strengthening legal and

institutional frameworks (e.g. enhancing law enforcement capacities and international cooperation mechanisms), promoting information sharing (e.g. facilitating exchange of information, intelligence, and best practices among agencies, governments, and international organisations), and building capacity to address specific cross-border challenges (e.g. information sharing, investigations, and prosecutions that protect victim rights and apply gender-sensitive approaches).

MAP-TNC was delivered primarily through government to government (G2G) partnerships between Australian Government Agencies including the Australian Federal Police, Australian Border Force and AUSTRAC and their counterparts in Mekong subregion countries. Following the MTR, it is envisaged that MAP engagement on transnational crime will continue to be delivered primarily through G2G partnerships, with a shift towards multi-year and larger value partnerships between DFAT and other agencies rather than discrete arrangements for individual activities. The Mekong Hub will undertake a sub-design update process of the MAP-TNC design to respond to the MTR and to align this program with this design.

### **3.1.2 Portfolio Intermediate outcomes**

To achieve the EOPOs, MAP Phase 2 will channel its support towards three intermediate outcomes (IO) expected to be achieved by the end of the five years of implementation (2029). Intermediate outcomes are likely to be refreshed during the development of the thematic delivery strategies throughout the inception period to further tighten the framing of support to each thematic area.

#### ***IO 1 – Australian and Mekong subregion partners deepen and strengthen partnerships within MAP thematic areas.***

Partnerships between relevant Australian and Mekong partners in the thematic areas will be strengthened and new relationships will be established, consolidated and sustained through collaboration based on MAP Phase 2 support. Under this outcome, MAP Phase 2 will nurture, develop and strengthen partnerships with Mekong organisations in the five key thematic areas. There is an option to continue, adapt and deepen successful partnerships supported under MAP Phase 1. Selected partnerships have already been identified through an interim planning process for continuation or expansion.

Australia will foster and support new partnerships. This may entail generating appetite for counterparts to engage in emerging policy spaces such as the care economy, inclusive leadership, FDI (Foreign Direct Investment), and enhancing GEDSI focused civic spaces through policy dialogue, short courses and peer-to-peer learning. As MAP Phase 1 demonstrated, investing in leadership, knowledge, and skills positions Australia as a credible, responsive, and valued partner, and fosters quality networks and long-term linkages between Australia and the Mekong subregion. It enhances the technical capability and skills, as well as influence tangential norms and values of individuals and organisations. Existing partnerships will be leveraged to deliver short courses, policy dialogue and exchanges, and peer-to-peer learning to support outcomes across all thematic areas and other IOs. As counterparts demonstrate willingness to engage in new ways and in new policy areas, MAP Phase 2 will engage new implementing partners as agreed with the Steering Committee.

#### ***IO 2 – Mekong subregion partners improve evidence-based and inclusive policies and practices within MAP thematic areas.***

Mekong subregion partners will use more inclusive policies, systems and practices in thematic areas. Evidence will contribute to partners achieving policy and practice change in thematic areas. Australia will invest in activities that improve evidence-based and inclusive policies and practices for Mekong

counterparts across MAP thematic areas. Australia will leverage partnerships under IO 1 to support Mekong government partners and subregional bodies improve processes and practices for technically credible and inclusive policy and decision-making, and support their technical capacity for effective planning, design, implementation, and monitoring and evaluation of investments. Investments in generation of data, evidence, research, advocacy, and analytics via implementing partners such as think tanks, universities, multilateral development banks and UN agencies and NGOs will be a priority under this IO. Accessing Australian technical capability will remain important – this will be realised through mobilising specialist technical capability of Australian Government Agencies and partners in the private and NGO sectors. By supporting more informed and inclusive policies and practices, Mekong partners will be better able to address shared and transboundary challenges.

### ***IO 3 – Mekong subregion partners strengthen cooperation in areas of shared and transboundary challenges.***

Mekong countries strengthen cooperation in thematic areas, based on MAP Phase 2 support. Mekong countries coordinate on policy and practice in thematic areas. Cooperation between Mekong countries on shared and transboundary issues improves. Under this outcome, Australia will invest in activities that foster and strengthen cooperation between Mekong countries in areas of shared and transboundary challenges. Whereas activities under IO 1 and IO 2 may be focused bilaterally (e.g. economic resilience and GEDSI being thematic areas often best tackled bilaterally), under IO 3 Australia will support investments that involve stakeholders from two or more Mekong countries in pursuit of shared or transboundary solutions to issues of mutual interest. The notion of shared challenges refers to issues that are common but not necessarily or uniquely transboundary, for example water management is a shared issue that involves transboundary and non-transboundary basins. Australia will continue to invest in important subregional cooperation frameworks such as ACMECS and the MRC and will pursue trilateral and minilateral cooperation in areas of shared interest.

#### **3.1.3 Indicative Thematic Intermediate Outcomes**

MAP Phase 2 investments will cover one or more thematic area. Indicative outcomes for each thematic area are included in the Portfolio Logic for illustrative purpose. They build on the objectives of successful Phase 1 investments and may serve to guide initial Phase 2 investments. They will be refined through the development of thematic strategies (including a MAP-TNC sub-design update) during the inception period, based on discussions with relevant stakeholders.

Indicative thematic intermediate outcomes include:

- Climate resilience:
  - *Increased adoption of inclusive and evidence-based mitigation and adaptation initiatives.*
  - *Strengthened subregional cooperation to tackle transboundary climate change impacts.*
  - *Enhanced collaboration between Australian and Mekong institutions to facilitate knowledge and technology sharing for climate resilience.*
  - *Increased recognition of the voices of women, people with disabilities, and other marginalised groups in climate change policy and practice.*
- Water security:
  - *More effective and inclusive subregional and national water governance structures, mechanisms and processes.*

- *Improved data, information, and evidence production and sharing for informed decision-making.*
- *Strengthened cross-border cooperation among Mekong subregion countries on water governance issues.*
- *Increased collaboration between Australian and Mekong institutions for shared learning in water governance.*
- Gender equality, disability and social inclusion:
  - *Improved use of GEDSI analysis and evidence in targeted GEDSI policy areas.*
  - *Increased participation of women, people with disabilities, and other marginalised groups in decision-making and leadership roles.*
  - *Better economic opportunities for women, people with disabilities, and other marginalised groups.*
  - *Increased opportunities for regional exchange on gender equality and women and inclusive leadership.*
- Economic resilience and subregional integration:
  - *Increased use of evidence and analysis to address external economic shocks and pressures and promote sustainable economic growth.*
  - *Strengthened collaboration among Mekong subregional countries to address shared economic challenges.*
  - *Increased opportunities for vulnerable groups and at-risk communities to become more resilient to economic shocks and pressures.*
- Transnational crime:
  - *Strengthened collaboration on TNC national and regional policies and legislation.*
  - *Increased use of evidence and analysis in TNC policy and legislation.*
  - *Improved implementation of measures to strategically address TNC and border security issues at the national and subregional levels.*
  - *Enhanced capacity for information gathering, analysis and information sharing on TNC.*
  - *Better GEDSI integration in policies and practices to address TNC.*

#### 3.1.4 Immediate Outcomes

To achieve the outcomes described above, individual investments will contribute to five immediate outcomes (ImO), each describing complementary approaches to affect changes in MAP Phase 2 thematic areas. Immediate outcomes are also likely to be refreshed during the development of the thematic delivery strategies to further tighten the framing of support to each thematic area. These are:

- *ImO 1 – Improved networks, coalitions, and dialogue for locally-led and inclusive policy making:* Strengthening connections and communication channels among relevant Mekong stakeholders, fostering collaboration and wide inclusion in policy-making processes.
- *ImO 2 – Increased technical skills and leadership capacity in partner organisations:* Investing in technical support for targeted staff members of partner organisations to improve their technical and leadership capacities. They can in turn improve relevant organisational structure, systems and processes.



- *ImO 3 – Enhanced production and use of evidence and knowledge for policy and advocacy:* Investing in the availability and utilisation of credible data and evidence to inform policy formulation and advocacy efforts.
- *ImO 4 – New and enhanced partnerships between Australian and Mekong organisations:* Investing in cooperation and collaborations between relevant Australian and Mekong organisations, facilitating collective action in addressing common issues with complementary expertise and resources.
- *ImO 5 – Influential participation of women, people with disabilities and other marginalised groups across the MAP portfolio:* Investing in initiatives that raise voices and perspectives of marginalised groups and ensure they are incorporated into relevant decision-making processes.

### 3.1.5 Outputs

The list below provides generic examples of outputs, is illustrative, and includes deliverables that are directly linked to the management and coordination of the portfolio (i.e. enabling outputs).

Activity outputs:

- *Research studies and knowledge products* including datasets, knowledge repositories, analyses, assessments and policy briefs to inform decision-making.
- *Policy dialogue and networking events* including tailored forums and platforms for stakeholders to engage, collaborate and cooperate.
- *Technical and advisory services* including provision of technical assistance, coaching, mentoring, guidance and expert advice.
- *Short courses and alumni engagement* including training and capacity building opportunities, and collaborative events and ongoing support for graduates.

Enabling outputs:

- *Portfolio delivery strategies and pipeline plans* including thematic delivery strategies and concise country plans, a pipeline plan of investments, a MEL Plan and a Communications strategy.
- *Investment concepts, designs, and reports* including details on individual investment logic and intent, and financial, technical, and operational needs and achievements.
- *Registry of local suppliers and service providers* including a process for tracking increased localisation of suppliers and service providers.

## 3.2 DELIVERY APPROACH

MAP Phase 2 will be delivered under the strategic and technical leadership of DFAT. Australia will fund mutually reinforcing regional, multi-country and bilateral partnerships that pursue common objectives. Responding to lessons from MAP Phase 1, portfolio planning, budgeting and investment design processes will ensure administrative efficiency (see Section 4). This includes leveraging other DFAT investments, and working alongside likeminded partners where it makes sense to do so.

The Investment Concept Note for MAP Phase 2 proposed that DFAT would continue to manage the portfolio as a whole, given the need for DFAT strategic oversight and leadership in a complex multi-

country operating environment, but with the addition of a support services contractor to enable more operational efficiency.

MAP Phase 2 is planned as an ODA portfolio, with ODA funding approved and no non-ODA component planned at present. Scoping and consultations for MAP Phase 2 confirmed that most high-value activities funded under previous non-ODA components (e.g. support to dialogue on informed management of foreign direct investment risks) could be delivered as ODA-funded components in Phase 2 with some adjustments.

MAP Phase 2 delivery mechanisms will retain flexibility to consider incorporating non-ODA arrangements in future years if circumstances change.

DFAT will consider a possible third phase of MAP commencing 2029-30 after undertaking a mid-term review in 2027.

### 3.2.1 Partnerships approach

The portfolio's identity is intentionally centred on the partnership approach and MAP Phase 2 will be a platform to support a range of scaled up and new partnerships that can progress outcomes within the thematic areas. MAP Phase 2 will invest in scaling up successful partnerships, developing other longer-term partnerships, while also flexibly identifying small pilots of for new approaches and partners through flexible funding mechanisms.

Partnerships in the context of MAP Phase 2 are understood broadly as initiatives that gather different partners to work jointly on issues of common interest.<sup>22</sup> It is assumed that collaboration (i.e. working together towards a common objective) and cooperation (i.e. working side-by-side towards a common objectives) are optimal if not essential for identifying challenges and progressing solutions to shared and transboundary issues.

MAP Phase 2 will primarily fund larger long-term strategic multi-country and regional partnerships, with additional long-term partnerships potentially also funded through bilateral allocations. There will also be an allocation for the incubation of potential new partnerships and delivery of outcomes through a limited number of smaller initiatives. This will allow Australia to test interest and capacity of counterparts to engage in new areas of cooperation and trial new partnership approaches that may lead to a larger engagement and/or in whole new portfolios and programs in bilateral programs.

### 3.2.2 Investing in leadership

Australia's *International Development Policy* notes the importance of strong, effective leadership from governments, the private sector and civil society to tackle complex structural reform. It prioritises supporting partners to build effective, accountable states that drive their own development, connect with Australia and regional architecture and generate collective action on challenges that effect our region. Enhancing leadership and skills in the Mekong subregion is in Australia's national interest; the Mekong sub-region's future depends on the quality of its leadership. The portfolio will support a strategically coherent approach to investing in leadership via short courses, training, twinning and policy dialogue where they:

- Link to strategic priorities of bilateral programs and regional initiatives. Regional courses should complement bilateral initiatives to foster deeper bilateral engagement and ongoing regional networking.

<sup>22</sup> The breadth of the partnership definition and composition is justified by the large thematic, organisational and geographic scope of MAP Phase 2

- Promote women in leadership and inclusive leadership.
- Forge partnerships and foster collaboration in areas of mutual interest and where there may be appetite and capacity to invest over the medium and longer term.
- Support participative and inclusive leadership, policy dialogue and decision-making by bringing together representatives from government, NGOs, and the private sector, providing safe (neutral) spaces for policy dialogue between government and communities within and across countries.
- Contribute to improved governance and integrity of political and administrative leaders, as well as leaders from the private sector and non-government sector.
- Provide an opportunity for Australia to offer responsive technical solutions to pressing issues of mutual interest.
- Provide an opportunity to include Myanmar participants.

Building on the success of MAP Phase 1's human capacity pillar, MAP Phase 2 will continue to engage with and leverage the skills and networks of MAP Masters and short course alumni. Alumni engagement mechanisms will be developed in line with broader *Southeast Asia Economic Strategy* recommendations, to enhance alumni engagement across ASEAN countries. MAP Phase 2 will continue to include demand-driven short courses, exchanges and dialogues, and potentially longer-term awards, to foster deeper and broader networks between the next generation of the Mekong leaders and Australia, and among themselves. Leadership activities will contribute to outcomes across all thematic areas, with a likely continued focus on regional short courses and exchanges on water security, climate change, transnational crime, gender equality and public policy. A dedicated stream of trilateral short courses and exchanges will advance subregional integration and dialogue.

### 3.2.3 Complementary regional, multi-country and bilateral investments

MAP Phase 2 will drive increased investment on cooperation between Mekong countries on shared and transboundary challenges, noting that solutions can be pursued at subregional, multi-country and national levels. Partnerships may be formed at subregional, multi-country and national levels depending on the nature of the issues and outcomes sought. Partnerships will be single country focused where the challenges are important to the region, but the solutions may be best prosecuted at the national level such as public financial management. Multi-country investments will complement and augment DFAT bilateral programs in a mutually reinforcing effort towards common objectives, working in parallel on similar themes in more than one Mekong country, with cross-country exchanges and learning where possible. Subregional initiatives will focus on working through subregional institutions or architecture, such as the MRC, ACMECS and the Initiative for ASEAN Integration.

Multi-country investments will be managed by the Mekong Hub, or by a lead Post where it makes sense to do so (e.g. Vientiane Post continuing to lead on the partnership with the MRC), and achievements will be reported through the Southeast Asia Regional DPP reporting process and other internal DFAT reporting mechanisms where appropriate.

Subject to Steering Committee and HOM agreement, MAP Phase 2 will include some bilateral allocations for bilateral activities that are strategically aligned with this design and Australia's Mekong subregion strategic priorities. This also aligns with DFAT's principles for regional and global

programming which give priority in regional funding allocations to activities aligned with bilateral priorities.

### 3.2.4 Leveraging other DFAT investments

MAP Phase 2 participates in an ecosystem of other DFAT-funded investments that are active in the Mekong subregion and wider Southeast Asia. This includes a range of regional and global investments with their own program logic, modalities, governance, management, MEL and reporting arrangements. To maximise efficiency, MAP Phase 2 will be delivered in a complementary manner, and where relevant, may co-invest with or contribute funds to investments such as:

- **Australian Water Partnership (AWP)** is a global program that draws on Australian expertise to respond to in-country partner requests for assistance in areas related to managing water scarcity and security.
- **Climate Resilient Communities (CRC)** is a new Indo-Pacific wide investment focused on addressing the systemic barriers and reform needed to drive progress towards climate-resilient water, food, and energy systems to positively affect communities, businesses and economies. It supports local solutions and local engagement and leadership to drive policy, regulatory and institutional reform.
- **Southeast Asia Government-to-Government (G2G)** program will provide multi-year funding and support to select Australian Government Agencies to engage with their counterparts across Southeast Asia. Some thematic priorities align with MAP such as climate resilience, food security and agriculture; and equitable and inclusive public institutions including for economic governance. Where appropriate, MAP may utilise and provide funding through this facility to extend and deepen G2G partnerships with Mekong countries. This includes where an Australian agency has policy leadership and expertise in a relevant theme but does not necessarily have the capacity or resources to engage with Mekong counterparts. The G2G mechanism (with MAP funding) would help to bridge this gap.
- **Partnerships for Infrastructure (P4I)** provides flexible, innovative services tailored to the distinct needs of Southeast Asian governments and ASEAN to foster inclusive growth through sustainable infrastructure. Coordination and possible collaboration with P4I could be considered to enhance investments in Mekong countries, particularly on climate related energy transition.
- **Investing in Women** supports women's economic empowerment in Southeast Asia by enabling policy reforms around the care economy, workplace gender equality organisational change, working with private sector partners and government to support gender norm change and gender lens investing. It is operational in Vietnam, Philippines and Indonesia with an open door for other Southeast Asian countries.
- **Australia Awards** initiatives in Southeast Asia, including bilateral and ASEAN programs.

### 3.2.5 Flexible fund

Based on the findings from MAP Phase 1, Mekong counterparts value Australia's flexible and responsive approach as a development partner. MAP Phase 2 will retain some flexibility to be responsive to sensible requests for support that contribute to portfolio outcomes broadly but may be beyond the scope of current thematic areas. A small proportion of the portfolio budget will remain unallocated and available for responsive support and broader policy engagement. Allocations from the flexible component of the budget will be overseen by the MAP Steering Committee. The delegate

for this funding will be Canberra unless agreed by the Steering Committee for specific activities. The flexible fund will also provide incubator/pilot funds for new partnerships that have potential for expansion in later years.

### **3.2.6 Working with other development partners**

Exploring opportunities to work with likeminded development partners such as USAID, European Union Japan and the Republic of Korea will be important. Collaborative endeavours that play to Australia's niche value add capabilities and that allow Australia to retain relationships, policy engagement and influence, and profile will be prioritised. Establishing coherent policy engagement between likeminded development partners for prosecuting with Mekong counterparts is encouraged.

### **3.2.7 Working with Myanmar**

The current political context in Myanmar makes it difficult for MAP Phase 2 to include it in many portfolio investments. As much as possible and appropriate, subregional activities will be open for participation by Myanmar nationals and/or organisations. Further investments in Myanmar may be considered if the political situation and security environment allows in the future. Any inclusion of Myanmar will need to be carefully considered and approved by DFAT.

Recognising the complex environment in Myanmar with respect to transnational crime issues that affect the whole Mekong subregion and beyond, the MAP transnational crime design update will address Myanmar issues in more detail. This will include analysis, suggested areas of engagement and how Myanmar engagement will inform MEL and risk management approaches.

## **4. IMPLEMENTATION ARRANGEMENTS**

DFAT will lead on strategic governance, technical direction setting, management and oversight of the MAP Phase 2 portfolio. DFAT departmental MAP capability will be augmented by a complement of locally engaged staff, select in-sourced advisers, and access to a pool of short-term advisers. Portfolio implementation will be supported by a Support Services Contractor that can mobilise advisers, provide logistical, operational and administrative support and deliver selected activities as directed.

### **4.1 DFAT GOVERNANCE ARRANGEMENTS**

MAP Phase 2 will be governed by a MAP Steering Committee, chaired by Assistant Secretary, Vietnam and Mekong Strategy Branch (AS VMB) in the Office of Southeast Asia. The Steering Committee will provide strategic direction, accountability and senior oversight for MAP, building on an interim Steering Committee established in late 2023 to oversee the transition from Phase 1 to Phase 2, and replacing governance arrangements established under Phase 1.

The function of the MAP Steering Committee is to:

- Ensure the MAP portfolio is strategically coherent and delivers on the strategic objective and purpose of the portfolio.
- Ensures MAP alignment with host country policies and considers papers on relevant policy issues and corporate processes.
- Approve annual allocations, ensuring budget allocations are strategic, support effective partnerships and reduce fragmentation.

- Approve key portfolio strategies and provide oversight of high value/high risk activity designs (where relevant).
- Approve flexible interim arrangements, including allocations for high priority activities for the transition period between MAP Phases 1 and 2.
- Review and endorse high-level performance management and quality assurance, and utilising reporting, reviews, and evaluations to foster evidence-based learning and improvement of the portfolio.
- Oversee strategic communication approaches across the portfolio.
- Provide oversight of and take responsibility for strategic risk and portfolio level risk management in addition to wider issues that have a strategic impact on DFAT's engagement in the Mekong subregion or are potentially high-risk.

The Steering Committee will meet quarterly in 2024-25, and then six monthly thereafter. Important and time-sensitive matters may be coordinated for out-of-session approval where necessary. MKS will provide Secretariat support to the Steering Committee.

## 4.2 ENGAGEMENT WITH COUNTERPARTS AND POLICY DIALOGUE

Policy dialogue and engagement with counterparts will happen on multiple levels given the thematic breadth of MAP Phase 2 and the limited Mekong subregional architecture to engage with directly. DFAT Canberra and Posts routinely engage with relevant government counterparts in multiple forums including ASEAN meetings and bilateral dialogues and relevant DFAT policies and strategies (e.g. Southeast Asia and bilateral DPPs) already consider and reflect counterpart policy priorities. Specific streams of work may have multi-country oversight mechanisms. Bilateral activities will be expected to involve partner government consultation and participation in line with their bilateral DPPs.

Due to the portfolio nature of this design, further work is required to develop more detailed and specific policy dialogue matrices for each thematic area. Detailed policy dialogue matrices will form part of thematic delivery strategies.

At the highest level, the Steering Committee will ensure alignment with policy priorities set out in the Southeast Asia regional and bilateral DPPs, and relevant DFAT officers will pursue dialogue as part of their routine interactions with counterparts. Short course, technical policy dialogue, research, peer-to-peer learning events and twinning arrangements will be key pathways for pursuing portfolio and investment level policy dialogue and engagement.

Posts may engage with partners in determining MAP country plans, which align with DPPs. Additionally, larger MAP funded investments will include investment level governance and policy dialogue arrangements with counterparts, on a needs basis.

## 4.3 INVESTMENT SELECTION

Ideas for MAP activities may be generated in a top-down (i.e. the Steering Committee advises teams to pursue new ideas) or in a bottom-up manner (i.e. posts present new ideas to the Steering Committee based on advice from partner governments and/or external stakeholders). Ultimately, the Steering Committee will make decisions on strategic direction setting and programming, considering the relative merits of funding proposals against portfolio EOPOs and other considerations.

The following suggested selection criteria will guide MAP Phase 2 spending:

- Investments must be ODA eligible.
- Investments must align with the International Development Policy and other overarching Australian Government and relevant Departmental goals and strategies including DPPs.
- Investments must include objectives with clearly articulated links and relevance to the portfolio logic, and at least one immediate outcome.
- Investments must align with partner government and/or subregional priorities.
- Investments must cover at least one MAP thematic area.
- Investments should be GEDSI responsive or GEDSI transformative (see section 5 for more details)
- Investments should preferably include potential to address shared and/or transboundary challenge across the Mekong subregion.
- Investments should preferably include potential to foster, deepen and extend long term partnerships in pursuit of shared solutions.
- Investments should have a trilateral, transboundary or multi-country element where possible. Purely bilateral activities that do not have a clear link to Mekong subregion resilience may be referred to other funding mechanisms.
- Investments should consider opportunities for coordination and/or cooperation with other development partners.
- Investments should prioritise local actors, where feasible, and opportunities to deepen locally led development and opportunities for partner government counterparts to participate in governance arrangements.
- Investments must demonstrate Australia's value add and play to Australia's comparative advantage and potential support to partnerships with Australian organisations where appropriate and relevant.
- Investments should retain flexibility for Myanmar partners to be included where appropriate.

## 4.4 PIPELINE PLANNING

A pipeline planning process is underway to ensure that relevant high-priority partnerships from Phase 1 can be extended during the inception phase (2024-25), and budget allocations are planned in a way that supports strategic coherence and administrative efficiency.

MKS and the Mekong Hub will lead a collaborative pipeline planning process, in close consultation with all posts, to develop a detailed multi-year portfolio budget endorsed by the Steering Committee, updated annually in line with spending trends and any changes to appropriations. MKS will lead a consultative pipeline working group, with representatives from all posts, to develop and refine the portfolio budget for Steering Committee endorsement.

The development of the budget will be managed by MKS and the Mekong Hub and will be updated iteratively throughout each financial year in line with actual spends. The Mekong Hub will manage the Program Fund Plan and will track and manage budget allocations and spends in Aidworks for the program fund as a whole. Posts will provide significant input into pipeline planning and will represent the policy priorities of their bilateral counterparts and that budget allocations align with DPPs and complement other bilateral and development partner investments.

The pipeline planning process and governance mechanisms such as Steering Committee oversight will support increased strategic coherence and administrative efficiency by making visible relative allocations across spending categories. It will promote collaborative and iterative decision-making about the veracious trade-offs in making allocation choices. The overall portfolio will favour fewer, longer duration and larger investments and avoid proliferation of low-value and one-off activities, except where there is a strong strategic rationale.

The pipeline planning process will be iterative and will be responsive to Posts' ongoing engagement with counterparts, development of more detailed investment designs and budgets, and engagement with implementing partners. MKS and the Mekong Hub will track and report to the Steering Committee on budget allocations by:

- thematic areas
- bilateral vs multi-country allocation, and relative spend by country
- long term partnerships; incubator and small activities; flexible funding.

This will highlight where there may be distortions in spends, for example, disproportionately high spend on a particular thematic area (or not enough) or spending skewed towards one country.

MKS and the Mekong Hub will also track and monitor the number of MAP Phase 2 initiatives in AidWorks and drive greater administrative efficiency through streamlining and simplification wherever possible (for example, bringing together individual World Bank Trust Funds, grant agreements, etc.).

## 4.5 EARLY ACTIVITIES AND INTERIM PIPELINE PROCESS

MAP Phase 2 will be implemented in two sub-phases. It will start with a 12-month inception period (1 July 2024 to 30 June 2025) to allow time to adapt to the evolution from MAP Phase 1 including higher activity budget, a new landscape of thematic areas (including the absorption of MAP-TNC), systematic GEDSI mainstreaming and a revised ratio between single country to multi-country activities. The objectives of the inception period are to entrench strategic coherence, maximise administrative efficiency, and put in place the foundations of plans, strategies and support services required for long-term program delivery. Recognising the need to maintain momentum from Phase 1, continue to respond to partner government demand, and plan for smooth expenditure across financial years with new funding becoming available from July 2024, DFAT initiated an **interim pipeline process**.

Through this process all posts contributed funding proposals for early implementation in Phase 2. The interim pipeline process sought to prioritise strategically relevant and high-performing investments for continued funding and to deprioritise larger value and new proposals until this design is finalised.

## 4.6 THEMATIC DELIVERY STRATEGIES

Given the high-level nature of this document, more details will be provided via thematic delivery strategies, the MEL Plan and a Communications Strategy. Development, review and updating these documents will be led by MKS and the Mekong Hub, drawing on the support services contractor as needed with significant input from other Posts.

Thematic delivery strategies will include detailed thematic situational analysis of key shared and transboundary challenges in the Mekong subregion in the thematic area, and Australia's policy



priorities and key investments in the sector. It will include a more detailed mapping of other development partners investing in the sector, and lessons from DFAT and other experience working in the sector. A more detailed exploration of proposed outcomes and approach will be included. The thematic delivery strategies will include investment options including building on MAP Phase 1 investments, as well as identifying new opportunities. They will identify GEDSI specific opportunities as well as how GEDSI will be mainstreamed across all activities. The first thematic delivery strategy will take the form of a sub-design update for the transnational crime stream of work, building on the MAP-TNC investment and ensuring its next phase of work aligns closely with this design. Further thematic delivery strategies may include water security, climate change, economic resilience, GEDSI and leadership.

Posts will provide significant input into the development of thematic delivery strategies and will ensure that they align with DPP and complement other bilateral and development partner investments. Thematic specialists, NGOs, women's rights organisations, OPDs and other marginalised groups will be consulted where appropriate in recognition of sensitivities on social inclusion across the Mekong subregion.

## **4.7 COUNTRY PLANS**

It was noted during consultations that some DFAT regional investments develop Country Plans and that these help to outline how a regional portfolio (which intersects primarily with a regional DPP) intersects with bilateral investments. These should be considered and could be a simple one-page snapshot of what MAP funds in each country including bilateral allocations and regional activities being implemented in a country. These could be useful when engaging with counterparts, and in providing other Posts with an easily digestible snapshot of what MAP Phase 2 is doing in other Mekong countries. Country plans would demonstrate linkages with bilateral DPPs. This approach will complement MAP's close alignment with the Southeast Asia Regional DPP.

## **4.8 DFAT ROLES AND RESPONSIBILITIES**

In line with the management arrangements described above, summaries of the role of MKS, the Mekong Hub, and Posts are provided below.

### **4.8.1 Mekong Strategy Section**

MKS will lead on setting strategic direction including on high-level budget planning (together with the Mekong Hub and in close consultation with posts); updates to portfolio design, portfolio logic and implementation arrangements as needed; and oversight of MAP strategic risk. MKS will ensure MAP retains strategic relevance and coherence and supports effective investments, balancing proposals in line with Australia's strategic priorities for Mekong subregion engagement.

MKS will report to the MAP Steering Committee and act as its Secretariat. MKS may task Posts to report on MAP engagement and provide strategic assessments to inform MKS policy advice to Ministers and senior decisionmakers.

MKS may assist in accessing support and linking into other areas of DFAT and other Australian Government Agencies in Canberra, as well as with linkages and leveraging other DFAT investments as required.

MKS will also lead on thematic working groups. These working level mechanisms (e.g. Environmental, Economic and GEDSI) will meet quarterly in the first year – and then twice yearly to discuss future proposals as well as portfolio coordination, budget, risk management at the working level.

#### **4.8.2 The Mekong Hub**

The Mekong Hub is led by the Counsellor Development Bangkok and includes DFAT staff in Bangkok. It will house significant expertise in MAP thematic areas and maintain important on-the-ground networks with key stakeholders, including with long-term partnerships. The Mekong Hub will play a critical role in regional program pipeline planning to ensure lessons learned, the operating context and thematic expertise are adequately considered in shaping the portfolio.

Collectively, the Mekong Hub will:

- Provide strategic and operational advice into the pipeline planning process.
- Manage the implementation of the portfolio, including the MAP Program Fund Plan, tracking and managing spending and Aidworks.
- Develop, implement, manage, and quality assure MAP investments delegated to the Mekong Hub.
- Support investment managers to develop, implement, manage, and quality assure MAP investments that are delegated to other Posts (excluding bilateral allocations).
- Lead on portfolio MEL, reporting and cross portfolio learning and collaboration as detailed in Section 6.
- Lead on portfolio coordination and information sharing, including convening routine meetings.
- Lead on strategic communications and MAP events calendar.
- Lead on the MAP portfolio risk register, including risk identification, tracking, reporting and management.
- Manage the Support Services Managing Contactor, as outlined above.

#### **4.8.3 Mekong Posts**

As mentioned elsewhere, Mekong Posts (Bangkok<sup>23</sup>, Hanoi, Ho Chi Minh City, Phnom Penh, Vientiane and Yangon) will:

- Contribute to pipeline planning and the development of delivery strategies.
- Manage all elements of bilateral allocations and multi-country investments where they are the delegate.
- Lead on policy engagement with counterparts and implementing partners for all investments being implemented in their locations.
- Report on MAP strategic engagement and wider Mekong subregion context and trends by cable.

### **4.9 SUPPORT SERVICES CONTRACTOR**

Most MAP Phase 2 investments will be managed directly by DFAT, with supplementary operational, logistics and administrative support provided through a Support Services Contractor. These services may include:

<sup>23</sup> Where it relates to Thailand-specific engagement.

- Recruitment, contracting and mobilisation of in-sourced and short-term Advisers for the Mekong Hub including partnership brokering capabilities.
- Logistics and administrative support for events, such as workshops, training and seminars, short courses, study tours (two-way, multi-country), including provision of translators, interpreters, flights, accommodation, per diems, visas, venues, catering, printing, etc. This may be managed via a subcontractor.
- Contracting and oversight of small initiatives such as short courses, targeted short-term training activities, niche research and case studies, including sub-contracting and granting where required.
- Development and distribution of information and communications products, e.g. social media posts, stories, photos, talking points etc, under direction from the MAP Communications Advisor and strategic direction of Steering Committee.
- Support to delivery of compliance training for MAP partners where required (e.g. Fraud, Child Protection, Preventing Sexual Exploitation, Abuse and Harassment (PSEAH), etc) and professional development for LE (Administered).

Specific arrangements will be detailed as part of the Request for Tender process.

#### **4.10 PUBLIC DIPLOMACY, PROFILE AND STRATEGIC COMMUNICATION**

MAP is a highly visible and substantial contribution to Australia's engagement in the Mekong subregion. A nuanced and suitably resourced public diplomacy and communications approach will be implemented including:

- Development of a high-level strategic communications plan for Australia's Mekong subregion engagement, led by MKS.
- DFAT leadership on strategic policy engagement with counterparts, with A-based staff leading on relationship management across a portfolio of partnerships.
- Engagement of strategic communications personnel in Bangkok.
- Establishment of an operational communications plan and systems as an inception period activity.
- A Support Services Contractor that will support development and distribution of information and communications products.

Through MAP public diplomacy and communications efforts, Australia will demonstrate and effectively communicate how MAP investments contribute to priority policy objectives in the Mekong subregion. The MAP communications team and DFAT officers will draw counterpart government attention to the contribution and impact of MAP, making outcomes and achievements visible and tangible. This will be particularly important where Australia is collaborating with other development partners.

Implementing partners will support public diplomacy by ensuring that the Australian Government is credited as a key development partner. These partners will provide DFAT with information on the outcomes of investments including through routine reporting, briefing notes, stories of change and case studies, and social media materials.

## 4.11 SUSTAINABILITY

MAP Phase 2 supports the Mekong country counterparts to achieve their objectives and deliver their own reform agenda. This Portfolio Design has emphasised the importance of the role of MAP to support, facilitate and catalyse sustainable change. The Theory of Change focuses on the need for systemic change that is owned by government counterparts and embedded in local systems. As such, MAP Phase 2 is contributing to investments that works through government and other local systems and strengthens those systems.

Key design features that reinforce sustainability include:

- Supporting government counterparts and local partners achieve their policy priority and reform agenda.
- Focus on capacity development of counterparts at the immediate and intermediate outcome level and their ability to deliver investment EOPOs.
- Policy engagement is diffused across stakeholders to ensure broad-based ownership.
- Continuation of appropriate MAP Phase 1 investments will build on and entrench their sustainability.
- Taking a gender responsive and transformative approach will help shift norms, attitudes and behaviours around women's roles and participation which will create longer term opportunities and impacts.
- Understanding and addressing climate change risks and opportunities helps ensure development gains are sustained.
- Incorporating sustainability and localisation into each thematic delivery strategy's policy dialogue matrix.

## 5. GENDER EQUALITY, DISABILITY AND SOCIAL INCLUSION, CLIMATE CHANGE, LOCALLY LED DEVELOPMENT

MAP Phase 2 recognises the centrality of gender equality, disability and social inclusion to building a resilient, inclusive and sustainable Mekong. The concept of GEDSI recognises the intersectional nature of inequality and that social norms, relations and power dynamics are experienced as a result of people's identities. For DFAT GEDSI analysis builds from the foundation of gender equality and disability equity analysis and includes where possible people of diverse sexual orientation, gender identity and/or sex characteristics (SOGIESC)<sup>24</sup>. Women, girls, people with disabilities and people of diverse SOGIESC experience systemic discrimination and are focus groups for DFAT. Other systemically disadvantaged groups in the subregion include ethnic minorities and indigenous peoples. MAP Phase 2 builds on lessons from Phase 1 and the GEDSI analysis undertaken to inform design which focused on gender equality, disability equity and to a lesser extent ethnic minorities; gaps in analysis will be covered in development of the thematic delivery strategy and at activity design. MAP Phase 2 and the GEDSI thematic strategy will also align where suitable with the forthcoming DFAT *LGBTQIA+ Human Rights Engagement Strategy*.

**MAP Phase 2 takes a twin-track approach to gender equality and intersectional disadvantage.** GEDSI is both a stand-alone thematic area of work and is mainstreamed across thematic areas of climate resilience, water security, economic resilience and integration, and transnational crime. The portfolio includes a GEDSI specific end of portfolio outcome (EOPO3) and a GEDSI specific immediate outcome

<sup>24</sup> DFAT, Gender Equality, Disability and Social Inclusion Analysis. Good Practice Note. October 2023.

(ImO5). GEDSI is integrated into the MEL system at portfolio level and all relevant indicators will be sex and disability disaggregated at a minimum with disaggregation by ethnicity and indigenous peoples as relevant and feasible.

The GEDSI analysis and design consultations highlight potential areas for GEDSI targeted investment in line with Australia's *International Development Policy* and *Invested: Southeast Asia Economic Engagement Strategy 2040*, and opportunities for GEDSI mainstreaming into thematic areas. GEDSI targeted investments may fall into any of the thematic areas. These ideas have informed MAP Phase 2 pipeline planning and are represented in Table 3 below. Further analytics and scoping will inform selection of standalone GEDSI activities and strengthen intersectionality across the portfolio in the development of the MAP Phase 2 thematic delivery strategies.

**Table 2: MAP Phase 2 GEDSI investment opportunities**

Thematic area	MAP Phase 2 GEDSI investment opportunities
<b>GEDSI Standalone</b>	<p>Promote women, people with a disability, people of diverse SOGIESC and inclusive leadership at national, transnational and subregional level including capacity building and networking, peer to peer learning and exchange among government, NGOs and community organisations.</p> <p>Capacity building and programming support of women's rights organisations, OPDs, and human rights organisations including strengthening climate advocacy and representation.</p> <p>Strengthen GEDSI statistics and evidence for inclusive policies, plans and programs.</p>
<b>Climate resilience</b>	<p>Increase participation of women, people with disability, ethnic minorities, indigenous peoples and people of diverse SOGIESC in climate leadership and governance at subregional, national and community levels.</p> <p>Support the piloting and scaling of GEDSI responsive community-led green transition and climate change adaptation projects.</p> <p>Strengthen and support locally led NGOs and community organisations to represent the interests of women, people with disability and other marginalised groups in climate resilience.</p>
<b>Water security</b>	<p>Increase participation of women, people with disability, ethnic minorities, indigenous peoples and people of diverse SOGIESC in water leadership and governance at sub-regional, national and community levels.</p> <p>Strengthen GEDSI capacity of subregional architecture including GEDSI analytical skills, data, and evidence on GEDSI and climate resilience, and diverse participation in policy and planning.</p> <p>Strengthen and support locally led NGOs and community organisations to represent the interests of women, people with disability, people of diverse SOGIESC and other marginalised groups in water resource management.</p>
<b>Transnational crime</b>	<p>Increase the data and evidence of how gender inequality, disability and social exclusion contribute to vulnerability to, and impact of TNC.</p>

Thematic area	MAP Phase 2 GEDSI investment opportunities
	<p>Strengthen the gender responsiveness, disability and inclusion capacity of partners working on preventing and countering TNC.</p> <p>Expand partnerships to include agencies supporting crisis management and survivor support.</p>
<b>Economic resilience and subregional integration</b>	<p>Strengthen the care economy and increased access to affordable quality childcare, care of the aged and people with disability at national level, and support subregional exchange of experience, evidence and learning.</p> <p>Support female entrepreneurs and women led MSMEs.</p> <p>Increase access to employment of people with disability and other marginalised groups.</p>

**MAP funded activities will meet standards for being GEDSI responsive or GEDSI transformative.**

*GEDSI responsive investments* are based on an analysis of gender inequality and intersecting inequality experienced by people with disability and other marginalised groups in the context of the project. In the Mekong this includes ethnic minorities and indigenous peoples who experience high levels of disadvantage and social exclusion. A GEDSI responsive investment is one that includes specific actions within the project to address the inequalities identified in the intersectional analysis. A *GEDSI transformative investment* goes further by including actions to address the root causes of gender and intersectional inequalities.

**GEDSI will be incorporated into MAP Phase 2 portfolio management and implementation arrangements.**

- 80 per cent or more of MAP activities (DFAT and partner-led) will be GEDSI responsive or transformative, and all will be gender sensitive. Investments over \$3 million will include a gender equality outcome at EOPO or intermediate outcome level. All designs will be required to have a GEDSI strategy or action plan depending on the scope of the investment. This will be developed by the implementing partner in consultation with relevant stakeholders and quality assured by DFAT. Implementation of the GEDSI strategy/action plan will be resourced by the project and tracked via activity MEL and reporting. DFAT may choose to provide technical assistance to implementing partners to support them meet the requirements.
- All investments will ensure GEDSI is captured in the activity MEL framework so that the GEDSI responsiveness or transformative nature of the project is measured and monitored, and that all requirements on gender and disability in DFAT internal performance monitoring such as IMRs (Investment Monitoring Reports), FIMRs (Final Investment Monitoring Reports) and Tier 2 indicators are covered.
- Activity budget: technical resources to meet the GEDSI ambitions of the project as well as associated implementation and MEL costs will be budgeted within the activity envelope and made explicit in the budget presentation.

**GEDSI is mainstreamed through MAP Phase 2 governance and management arrangements.**

Responsibility and capacity within DFAT to maintain GEDSI standards across the portfolio and hold partners to account on GEDSI is as follows:

- MKS will be responsible for managing the relative distribution of GEDSI principal/significant /neutral investments; ensuring coherence on GEDSI at the portfolio level with support from Gender Equality Branch; reporting on GEDSI to the MAP Steering Committee.

- The Mekong Hub will include a full time Lead GEDSI Adviser based in the subregion responsible for establishing the processes, relationships, understanding and capacity within DFAT to implement the portfolio's GEDSI approach. This will include regular communication and interaction with Posts to support GEDSI related programming and mainstreaming, implementation trouble shooting, forging linkages across projects, monitoring portfolio coherence and intersectionality on GEDSI. They will be supported by a GEDSI Panel of technical assistance including disability specialists. The Mekong Hub will manage the panel.
- The Mekong Hub will ensure GEDSI mainstreaming standards are understood by partners. For some Australian Government Agencies and Mekong partners this may require provision of foundational awareness raising and signposting to technical resources. Mekong Hub will quality assure and monitor all investments against the GEDSI standards for MAP Phase 2.
- The Mekong Hub will lead portfolio-wide learning and exchange on GEDSI. This will include quarterly meetings with respective GEDSI responsible person at Posts and an annual learning and exchange workshop with all Posts, selected implementing partners and stakeholders.
- The Mekong Hub will be responsible for knowledge management and dissemination of GEDSI learning and good practice. It will have the scope to commission research to aid MAP Phase 2 GEDSI learning and produce knowledge products to contribute to the Mekong enabling environment and DFAT good practice.
- Posts will leverage their existing GEDSI team to support MAP Phase 2 programming. They will be responsible for ensuring GEDSI standards are upheld for bilateral programming funded by MAP Phase 2 and report on GEDSI performance of this funding as part of bilateral reporting. Where necessary, Posts will be able to draw down on the MAP Phase 2 GEDSI Panel managed by Mekong Hub to support the design, quality assurance and monitoring of GEDSI targeted investments and GEDSI mainstreaming into thematic activities. For Posts without a GEDSI position, this may include contracting a MAP Phase 2 GEDSI Adviser.

## 5.1 GENDER EQUALITY

MAP Phase 2 meets the OECD DAC marker for a significant gender equality investment. The portfolio will support two out of the three priorities of DFAT's *Gender Equality and Women's Empowerment Strategy*, namely enhancing women's voice in decision-making, leadership, and peace building, and promoting women's economic empowerment.

In line with broader DFAT GEDSI priorities, 80 per cent of MAP funded investments will be gender responsive or gender transformative, the remaining 20 per cent will be gender sensitive at a minimum. An explanation of gender responsive and transformative is included in Figure 3 below.

Figure 2: Gender Responsive and Gender Transformative Programming

Gender discriminatory	Gender blind	Gender Sensitive	Gender responsive	Gender transformative
Reinforces harmful and negative gender norms and actively harms women and men	Ignores gender differences and different needs of women, men, boys and girls and other marginalised groups	Recognises different needs of women, men, boys and girls and other marginalised groups and acknowledges gender power dynamics and structures but does not try to address them	Responds to the different needs of women, men, boys and girls and other marginalised groups and takes action to reduce gender inequalities and achieve equitable benefits, resources and rights	Aims to address the root causes of gender inequality and discrimination including norms, cultural values and power structures

## 5.2 DISABILITY INCLUSIVENESS

The ASEAN Declaration on Disability Inclusive Development and Partnership for a Resilient ASEAN Community acknowledges that **attitudinal, environmental, institutional, and social barriers are challenges to promoting disability inclusion in the region**. Weaknesses in government capacity to produce disability statistics hinders informed policy and planning. Evidence shows that persons with disability in the Mekong experience significantly higher levels of multidimensional poverty than persons without disability and women with disability the highest.<sup>25</sup> Women with disability are especially disadvantaged in accessing employment and face the additional social norms of unpaid care and domestic work and what is considered appropriate work for women and men. Persons with disability are highly under-represented in political and public life and even more so women with a disability. Membership of national coordination mechanisms on disability tend to be male dominated with few women members, and only a minority of members are persons with disability. Women's leadership and participation in OPDs is also marginal compared to men. Climate change is exacerbating the vulnerability and social exclusion of people with disability in agriculture, fishing, food security, access to water and health. Exclusion from decision-making bodies means the interests of people with disabilities are often not heard and they miss out on adaptation initiatives.

**In contrast to Phase 1, MAP Phase 2 will take an intentional approach to understanding and addressing disability inclusion across the MAP Phase 2 portfolio.** This will include visibility and integration of disability inclusion in intersectional analysis and GEDSI mainstreaming, investing in disability targeted activities as well as ensuring access to disability specialists to support DFAT and partners to meaningfully mainstream disability inclusion across the Portfolio.

This design is informed by available literature on disability inclusion. The design team consulted with DFAT's Disability Section and Posts but was constrained in undertaking external consultations. Consultations with OPDs and people with disabilities will be undertaken in the development of delivery strategies and the scoping of opportunities for disability specific investments. With this specific focus and earmarked GEDSI resources, it is expected that the participation of OPDs and people with disability will continue into investment design, implementation and MEL.

<sup>25</sup> ESCAP, A Three Decade Journey toward Inclusion, ESCAP, Bangkok, 2022.



### 5.3 INDIGENOUS PEOPLES, ETHNIC MINORITIES AND OTHER MARGINALISED PEOPLE

Indigenous peoples and ethnic minorities across the Mekong experience higher levels of deprivation and disadvantage than dominant groups, are being affected by climate change due to their reliance on natural resources and relationship with land and face complex political realities that vary across the subregion. Marginalisation is often linked to cultural and language difference, isolation and remoteness, discrimination and historical affiliations. In MAP Phase 2, indigenous and ethnic minority inclusion is framed as an important piece of the equality thematic area along with gender equality and disability inclusion. However, **further work is needed to deepen the analysis including understanding the political economy context, to engage with organisations representing indigenous peoples and ethnic minorities, and to scope opportunities for MAP Phase 2** to promote the leadership, agency, opportunities and participation of indigenous peoples and ethnic minorities across the Portfolio. This will be undertaken during the development of delivery strategies. Opportunities for exchange and knowledge sharing that draws on First Nations Australians will be sought, such as in the areas of water security and climate resilience.

On 1 March 2023, the Foreign Minister announced Australia will develop an LGBTQIA+ human rights engagement strategy to guide work across bilateral and multilateral diplomacy, development and humanitarian assistance.

MAP 2 will ensure LGBTQIA+ issues are incorporated in MAP thematic strategies and in MAP investments, as appropriate and consistent with the LGBTQIA+ human rights engagement strategy.

### 5.4 CLIMATE CHANGE

Climate change is a high priority thematic area of MAP Phase 2 and is integrated into the portfolio logic as an EOPO (climate resilience). It is a prime example of a shared and transboundary challenge where stronger cooperation is both possible and necessary (IO 3), around which a wide diversity of partnerships can be formed (IO 1), and one that require more evidence-based and inclusive policies and practices (IO 2). It links closely to other thematic outcome areas, in particular, water security and GEDSI. Climate change will feature prominently in MAP Phase 2: it was significant under MAP Phase 1 and will likely grow as a proportion of the portfolio spend under MAP Phase 2.

The climate change thematic delivery strategy will be developed and will outline a twin-track approach that includes targeted activities (under EOPO 1) and the mainstreaming of climate change considerations across all MAP Phase 2 investments and operations. The climate change strategy will be shared with potential partners to ensure they align their activities accordingly. As such, all investment proposals, grants applications and designs will present a clear understanding of risks and opportunities related to climate change and environmental degradation and articulate how they will address them in implementation.

New ways of working promoted during the COVID-19 pandemic, including reduced travel, increased digital communications, and greater familiarity with online work, will also be encouraged to moderate the Mekong Hub's own environmental footprint, particularly due to its decentralised configuration.

## 5.5 LOCALLY LED DEVELOPMENT AND LOCALISATION

Supporting and strengthening local partners and partnerships including government agencies, community organisations, think tanks and subregional bodies is the essence of MAP Phase 2. Localisation approaches will be context specific and vary to political, security and operating environments across the Mekong subregion. These may include:

- strengthening locally led subregional architecture to amplify Mekong voices in regional dialogue
- supporting local think tanks and research institutes to undertake analytics and strengthen the evidence base for locally led policy making
- enabling partners to create space and convene diverse and inclusive participation in dialogue and policy making forums to support more inclusive and locally led development decisions
- investing in leadership development of people from diverse backgrounds including women, people with disability and minorities (such as through short courses and peer-based networks) and building the capacity and skills of local partner organisations to enhance local capability
- strengthening subregional platforms and networks and creating opportunities for diverse leaders across different sectors to engage with Mekong counterparts on areas of mutual interest to strengthen connections, confidence and shared understanding of common development challenges and Mekong strengths and solutions.

## 6. MONITORING, EVALUATION AND LEARNING

MAP will establish a proportionate and robust Monitoring, Evaluation and Learning (MEL) approach to assess achievements; regularly review portfolio objectives, strategies, and activities; learn lessons from ongoing implementation; and adjust and strengthen approaches for improved results. The MAP Phase 2 MEL system has three main objectives:

- Enable strategic decision-making: high level monitoring of the portfolio's context, political economy, and opportunities will enable DFAT to assess strategic directions, determine investment priorities, and ensure appropriate engagement with key counterparts and stakeholders.
- Understand and learn from results: much of MEL efforts will focus on assessing the appropriateness and sufficiency of the portfolio achievements, particularly against high level outcomes (IOs and EOPOs). While the accountability is to the level of EOPOs, tracking and learning about the visibility of and trust in Australia as a development partner will be important to inform continuous improvement.
- Ensure efficient management: the MEL function will provide information on investments inputs, activities, and outputs as required to fulfil public resource accountability requirements, ensure value for money, manage risk, and prepare annual plans and budgets.

To fulfill these objectives the MEL approach will cover the performance of individual investments funded, as well the added value of their integration at aggregated levels, such as thematic, country, or overall portfolio levels. It will include mechanisms for periodic independent assessment to review and enhance strategic performance and ensure the portfolio is on track and delivering on expectations.

A summary of core elements of MAP Phase 2 MEL approach is provided below, distinguishing between the portfolio MEL system, the investments MEL requirements, and suggested independent review and quality assurance mechanisms.

## 6.1 PORTFOLIO MEL

A portfolio MEL plan and system will be developed by the Mekong Hub within the MAP Phase 2 inception period, in collaboration with Posts and MKS. The system will cover MEL needs at portfolio level, describing the overall methodology to assess progress at each level of the portfolio logic, including processes, methods and tools, responsibilities and expected deliverables. It will be shared with the Steering Committee during the first year of implementation for review and comment. The plan will outline MEL activities, resources, and budget to be undertaken each year, including a schedule of deliverables, and learning events, and an analytical agenda. The plan will be updated each year as part of the annual planning process.

The MEL system will generate evidence of contextual and portfolio performance that can be acted upon and will describe ways in which different stakeholders can use such information. It will be strategic, practical and utilisation-focused, to support DFAT meet reporting obligations, and foster a performance and learning culture among MAP Phase 2 decision makers. It will utilise existing dataset when relevant, including performance information generated by individual investments, and suggest additional data collection operations when necessary.

### 6.1.1 Key elements of Portfolio MEL

The system will follow DFAT MEL standards and include Key Performance Questions to guide the analysis and synthesis of performance information across the portfolio. In addition, it will include:

- A Performance Assessment Framework (PAF) with key performance indicators, baseline measures and targets, to measure progress against each level of the portfolio logic. The PAF will be updated during the first 6 months of implementation as part of the MEL system development and may draw on useful elements of DFAT guidance note on PAF for Facilities.
- Description of monitoring processes and/or evaluation studies<sup>26</sup> to assess the achievement of immediate, intermediate, and end of portfolio outcomes (in addition to performance information from individual investments), as well as broader contribution to the purpose (e.g. based on a perception survey of key stakeholders across the Mekong subregion).
- An analytical agenda that outlines contextual studies on relevant issues and trends at national, transnational and/or subregional levels, some of which could be undertaken in collaboration with individual investments.<sup>27</sup>
- A schedule of learning and reflection events, including specific outputs and/or protocols to generate and disseminate portfolio-wide lessons.
- A deliverables framework that includes a list of reports and information sharing events, including required DFAT internal reports (e.g. Performance and Delivery Framework reporting (Tier 2 and Tier 3 indicators), Investment Monitoring Reports (IMR) and Final IMR, etc) and, if different, specific reports to the Steering Committee.
- Specific responsibilities, resources requirements and an overall budget.

<sup>26</sup> Full study/process designs can be developed at a later stage.

<sup>27</sup> The study designs will not be part of the agenda – they will be developed by relevant service providers

- A timeline with key activities and deliverables. Subject to the final MEL Plan, this is likely to include an **annual portfolio progress report** and a **semi-annual progress update** each year, aligned with DFAT IMR reporting cycles.

To host and facilitate access to all this information, the Mekong Hub will utilise data storage tools and processes that are compatible with DFAT systems and security requirements. These processes will enable efficient tracking and visualisation of resources, contracts, activities, outputs and achievements.

#### 6.1.2 MEL of GEDSI

MAP Phase 2 central commitment to GEDSI will require specific MEL activities. Beyond producing disaggregated data by gender, age and disability status (and where feasible other identity indicators such as ethnicity), the MEL system will enable the tracking of intended and unintended GEDSI dimensions of the portfolio, including changes in agency, nudging underlying social norms and power distribution, and the extent to which people with disabilities are actively participating in and benefiting from portfolio activities. This will be explored as per relevant key performance questions, drawing on data from individual investments and Mekong Hub monitoring systems. Based on the GEDSI findings, actions will be identified to improve and address unintended consequences and risks. This will provide an opportunity for contributing to a wider knowledge base about effective strategies for elevating GEDSI attention in the Mekong subregion, addressing multidimensional inequalities and GEDSI responsive or transformative solutions to relevant development challenges.

#### 6.1.3 Key Performance Questions

The MEL system will be structured around a set of Key Performance Questions, whose answers will enable the construct of a portfolio performance story over time. These questions will provide a structure for the portfolio's annual report, and some learning or reflection events. The preliminary questions will align with the current design and the criteria used in the DFAT IMR. They will be refined and agreed during the development of the MEL system.

#### 6.1.4 Learning function

The MAP Phase 2 portfolio will consist of multiple investments and activities, implemented at different speeds and timeframes, and with different but connected cross-fertilisation and learning opportunities. The portfolio MEL system will play a critical role in facilitating strategic learning and adaptation. Ensuring the sum is more than the parts, the learning function will enable lessons to be shared and learned across individual investments in ways that support the achievement of portfolio outcomes (IOs and EOPOs).

Based on the portfolio coverage and structure, the learning function will generate lessons at three levels (country, thematic area, and portfolio levels) and of two types (process and content). Lessons for process improvement will necessitate reflections on operations, delivery process and modality, and management structure, whereas lessons on content will require reflections on contextual evolutions and the technical substance of activities. To generate and synthesise these lessons, the MEL system will include clear learning events and processes, including an analytical agenda (see below).

As a key learning event, a **portfolio reflection workshop** will be organised annually, involving DFAT and relevant stakeholders. The workshop will host discussions on contextual changes and portfolio achievements, to test and refine portfolio directions and identify key lessons and their application in

portfolio activities. Key takeaways will then be summarised and shared with Steering Committee members and feed into the preparation of relevant portfolio plans and reports.

The Mekong Hub may utilise **portfolio strategy testing** (or similar) processes to reflect on, test and adapt the portfolio logic, risk register and main strategies, (such as the GEDSI, climate change, MEL and communication strategies) as required. These processes will inform portfolio adjustments, and determine new priorities and engagement, if necessary.

The MEL system will include a realistic **analytical agenda** outlining a series of studies and/or think pieces on issues of relevance to the portfolio, i.e. contextual trends and challenges that influence the achievement of MAP Phase 2 outcomes. Study findings may feed into learning events (including but not uniquely the portfolio reflection workshop), as well as broader discussions about MAP Phase 2 performance and strategic direction. Analytical work may be commissioned via the support services contractor, or through other delivery mechanisms.

The agenda will be developed by the Mekong Hub in consultation with Posts and MKS and be updated annually as part of the MEL plan. It will include a dedicated budget and retain some flexibility: although some studies can be identified in advance, others will be mobilised quickly outside of the planning cycle, to respond to short windows of opportunity.

## 6.2 INVESTMENT MEL

MAP Phase 2 investments will be required to develop their own MEL framework or strategy. Bilateral investments that are managed and overseen by Posts will follow requirements from Posts and may be reported directly under bilateral DPPs. For the other investments, managed and overseen by the Mekong Hub, the portfolio MEL system will provide guidance on minimum MEL standards and expectations. These requirements will be fit-for-purpose, reflect the type of investment (grants and/or subcontracts), and include nested investment logics, reporting against key activities and outputs, contribution to investment-specific and portfolio outcomes, tracking of GEDSI responsive/transformational standard and climate change responsiveness, lessons and risks.

The Mekong Hub MEL team will facilitate a quality assurance process for key investment outputs, conducted at two main points:

- Investment concept and/or proposals – assessment of the foundational problem analysis and link to proposed solution and opportunities; clarity of nested investment logic; appropriateness of implementation methods; GEDSI responsive/transformational and climate change responsiveness; and MEL framework or strategy.
- Investment progress and final reports – robustness of evidence; fulfilment of GEDSI and climate change intentions in proposal; credibility and clarity of findings; attention to accessibility in dissemination; outcomes achieved or planned.

The investment MEL strategy will include a monitoring function, i.e. a set of processes to routinely collect and report data relevant to the achievement of sought-after results, including specific performance indicators related to level of inputs, activities produced and achievement of outcomes. The Mekong Hub will manage a dashboard to efficiently and consistently collect, track and utilise MEL information across the portfolio and track resources, activities and outputs against all levels of the portfolio logic. They will also include an evaluation function to punctually investigate specific aspects of their operations, including for instance operational reviews, outcome evaluations and/or case studies. These evaluation studies will be identified and designed early on, cognisant of existing

datasets and processes. In some cases (particularly large investments), external mid-term and/or final reviews will be mandated to complement the basis of information available.

### 6.3 INDEPENDENT QUALITY ASSURANCE AND REVIEW

A practical and proportional approach will be taken to independent quality assurance and review to ensure it does not duplicate existing and robust evaluation mechanisms. DFAT may engage independent expertise in reviewing the portfolio's performance including for strategic coherence and relevance, investment effectiveness and operational efficiencies. At the discretion of DFAT, independent specialists may review and validate the portfolio MEL system, plans, and reports and ensure sufficient evidence and analysis is presented and may suggest studies for the analytical agenda, and advise on plans and reports of selected investments, including evaluations and reviews.

MKS will commission an independent **Mid-Term Review** (MTR) of the portfolio to be undertaken in the first half of 2027. The MTR will consider changes in the context, including updated priorities from DFAT and Mekong partners. Based on an analysis of progress against proposed outcomes, it will focus on the relevance and effectiveness of (a) the overall portfolio logic, (b) the implementation strategies, (c) the portfolio governance and management arrangements. The results of the MTR will inform DFAT's decisions related to a subsequent phase of MAP and suggest necessary changes and adaptations to its design. Specific terms of reference with review questions will be developed in due course.

### 6.4 MEL RESOURCING

The Mekong Hub will manage portfolio MEL. MAP Phase 2's approach to MEL has been informed by lessons from MAP Phase 1 and the Strategic Review.

The Mekong Hub will include a core MEL team, composed of a small number of full-time staff in various locations. The head of MEL team should preferably be co-located with the Mekong Hub leadership team to ensure efficient use of MEL information for management purpose. Additional MEL officers may be based in other posts to coordinate regular portfolio MEL functions and manage activities targeting investments MEL needs. The MEL team may also use a pool of qualified consultants to support the implementation of portfolio MEL activities, such as specific evaluations and studies.

The allocation of budget and resources for portfolio MEL activities will be reviewed annually as part of the planning and budgeting process and based on an updated MEL Plan. The indicative portfolio MEL budget is approximately five per cent of the overall MAP Phase 2 budget (excluding investments' MEL activities covered in investment budgets), a proportion justified by:

1. the desire to develop robust evidence of achievements at outcome and purpose levels
2. an ambitious learning function and analytical agenda that will help to continuously assess, understand, and adapt portfolio performance
3. the inclusion of an MTR.

Individual investments will be required to cost and resource MEL activities from within their budget, with guidance of about five per cent of the investment budget, including designated staff time.

## 6.5 MEL RISKS

The main risks and mitigation strategies around the portfolio MEL system are included in the Risk Register and summarised in Section 9. They include:

- implementing partners' lack of interest, capacity and expertise to prioritise MEL activities
- fragmentation and inconsistency of performance information across the diverse set of investments and the challenge these pose for the synthesis of performance information at aggregated levels
- challenges accounting for the performance of all MAP-funded investments, particularly bilateral investments directly managed directly by Posts.

## 7. BUDGET AND RESOURCES

### 7.1 BUDGET

The portfolio budget will be \$222.5 million over five years. The budget is managed directly by DFAT.

## 8. PROCUREMENT AND PARTNERING

Procurement and partnering will be undertaken in a variety of ways. As mentioned elsewhere, long term, high impact partnerships are a key delivery approach. These partnerships will be managed by the Mekong Hub or delegated Posts. DFAT will likely extend and amend funding agreements with current implementing organisations as part of early activities (see section 4.5). Some consolidation of funding arrangements will be undertaken.

The choice of the contracting modality (grant agreement or subcontract) will depend on the nature of the investment and the lead implementing partner. As per DFAT standards, all investments will be required to meet DFAT due diligence and integrity policy requirements, including ensuring that implementing and downstream partners are not included on registers of ineligible firms and organisations, sanctions, or terrorist organisations; have appropriate financial controls and systems in place including to mitigate and manage the risk of fraud and corruption; have policies, procedures and practices to safeguard children that comply with [DFAT's Child Protection Policy](#); have policies and procedures which comply with DFAT's prevention of sexual exploitation, abuse and harassment (PSEAH) policy; and meet any other necessary requirements of DFAT's safeguarding policies that may be relevant to the investment focus.

To support management and implementation of MAP Phase 2, a Support Services Contractor will be procured through a competitive two-step DFAT-managed open tender process and engaged deliver the services described in the draft Statement of Requirement.

The Support Services Contractor will follow relevant Australian legislation and DFAT policy frameworks including the Public Governance, Performance and Accountability Act 2013, the Financial Framework (Supplementary Powers) Act 1997 and the Commonwealth Procurement Rules. The Support Services Contractor will be subject to standard internal and external audit requirements.

While this portfolio supports and coordinates with partner government systems, it is not envisaged that DFAT will utilise partner systems as a principal delivery mechanism to channel ODA funds due to risk factors and MAP's focus on subregional engagement. However, if partner systems are identified as the most appropriate delivery mechanism for a MAP-funded activity, DFAT will conduct detailed risk assessments and seek relevant delegate approval.

## 9. RISK MANAGEMENT AND SAFEGUARDS

MAP Phase 2 is a strategic portfolio investment led by DFAT and delivered through a range of modalities in a variety of contexts and overseen by various DFAT teams.

While the Mekong subregion is vulnerable to a range of risks, including but not limited to natural disasters, complex political and security situations, MAP Phase 2 will operate in a well-known, largely low risk environment, in countries where Australia has established bilateral programs, using familiar delivery mechanisms. MAP Phase 2 will apply additional risk management processes related to any potential Myanmar engagement and will continue to monitor risks to changing political and security circumstances in the subregion, including internal and cross-border conflicts. Most risks relate to the management of DFAT bilateral and regional resources to support the effective implementation of the portfolio. Fraud, corruption and counter-terrorism resourcing risks will be actively managed.

A full Risk and Safeguard Assessment has been undertaken. Based on this assessment, the portfolio has an overall residual risk rating of **medium**. The key risks and proposed mitigation strategies for MAP Phase 2 are summarised in Table 6 below.

**Table 3: Summary of MAP Phase 2 key risks and mitigating strategies**

Risk: Stakeholder	Mitigation strategies
Key subregional counterparts do not engage with MAP, leading to reduced buy in, lack of progress towards sustainable outcomes, inability to engage effectively with counterparts and reputational damage to Australia.	<p>MAP design includes multiple levels of policy engagement and dialogue.</p> <p>A communications strategy will be developed, and a strategic communications adviser appointed to support consistent messaging and common understanding of MAP.</p> <p>Routine political economy analysis is built into design.</p>

Risk: Contextual	Mitigation strategies
Political or security situation in operating environments in one or more partner countries deteriorates affecting implementation.	<p>Canberra and Mekong Posts monitor political and security situation in Mekong countries and regional dynamics to assess impacts on portfolio implementation.</p> <p>Posts maintain engagement with government stakeholders, delivery partners and relevant agencies.</p>
Portfolio outcomes stalled or reversed due to uncontrollable effects of climate change and/or ecosystems degradation. Natural disaster such as flood, drought, or cyclone in a MAP investment area result in loss of life, illness and/or injury, disruption to investments, and progress towards outcomes stalled and reputational damage to Australia.	<p>Implementing partners and the support services contractor will be required to have proportionate disaster risk management procedures in place, including training and insurance for staff.</p> <p>Climate related investment partners can provide context analysis, and teams will monitor disaster risks closely via relevant early warning systems.</p> <p>MAP has sufficient diversity and flexibility to enable shifts in investment choices as needed.</p>



Risk: Resources	Mitigation strategies
<p>Portfolio funds are misappropriated or diverted by a contracted implementing partner or subcontractor. ODA funds are misused, resulting in investment loss and reputational damage. Note that no MAP funding is going through partner government systems.</p>	<p>Subcontractors and implementing partners managing portfolio funds are obliged to adhere to DFAT fraud provisions and measures, including mandatory reporting.</p> <p>Existing DFAT Fraud Control Toolkit and ODA eligibility requirements are available to all program managers and implementing partners.</p> <p>Fraud control provisions will be included in contracts, grant agreements, and terms of reference, and partners will receive training on DFAT's fraud control and anticorruption policies.</p> <p>Due diligence checks and audits will be undertaken on implementing partners and the contractor. MAP staff sign code of conduct and follow operational and procurement SOPs (Standard Operating Procedure).</p>

Risk: Programming	Mitigation strategies
<p>MAP investment choices are fragmented and/or duplicated, do not align with strategic objectives due to the large and diverse nature of this subregional portfolio responding to competing priorities, and are managed through layers of DFAT decision-making. This results in strategic objectives not being met, reduced portfolio effectiveness and efficiency, and reputational damage to Australia.</p>	<p>The design has been developed collaboratively with MKS, Mekong Hub and Posts, and includes additional resourcing for DFAT in Mekong Hub and at Posts to help mitigate risks of loss of strategic vision and oversight.</p> <p>Pipeline planning process is collaborative to ensure trade-offs are understood and agreed.</p> <p>The thematic strategies development process will be collaborative to maximise cohesion across teams and alignment of investment choices with strategic objectives</p>
<p>Effective portfolio MEL may be constrained by:</p> <ul style="list-style-type: none"> <li>• The number of investments and their disparity across different countries and thematic areas.</li> <li>• Implementing partners providing inconsistent level and quality of data and information, hindering synthesis of portfolio results.</li> <li>• Bilateral investments directly managed by Posts do not contribute performance information to the</li> </ul>	<p>Mekong Hub team develops and socialises standardised approaches to core elements of investment proposals and MEL frameworks, including setting and measuring objectives, data collection and reporting to ensure appropriate degree of consistency.</p> <p>Mekong Hub MEL team provides QA support for the development of investment proposals and progress reports.</p> <p>Mekong Hub MEL team complements investment-level information with additional methods to investigate achievement of portfolio outcomes (IOs and EOPOs).</p>

portfolio MEL system, or contribute insufficiently	<p>Mekong Hub liaises regularly with Posts and provide clear guidelines and instructions on the need, timing, and format of required performance information to share.</p> <p>Mekong Hub MEL team includes capacity to support all posts to ensure consistent MEL advice and sufficient MEL support to all MAP-funded investments, including those managed directly by Posts</p>
<p>Effective investment level MEL may be constrained by:</p> <ul style="list-style-type: none"> <li>Investment proposals lacking coherence, clear objectives and/or link to the portfolio logic.</li> <li>Investment implementing partners' suboptimal interest, expertise, capacity and/or staff to provide relevant, sufficient, quality, and timely performance information.</li> <li>Implementing partners not prioritising mainstreaming of GEDSI and/or climate change priorities resulting in insufficient performance information.</li> </ul>	<p>Implementing partners receive clear advice and support on proposals and MEL, GEDSI and climate change requirements, including the need to mobilise sufficient expertise and resources.</p> <p>Investment grant or subcontract agreements include clear description of MEL, GEDSI and climate change requirements, including timelines of deliverables and reference to necessary standards.</p> <p>Mekong Hub MEL team provides QA support for the development of investment proposals and progress reports.</p>
Failure to embed GEDSI across MAP portfolio and achieve GEDSI outcomes due to lack of commitment, mixed GEDSI capability within DFAT MAP teams, and cultural and other barriers to participation in investments for women, people with disabilities and other marginalised groups. This perpetuates inequality and exclusion and leads to poor investment outcomes and reputation damage to Australia.	<p>GEDSI is included as a standalone thematic area with dedicated budget allocation in this design. GEDSI is mainstreamed across other thematic areas in the portfolio design.</p> <p>GEDSI mainstreaming standards are to be defined, measured, monitored and reported at investment and portfolio levels.</p> <p>GEDSI is integrated into the portfolio logic and MEL system.</p> <p>GEDSI advisory resources will be included in Mekong Hub team.</p>
Delay and challenges to programming due to MAP Phase 2 design timeframes not being met	<p>MAP Steering Committee approves interim pipeline of strategic investments to ensure expenditure and programming can continue to operate effectively and efficiently prior to MAP design being finalised.</p> <p>MAP Steering Committee oversee overall strategic direction and discuss programming risks as appropriate.</p>

	<p>MAP Steering Committee meeting scheduled quarterly to identify and respond to programming risks and where needed approve investments.</p> <p>MKS working closely with DVB to ensure any procurement processes for support services contractor reflect design timelines.</p>
Delays and challenges to programming due to political, legislative and implementation contexts for ODA across Mekong subregion.	<p>MAP Steering Committee meeting has standard agenda item on risk, including implementation risks per country context.</p> <p>Canberra and Mekong posts monitor political and legislative situation in Mekong countries and Australian legislation to assess impacts on portfolio implementation.</p> <p>Posts maintain engagement with government stakeholders, where appropriate.</p>

<b>Risk: Legal</b>	<b>Mitigation strategies</b>
<p>Portfolio staff, contractors, or implementing partners misuse Australian Government funds due to ineffective financial control monitoring or auditing systems.</p> <p>This results in loss of taxpayer funds, reduced funds for MAP investments and reduced value for money.</p> <p>This delays or stalls pursuit and achievement of outcomes and could cause reputational and relationship damage, and legal consequences for perpetrators.</p>	<p>Fraud and corruption control measures will be developed and implemented along with routine monitoring of funds, annual audits for implementing partners and the support services contractor, and inclusion of fraud control provisions and mandatory reporting requirements in all contracts, grant agreements and terms of reference.</p> <p>DFAT will undertake comprehensive due diligence checks on implementing partners, the support services contractor, and in-sourced technical advisers.</p> <p>Implementing partners and contractors will receive training on DFAT's fraud control and anticorruption policies.</p>
<p>There may be proscribed terrorist organisations active in Mekong countries. This heightens the risk of terrorism resourcing for MAP Phase 2 and the requirements for more stringent due diligence.</p>	<p>Terrorism financing control measures will be developed and implemented along with routine monitoring of funds, annual audits for implementing partners and the support services contractor, and inclusion of fraud control provisions and mandatory reporting requirements in all contracts, grant agreements and terms of reference.</p> <p>DFAT will undertake comprehensive due diligence checks on implementing partners, the support services contractor, and in-sourced technical advisers, including cross-checking any proscribed lists.</p> <p>Implementing partners and contractors will receive training on terrorism financing control measures as</p>

	part of DFAT's fraud control and anticorruption policies.
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Risk: Environmental and social	Mitigation strategies
Possible sexual exploitation, abuse and harassment including to children, vulnerable people and people with disabilities and ethnic minorities through investment activities or management.	All delivery partners must agree to follow DFAT PSEAH and Child Protection (CP) policies and safeguards (including report handling procedure) Regular training for delivery partners and staff. Criminal record check of staff or subcontractors. Risk register for annual work plans (including activities). Regular coordination at Post to ensure compliance with CP of partners.
MAP investments cause environmental, safeguard, social or cultural harm and/or are affected by environmental effects and natural disasters.	Implementing partners required to follow DFAT environmental and social safeguards policies and operational procedures. Close attention paid to such risks throughout activity design and implementation. Climate and Disaster Risk Reduction consideration, identified, addressed and incorporated throughout design and implementation. Conduct safeguards screening at stage for each activity and ensure safeguards are regularly assessed during implementation

The risk that the portfolio's resources will be diverted to finance terrorism activities is extremely small, however requires ongoing monitoring given political and security situation in Myanmar and foreign nationals residing in Mekong countries. Canberra and Mekong Posts will take a proportionate and risk-based approach to manage counter-terrorism financing when working with partners. This will include reasonable efforts to identify and manage any counter-terrorism risks such as: due diligence checks on potential partners; cross-checking personnel and organisations against those proscribed under Australian sanctions laws before entering into a funding arrangement; utilisation of additional counter-terrorism financing clauses in all agreements; ongoing/active monitoring; and implementing other controls as required.

MKS will support the **MAP Steering Committee** to review and manage key strategic and portfolio management risks. The Steering Committee will review and discuss key risks as a standing agenda item for all committee meetings. The Steering Committee may identify additional risk mitigation measures to be implemented by MKS and the Mekong Hub.

**Implementing partners and the Support Services Contractor** will establish and maintain risk registers corresponding to DFAT's risk assessments and will liaise with DFAT officers regularly on risk. Implementing partners and the Contractor will also be required to provide reports to DFAT that will contribute to internal and standalone processes of assessing risk for the overall investment. They will establish, implement, and regularly review fraud and anti-corruption control policies. These policies will describe the fraud and corruption context, identify current and emerging fraud and corruption

risks, drawing on lessons from relevant programs, and will identify preventative, detective and corrective controls and fraud risk treatments to mitigate risks. Implementing partners and the Contractor will ensure that these documents are understood and implemented by grantees and sub-contractors as well as portfolio staff. Implementing partners and the Contractor will give practical effect to DFAT's PSEAH and Child Protection Policies through identification and analysis of risks and development of comprehensive M&E framework. They will also need to specify PSEAH and Child Protection standards, requirements and consequences in funding agreements, report on organisational efforts and regular communication with program personnel and partners (including where necessary handling complaints) and undertake due diligence checks including throughout recruitment and the mobilisation of advisers. Implementing partners and the Contractor will produce quarterly updates against their risk registers, with a focus on changes to risk ratings and priorities for the coming quarter. Any risks that move to a high rating or above will be communicated to DFAT as soon as possible, and within 24 hours.

An explicit **safeguard risk analysis** will be incorporated into each thematic strategy developed in the inception phase. All relevant parties (Canberra, the Mekong Hub, Posts, implementing partners and the support services contractor) will undertake necessary due diligence measures, remain current with DFAT policies and procedures, be informed of ongoing and emerging risks and undertake relevant training.

*Child Protection:* While MAP Phase 2 will not work directly with children and does not have any reason to contact them online, personnel may encounter children as part of any consultation or visits, e.g. through water security and climate resilience investments with a community engagement component. All relevant parties (Canberra, the Mekong Hub, Mekong Posts, implementing partners and the support services contractor) will undertake diligence measures, remain current with child labour issues, risks and relevant training. Where necessary, parties will include mandatory clauses in agreements.

*PSEAH:* MAP Phase 2 strongly supports the involvement of women and people with disability in program activities and their inclusion in program benefits. The facilitation of women into male-dominated activities poses risks for sexual exploitation, abuse and harassment. Examples of potential risks include the involvement of women on majority-male delegations or courses (relevant to all thematic areas of MAP Phase 2, especially economic resilience and subregional integration and GEDSI), including with travel and social components where women may be vulnerable to sexual harassment, abuse, or assault. Canberra, the Mekong Hub and Mekong Posts will comply with DFAT's internal policies for PSEAH. The support services contractor and downstream implementing partners will give effect to DFAT's PSEAH Policy through identification and analysis of SEAH risks and development of organisational policies and controls to prevent, manage, monitor and report on the risk of sexual exploitation, abuse, and harassment. The MAP Steering Committee will review program and partner risks, and the support services contractor will be expected to immediately report any alleged incidents of sexual exploitation, abuse or harassment and measures taken in response.

*Environmental and Social Safeguards:* There are a range of significant environmental and social safeguards risks in the Mekong subregion that need to be managed throughout MAP Phase 2. This includes, but is not limited to, the risk of MAP investments (e.g. water security and climate resilience) causing negative environmental, safeguard, social or cultural harm to Mekong communities. There is also a risk that communities are affected by environmental impacts and natural disasters. All parties (Canberra, Mekong Hub, Posts, support services contractor and implementing partners) will be required to follow DFAT's Environmental and Social Safeguard Policy and operational procedures

throughout activity selection, design, implementation, monitoring and review. All parties will undertake relevant training and be proactive in the management of risks to environmental and social safeguards, and avoidance of harm by subcontracted partners. The support services contractor and downstream partners will identify and analyse risks, develop organisational policies and controls to prevent, manage, monitor and report on environmental and social risks. The MAP Steering Committee will review program and partner risks, and the support services contractor will be expected to immediately report any environmental and social safeguard risks and measures taken in response.

*While displacement and temporary resettlement* is a very real risk especially in the Myanmar context, program activities will not directly result in displacement. Proposed program activities will be reviewed through a do-no-harm lens to identify any risk that program participation might expose beneficiaries to regime actions that might threaten livelihoods or result in displacement. Program partners will be expected to be attuned to the need to be responsive to displaced communities. Partners will need to deploy adaptive measures to pause, refocus, or stop activities if threats of displacement are identified.