



Australian Government

Department of Foreign Affairs and Trade



AID PROGRAM PERFORMANCE REPORT 2015-16

South-East Asia Regional Aid Program
September 2016

SOUTH-EAST ASIA REGIONAL AID PROGRAM PERFORMANCE INFORMATION 2015-16

SUMMARY

Australia has a clear interest in a prosperous, peaceful and secure South-East Asia. Australia's South-East Asia Regional Economic Growth and Human Security Program (Regional Program) complements our bilateral programs by supporting regional economic cooperation and inclusive growth (Objective 1) and strengthening regional responses to trafficking and the exploitation of migrant workers (Objective 2). Working with countries of the Association of South-East Asian Nations (ASEAN) as well as the ASEAN Secretariat in Jakarta, the Program promotes a regional response to these economic and cross-border challenges.

The Regional Program is ambitious, given the complexities of working through regional mechanisms, with multiple governments, partners and stakeholders. It benefits ASEAN Member States – Cambodia, Laos, Myanmar, Vietnam, Indonesia, Thailand, Malaysia, Philippines, Brunei and Singapore – and facilitates wider engagement with other ASEAN Dialogue Partners. Investments are managed by Australia's Mission to ASEAN in Jakarta (including its Sub-Regional Office in Bangkok) and the Embassy in Vientiane.

This is the first year of implementation of the current Aid Investment Plan (AIP). The AIP provides a framework for Australia to make best use of our comparative advantage, including proven technical expertise, good relationships and a track record of cooperation. Consolidation has taken place over the past year with the end-of-life of some investments and a restructuring of ASEAN Mission arrangements. An interim Performance Assessment Framework (PAF) was developed along with the AIP. Work is underway to review the PAF to ensure that it best captures the performance of a consolidated Regional Program and will be included in the 2016-17 APPR.

Overall the Regional Program is performing well against its strategic objectives. With a budget of \$31.3 million in 2015-16, the Program supported regional economic cooperation, financial inclusion, and responses to trafficking and safe migration. A number of nascent initiatives in the economic growth pillar matured, integration of gender equality improved, and the TRIANGLE II initiative was launched following the positive evaluation of the first phase. A number of new commitments, policies and studies that emerged from partner governments benefited from Australian advice and expertise, including Vietnam's Delta Study, sub-decrees for water resources management in Cambodia and commitments on trafficking in persons.

PERFORMANCE AGAINST STRATEGIC OBJECTIVES

Objective	Previous Rating	Current Rating
1. Enabling regional economic cooperation and inclusive growth	Green	Green
2. Strengthening regional responses to trafficking and the exploitation of migrant workers	Green	Green

Note:

■ Green. Progress is as expected at this stage of implementation and it is likely that the objective will be achieved. Standard program management practices are sufficient.

■ Amber. Progress is somewhat less than expected at this stage of implementation and restorative action will be necessary if the objective is to be achieved. Close performance monitoring is recommended.

■ Red. Progress is significantly less than expected at this stage of implementation and the objective is not likely to be met given available resources and priorities. Recasting the objective may be required.

Progress towards Regional Program objectives is judged to be on track. This judgment takes into consideration AQC ratings, independent evaluations and progress against performance benchmarks included in an interim PAF.



In 2015-16, **Objective 1** investments continued to advance Australia's economic diplomacy, aid-for-trade and trade policy objectives. They supported ASEAN to narrow the development gap among Member States so that the benefits of regional economic integration are more equitably shared by its citizens.

The **ASEAN-Australia Development Cooperation Program Phase II (AADCP II)** and **ASEAN-Australia-New Zealand Free Trade Area Economic Cooperation Support Program (AECSP)** are helping to build a more competitive, resilient and economically integrated ASEAN, where people, goods, services and capital are connected. These investments are unique in that Australia is the only Dialogue Partner working directly with the ASEAN Secretariat (ASEC) to deliver development assistance through ASEAN systems using a genuine partnership model. This allows these investments to remain highly relevant and focused on agreed ASEAN priorities. Australia influenced major pieces of work in 2015 that will inform the direction of ASEAN's economic integration. For example, through AADCP II, Australia funded the development of the new ASEAN Connectivity Master Plan, which aims to address critical impediments to integration across the ASEAN Community. AADCP II also supported the development of the Initiative for ASEAN Integration (IAI) Work Plan III, the strategic plan to narrow the development gap between ASEAN economies. Both of these documents will form part of ASEAN's overall blueprint for implementation of the ASEAN Community, *ASEAN 2025: Forging Ahead Together*. AADCP II supported labour mobility through the development of ASEAN-wide mutual recognition arrangements in the tourism industry, including a common ASEAN tourism curriculum, and provided training for 88 master trainers (46 female) and 80 master assessors (37 female). Consumer protection models and guidelines were also produced to help ASEAN Member States to implement consumer protection frameworks. Through AECSP, Australia supported Laos, Myanmar and Cambodia to enact national competition law and establish competition authorities, and contributed to the accession of Cambodia and Laos to the Madrid Protocol, an international trademark registration system intended to reduce the cost and complexity of doing business. The Madrid Protocol enables brand owners to file a single application in one language directly with an owner's traditional trademark office and to use that application to seek protection in other markets.

During the reporting period, Australia has worked hard to ensure our investments supported an inclusive ASEAN Community. AADCP II identified opportunities to mainstream gender equality into ASEC activities. For example, gender was built into the IAI Work Plan III as a cross-cutting theme, and *Handbooks on Liberalisation of Professional Services through Mutual Recognition in ASEAN* for engineering, architecture, accounting and surveying services included analysis on how gender is treated in regulatory environments. Sex-disaggregated responses to participant evaluation surveys were used by AECSP to show how activities benefited women and men, and to explore if women participants had unique challenges in applying and adopting new skills and knowledge in the workplace. According to the findings, women holding senior government positions from Indonesia, Cambodia, Myanmar, Philippines, and Thailand participated in AECSP training and are now leading the adoption of new knowledge and skills within their respective institutions.

Beyond our support delivered through the ASEAN Secretariat, the Regional Program is contributing to private sector development by enhancing access to finance for men- and women-led small businesses. During the reporting period, the **Mekong Business Initiative (MBI)** established 18 projects to stimulate private sector growth in Cambodia, Laos, Myanmar and Vietnam. Outcomes included the development of Myanmar's National Private Sector Development (PSD) Framework and Action Plan; the establishment of the Mekong Angel Investor Network bringing venture and investment capital expertise and mentoring to Mekong markets; the establishment of the Vietnam Private Sector Forum (subsequently endorsed by the Government of Vietnam); and facilitated private sector input into the development of Vietnamese legislation focused on small and medium enterprises (SME) and venture capital. MBI also actively supported a DFAT-led gender assessment of Australian-funded private sector investments in Myanmar that further informed the national PSD Framework.

The **Shaping Inclusive Financial Transformation in ASEAN (SHIFT)** program helped low-income men and women access financial services. In 2015, SHIFT opened two challenge fund windows calling for proposals to expand financial services to rural and remote areas. From this, Australia is supporting nine successful



proposals; five focused on finance for clean energy products and four focused on expanding financial services to low-income women and SMEs, particularly in rural areas. Solutions primarily use mobile phone technology to increase accessibility to services, educate users and offer deposit, remittance and micro-insurance services.

Analysis of financial inclusion in Laos and Cambodia was conducted in 2015-16 and will inform their respective national financial inclusion strategies. The **Women's Economic Empowerment and Leadership in ASEAN (WEL ASEAN)** investment delivered national level training in Cambodia, Laos, Myanmar and Vietnam, as well as wider regional network dialogues involving ASEAN Member States and forums. During the reporting period, Oxfam Australia and the International Womens' Rights Action Watch Asia Pacific produced a Framework and Training Module for Women's Economic Rights in ASEAN to help women's rights organisations build their capacity to advocate for women's economic rights. Locally translated training materials on women's economic empowerment were also produced. The **Greater Mekong Subregional Transport and Trade Facilitation (GMS TTF) Program** built strong momentum in 2015-16. Our support in the reporting period assisted Cambodia, China, Laos, Myanmar and Vietnam to agree on the implementation of the Cross Border Transport Facilitation Agreement (CBTA). From 1 January 2017, an initial 500 CBTA permits will allow commercial transport and passenger vehicles to operate along major economic road corridors connecting mainland ASEAN and East Asian markets. Myanmar's issuance is set to commence in January 2019. Implementation of the CBTA will eliminate the need to unload/reload goods and passengers at border crossings, making border crossing quicker, cheaper and more efficient.

The **Greater Mekong Water Resources Program (GMWRP)** made a number of contributions towards inclusive economic cooperation during the reporting period. The Mekong River Commission (MRC) – an inter-governmental facilitating and advisory body working directly with Mekong countries to more sustainably share water resources – approved and began implementing its new strategic plan (2016-2020), which focusses on core priorities as well as moving the MRC towards self-sufficiency by 2030. Australia supported eWater to introduce the Australian river modelling technology *Source* to Mekong countries via the MRC. The tool, which is used by Australian states to manage water allocations from the Murray-Darling Basin, is gradually being adopted by MRC member countries. *Source* is also being used to establish baselines for the MRC Council Study, which will incorporate the findings of the Vietnam Government's Delta Study on the impacts of upstream development on the Mekong Delta, completed in 2015. Both studies were funded by Australia. Australia facilitated the sharing and discussion of these and other studies through its annual Greater Mekong Water Resources Forum, held in October 2015.

The Regional Program helped facilitate a growing body of research on environmental, social and economic impacts and sustainable solutions for the region's river basins, which is slowly informing policy. The Government of Cambodia approved sub-decrees for water resource management and several guidelines for irrigation management and maintenance, funded by Australia. Australia also supported the establishment of Laos' first river basin organisation, which will be the model for river basin management across the country. Australia supported the International Finance Corporation (IFC) to work with the Laos Ministry of Natural Resources and Environment (MONRE) to revise the water resources law. While the approval of the law has been delayed, the Laos Department of Water Resources has embedded key action plans into a broader Natural Resources and Environment Strategy, reflecting a new approach by MONRE. The IFC and Lao MONRE also conducted the largest study of a key tributary river in Laos (the Nam Ou river), which involved surveys of 1,200 households to attempt to quantify the social impact of rapid hydropower development. This study will form the evidence base for Laos' river basin management plan. The IFC is now working with the Government of Myanmar to conduct a Strategic Environmental and Social Assessment of hydropower development options in the Ayeyarwady and Thanlwin river basins to ensure Myanmar's development planning minimises social and environmental impacts.

The GMWRP and its partners have demonstrated results in capacity building and inclusion. Approximately 3900 people (38 per cent female) participated in water resource training. Australia funded the establishment of the Faculty of Water Resources course at the National University of Laos, from which 40 students



graduated in 2015-16. This will produce new water professionals and leaders in the sector for the Mekong region. Driven by program partner Oxfam, the GMWRP has made progress on gender inclusion, piloting a Gender Impact Assessment Tool in Laos and Vietnam to guide private sector and governments to identify and involve women in assessment and decision-making processes for hydropower development.

Investments under **Objective 2** are directly relevant to the Australian Government's human security priorities in the region and continued to deliver strong outcomes in the reporting period. A number of key policy documents frame the Government's policy in this field. In March 2016, the Minister for Foreign Affairs launched DFAT's *International Strategy to Combat Human Trafficking and Slavery*, which brings together Australian Government agencies' activities. It complements Australia's *National Action Plan to Combat Human Trafficking and Slavery 2015-19* and incorporates Australia's responsibilities as co-chair of the *Bali Process on People Smuggling, Trafficking in Persons and Related Transnational Crime*, the principal mechanism for Australia's regional cooperation on human trafficking.

The **Australia-Asia Program to Combat Trafficking in Persons (AAPTIP)** builds on over ten years of Australia's strong anti-trafficking efforts. Achievements in the reporting period included supporting the drafting of the *ASEAN Convention Against Trafficking in Persons, Especially Women and Children (ACTIP)*, signed in November 2015 by ASEAN Leaders. ACTIP establishes a regional legal instrument which aims to prevent and combat trafficking in persons, protect and assist victims of trafficking and promote cooperation between ASEAN Member States to achieve these objectives. AAPTIP supported the Senior Officials' Meeting on Transnational Crime Trafficking In Persons Working Group to draft ACTIP and is working closely with ASEAN Member States to advance ratification and implementation of the criminal justice aspects of the Convention. AAPTIP's regional work plan has been designed to assist Member States to deliver on specific ACTIP commitments, including by supporting a range of standard setting documents that will facilitate implementation once the Convention enters into force (of the six ratifications required, Singapore, Cambodia and Thailand had ratified by June 2016). Australia, through AAPTIP, provides a convening platform for countries to exchange information on active trafficking cases with the aid of international advisors in the areas of criminal investigations, prosecutions of trafficking cases and victim-witness advice. Two multilateral meetings on trafficking in the fishing sector between Thailand, Indonesia, Myanmar and Cambodia facilitated evidence exchange that contributed to successful prosecutions of eight traffickers in Indonesia and supported prosecutions currently underway in Thailand. Two pilots of the ASEAN Training Program in International Legal Cooperation in Trafficking in Persons cases were undertaken in Myanmar (December) and Cambodia (February). Representatives of Thailand's Office of Attorney Generals delivered the training, bolstering relationships and capacity within the region. AAPTIP helped broker an MOU between Malaysia and Vietnam to formalise bilateral cooperation on transnational investigations. A similar agreement between Thailand and Cambodia is likely to be signed in the later half of 2016.

The integration of gender activities into AAPTIP programming improved significantly, with the Gender Adviser continued to promote gender sensitive approaches. The AAPTIP Gender Performance Framework has been effectively used to monitor implementation of the gender strategy and in the reporting period demonstrates improvement. Based on training provided by the Gender Adviser, the Country Program Coordinator in Vietnam delivered gender awareness training to border guards in Vietnamese. The activity evaluation indicated that 80 per cent of participants rated the content as high quality and 73 per cent felt it was relevant to their duties, showing that effective resourcing and training has empowered AAPTIP staff to undertake their own initiatives on gender.

A final evaluation of the GMS TRIANGLE project was published in December 2015 and concluded that the investment achieved its intended outcomes – to strengthen the formulation and implementation of recruitment and labour protection policies and practices in the Greater Mekong Sub-region (GMS). The investment made good use of the ILO's comparative advantage – its normative framework and technical expertise to promote rights at work, its unique mandate in addressing labour migration and its promotion of social dialogue. The recommendations from the report were incorporated into the design for the successor **Tripartite Action to Enhance the Contribution of Labour Migration to Growth and Development in the**



Association of South-East Asian Nations (TRIANGLE II) project, which was launched by the Minister for Foreign Affairs in November 2015 with the key objective to improve access to safe and legal migration channels. In its first year of implementation, the program has consulted with governments, employers, worker groups and civil society in Vietnam, Myanmar, Cambodia, Laos, Thailand and Malaysia on national priorities and the strategic direction that TRIANGLE II will take over the next 10 years.

The project on **Preventing the Exploitation of Women Migrant Workers in ASEAN** complements the work of TRIANGLE II and supports Australia's broader strategic partnership with UN Women. The project has provided ASEAN policy makers with access to evidence and knowledge to better advocate for gender-sensitive national and regional policy responses. This includes research on the Projected Gender Impact of the ASEAN Economic Community, endorsed at the ASEAN Summit in November 2015. Policy briefs that recognise the gender-specific challenges and barriers of women migrant workers, including in the areas of social protection, skills development and labour inspection, were developed and disseminated at the ASEAN Forum on Migrant Labour (AFML) in October 2015.

PROGRESS TOWARDS PERFORMANCE BENCHMARKS IN 2015-16

Aid objective	2015-16 benchmark	Rating	Progress in 2015-16
Enabling regional economic cooperation and inclusive growth	Australia's economic research, policy advice and implementation is high quality, timely and supports priority AEC issues	Achieved	AADCP II: supported the development of the new ASEAN Connectivity Masterplan and the Initiative for ASEAN Integration Work Plan III; helped develop ASEAN-wide mutual recognition arrangements in the tourism industry; developed consumer protection models and guidelines to help ASEAN Member States implement consumer protection frameworks.
	AECSP capacity building projects support AANZFTA implementation	Achieved	AECSP: supported Laos, Myanmar and Cambodia to enact national competition law and establish competition authorities; contributed to the accession of Cambodia and Laos to the Madrid Protocol; supported Myanmar in developing its trademark law; trained 400 users from Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Thailand and Vietnam to implement the provisions of AANZFTA's rules of origin; and supported OECD reviews of investment policy in Myanmar, Vietnam and the Philippines.
	18 MBI sub-projects established addressing regulatory access to finance and SME scale-up established in CLMV	Achieved	MBI established 18 projects focused on promoting private sector development: to improve national regulation, frameworks and policy; enhance the access and understanding of SMEs for international trade opportunities; enhance the traditional and alternative finance markets for SMEs, start-ups, and entrepreneurs with a strong focus on women owned businesses; and improve business incubation and acceleration services. All sub-projects have M&E systems in place and are on track to measure and report results in the next reporting period.
	5 challenge fund agreements implemented	Achieved	Progress is on track. Two SHIFT funding rounds were launched with nine successful grant applicants, from which five agreements are currently being implemented.
	2 water resource management frameworks strengthened	Achieved	Drafting of the Laos water resources law was completed but has not yet been endorsed; action plans have been built into a broader Natural Resources and Environment Strategy in Laos; sub-decrees for water resources management approved in Cambodia and several guidelines for irrigation management and maintenance at national and sub-national levels.
Strengthening regional responses to trafficking and the exploitation of migrant workers	2 or more TIP case investigations in which partners are cooperating	Achieved	Exceeded as there are 21 TIP case investigations where partners are cooperating. AAPTIP supported an MOU on transnational investigative cooperation between Malaysia and Vietnam, signed in June 2016. Two multilateral meetings on trafficking in the fishing sector involving Thailand, Indonesia, Myanmar and Cambodia led to eight prosecutions in Indonesia.



Performance Benchmarks 2016-17 to 2018-19

	2016-17	2017-18	2018-19
Enabling regional economic cooperation and inclusive growth			
Evidence of high quality and timely economic research, policy advice and policy implementation support to ASEAN on priority AEC issues	Australia's economic research, policy advice and implementation is high quality, timely and supports priority AEC issues	Australia's economic research, policy advice and implementation is high quality, timely and supports priority AEC issues	Australia's economic research, policy advice and implementation is high quality, timely and supports priority AEC issues
Evidence of AECSP capacity building projects supporting AANZFTA implementation	AECSP capacity building projects support AANZFTA implementation	AECSP capacity building projects support AANZFTA implementation	AECSP capacity building projects support AANZFTA implementation
Better functioning national policy and financing environment for SME scale-up	Evidence of effective implementation of private sector development regulations and policies, financing mechanisms, expanded market access and scale-up for SMEs in CLMV	Evidence of effective implementation of private sector development regulations and policies, financing mechanisms, expanded market access and scale-up for SMEs in CLMV	TBC
Number of first round challenge fund grant agreements implemented	9	9	TBC
Strengthened institutional water resource management frameworks	3	4	6
Strengthening regional responses to trafficking and the exploitation of migrant workers			
Number of TIP case investigations in which partners are cooperating	5 or more TIP case investigations	5 or more TIP case investigations	5 or more TIP case investigations

MUTUAL OBLIGATIONS

The Regional Program was delivered in line with the AIP, which establishes the importance of working with regional frameworks and/or national-level development plans. As regional programs involve multiple country partners, Australia's obligations to those partners (and their obligations to Australia) are tracked through specific commitments under those frameworks and plans.

Australia's engagement with ASEAN is governed by the *ASEAN-Australia Strategic Partnership (2014)* and associated Plan of Action, which is divided into areas of cooperation under ASEAN's three pillars (Political-Security, Economic, Socio-Cultural). Australia works directly with the ASEAN Secretariat (ASEC) to implement AADCP II and AECSP in support of the ASEAN Economic Community. ASEAN's obligations under AADCP II are outlined in a program-level funding agreement, with the accountability of partners tracked and reported through the annual Joint Planning and Review Committee. In an innovative approach to economic cooperation, the AECSP is explicitly included as part of AANZFTA. Australia's co-chairmanship of the AANZFTA Joint Committee allows Australia to influence the regional trade liberalisation agenda. Mutual obligations have been met under both programs.

Australia has Memoranda of Understandings (MOUs) with Laos, Myanmar, Cambodia and Vietnam to govern investments under the GMWRP. Obligations under the MOUs have been met, though there have been some delays. For example, the National Assembly failed to approve the draft water law funded by Australia, seeking many changes. MONRE expects to re-submit the law for approval in late 2016. Our partnership with the Mekong River Commission (MRC) is guided by its new Strategic Plan (2016-2020). While the MRC has met its obligations with Australia, DFAT is monitoring the implementation of the MRC's restructuring



process. The MRC completed the first phase of its Council Study in this reporting period, as one of the priorities under the Strategic Plan.

The Regional Program's human security investments help ASEAN Member States implement the *ASEAN Convention on Trafficking in Persons Particularly Women and Children (ACTIP)*, and associated ASEAN Plan of Action¹, and *ASEAN Declaration on the Protection and Promotion of the Rights of Migrant Workers (2007)*. Australia's partnerships with countries implementing AAPTIP and TRIANGLE II are governed by Memorandums of Subsidiary Arrangements (MSAs) and ILO MOUs respectively. Activities delivered under these agreements support Member States to meet their mutual obligations under these regional instruments.

PROGRAM QUALITY

In 2015-16, the Regional Program invested significant resources into program quality and effective aid delivery. In addition to annual Aid Quality Checks (AQC), six evaluations were conducted during the reporting period, with high levels of DFAT staff involvement as recommended by the Office of Development Effectiveness (ODE). The 2016 AQC demonstrated that the majority of Regional Program investments performed well on gender equality, efficiency and risk management. On average, investments rated 4 for effectiveness, on a scale of 1-6. AAPTIP, the WHO GMS Malaria project and PREVENT identified some key areas for improvement. AADCP II and AECSP rated 5 for effectiveness but had low gender equality ratings.

Gender equality ratings improved, with the Regional Program achieving 71 per cent against DFAT's target that 80 per cent of investments effectively address gender issues in their implementation – an improvement from 67 per cent in the previous year. This was in part due to DFAT's consistent advocacy with partners. All programs managed from Bangkok, apart from the GMS TTF program, appointed their own gender advisor in 2015, so good results are expected to be maintained. Improved gender equality remains a challenge for our aid-for-trade programs. We will continue to advocate for ASEAN to mainstream gender issues across all three pillars in line with ASEAN's *Vision 2025*.

M&E was identified as an area for improvement in the previous APPR and the Regional Program made efforts to address this (see management responses). Improvements were made to designs, work plans, data collection and reporting over the past 12 months. A dedicated M&E specialist assisted with M&E frameworks for new programs such as MBI, TRIANGLE II and SHIFT, and AECSP appointed a new M&E officer to the AANZFTA Support Unit in ASEC. The ratings in this year's AQC process highlighted that there is still work to be done, particularly in the collection of robust gender disaggregated data and incorporating disability issues.

The 2014-15 AQC process resulted in two investments requiring improvement (IRI) – The Asia Foundation Strategic Partnership (TAFSP) and Emerging Disease Risk Reduction (PREVENT). Both programs' remediation plans resulted in improved ratings this year. TAFSP has since concluded and PREVENT has been re-designed and will continue as the Highly Pathogenic Avian Influenza – Live Animal Marketing and Production (LAMP) project. There were no new IRIs in 2015-16. All six Final AQC (TAFSP; East Asia Vision Program; Australia Mekong-NGO Engagement Platform; Improving Mekong Water Resource Management; National Integrated Water Resources Management; and Cambodia WRMSD Program) received overall ratings of 4.

¹ This is an advancement on the *ASEAN Declaration Against Trafficking in Persons Particularly Women and Children (1998)*, which the AIP states that we will report on.



MANAGEMENT RESPONSES

The management responses from last year's APPR have been achieved (see Annex A). In response to reduced funding, there have been considerable efforts toward program consolidation and resource sharing. Program partners have sourced their own specialists in M&E, gender and communications. Significant progress has been made on the incorporation of gender policy into programming (reflected in 2015-16 AQC scores) but this remains an ongoing challenge in some aid-for-trade initiatives. Drafting of a regional gender action plan is underway and will include strategic level targets. A strong focus on gender will continue into 2016-17 as the action plan is implemented.

The following management responses have been identified for the 2016-17 reporting period:

- **Improve the quality of monitoring and evaluation in Regional Programs to ensure that achievements are being captured and promoted.** The Regional Program PAF will be reviewed to ensure that it captures the range of activities from the M&E systems of project partners and DFAT's own quality and monitoring processes, and to ensure that it is fit-for-purpose for a smaller value program. This will provide good evidence for accountability and reporting requirements as well as communication, policy dialogue and economic diplomacy. Program managers will work closely with partners and M&E advisers to improve data reporting and analysis to inform AQCs and evaluations. The PAF will be included in the 2016-17 APPR.
- **Raise awareness of the Regional Program and its importance to our ASEAN interests** through improving public messaging and communication with ASEAN Member States.
- **Continue to improve gender equality and women's empowerment, disability inclusion, private sector engagement and innovation.** The ASEAN Mission is developing an Inclusion Strategy (including a gender action plan) to be finalised in 2016-17. A concerted effort will be made to identify opportunities to partner with the private sector as we develop the pipeline plan. Similarly, new program designs will adopt innovative approaches and modalities where it makes sense to do so.
- **Improve linkages with Australia's bilateral programs.** We can attain more value from investments if the Regional Program and Australia's bilateral programs in Cambodia, Indonesia, Laos, Myanmar, Philippines and Vietnam are complementary. In the next reporting period, the Regional Program will explore mechanisms to ensure ongoing alignment of our regional programs with our broader Southeast Asia interests.

ANNEX A – PROGRESS IN ADDRESSING MANAGEMENT RESPONSES

Management responses identified covering 2015-16 APPR

Monitor and mitigate risks associated with the changes in the policy objectives and internal management of the program, including: improving the PAF to ensure targets are accurate and in-line with program priorities; a Regional Gender Action Plan which outlines targets and actions to support the implementation of the AIP; a communications strategy for the AIP which enables regular dialogue with bilateral Posts in the region; strengthening communication on the breadth and depth of Australia's water engagement in the Mekong region.

Maintain resources to enable strong policy dialogue with partners, which contribute to informing the broader development policy context and influencing the implementation of investments.

Strengthen investment level M&E tools to ensure programs can explain progress towards outcomes (AECSP; TRIANGLE II; AAPTIP)

Explore private sector linkages with all investments. This includes building on existing efforts to forge working relationships between the SHIFT Program, the MBI, and the Australian and ASEAN financial services sector.

Continue to improve the integration of appropriate gender equality interventions into all programs, noting the need for pragmatism.

Ensure an effective process for the transition/completion of programs in 2015-16. Ensure financial transparency and final reporting meets expected outcomes of investments.

Rating

Partly achieved

Achieved

Achieved

Achieved

Partly achieved

Achieved

Progress made in 2015-16

Risk registers are reviewed quarterly and high level risks elevated to Senior Management as necessary. PAF was revised and aligned to M&E systems to allow for more streamlined and robust reporting against performance benchmarks. A regional gender action plan outline has been developed which reflects strategic level targets and will be further refined in 2016. A quarterly update report and a brochure to promote the regional aid program have been produced. A regional communications strategy and diplomatic strategy to complement the GMWRP are both underway.

The integration of the ASEAN Mission in Jakarta and Sub-regional Office in Bangkok has improved capacity for development policy dialogue internally and with partners. AADCP II contributed to substantial policy dialogue with ASEAN on its connectivity plans. AECSP continued to support increased policy dialogue on a range of key trade issues relating to AANZFTA implementation.

Full-time M&E officers were appointed to TRIANGLE II, AAPTIP and AECSP. Following a recommendation in the mid-term review, AAPTIP is reviewing and simplifying M&E processes. AECSP developed a new M&E plan with the first monitoring exercise conducted in May 2016.

More than 600 copies of the ASEAN Investment Report distributed to ASEAN Chambers of Commerce, Business Advisory Councils, and private sector entities. AADCP II facilitated regional dialogue on the AEC with private sector actors. MBI established 18 projects promoting private sector development and held a joint event with SHIFT.

71 per cent of investments met the target for effectively addressing gender issues in their implementation, an improvement on 2014-15. The majority of investments have now allocated budget for their own gender expertise. There is still work to be done to reach the 80 per cent target, particularly in aid-for-trade investments.

10 programs were completed in 2015-16. Australia Mekong-NGO Engagement Platform (AM-NEP) was the only program to end early; others met their obligations and objectives.

Note:

- Achieved. Significant progress has been made in addressing the issue
- Partly achieved. Some progress has been made in addressing the issue, but the issue has not been resolved
- Not achieved. Progress in addressing the issue has been significantly below expectations

ANNEX B - EVALUATION PLANNING

List of evaluations completed in the reporting period

Investment number and name	Name of evaluation	Date completed	Date Evaluation report Uploaded into AidWorks	Date Management response uploaded into AidWorks	Published on website
INI 358 AANZFTA Economic Cooperation Support Program	Independent Annual Review	March 2016	Jul 2016	N/A	Exemption
INI651 MRC Integrated Capacity Building Programme	Final evaluation	March 2016	April 2016	N/A	June 2016
INH157 ASEAN Australia Development Cooperation Project: Phase II	Independent Annual Review	February 2016	Jul 2016	N/A	Exemption
INJ723 Laos National Integrated Water Resources Management Support Project	Final Independent Evaluation (Outcome Study Report)	November 2015	February 2016	N/A	June 2016
INJ332 ILO Tripartite Action to Protect Migrant Workers within and from the Greater Mekong Sub-region from Labour Exploitation (GMS TRIANGLE)	Independent Evaluation Report	July 2015	January 2016	August 2016	December 2015
INJ724 Cambodia Water Resources Sector Development Program	Final Report	June 2015	October 2015	N/A	June 2016

List of program prioritised evaluations planned for the next 12 months

Evaluation title	Investment number and name	Date – planned commencement	Date – planned completion	Purpose of evaluation	Evaluation type
Independent Mid-term Review	INK642 Australia-Asia Program to Combat Trafficking in Persons	January 2016	September 2016	Assessment of progress against objectives	DFAT-led
Independent Mid-term Progress Review	MW1 Mekong Water Resources Program	July 2016	December 2016	Assessment of contribution to policy reform	DFAT-led
Independent Progress Review	INL277 Mekong Business Initiative	January 2017	July 2017	Assessment of progress against objectives	Joint (Partner/DFAT)
Independent Progress Review	INL413 Shaping Financial Inclusion Transformations in ASEAN	January 2017	July 2017	Assessment of progress against objectives	Joint (Partner/DFAT)

ANNEX C – AID QUALITY CHECK RATINGS

AQC RATINGS

AQC investment performance over the previous 12 months

Investment name	Approved budget and duration	year on year	Relevance	Effectiveness	Efficiency	Monitoring and Evaluation	Sustainability	Gender equality	Risks and Safeguards
ASEAN-Australia Development Cooperation Program Phase II	\$58,335,453 2007-2019	2016 AQC	6	5	5	4	5	3	5
AANZFTA Economic Cooperation Support Program	\$27,142,033 2008-2018	2016 AQC	6	5	5	4	5	3	5
Mekong Trade and Transport Facilitation	\$6,000,000 2010-2017	2016 AQC	5	4	4	4	4	4	4
Regional Economic Development Program	\$19,358,922 2014-2018	2016 AQC	5	4	4	4	4	4	4
Oxfam-Civil Society Engagement in Water Governance	\$6,000,000 2013-2017	2016 AQC	5	5	5	5	4	6	5
IFC Sustainable Hydropower in the Mekong Countries	\$6,000,000 2013-2017	2016 AQC	5	5	5	4	4	4	5
Supporting Mekong Water Resources Management	\$6,460,835 2014-2018	2016 AQC	5	4	4	4	5	4	4
Research for Development on Water Governance	\$6,000,000 2014-2018	2016 AQC	5	5	5	6	4	5	5
Stop Transboundary Animal Disease & Zoonoses	\$12,795,855 2011-2018	2016 AQC	4	5	4	4	4	5	4
Emerging Disease Risk Reduction – Mekong	\$5,892,442 2011-2019	2016 AQC	4	3	4	4	3	4	4
AAPTIP Australia-Asia Program to Combat Trafficking In Persons	\$50,000,000 2013-2018	2016 AQC	5	3	4	3	4	5	4
WHO GMS Malaria Program	\$4,586,666 2013-2017	2016 AQC	4	3	4	3	3	4	4

FAQC RATINGS

Final AQC's assess performance over the lifetime of the investment (ratings are not compared to previous years).

Investment name	Approved budget and duration	Overall rating	Relevance	Effectiveness	Efficiency	Monitoring and Evaluation	Sustainability	Gender equality	Risks and Safeguards
Asia Partnerships - The Asia Foundation	\$19,480,247 2011-2016	4	4	4	3	3	4	3	3
East Asia Avoidable Blindness Initiative	\$11,210,091 2012-2016	4	4	4	5	4	4	3	5
Australia Mekong-NGO Engagement Platform	\$4,134,843 2012-2016	4	4	4	3	4	3	4	5
Improving Mekong Water Resource Management	\$14,267,497 2009-2015	4	5	4	5	4	5	5	4
National Integrated Water Resources Management	\$3,200,000 2011-2015	4	5	3	4	4	4	4	4
Cambodia WRMSD Program	\$5,000,000 2011-2018	4	5	5	4	5	4	5	4

Definitions of rating scale:

Satisfactory (4, 5 and 6)

6 = Very good; satisfies criteria in all areas. 5 = Good; satisfies criteria in almost all areas.

4 = Adequate; on balance, satisfies criteria; does not fail in any major area.

Less than satisfactory (1, 2 and 3)

3 = Less than adequate; on balance does not satisfy criteria and/or fails in at least one major area.

2 = Poor; does not satisfy criteria in major areas. 1 = Very poor; does not satisfy criteria in many major area.