



## Additional Financing

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Project Number: 46064-003  
Loan Numbers: 3166-CAM, 3167-CAM  
February 2016

# Proposed Administration of Loan Kingdom of Cambodia: Technical and Vocational Education and Training Sector Development Program

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Asian Development Bank

## CURRENCY EQUIVALENTS

(as of 13 January 2016)

Currency unit	–	riel/s (KR)
KR1.00	=	\$0.000247
\$1.00	=	KR4,046.60

## ABBREVIATIONS

ADB	–	Asian Development Bank
AFD	–	Agence Française de Développement (French Development Agency)
CQF	–	Cambodian Qualifications Framework
MLVT	–	Ministry of Labour and Vocational Training
PTC	–	provincial training center
SDR	–	special drawing right
TVET	–	technical and vocational education and training

## NOTE

In this report, “\$” refers to US dollars.

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## PROGRAM AT A GLANCE

<b>1. Basic Data</b>		<b>Project Number: 46064-003</b>	
<b>Project Name</b>	Technical and Vocational Education Sector Development Program (additional co-financing)	<b>Department /Division</b>	SERD/SEHS
<b>Country Borrower</b>	Cambodia Government of Cambodia	<b>Executing Agency</b>	Ministry of Labor and Vocational Training
<b>2. Sector</b>	<b>Subsector(s)</b>	<b>ADB Financing (\$ million)</b>	
✓ <b>Education</b>	Education sector development		0.00
	Technical and vocational education and training		0.00
		<b>Total</b>	<b>0.00</b>
<b>3. Strategic Agenda</b>	<b>Subcomponents</b>	<b>Climate Change Information</b>	
Inclusive economic growth (IEG)	Pillar 1: Economic opportunities, including jobs, created and expanded	Climate Change impact on the Project	Low
<b>4. Drivers of Change</b>	<b>Components</b>	<b>Gender Equity and Mainstreaming</b>	
Governance and capacity development (GCD)	Institutional development	Gender equity (GEN)	✓
Partnerships (PAR)	Institutional systems and political economy		
	Implementation		
	Private Sector		
Private sector development (PSD)	Conducive policy and institutional environment		
	Promotion of private sector investment		
	Public sector goods and services essential for private sector development		
<b>5. Poverty Targeting</b>		<b>Location Impact</b>	
Project directly targets poverty	Yes		
MDG-targeting (TI-M)	MDG1, MDG3		
<b>6. Risk Categorization:</b>	Low		
<b>7. Safeguard Categorization</b>	Environment: B Involuntary Resettlement: C Indigenous Peoples: B		
<b>8. Financing</b>			
<b>Modality and Sources</b>		<b>Amount (\$ million)</b>	
<b>ADB</b>		<b>0.00</b>	
None		0.00	
<b>Cofinancing</b>		<b>15.00</b>	
Agence Francaise de Developpement - Loan		15.00	
<b>Counterpart</b>		<b>1.66</b>	
Government		1.66	
<b>Total</b>		<b>16.66</b>	
<b>9. Effective Development Cooperation</b>			
Use of country procurement systems		Yes	
Use of country public financial management systems		Yes	

## I. BACKGROUND

1. On 26 September 2014, the Board of Directors of the Asian Development Bank (ADB) approved a loan equivalent to SDR19,428,000 from ADB's Special Funds resources to the Government of Cambodia for the Technical and Vocational Education and Training Sector Development Program.<sup>1</sup> The current program consists of a \$7 million policy-based loan and a \$23 million investment loan. The impact is increased employability of certified technical and vocational education and training (TVET) workers. The outcome is an accessible, demand-driven TVET system responsive to labor market demands. The outputs are (i) increased access to TVET programs, particularly among women and the poor; (ii) improved quality and relevance of the TVET system; (iii) increased involvement of employers in TVET delivery; and (iv) strengthened governance and management of the TVET system. The current program became effective in January 2015. The executing agency is the Ministry of Labour and Vocational Training (MLVT). Activities under the investment component have begun. Four training institutions have been identified as centers of excellence, and a consulting firm to implement the program is expected to be recruited by April 2016.<sup>2</sup> The original project is on track.

2. The Agence Française de Développement (AFD) had expressed interest in cofinancing the investment part of the current program, but the scope and administration of cofinancing had not been finalized at the time of ADB's loan approval. After loan effectiveness in January 2015, MLVT and AFD agreed to provide additional financing. Building on the existing program design, the proposed additional cofinancing will scale up activities under the investment part of the current program.<sup>3</sup> It will focus on upgrading learning environments and the capacity of TVET instructors, and providing stipends to disadvantaged students.

## II. ADDITIONAL FINANCING

### A. Rationale

3. Cambodia's gross domestic product grew 6.9% on average annually over 2010–2014, and is projected to grow by an average 6.8% annually during 2016–2018.<sup>4</sup> While the economy needs to diversify to sustain high rates of economic growth over the next decade, an inadequately skilled workforce is a serious constraint to sustainable growth. Upgrading the TVET system to develop skilled workers is a pressing need for the country to compete in the global economy. The proposed additional financing will help to address the challenges the TVET sector is facing: low enrollment, inequality in access, lack of relevance and quality of training programs, and low institutional capacity to manage TVET programs.

4. To increase access to TVET and improve teaching and learning environments, the additional financing for the current program will provide supplementary resources to nine additional provincial training centers (PTCs), including workshops, dormitories, and equipment

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<sup>1</sup> ADB. 2014. *Report and Recommendation of the President to the Board of Directors: Proposed Loans to the Kingdom of Cambodia for the Technical and Vocational Education and Training Sector Development Program*. Manila.

<sup>2</sup> The first tranche for the policy-based component was released upon effectiveness, with policy actions addressing access, quality, relevance, and governance and management of TVET. For the investment component, the imprest advance was also released.

<sup>3</sup> The policy-based component of the current program will be unchanged; the original policy matrix and disbursement triggers will be maintained.

<sup>4</sup> International Monetary Fund. World Economic Outlook Database, October 2015. [https://www.imf.org/external/pubs/ft/weo/2015/02/weodata/weorept.aspx?pr.x=50&pr.y=8&sy=2010&ey=2018&scsm=1&ssd=1&sort=country&ds=.&br=1&c522&s=NGDP\\_RPCH&grp=0&a=](https://www.imf.org/external/pubs/ft/weo/2015/02/weodata/weorept.aspx?pr.x=50&pr.y=8&sy=2010&ey=2018&scsm=1&ssd=1&sort=country&ds=.&br=1&c522&s=NGDP_RPCH&grp=0&a=) (accessed 11 January 2016).

packages. All 18 PTCs selected under the overall program will upgrade existing facilities. Through the expansion and improvement of PTC facilities, an additional 34,000 formal and nonformal TVET trainees will have the opportunity to enroll at improved PTCs over 5 years. Strengthening the capacity of teachers is a major objective of the current program. The additional financing will provide resources for promoting competency-based teaching approaches, and for training opportunities of PTC leaders to improve their management capabilities. Furthermore, the additional financing will help expand bridging programs and deliver more Cambodian Qualifications Framework (CQF) level 2–4 courses.<sup>5</sup> Inequality in access to TVET is still an issue. Students from low-income households and female youth in rural areas are less likely to enroll in TVET certificate courses. The additional financing will scale up a stipend scheme to support disadvantaged youth and females to enroll in PTCs. The additional financing will also broaden the planned execution of advocacy campaigns to reach out to parents and students at primary and secondary schools and to civil society organizations, and provide better information on the income-earning opportunities of skilled workers. Lastly, the additional financing will promote evidence-based sector management by strengthening the TVET management information system—enabling it to function as a real-time management tool; and generate in-time labor market intelligence to feed back into the design of TVET sector strategies for course design and delivery, and employment facilitation that will lead to better coordination with the private sector.

5. The additional financing meets the eligibility criteria: (i) the current program remains technically feasible, economically viable, and financially sound; (ii) it is aligned with government priorities as set out in the TVET strategic plan, 2014–2018,<sup>6</sup> and complements ADB’s technical assistance on strengthening capacity development for national skills development, which is providing long-term capacity building to develop and reform Cambodia’s TVET sector;<sup>7</sup> (iii) the overall program is consistent with the development objectives of the current program, which remain unchanged, albeit with an increase in performance targets; (iv) the additional financing is included in the country operations business plan<sup>8</sup> and is consistent with the country partnership strategy;<sup>9</sup> and (v) the current program has been performing well.

## **B. Impact, Outcome, and Outputs**

6. Although the program impact, outcome, and outputs remain unchanged, the additional financing will contribute to achieve increased outcome and output target levels. Appendix 1 sets out the targets for the current and overall program. Under output 1, access to TVET programs will be increased through three scaled-up interventions: (i) expanding stipend program coverage from 4,000 to 5,000 poor and disadvantaged youth; (ii) building three new female dormitories with women’s leadership centers that will benefit 120 additional women; and (iii) conducting innovative social marketing campaigns using modern technology. Under output 2, TVET quality

<sup>5</sup> Bridging programs are accelerated learning programs to enable potential CQF level 2 students who have left school early to meet grade 9 entrance requirements for those courses, while level 2–4 CQF courses provide qualifications for technicians at various levels.

<sup>6</sup> Government of Cambodia. 2013. *Rectangular Strategy for Growth, Employment, Equity, and Efficiency, Phase III*. Phnom Penh; Government of Cambodia. 2013. *National Strategic Development Plan 2014–2018*. Phnom Penh; Government of Cambodia. 2015. *Cambodia Industrial Development Policy 2015–2025: “Market Orientation and Enabling Environment for Industrial Development.”* Phnom Penh.

<sup>7</sup> ADB. 2015. *Technical Assistance to the Kingdom of Cambodia for Strengthening Capacity Development for National Skills Development*. Manila. Implemented in June 2015 by the directorate general of TVET, the technical assistance is developing and strengthening results-based planning and budgeting and TVET policies (2015–2017).

<sup>8</sup> ADB. 2014. *Country Operations Business Plan: Cambodia, 2015–2017*. Manila.

<sup>9</sup> ADB. 2014. *Country Partnership Strategy: Cambodia, 2014–2018*. Manila. The strategy emphasizes improved quality of education and training systems that are linked closely with labor market demands.

and relevance will be improved by financing 20,000 new places under the voucher skills training program and 3,600 new places under the skills bridging program, nine additional workshops with equipment, and three classroom buildings. The additional financing will also support the upgrading of 18 additional institutions, the training of 800 instructors from regional training centers and PTCs in competency-based training and assessment, and the development of a TVET instructor management and inspection framework. Under output 3, the number of internships financed will be increased from 200 to 1,000. Under output 4, governance and management of the TVET system will be strengthened by upgrading the TVET management information system, evaluating the impact of the stipend program, and conducting skills and employer surveys for evidence-based policy making. Furthermore, the additional financing will support the National Employment Agency to improve the capacity of labor market forecasting using advanced quantitative methodologies.

### C. Revised Investment and Financing Plans

7. The AFD loan for €13,211,203 (\$15 million equivalent) will be provided under contractual cofinancing arrangements. ADB will administer procurement and partially administer disbursements. The AFD loan will be denominated in US dollars pursuant to ADB's standard accounting practices. The revised investment and financing plans are in Tables 1 and 2.

**Table 1: Revised Investment Plan (\$ million)**

Item	Current Amount <sup>a</sup>	Additional Financing <sup>b</sup>	Total
<b>A. Base Cost<sup>c</sup></b>			
1. Output 1: Increased access to TVET programs	3.68	2.82	6.50
2. Output 2: Enhanced quality and relevance of TVET system	12.81	10.25	23.06
3. Output 3: Increased involvement of employers in TVET delivery	2.91	0.68	3.59
4. Output 4: Strengthened governance and management of TVET system	3.88	1.18	5.06
<b>Subtotal (A)</b>	<b>23.28</b>	<b>14.93</b>	<b>38.21</b>
<b>B. Contingencies<sup>d</sup></b>	1.58	1.50	3.08
<b>C. Financing charges during implementation<sup>e</sup></b>	0.74	0.23	0.97
<b>Total (A+B+C)</b>	<b>25.60</b>	<b>16.66</b>	<b>42.26</b>

TVET = technical and vocational education and training.

<sup>a</sup> Refers to the original amount. Includes government cash contribution of \$2.43 million and in-kind government contribution of \$170,000. Taxes and duties of \$640,000 are borne by the government through cash contribution. ADB finances taxes and duties for incremental operation and maintenance.

<sup>b</sup> Taxes and duties of \$1.44 million and financing charges of \$230,000 are cash contribution by the government.

<sup>c</sup> Base year 2013 prices are applied, assuming contract variations to accommodate additional financing.

<sup>d</sup> Physical contingencies computed at 5% for civil works and mechanical equipment; and 4% for capacity development training, surveys, and studies. Price contingencies computed at 1.0%–1.4% on foreign exchange costs and 3.5% on local currency costs; includes provision for potential exchange rate fluctuation under the assumption of a purchasing power parity exchange rate. Price contingencies for additional financing accommodate local and international cost escalation since mid-2013.

<sup>e</sup> Includes interest and commitment charges. For additional financing, a variable interest rate less than 2.0% will be applied. For the purpose of the calculation, 1.5% is used.

Source: Asian Development Bank estimates.

**Table 2: Revised Financing Plan**

Source	Current <sup>a</sup>		Additional Financing		Total	
	Amount (\$ million)	Share of Total (%)	Amount (\$ million)	Share of Total (%)	Amount (\$ million)	Share of Total (%)
ADB (project loan)	23.00	71	0.00	0	23.00	47
ADB (policy-based loan)	7.00	21	0.00	0	7.00	14
Agence Française de Développement	0.00	0	15.00	90	15.00	30
Government of Cambodia	2.60	8	1.66	10	4.26	9
<b>Total</b>	<b>32.60</b>	<b>100</b>	<b>16.66</b>	<b>100</b>	<b>49.26</b>	<b>100</b>

ADB = Asian Development Bank.

<sup>a</sup> Refers to the original amount and any previous additional financing.

Source: Asian Development Bank estimates.

## **D. Due Diligence**

8. Due diligence has been undertaken for the additional financing. The project retains the original safeguards classification of category B for both environment and indigenous peoples, and C for involuntary resettlement. The environmental examination has been conducted, the initial environmental examination report prepared for the current program has been revised (Supplementary Appendix H), and an updated indigenous peoples plan (Supplementary Appendix I) has been prepared with better analysis, more concrete measures, and indicators that can be monitored. The additional financing is classified as gender equity theme. The gender action plan (Supplementary Appendix G) has been updated to align with the scale-up of activities. Key gender targets have been increased and new gender-sensitive measures have been introduced in the gender action plan to accommodate activities supported by the additional financing.

9. An economic and financial analysis (Supplementary Appendix E) was conducted using consistent methodology and assumptions employed for the current program. The result indicated that the additional financing yields a positive net present value of \$36 million and an economic internal rate of return of 31.3%, which is higher than the rate for the current program (24.0%) and is well above the 12.0% social discount rate. Sensitivity analysis concluded that none of the risk factors appeared to jeopardize the economic viability of the program interventions. Financial analysis assessed the sustainability of the program and the impact of the proposed additional investment, given current TVET funding levels. The result shows that the government has the capacity to absorb and sustain the benefits of the overall program, which will reinforce the medium- to long-term fiscal sustainability of the TVET sector.

10. The overall pre-mitigation financial management risk level is substantial. Risk mitigation measures include financial management training for staff of the TVET directorate general and expansion of the utilization of a computerized accounting system (Supplementary Appendix J).

## **E. Implementation Arrangements**

11. MLVT will continue to be the executing agency. Implementation arrangements for the additional financing will follow the procedures documented in the updated project administration manual (Supplementary Appendix B). The EA will vary the contract of the project implementation consulting firm immediately after loan effectiveness to help ensure smooth implementation of the additional financing. The implementation period of the program will be extended from June 2020 to December 2021. The procurement of goods and services and engagement of consultants will be in accordance with ADB's Procurement Guidelines (2015, as amended from time to time) and Guidelines on the Use of Consultants (2013, as amended from time to time). Universal procurement will apply.<sup>10</sup> Financing and disbursement arrangements for the current program have been revised.

### **III. THE PRESIDENT'S RECOMMENDATION**

12. The President recommends that the Board approve ADB administering a loan not exceeding the equivalent of €13,211,203 to the Kingdom of Cambodia for the additional financing of the Technical and Vocational Education and Training Sector Development Program, to be provided by the Agence Française de Développement.

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<sup>10</sup> ADB. 2013. *Blanket Waiver of Member Country Procurement Eligibility Restrictions in Cases of Cofinancing for Operations Financed from Asian Development Fund Resources*. Manila.



## REVISED DESIGN AND MONITORING FRAMEWORK

Impact the Program is Aligned with			
<b>Current program</b> Increased employability of TVET-certified workers			
<b>Overall program</b> Unchanged			
Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting	Risks
<b>Outcome</b>			
<b>Current program</b> An accessible, demand-driven TVET system responsive to continuing and emerging labor market demands	<b>Current program</b> <b>By 2020:</b> 1. 30% increase (25% for females) in enrollments for CQF level 2–4 training courses at public TVET institutions from an estimated baseline of 918 (197 females) in school year 2011/2012 2. Female enrollments in nontraditional <sup>a</sup> skills areas increase from less than 2% to 10% at public TVET institutions 3. 60% of RTC and PTC graduates awarded VSC	TVET MIS annual report by MLVT  Report of graduate tracer studies  Baseline and end-line surveys	Poor perception of TVET limits interest in pursuing TVET qualifications  Inadequate supply of TVET instructors to deliver CQF levels 2–4 courses hinders TVET quality improvement
<b>Overall program</b> Unchanged	<b>Overall program</b> <b>By 2022:</b> 1. 45% increase (35% for females) in enrollments for CQF level 2–4 training courses at public TVET institutions from an estimated baseline of 918 (197 females) in school year 2011/2012 2. Female enrollments in nontraditional <sup>a</sup> skills areas increase from less than 2% to 12% at public TVET institutions 3. Unchanged		
<b>Outputs</b>			
<b>Output 1</b> <b>Current program</b> Increased access to TVET programs	1a. <b>Current program</b> 900 Cambodians assessed for competency in priority sectors by 2018 <b>Overall program</b> Unchanged	1a–f. Impact assessment report by MLVT, program quarterly reports, TVET MIS annual report by MLVT	
<b>Overall program</b> Unchanged	1b. <b>Current program</b> 40% of VSC holders enroll in CQF level 2 courses in priority skills areas by 2018 <b>Overall program</b> 45% of VSC holders enroll in CQF level 2 courses in priority skills areas by 2021  1c. <b>Current program</b> 120 female trainees receive accommodation in dormitories at PTCs by 2016 <b>Overall program</b> 240 female trainees receive accommodation in dormitories at PTCs by 2021		

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting	Risks
	<p>1d. <b>Current program</b> Women constitute 20% of enrollments at public TVET institutions in CQF level 2 training programs in priority skill areas by 2019 <b>Overall program</b> Women constitute 25% of enrollments at public TVET institutions in CQF level 2 training programs in priority skill areas by 2021</p> <p>1e. <b>Current program</b> 50% of CQF level 1 enrollees at public TVET institutions assessed for recognition of CQF level 2 competency in the priority skill areas by 2018 <b>Overall program</b> Unchanged</p> <p>1f. <b>Current program</b> 4,000 people age 14–25 (30% female) receive stipends for CQF level 2–4 training at public TVET institutions by 2019 (70% from poorest communes and 30% disadvantaged) <b>Overall program</b> 5,000 people age 14–25 (30% female) receive stipends for CQF level 2–4 training at public TVET institutions by 2021</p>		
<p><b>Output 2</b> <b>Current program</b> Improved quality and relevance of TVET system</p> <p><b>Overall program</b> Unchanged</p>	<p>2a. <b>Current program</b> 200 staff from public TVET institutions in Phnom Penh and 50 staff from public TVET institutions in all provinces participate in competency assessment workshops for recognition of competencies by 2015 <b>Overall program</b> Unchanged</p> <p>2b. <b>Current program</b> 600 RTC and PTC instructors (20% female) trained to deliver competency-based training and assessment for CQF level 1–4 programs by 2017 <b>Overall program</b> 800 RTC and PTC instructors (20% female) trained to deliver competency-based training and assessment for CQF level 1–4 programs by 2021</p> <p>2c. <b>Current program</b> 50% of TVET instructors at public TVET institutions attain competency according to standards developed under the program by 2018 <b>Overall program</b> Unchanged</p> <p>2d. <b>Current program</b> 10% of urban VSTP courses and 10% of skills-bridging courses outsourced to nonstate TVET providers by 2016 <b>Overall program</b> Unchanged</p>	<p>2a–f. TVET MIS annual report by MLVT, midterm study, program quarterly reports, tracer study, impact assessment</p>	<p>Government processes cause delay in implementation of key interventions for TVET system</p>

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting	Risks
	<p>2e.  <b>Current program</b>            35,000 trainees (60% female) supported to participate in VSTP  <b>Overall program</b>            55,000 trainees (60% female) supported to participate in VSTP by 2021</p> <p>2f.  <b>Current program</b>            6,400 trainees (about 50% female) supported to participate in SBP  <b>Overall program</b>            10,000 trainees (about 50% female) supported to participate in SBP by 2021</p>		
<p><b>Output 3</b>  <b>Current program</b>            Increased involvement of employers in TVET delivery</p> <p><b>Overall program</b>            Unchanged</p>	<p>3a.  <b>Current program</b>            Internship program in public TVET institutions revised in collaboration with SSCs by 2016  <b>Overall program</b>            Unchanged</p> <p>3b.  <b>Current program</b>            200 public TVET institution trainees (20% female) engaged in internships by 2019 (70% from poorest communes and 30% disadvantaged)  <b>Overall program</b>            1,000 public TVET institution trainees (20% female) engaged in internships by 2021</p> <p>3c.  <b>Current program</b>            In collaboration with SSCs: (i) instructor apprenticeship program developed by 2016; (ii) four COEs representing four priority skill areas developed by 2016; (iii) CQF level 2 training course in basic manufacturing processes developed and pilot-tested by 2016; (iv) soft skills training program for CQF level 1–4 developed and pilot-tested by 2016; (v) VSC and CQF level 1–4 training programs in the four priority skill areas developed and pilot tested by 2017; and (vi) internship program for CQF levels 3–4 for middle-level workers and supervisors established by 2017  <b>Overall program</b>            Unchanged</p>	<p>3 a–c. Program quarterly reports, midterm study, pilot studies, impact assessment, TVET MIS annual report by MLVT</p>	<p>Formal agreements with industry associations and employers are delayed</p>
<p><b>Output 4</b>  <b>Current program</b>            Strengthened governance and management of the TVET system</p> <p><b>Overall program</b>            Unchanged</p>	<p>4a.  <b>Current program</b>            9,700 Cambodians (30% female) trained at CQF levels 1–4 by PTCs and RTCs by 2019  <b>Overall program</b>            Unchanged</p> <p>4b.  <b>Current program</b>            20% of RTCs and PTCs engage in revenue-generating activities related to business development plan submitted to the DGTVET by 2017  <b>Overall program</b>            30% of RTCs and PTCs engage in revenue-generating activities by 2017</p>	<p>4 a–c. Program quarterly reports, consultant reports, midterm study, impact assessment, TVET MIS annual report by MLVT, business development plan submitted to the DGTVET</p>	

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting	Risks
	4c. <b>Current program</b> 60% of public TVET institutions use expanded TVET MIS and LMIS to inform TVET programming by 2018 <b>Overall program</b> 75% of public TVET institutions use expanded TVET MIS and LMIS to inform TVET programming by 2018		
<p><b>Key Activities and Milestones</b></p> <p><b>Output 1: Increased access to TVET programs</b></p> <p><b>1.1 Introduce the VSC</b></p> <p>1.1.1 Produce report identifying limitations of current entry requirements at each level of the CQF with recommendations for revisions produced by 2016 [added]</p> <p>1.1.2 Issue <i>Prakas</i> (administrative order) and relevant guidelines to approve VSC (CQF 1) issued by MLVT by 2017 [updated]</p> <p>1.1.3 Develop competency standards (basic and core) for construction, mechanics, and information communication technology (ICT) and/or business courses, and offer VSC courses by PTCs by 2017 [updated]</p> <p><b>1.2 Develop policies for RPLCC</b></p> <p>1.2.1 Develop RPLCC procedural requirements developed by 2016 [added]</p> <p>1.2.2 Pilot-test RPLCC and competency assessments by 2016 [unchanged]</p> <p>1.2.3 Develop training modules for implementation of RPLCC by 2017 [unchanged]</p> <p><b>1.3 Establish TVET stipend program for level 2–4 training for disadvantaged youth and women</b></p> <p>1.3.1 Establish stipend system, including coordination units, by 2017 [new]</p> <p>1.3.2 Train 100 DGTVEET staff and directors of public TVET institutions, including RTCs and PTCs, to implement stipend program by 2017 [updated]</p> <p>1.3.3 Review stipend program system and identify areas of improvement by 2019 [added]</p> <p><b>1.4 Pilot-test women’s dormitories with career mentorship program</b></p> <p>1.4.1 Construct six women’s dormitories equipped with furniture and items for career mentorship program by 2017 [updated]</p> <p>1.4.2 Procure career mentorship program management and operation in six women’s dorms by 2017 [updated]</p> <p><b>1.5 Promote social marketing of TVET</b></p> <p>1.5.1 Contract social marketing agency by 2016 [unchanged]</p> <p>1.5.2 Develop mass communication messages and materials by 2016 [updated]</p> <p>1.5.3 Scale up social marketing program by 2017 [added]</p> <p><b>Output 2: Improved quality and relevance of TVET system</b></p> <p><b>2.1 Strengthen TVET quality assurance system</b></p> <p>2.1.1 Pilot-test quality assurance system for public TVET institutions by 2017 [unchanged]</p> <p>2.1.2 Conduct internal audits of public TVET institutions by 2018 [unchanged]</p> <p><b>2.2 Establish TVET competency-based assessment and certification system</b></p> <p>2.2.1 Revise competency assessment and develop TVET certification system by 2017 [unchanged]</p> <p>2.2.2 Establish 10 competency assessment units or centers and develop tools by 2017 [unchanged]</p> <p><b>2.3 Improve TVET instructor training system</b></p> <p>2.3.1 Introduce TVET instructor training and instructor assessment by 2017 [unchanged]</p> <p>2.3.2 Develop curriculum and learning materials for training instructors by 2017 [unchanged]</p> <p>2.3.3 Develop instructor assessment program, inclusive of assessment tools, by 2017 [unchanged]</p> <p>2.3.4 Develop and pilot-test return to industry scheme by 2017 [unchanged]</p> <p><b>2.4 Enhance voucher skills training program</b></p> <p>2.4.1 Revise process for training and employment needs assessment by 2016 [unchanged]</p> <p>2.4.2 Develop standardized curricula, skill standards, and guidelines for VSTP courses by 2017 [updated]</p> <p>2.4.3 Develop modules for revised VSTP implementation and participation guidelines kit by 2017 [updated]</p> <p>2.4.4 Develop and implement quality assurance mechanism supporting private and nonstate providers by 2017 [updated]</p> <p>2.4.5 Start disbursement of vouchers for training by nonstate providers in 2017 [updated]</p> <p>2.4.6 Conduct tracer studies by 2020 [updated]</p> <p><b>2.5 Enhance SBP</b></p> <p>2.5.1 Revise SBP curricula to reflect competency-based training principles by 2017 [updated]</p> <p>2.5.2 Develop gender-inclusive learning module on career opportunities by 2017 [updated]</p> <p>2.5.3 Orient nonstate providers on revised SBP curricula and learning support materials by 2017 [updated]</p> <p>2.5.4 Contract competency-based SBP to nonstate providers by 2017 [unchanged]</p> <p><b>2.6 Improve TVET facilities</b></p> <p>2.6.1 Construct 18 workshops at 18 PTCs by 2018 [updated]</p>			

<p>2.6.2 Procure equipment packages for 18 workshops by 2018 [updated]</p> <p>2.6.3 Construct new buildings at the Battambang Institute of Technology, Tbong Khmom PTC, Cambodia India Entrepreneurship Development Institute, and Salakarthan Institute by 2018 [updated]</p> <p>2.6.4 Upgrade classrooms and TVET facilities in 18 PTCs by 2018 [added]</p> <p><b>2.7 Develop TVET instructor policy frameworks</b> [new]</p> <p>2.7.1 Develop and revise policies and guidelines on TVET teacher management, professional development, and inspection by 2018 [added]</p> <p>2.7.2 Complete training of qualified inspectors by 2017 [added]</p> <p><b>Output 3: Increased involvement of employers in TVET delivery</b></p> <p><b>3.1 Strengthen internship program</b></p> <p>3.1.1 Develop framework and guidelines for internship program by 2016 [unchanged]</p> <p>3.1.2 Train industry liaison units to implement and monitor new internship program by 2017 [updated]</p> <p>3.1.3 Provide internship stipends to 1,000 TVET trainees by 2021 [updated]</p> <p><b>3.2 Establish SSCs</b></p> <p>3.2.1 Establish operating procedures and monitoring and evaluation framework for SSCs by 2016 [updated]</p> <p>3.2.2 Establish SSCs and formalize through memorandums of agreement by 2016 [unchanged]</p> <p><b>3.3 Establish COEs</b></p> <p>3.3.1 Establish COEs by 2016 [unchanged]</p> <p>3.3.2 Pilot-test VSC and CQF level 2–4 training programs by 2016 [unchanged]</p> <p>3.3.3 Develop soft skills training module to be incorporated into curricula for CQF levels 1–4 by 2017 [updated]</p> <p>3.3.4 Disseminate CQF level 1–4 course materials to RTCs and PTCs within each COE network by 2017 [unchanged]</p> <p><b>Output 4: Strengthened governance and management of the TVET system</b></p> <p><b>4.1 Strengthen RTCs and PTCs to offer CQF level 2 and above courses</b></p> <p>4.1.1 Implement innovative training management delivery strategy by PTCs and RTCs to build capacity to deliver CQF 2+ courses (286 courses by PTCs and 90 courses by RTCs) by 2019 [updated]</p> <p><b>4.2 Strengthen financing of RTCs and PTCs</b></p> <p>4.2.1 Determine start-up costs for RTCs and PTCs to offer CQF level 2–4 courses by 2016 [updated]</p> <p><b>4.3 Improve MIS</b></p> <p>4.3.1 Start rollout of upgraded TVET MIS, and LMIS in 2018 [updated]</p> <p>4.3.2 Conduct skills measurement survey by 2017 [added]</p> <p>4.3.3 Undertake periodic labor market intelligence, forecasting and/or analysis by the National Employment Agency and the Department of Labor Market Information from 2017 [added]</p> <p>4.3.4 Conduct impact evaluations by 2021 [added]</p>													
<p><b>Inputs</b></p> <table border="1"> <thead> <tr> <th>ADB Loan to Cambodia (\$ million)</th> </tr> </thead> <tbody> <tr> <td>\$ 7.00 (current policy-based loan)</td> </tr> <tr> <td>\$ 23.00 (current project loan)</td> </tr> <tr> <td>\$ 0.00 (additional)</td> </tr> <tr> <td>\$ 30.00 (overall)</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Agence Française de Développement (\$ million)</th> </tr> </thead> <tbody> <tr> <td>\$ 0.00 (current)</td> </tr> <tr> <td>\$ 15.00 (additional; €13.2 million)</td> </tr> <tr> <td>\$ 15.00 (overall)</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Government (\$ million)</th> </tr> </thead> <tbody> <tr> <td>\$ 2.60 (current)</td> </tr> <tr> <td>\$ 1.66 (additional)</td> </tr> <tr> <td>\$ 4.26 (overall)</td> </tr> </tbody> </table>	ADB Loan to Cambodia (\$ million)	\$ 7.00 (current policy-based loan)	\$ 23.00 (current project loan)	\$ 0.00 (additional)	\$ 30.00 (overall)	Agence Française de Développement (\$ million)	\$ 0.00 (current)	\$ 15.00 (additional; €13.2 million)	\$ 15.00 (overall)	Government (\$ million)	\$ 2.60 (current)	\$ 1.66 (additional)	\$ 4.26 (overall)
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<p><b>Assumptions for Partner Financing</b></p> <p>Not applicable</p> <p>ADB = Asian Development Bank, COE = center of excellence, CQF = Cambodian Qualifications Framework, DGTNET = directorate general of technical and vocational education and training, LMIS = labor market information system, MIS = management information system, MLVT = Ministry of Labour and Vocational Training, PTC = provincial training center, RPLCC = recognition of prior learning and current competency, RTC = regional training center, SBP = skills bridging program, SSC = sector skills council, TVET = technical and vocational education and training, VSC = vocational skills certification, VSTP = voucher skills training program.</p> <p><sup>a</sup> Nontraditional skills areas refer to male-dominated skills areas, such as automotive repair, construction, manufacturing, and electrical works.</p> <p>Source: Asian Development Bank.</p>													