

SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	Cambodia	Project Title:	Technical and Vocational Education and Training Sector Development Program
Lending/Financing Modality:	Policy-based loan Project loan	Department/ Division:	Southeast Asia Department Human and Social Development Division

I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY

Targeting classification: General Intervention

A. Links to the National Poverty Reduction and Inclusive Growth Strategy and Country Partnership Strategy

Cambodia's Rectangular Strategy for Growth, Employment, Equity, and Efficiency Phase III, 2014–2018^a and the draft National Strategic Development Plan, 2014–2018^b set out the government's strategy for education and skills development. The draft Technical and Vocational Education and Training (TVET) Strategic Plan, 2014–2018 of the Ministry of Labour and Vocational Training (MLVT) guides TVET sector development. The Asian Development Bank's (ADB) draft Cambodia country partnership strategy, 2013–2015 prioritizes development of the TVET sector.

B. Results from the Poverty and Social Analysis during PPTA or Due Diligence

1. Key poverty and social issues. The poverty headcount has fallen dramatically from 47.8% in 2007 to 19.8% in 2011. However, about 75% of Cambodians live on less than \$3 a day and are vulnerable. The poverty rate in rural areas is nearly 25%. Millennium Development Goal indicators on track to be met by 2015 include the primary completion rate and gender parity in secondary education.

2. Beneficiaries. Limited access to quality education at primary and secondary levels, and dropout before grade 9, mean that poor students, particularly girls, miss out on opportunities leading to better jobs, increased incomes, further education and training, and higher status. TVET as an alternative to general education is important given that 56% of the country's population is aged less than 25 years.

3. Impact channels. Increased access to TVET will increase labor productivity and lead to higher incomes for graduates, which will reduce poverty. The project will establish a stipend program for disadvantaged youth and women to attend TVET programs, which will be the main direct impact channel. The beneficiaries of stipends to students at public TVET providers will include students from poor households identified using the Ministry of Planning's Identification of Poor Households Program. Another impact channel will be participation of the rural poor in the commune-level nonformal Voucher Skills Training Program.

4. Other social and poverty issues. About 63% of Cambodia's youth have either never attended school or left school before completing basic education. In rural areas, the average number of years of education among out-of-school youth is below five. One in three out-of-school youth is poor, 55% are female, and 85% reside in rural areas. Contributing to family income and helping with household chores are major reasons reported for being out of school; hence, almost 90% of out-of-school youth are working. More than half are engaged in agriculture, often as unpaid family farm workers; 15% are in manufacturing; 9% in trade, hotel, and restaurants; 6% in construction; and 15% are self-employed.

5. Design features. Access to TVET programs will be increased, through the introduction of Vocational Skills Certification (VSC) at level 1 of the Cambodian Qualifications Framework (CQF) and processes for recognition of prior learning and current competencies (RPLCC), as alternative entry pathways to the formal TVET system.

C. Poverty Impact Analysis for Policy-Based Lending

1. Impact channels of the policy reform(s). The policy reforms will have an impact by increasing opportunities for poor and vulnerable groups to access improved training services in the formal TVET system.

2. Impacts of policy reform(s) on vulnerable groups. The policy reforms will have a positive impact on vulnerable groups by increasing access to TVET programs in two ways: (i) introduction of vocational skills certification at CQF level 1 as an alternative entry pathway into the formal TVET system; and (ii) assessment and certification policy defining the process for RPLCC to allow more qualified Cambodians to enter the formal TVET system. RPLCC will be pilot tested with 150 young adults from poor and vulnerable groups. Over time, RPLCC will lead to greater access to formal TVET among poor and vulnerable groups, which will enable an increased number of TVET certification holders to enter the labor market in sectors such as manufacturing, construction, auto mechanics, and electrical works.

3. Systemic changes expected from policy reform(s). Increased skill acquisition through formal TVET training will lead to improved opportunities for employment and increased incomes, which should lead to reduced poverty among poor and vulnerable groups.

II. PARTICIPATION AND EMPOWERING THE POOR

1. Participatory approaches and project activities. The Voucher Skills Training Program (VSTP) delivers nonformal training based on a participatory training needs and employment assessment (TENA). The TENA is prepared by community development specialists in consultation with small enterprises who employ poor and vulnerable groups. The VSTP is inclusive, and empowers poor and vulnerable groups through commune-based training, rural and urban center-based training, and enterprise-based training.

<p>2. Civil society. The sector development program will support the government to increase the participation of private and non-state providers in the delivery of level 1 programs for the urban VSTP courses. To ensure quality provision, the program will support the development and implementation of a quality assurance mechanism. Similarly, the government will increase the participation of private and non-state providers in the delivery of a skills bridging program. Semiannual orientation workshops will be conducted to review implementation of the competency-based Skills Bridging Program with private and non-state providers.</p> <p>3. Civil society organizations. The procurement plan indicates that 10% of the 45 urban VSTP courses supported under the project will be outsourced to private and non-state providers, and 10% of the 425 skills bridging courses supported under the project will be outsourced to private and non-state providers.</p> <p>4. What forms of civil society organization participation is envisaged during project implementation? H Information gathering and sharing H Consultation H Collaboration M Partnership</p> <p>5. Participation plan. Will a project level participation plan be prepared to strengthen participation of civil society as interest holders for affected persons particularly the poor and vulnerable? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>A quality assurance mechanism is necessary to support civil society participation in TVET delivery in order to ensure common quality standards for all TVET providers.</p>		
III. GENDER AND DEVELOPMENT		
Gender mainstreaming category: Gender equity theme		
<p>A. Key issues. Despite increases in women's labor force participation rate from 76% to 80% from 2008 to 2012, gender inequalities in paid work remain and the gender gap has increased in terms of vulnerable employment and employment in the agricultural sector^c About 70% of employed women, compared with 59% of men, remain in vulnerable employment^d Women's employment is highly concentrated in three sectors, which account for 89% of all women's employment: (i) agriculture, forestry, and fisheries; (ii) wholesale and retail trade and services; and (iii) manufacturing. Women have less access than men to higher skilled occupations, public sector employment, and to business associations and networks that offer opportunities for economic empowerment. In 2013, less than 4% of employed women were employed in the three highest skilled occupations: managers, professionals, and technicians and associate professionals^e Women's low levels of education and skills are key constraints to their economic empowerment.</p>		
<p>B. Key actions. <input checked="" type="checkbox"/> Gender action plan <input type="checkbox"/> Other actions or measures <input type="checkbox"/> No action or measure</p> <p>Key actions under the program that aim to increase women's access to formal TVET include: (i) women will comprise 30% of the 4,000 trainees who receive stipends for CQS levels 2–4 training; (ii) women will comprise 20% of the 200 trainees who receive internship stipends; (iii) women's dormitories will be constructed and career mentorship programs will be pilot tested to engage women in learning sessions on entrepreneurship, financial literacy, specific career tracks, and job opportunities. Other actions include the development of social marketing messages and capacity development for community development specialists to identify training programs for women under the VSTP.</p>		
IV. ADDRESSING SOCIAL SAFEGUARD ISSUES		
<p>A. Involuntary Resettlement Safeguard Category: <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI</p> <p>1. Key impacts. Construction requiring land acquisition or resettlement is not envisioned.</p> <p>2. Strategy to address the impacts. Not applicable</p> <p>3. Plan or other Actions.</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Resettlement plan <input type="checkbox"/> Resettlement framework <input type="checkbox"/> Environmental and social management system arrangement <input checked="" type="checkbox"/> No action </td> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Combined resettlement and indigenous peoples plan <input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework <input type="checkbox"/> Social impact matrix </td> </tr> </table>	<input type="checkbox"/> Resettlement plan <input type="checkbox"/> Resettlement framework <input type="checkbox"/> Environmental and social management system arrangement <input checked="" type="checkbox"/> No action	<input type="checkbox"/> Combined resettlement and indigenous peoples plan <input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework <input type="checkbox"/> Social impact matrix
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<p>B. Indigenous Peoples Safeguard Category: <input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI</p> <p>1. Key impacts. The project prioritizes increased access to formal TVET for poor and vulnerable groups such as indigenous people. Is broad community support triggered? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No The project will involve the Office of Special Needs and Gender under the Directorate General of Technical Vocational Education and Training (DGTVE), MLVT to implement measures to ensure positive impacts on indigenous peoples.</p> <p>2. Strategy to address the impacts. Social marketing strategies will be sensitive to ethnicity and include culturally appropriate occupation choices and workplace skills.</p> <p>3. Plan or other actions.</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <input checked="" type="checkbox"/> Indigenous peoples plan <input type="checkbox"/> Indigenous peoples planning framework <input type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> Social impact matrix <input type="checkbox"/> No action </td> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Combined resettlement plan and indigenous peoples plan <input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework <input type="checkbox"/> Indigenous peoples plan elements integrated in project with a summary </td> </tr> </table>	<input checked="" type="checkbox"/> Indigenous peoples plan <input type="checkbox"/> Indigenous peoples planning framework <input type="checkbox"/> Environmental and social management system arrangement <input type="checkbox"/> Social impact matrix <input type="checkbox"/> No action	<input type="checkbox"/> Combined resettlement plan and indigenous peoples plan <input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework <input type="checkbox"/> Indigenous peoples plan elements integrated in project with a summary
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V. ADDRESSING OTHER SOCIAL RISKS

A. Risks in the Labor Market

1. Relevance of the project for the country's or region's or sector's labor market.
 H unemployment H underemployment M retrenchment L core labor standards
2. Labor market impact. While unemployment in 2010 was reported at 0.3%, underemployment is high—signifying a mismatch between the supply of, and demand for, skills and demand in the labor market. The program supports the development of a formal TVET system that is responsive to labor market demands. It will impact the labor market with increased employment of TVET certified workers in core sectors.

B. Affordability

Provision for support to the VSTP will be made under the program, so poor and disadvantaged trainees will be able to acquire nonformal training without payment of fees. Trainee or tuition fees represent 70%–79% of recurrent costs for public TVET institutions offering formal TVET courses. Under the program, provision is made for stipends for women and disadvantaged youth to participate in formal TVET. Capacity development in planning and budgeting for the DGTVEET will address the sustainability of trainee stipends to enable poor and disadvantaged student access to formal TVET.

C. Communicable Diseases and Other Social Risks

1. The impact of the following risks are rated as high (H), medium (M), low (L), or not applicable (NA):
 Communicable diseases (L) Human trafficking Others (please specify) _____
2. Risks to people in project area. Project areas include 38 public TVET institutes registered with the MLVT, 26 provincial training centers, five regional training centers, and five centers of excellence. Social risks include child labor, timely payment of wages, use of local unskilled labor, and lack of information related to sexually transmitted infections.

VI. MONITORING AND EVALUATION

1. Targets and indicators: The impact will be increased employment of TVET certified workers. The performance target will be a 30% (25% for females) increase in the number of workers in the labor force with TVET qualifications. The outcome will be an accessible, demand-driven TVET system responsive to continuing and emerging labor market demands. The key performance target will be a 30% (20% for females) increase in enrollment for CQS levels 2–4 training courses at public TVET institutes. Monitoring of actions in the gender action plan and indigenous peoples plan will be done regularly with the Office of Special Needs and Gender.
2. Required human resources: Monitoring and evaluation specialist, team leader, Office of Special Needs and Gender.
3. Information in project administration manual: Monitoring and evaluation matrix is included in the project administration manual under Appendix 2.
4. Monitoring tools: Gender action plan monitoring matrix and indigenous peoples plan matrix.

^a Government of Cambodia. 2013. *Rectangular Strategy for Growth, Employment, Equity, and Efficiency, Phase III*. Phnom Penh.

^b Government of Cambodia. 2013. *National Strategic Development Plan 2014–2018*. Phnom Penh.

^c Government of Cambodia. 2011. *Cambodia Socio-Economic Survey 2008*. Phnom Penh; Government of Cambodia. 2013. *Cambodia Socio-Economic Survey 2012*. Phnom Penh.

^d Government of Cambodia. 2013. *Cambodia Socio-Economic Survey 2012*. Phnom Penh.

^e Government of Cambodia. 2013. *Cambodia Inter-Censal Population Survey 2013*. Phnom Penh.

Source: Asian Development Bank.