



## Concept Paper

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Project Number: 47136-003  
July 2016

# Proposed Loans and Technical Assistance Grant Cambodia: Upper Secondary Education Sector Development Program

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**Asian Development Bank**

## CURRENCY EQUIVALENTS

(as of 6 June 2016)

Currency unit	–	Riel/s (KR)
KR 1.00	=	\$0.000244
\$1.00	=	KR4,095.75

## ABBREVIATIONS

ADB	–	Asian Development Bank
ESDP	–	education sector development programs
ESP	–	Education Strategic Plan
ICT	–	information and communication technology
MEF	–	Ministry of Economy and Finance
MOEYS	–	Ministry of Education, Youth and Sport
NIE	–	National Institute of Education
USE	–	upper secondary education
USS	–	upper secondary school

## NOTES

- (i) The fiscal year (FY) of the Government of Cambodia ends on 31 December. “FY” before a calendar year denotes the year in which the fiscal year ends, e.g., FY2014 ends on 31 December 2014.
- (ii) The school year (SY) in Cambodia officially starts in 1 November and ends on 31 August. “SY” before 2 years (e.g., SY 2014/15) denotes the beginning and ending years
- (iii) In this report, “\$” refers to US dollars.

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## PROGRAM AT A GLANCE

<b>1. Basic Data</b>		<b>Project Number: 47136-003</b>	
<b>Project Name</b>	Upper Secondary Education Sector Development Program	<b>Department /Division</b>	SERD/SEHS
<b>Country Borrower</b>	Cambodia Kingdom of Cambodia	<b>Executing Agency</b>	Ministry of Education, Youth and Sports
<b>2. Sector</b>		<b>ADB Financing (\$ million)</b>	
✓ <b>Education</b>	Education sector development		16.00
	Secondary		30.00
		<b>Total</b>	<b>46.00</b>
<b>3. Strategic Agenda</b>		<b>Climate Change Information</b>	
Inclusive economic growth (IEG)	Pillar 2: Access to economic opportunities, including jobs, made more inclusive	Climate Change impact on the Project	Low
<b>4. Drivers of Change</b>		<b>Gender Equity and Mainstreaming</b>	
Governance and capacity development (GCD)	Institutional development Organizational development	Gender equity (GEN)	✓
<b>5. Poverty Targeting</b>		<b>Location Impact</b>	
Project directly targets poverty	Yes	Rural	Medium
MDG-targeting (TI-M)	MDG1, MDG3	Urban	Medium
<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>46.00</b>	
Sovereign Policy and advisory technical assistance: Technical Assistance Special Fund		1.00	
Sovereign SDP - Program loan: Asian Development Fund		15.00	
Sovereign SDP - Project loan: Asian Development Fund		30.00	
<b>Cofinancing</b>		<b>0.00</b>	
None		0.00	
<b>Counterpart</b>		<b>3.00</b>	
Government		3.00	
<b>Total</b>		<b>49.00</b>	
<b>9. Effective Development Cooperation</b>			
Use of country procurement systems		Yes	
Use of country public financial management systems		Yes	



## I. THE PROGRAM

### A. Rationale

1. Cambodia has experienced rapid growth, which began in 2000 and continued until 2015. During 2011–2013, gross domestic product (GDP) grew by an average of 7% per year, and by a further 7.1% in 2015. Structural transformation contributed to the country's impressive growth, with services accounting for 40% of Cambodia's GDP, and industry for 25% in 2013. The increase in foreign direct investment enabled Cambodia to diversify its economy to include high value-added outputs.

2. As a result of rapid growth, Cambodia's poverty rate has dramatically declined, from 47.8% in 2008 to 18.9% in 2012. However, despite the rapid poverty reduction, a very large share of the population remains vulnerable to poverty, particularly in rural areas.

3. The rapid economic growth and diversification have contributed to increased demand for skilled workers, but the education system has not kept up with the changing economy, and gaps between the skills of workers and those sought by employers have widened.<sup>1</sup> While substantial progress has been made in increasing access to basic education, with near universal enrolment at the primary level and increased lower secondary enrolment, significant challenges remain in upper secondary education (USE). The USE gross enrolment rate declined from 32.9% (30.1% for females) in school year (SY) 2010/11 to 25.1% (26% for females) in SY2015/16. This dismal performance is more pronounced in disadvantaged provinces, which recorded gross enrolment rates below 20%. The dropout rate at grade 12 reached a high of 45%% (42% for females) in SY 2014/2015, an increase of 34.9 percentage points (32.2 percentage points for females) from levels in SY2011/12. Completion rates for USE remained low at 20% during SY 2014/15. Recent studies have shown that many students leave upper secondary school (USS) with insufficient content, cognitive, trade and workplace skills to meet the expectations of employers or universities.<sup>2</sup>

4. The government recognizes that it will require a pool of skilled workers to sustain economic growth, diversify the economy, and remain competitive. Priority areas that the government is urgently seeking to address to achieve its growth objectives include low access to USE, its poor quality and limited relevance, and weak institutional capacity to deliver education services.

5. **Low access to upper secondary education.** Low USE participation and high dropout are attributed to both demand- and supply-side constraints. On the demand side, among poor students the high opportunity cost of schooling poses disincentives to USE attendance. Economic pressures on the resources of poor households as a result of direct or indirect foregone income significantly influenced decisions to attend or drop out of school. Conforming to *Chbab Srey* (Cambodian moral codes and social practices) restrains mobility and access to opportunities, including education, for women. A major supply-side constraint is the inadequate USE budget and inefficiencies in spending, which has restricted expansion of USSs in disadvantaged provinces. This poses barriers to attendance, because in many cases USSs are

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<sup>1</sup> Asian Development Bank and the International Labour Organization. 2015. *Cambodia: Addressing the Skills Gap. Employment Diagnostic Study*. Manila.

<sup>2</sup> Asian Development Bank and the International Labour Organization. 2015. *Cambodia: Addressing the Skills Gap. Employment Diagnostic Study*. Manila.

located far from where students live,<sup>3</sup> are overcrowded or in a state of disrepair, or lack water and sanitation facilities. The lack of teachers in rural and disadvantaged areas because of difficult teaching and living conditions—such as large class sizes, double shifting, poor living conditions, transportation challenges, and a lack of support—further discourages student attendance.

6. **Low quality and relevance.** The shortage of qualified teachers and teacher-trainers is a major constraint to achieving quality outcomes and improving the relevance of USE. In-service training and professional development opportunities have been limited. Pre-service training does not adequately address the lack of mastery of content or knowledge of effective pedagogy to enhance student learning and interest. The inequity in the distribution of qualified teachers remains an issue. Some specialized subjects—such as math, science, and information and communications technology (ICT)—are taught by teachers with inadequate qualifications in those fields. The inadequate USE budget has impeded the provision of critical teaching and learning resources to upgrade student proficiency in USE subjects. Specialized inputs given to resource schools are underused because of the lack of school maintenance budgets. The curriculum's lack of relevance to the skills requirements of the labor market and the absence of a national assessment policy have also been identified as constraints.

7. **Weak institutional capacity.** A pervasive factor in poor USE performance is the weak management capacity in resource planning, management, and utilization, especially at the sub-national level. Weak school management has constrained the ability of schools to respond flexibly to their needs. Monitoring and evaluation capacity at all levels of the Ministry of Education, Youth and Sport (MOEYS) is limited and the Education Management Information System needs further strengthening. There is weak capacity to analyze collected data to inform resource allocation and policy development. There has been limited engagement with key stakeholders, including communities, regarding planning, monitoring, resource mobilization and management. The lack of financial management capacity at the sub-national level, especially in schools, has resulted in spending inefficiencies.

8. **The proposed program.** The Upper Secondary Education Sector Development Program,<sup>4</sup> adopts the sector development program (SDP) lending modality which combines a policy reform component and an investment component. The SDP helps to meet sector needs in a comprehensive and integrated manner and allows medium-term engagement in the education sector by the Asian Development Bank (ADB) and the government. Sector reforms that have been identified will take time to implement and produce development impacts, and thus require medium-term engagement. The government has demonstrated strong commitment to education sector reform and has substantial experience implementing education SDPs since 2006.

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

9. The impact of the program will be development of high-quality human resources. The outcome will be improved effectiveness of the upper secondary education system.

10. **Output 1. Access to upper secondary education improved.** The output will support policy reforms to increase financial assistance to USE students through a tiered scholarship program, and to develop incentives to attract highly qualified teachers to teach in remote and

<sup>3</sup> The average distance from home to school is about 7.4 kilometers (km) for upper secondary students compared to 2 km for primary and 3.5 km for lower secondary students.

<sup>4</sup> Formerly Strengthening Secondary Education and Teaching of Math and Science.



disadvantaged provinces. Interventions will provide new USSs and/or classrooms, teacher housing, scholarships for upper secondary students, and hardship allowance for teachers.

11. **Output 2: Quality and relevance of upper secondary education improved.** This output will support policy reforms to develop the competence of students in science, technology, engineering and math; enhance quality assurance in USSs; implement assessment and curriculum reforms; and enhance teacher professional and career development. Project interventions will strengthen pre-service and in-service teaching of math, science and ICT. Grade 12 textbooks for all subjects and teacher guides will be provided, while the science, math and ICT USE curriculum will be revised. Some USSs will be upgraded to secondary resource schools, with a complete set of learning facilities and school equipment.

12. **Output 3: Institutional capacity for planning, management, and delivery of education strengthened.** This output will support policy reforms to enhance the effective functioning of key MOEYS units that support teachers' professional development, and enhance policy development through the establishment of a MOEYS research unit. It will support reforms to enhance the linkage between education spending and quality improvement through review of the Education Strategic Plan, development of the medium-term secondary education plan and expenditure framework, and 3-year budget strategic plan. Project interventions include training of MOEYS staff on monitoring and evaluation; management training of school management; capacity building of MOEYS staff on data management and analysis; provision of school improvement funds to all secondary resource schools and selected network resource schools; staff development and training; and provision of office furniture and equipment for the newly created ICT, examination and research unit departments.

### C. Investment and Financing Plans

13. The program comprises a policy-based lending component, an investment component, and technical assistance (TA). The policy-based lending component is estimated to cost \$15 million. The investment component is estimated to cost \$30 million (Table 1).

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

Item	Amount <sup>a</sup>
<b>A. Investment Cost<sup>b</sup></b>	
1. Access to upper secondary education improved	9.68
2. Quality and relevance of upper secondary education improved	13.11
3. Institutional capacity for planning, management, and delivery of education strengthened	2.36
<b>Total Investment Cost (A)</b>	<b>25.14</b>
<b>B. Contingencies</b>	<b>3.51</b>
<b>C. Financing Charges During Implementation</b>	<b>1.34</b>
<b>Total (A+B+C)</b>	<b>30.00</b>

<sup>a</sup> Includes taxes and duties of \$2.08 million to be financed from ADB resources. The amount of taxes and duties is included on the grounds that (i) the amount does not represent an excessive share of the project investment plan, (ii) the taxes and duties apply only to ADB-financed expenditures, and (iii) the financing of taxes and duties are relevant to the success of the project".

<sup>b</sup> In 2016 prices.

Source: Asian Development Bank

14. The amount of the policy-based loan is based on development financing needs for the sector as identified during country programming and strategy formulation, and on the costs incurred by the government in implementing reform priorities including on scholarships; teacher incentives; science, technology, engineering and math initiatives; and capital expenditures such as classroom construction.

## **D. Implementation Arrangements**

15. MOEYS will serve as the executing agency. A project coordination unit and project steering committee will be established. A consulting firm and individual consultants will be required for implementation. Consultant recruitment will be in accordance with ADB Guidelines on the Use of Consultants (March 2013, as amended from time to time). Advance action will be used to recruit an international and two national individual consultants to support start-up activities on procurement and financial management. Procurement will be in accordance with ADB Procurement Guidelines (April 2015, as amended from time to time).

## **II. TECHNICAL ASSISTANCE**

16. An estimated \$1 million of TA is proposed to provide policy, analytical and advisory support to MOEYS on critical policy reform areas including scholarships for poor science and math USS students; teacher deployment, incentives and professional development; curriculum and assessment; ICT policy implementation; and development of the medium-term secondary education plan and medium-term expenditure framework, and 3-year budget strategic plan.

## **III. DUE DILIGENCE REQUIRED**

17. Due diligence includes: (i) economic and financial viability and sustainability; (ii) financial management and procurement capacity assessment; (iii) poverty, social and gender analysis; and (iv) review of any impacts on environment, involuntary resettlement and indigenous peoples.

## **IV. PROCESSING PLAN**

### **A. Risk Categorization**

18. The program is categorized as low risk in accordance with the ADB Operations Manual.<sup>5</sup>

### **B. Resource Requirements**

19. Initial due diligence was done with TA support.<sup>6</sup> About 7 person-months of ADB education specialist and national staff inputs are required to complete program processing.

### **C. Processing Schedule**

20. The proposed processing schedule is in Table 2.

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<sup>5</sup> ADB. 2010. Processing Sovereign and Sovereign-Guaranteed Loan Proposals. *Operations Manual*. OM D11/OP. Manila.

<sup>6</sup> ADB. 2013. *Technical Assistance to Cambodia for Strengthening Secondary Education and Teaching of Math and Science*. The project preparatory TA was approved on 16 December 2013 and will be completed on 31 July 2016.

**Table 2: Proposed Processing Schedule**

<b>Milestones</b>	<b>Expected Completion Date</b>
Loan negotiations	18-19 July 2016
Board circulation	9 August 2016
Board consideration	30 August 2016

Source: Asian Development Bank

**V. KEY ISSUES**

21. There are no remaining issues. Due diligence and support from ADB (Office of the General Counsel and Strategy and Policy Department) will continue.

## DESIGN AND MONITORING FRAMEWORK

Impact the Upper Secondary Education Sector Development Program is aligned with High quality human resources developed (Education Strategic Plan, 2014–2018) <sup>a</sup>			
Design Summary	Performance Indicators with Targets and Baselines	Data Sources or Reporting Mechanisms	Risks
<p><b>Outcome</b> Effectiveness of the upper secondary education system improved</p>	<p><b>By end of 2021:</b></p> <p>a. GER for USE increased to 30% (female: 30%); (baseline: 25.1%, female: 26%, SY2015/2016)</p> <p>b. Promotion rate from Grade 10 to 11 increased to at least 90% (female: 90%) (baseline: 82.2%; female: 83.2%; SY2014/15)</p> <p>c. Promotion rate from Grade 11 to 12 increased to at least 90% (female: 90%) (baseline: 88.8%; female: 89%; SY2014/15)</p>	<p>a. Education Management Information System</p> <p>b. Data from the Dept. of Quality Assurance, MOEYS</p> <p>c. Annual Education Congress Report</p>	<p>Weak linkage between education spending and the financing needed to implement the education sector plan and priorities</p>
<p><b>Outputs</b> 1. Access to upper secondary education improved</p>	<p><b>Program</b></p> <p>1a. Scholarship program for poor students established and implemented.</p> <p>1b. Scholarship program that includes merit, poverty and gender criteria for science and math USE students from disadvantaged areas established.</p> <p>1c. Scholarship program for academically outstanding science and math students from non-disadvantaged provinces studying in the science stream at USE level established.</p> <p>1d. Hardship allowance program for teachers in rural and disadvantaged areas established and implemented.</p> <p><b>Project</b></p> <p>1e. 6,000 students (60% female)—60% of whom are from 7 disadvantaged provinces, including ethnic minority areas, and 40% from SRSs in non-disadvantaged provinces—receive 2-year scholarships to study science in USE by Q4 2021 (baseline: 0, SY2015/16)</p> <p>1f. 938 USE teachers (30% female) posted in 7 disadvantaged provinces, including ethnic minority areas, receive additional hardship allowance for 4 years by Q4 2021 (baseline: 938, SY2015/16)</p> <p>1g. 44 teacher housing units provided in schools, of which 70% are in 7 disadvantaged provinces and 30% are in high teacher-shortage areas in non-disadvantaged provinces by Q4 2019 (baseline: 0, SY2015/16)</p> <p>1h. 5 LSSs in 7 disadvantaged provinces upgraded to USSs by Q4 2019 (baseline:</p>	<p>1a. Sub-decree on scholarship provision for poor students</p> <p>1b. MOEYS scholarship guidelines for science and math for upper secondary students from disadvantaged provinces and for academically outstanding USE students</p> <p>1c. MOEYS <i>prakas</i> on hardship allowance for teachers in disadvantaged provinces</p> <p>1d. Qualitative and quantitative M&amp;E reports with data disaggregated by sex and ethnicity</p> <p>1e. Project quarterly and annual reports</p> <p>1f. ADB review mission reports</p> <p>1g. Project completion report</p>	<p>Failure to adhere to government procurement policies and procedures for externally financed investments</p> <p>Weak intra- and inter-agency coordination results in fragmented project implementation</p>

Design Summary	Performance Indicators with Targets and Baselines	Data Sources or Reporting Mechanisms	Risks
	<p>0, SY2015/16)</p> <p>1i. 11 upper secondary schools in 7 disadvantaged provinces repaired or rehabilitated by Q4 2019 (baseline: 0, SY2015/16)</p> <p>1j. 10 overcrowded USSs in 5 of the 7 disadvantaged provinces provided with additional classrooms by Q4 2019 (baseline: 0, SY2015/16)</p>		
<p>2. Quality and relevance of upper secondary education improved</p>	<p><b>Program</b></p> <p>2a. STEM education strengthened</p> <p>2b. Math and science study clubs established in 50 USSs</p> <p>2c. Comprehensive teacher policy implemented</p> <p>2d. School-level quality assurance framework developed and issued</p> <p>2e. SRSs and access of network schools expanded</p> <p>2f. Curriculum framework for general and technical education, defining learning outcomes standards and learning content, approved and implemented</p> <p>2g. Teacher career professional pathways program established</p> <p><b>Project</b></p> <p>2h. Textbook to student ratio of 1:1 for all grade 12 subjects and students by SY2017/18 (baseline: 1:2, SY2015/16)</p> <p>2i. 3,000 teacher guides for all grade 12 subjects provided to all USSs by SY2017/18 (baseline: 0, SY2015/16)</p> <p>2j. USE curriculum on science and math reformed to regional and/or international standards and disseminated by Q1 2018 (baseline: curriculum review in 2004, SY2004/05)</p> <p>2k. Curriculum for USE pre-service and in-service teacher training revised by Q4 2017 (baseline: curriculum review in 2004, SY2004/05)</p> <p>2l. 12 USSs upgraded to resource schools with standardized resource center facilities by Q4 2021 (baseline: 0, SY2015/16)</p> <p>2m. Professional development programs and/or initiatives for 250 USE teacher educators (40% female; 217 science and math and 33 ICT teacher educators) provided by Q2 2018 (baseline: no systematic professional development of teacher educators in science, math and ICT)</p> <p>2n. Professional development programs</p>	<p>2a. MOEYS STEM policy</p> <p>2b. MOEYS circular on establishment of math and science study club at secondary schools</p> <p>2c. MOEYS teacher policy action plan</p> <p>2d. MOEYS curriculum framework for general and technical education</p> <p>2e. MOEYS guidelines on SRSs and network schools</p> <p>2f. MOEYS quality assurance framework</p> <p>2g. MOEYS draft teacher career professional pathways program</p> <p>2h. MOEYS progress reports</p> <p>2i. Consultants reports</p> <p>2j. Project quarterly and annual reports</p> <p>2k. ADB review missions</p> <p>2l. Project completion report</p>	<p>Insufficient procurement capacity, leading to unnecessary delays and occasional failure to adhere to government procurement policies and procedures for externally financed investments</p>

Design Summary	Performance Indicators with Targets and Baselines	Data Sources or Reporting Mechanisms	Risks
	<p>and/or initiatives for 13,300 USE teachers (40% female; 3,500 math, 9,700 science, and 100 ICT) provided through SRS-based training by Q4 2019 (baseline: no systematic professional development of teachers in science, math and ICT)</p> <p>2o. Training of 13,300 USE teachers on career guidance to upper secondary students by Q4 2021 conducted (baseline: 0, SY2015/16)</p> <p>2p. Additional 500 teacher-candidates (40% female) at National Institute of Education and/or qualified teacher training providers granted fellowships by Q4 2021 (baseline: 500 teacher-candidates, 30% female, SY2015/16)</p>		
<p>3. Institutional capacity for planning, management, and delivery of education strengthened</p>	<p><b>Program</b></p> <p>3a. Functional and performance review and capacity development of Personnel and Training Office of all provincial offices of education and research and the Teacher Assessment office at the Teacher Training Department implemented</p> <p>3b. Education Strategic Plan 2014–2018 updated based on results of annual education sector review</p> <p><b>Project</b></p> <p>450 staff trained on comprehensive M&amp;E by Q4 2019 (baseline: 200, SY2015/16)</p> <p>EMIS capacity building initiatives on central-level data management and analysis strengthened by Q4/2019 (baseline: 0, SY2015/16)</p> <p>School management (directors, vice directors, senior staff) of 288 USSs provided with management training by Q4 2021 (baseline: no systematic training, SY2015/16)</p> <p>Departments of examination and ICT and research unit under the Education Research Council supported with staff development training, office furniture and equipment by Q3 2017 (baseline: departments did not exist, SY2015/16)</p> <p>48 SRS and 240 network resource schools provided with school improvement fund starting Q4 2017 (baseline: 0, SY2015/16)</p> <p>Financial management manual developed, training of Department of Finance staff on the operation and maintenance of installed financial management system conducted by Q4 2017 (baseline: 0, SY2015/16)</p>	<p>3a. MOEYS <i>prakas</i> on the Personnel and Training Office at provincial education offices and the Research Office at the Teacher Training Department)</p> <p>3b. MOEYS Minister <i>prakas</i> establishing a research unit</p> <p>3c. MOEYS draft Education Strategic Plan 2014–2018 mid-term review report</p> <p>3d. Consultant's report</p> <p>3c. Project quarterly and annual reports</p> <p>3d. ADB review mission</p> <p>3e. Project completion report</p> <p>3f. Inspector reports</p> <p>3g. Evaluation reports submitted by Teacher Training Department and National Institute of Education</p>	<p>Weak intra- and inter-agency coordination results in fragmented project intervention implementation</p> <p>Insufficient financial management capacity at sub-national level</p>

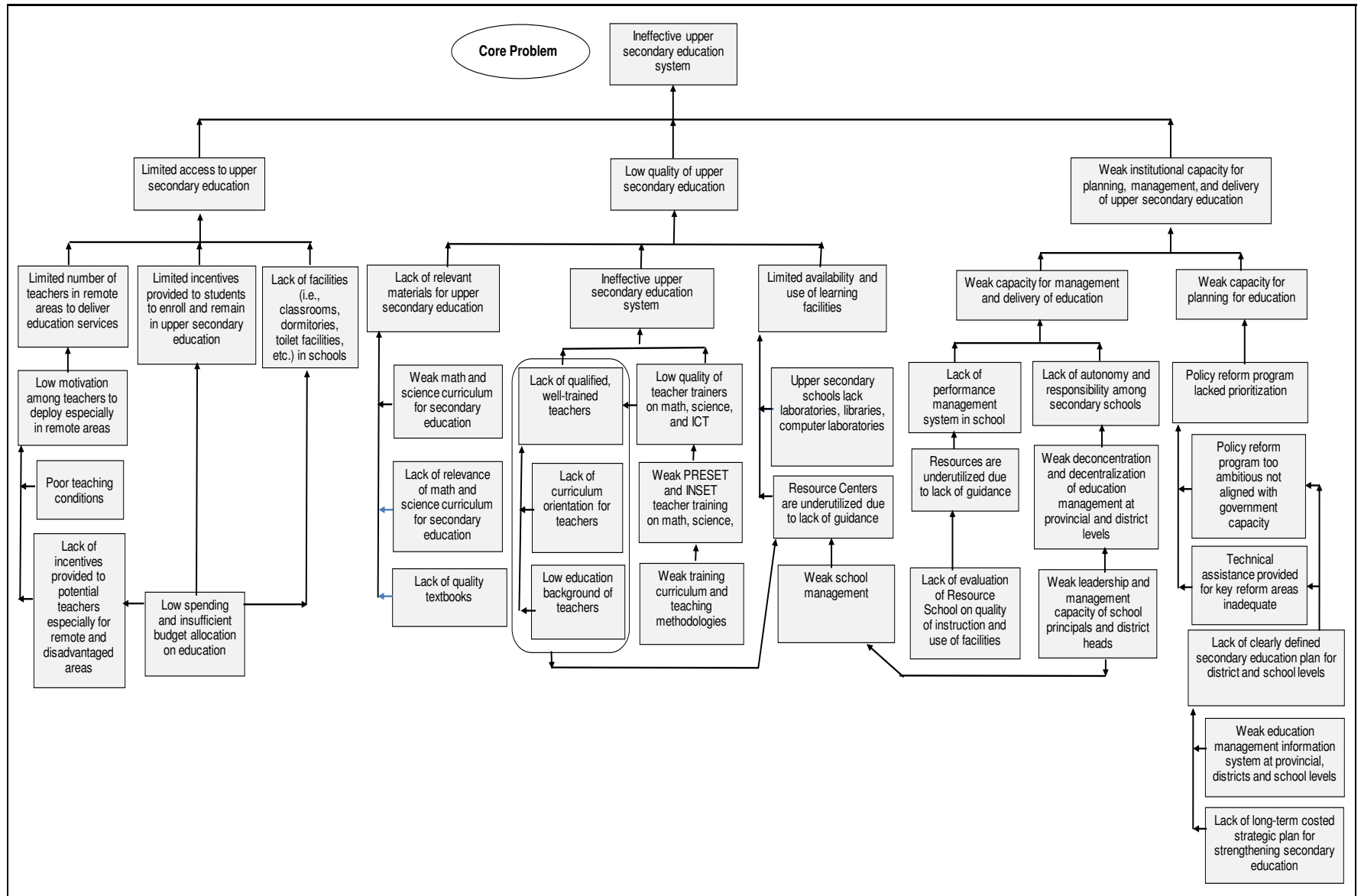
<b>Key Activities with Milestones</b>
<p><b>Output 1: Access to upper secondary education improved</b></p> <p>1.1 Issue relevant policy document within 12 months of inception.</p> <p>1.2 Provide scholarships of \$200/year beginning in SY2017/18.</p> <p>1.3 Provide additional hardship allowance to identified math, science, and ICT teachers (male and female) deployed in disadvantaged areas by Q2 2017.</p> <p>1.4 Provide teacher housing in disadvantaged areas by Q4 2019.</p> <p>1.5 Upgrade 5 LSSs to USSs by Q4 2019</p> <p>1.6 Repair or rehabilitate 11 USSs by Q4 2019</p> <p>1.7 Provide 16 overcrowded USS in 5 disadvantaged provinces with additional classrooms by Q4 2019</p> <p><b>Output 2: Quality and relevance of upper secondary education improved</b></p> <p>2.1 Issue relevant policy document within 12 months of inception.</p> <p>2.2 Support government review and finalize USE curriculum (science and math) by Q1 2018.</p> <p>2.3 Quality-check and distribute math and science textbooks by Q4 2017.</p> <p>2.4 Review and upgrade curriculum for USE pre-service and in-service teacher training by Q4 2017.</p> <p>2.5 Upgrade 12 USSs to resource schools with standardized facilities of a resource center by Q4 2021.</p> <p>2.6 Strengthen competencies of 250 trainers by Q2 2018.</p> <p>2.7 Strengthen competencies of 13,300 USE teachers through SRS-based training by Q4 2019.</p> <p>2.8 Provide 500 teacher-candidates with fellowships by Q4 2021.</p> <p><b>Output 3: Institutional capacity for planning, management, and delivery of education strengthened</b></p> <p>3.1 Issue relevant policy document within 12 months of inception.</p> <p>3.2 Training of trainers on comprehensive M&amp;E coordinated by M&amp;E department by Q4 2019.</p> <p>3.3 Strengthen EMIS capacity at the central level for data management and data analysis by Q4 2019.</p> <p>3.4 Support the establishment of departments of examination and ICT by Q3 2017.</p> <p>3.5 Provide 48 secondary resource schools and 240 network resource schools with school improvement fund starting Q4 2017.</p> <p><b>Project Management Activities</b></p> <p>1. Establish PCU by Q3 2016</p> <p>2. Recruit project consultants within 3 months of loan effectiveness</p> <p>3. Organize inception (within 2 months of consultant deployment), mid-term (2019), and final review (2021) workshops</p>
<p><b>Inputs</b></p> <p>Asian Development Bank: \$46 million</p> <p>    Policy-based loan –\$15 million (ADF)</p> <p>    Project loan – \$30 million: (ADF)</p> <p>    Technical Assistance – \$1 million (TASF)</p> <p>Government of Cambodia: \$3 million</p>
<p><b>Assumptions for Partner Financing</b></p> <p>Not applicable</p>

ADB = Asian Development Bank; DOE = district office of education; EMIS = education management information system; FM = financial management manual; GER = Gross Enrolment Rate, M&E = monitoring and evaluation; LSS = lower secondary school; MOEYS = Ministry of Education, Youth, and Sport; MTEF = medium-term expenditure framework; NIE = National Institute of Education; PCU = project coordination unit; POE = Provincial Office of Education; SRS = secondary resource school; STEM = science, technology, engineering and math; SY = school year; TTD = teacher training department; USE = upper secondary education; USS = upper secondary school

<sup>a</sup> Ministry of Education, Youth, and Sport. 2014. *Education Strategic Plan, 2014–2018*. Phnom Penh.

Source: Asian Development Bank.

**PROBLEM TREE**



ICT = information and communications technology, INSET = in-service training, PRESET = pre-service training.



## INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Cambodia	Project Title:	Upper Secondary Education Sector Development Program
Lending/Financing Modality:	Sector development program	Department/ Division:	Southeast Asia Department/ Human and Social Development Division

### I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

Cambodia's Rectangular Strategy for Growth, Employment, Equity, and Efficiency, Phase III and the National Strategic Development Plan, which both cover 2014–2018, set out the government's strategy for education and skills, emphasizing the development of science, technology, and math skills to increase Cambodia's competitive advantage in the labor market and support poverty reduction and inclusive growth. The plans endorse the Ministry of Education Youth and Sports (MOEYS) Education Strategic Plan for 2014–2018. The Asian Development Bank (ADB) country partnership strategy (CPS) 2014–2018 for Cambodia is closely aligned with national priorities and supports the government's strategy for education sector development.<sup>a</sup> The proposed program is consistent with ADB's sector strategy on human capital enhancement via improved access to and quality of secondary education.

#### B. Poverty Targeting

General Intervention  Individual or Household (TI-H)  Geographic (TI-G)  Non-Income MDGs (MDG1, MDG3)

The proposed program aims to reduce poverty and support inclusive economic and social development by: (i) improving access to upper secondary education (USE) among poor and disadvantaged students through provision of scholarships, and construction of upper secondary school classrooms; and improving teacher deployment in remote and disadvantaged areas through provision of a hardship allowance; (ii) improving quality and relevance of USE, with emphasis on curriculum upgrading, provision of professional development opportunities for teachers and teacher-educators, and provision of critical teaching and learning resources; and (iii) strengthening institutional capacity for education planning, management and delivery.

#### C. Poverty and Social Analysis

1. Key issues and potential beneficiaries. Poverty has fallen dramatically—from 47.8% in 2007 to 18.9% in 2012—but a large share of the population remains vulnerable to poverty, having moved from below the poverty line to just above it. In 2011, just 10% of Cambodians lived on less than \$1.25 per day, but 41% lived on less than \$2.00 per day, and 72% lived on less than \$3.00 per day (footnote a). The proportion of Cambodians that is multi-dimensionally poor exceeds the proportion that is income-poor, and many lack adequate access to basic services, especially in rural areas. While Cambodia has almost achieved gender parity with respect to secondary education (in SY 2014/15, girls represented 49.15% of students enrolled in USE),<sup>b</sup> there are provincial inconsistencies and low overall net enrolment rates, which undermine primary education gains. The 2013 World Economic Forum's *Global Gender Gap* (see <https://www.weforum.org/reports/global-gender-gap-report-2013>) ranked Cambodia 104th out of 136 countries due to inequality in higher education, the lack of political participation by women, and the low proportion of female professional and technical workers.<sup>c</sup> Employed men are twice as likely as women to have university degrees;<sup>d</sup> 20.33% of National Assembly deputies are female; and women comprise only 27% of wage employment in the formal sector, because their work is mostly in vulnerable, low-paid jobs in the garment industry (footnote a). In 2010, 31% of ever-married women experienced at least one form of violence,<sup>e</sup> but few women seek help due to the cultural belief that women are responsible for their family's reputation.<sup>f</sup> Negative social attitudes towards the education of girls, the low educational levels of parents, child marriage, distance from schools, and opportunity costs of education constrain females from accessing higher education.

The program's interventions will directly benefit: (i) female and male students in USE, especially those from disadvantaged areas; (ii) teachers in USE; and (iii) educational policymakers, administrators, and managers. The general workforce, future generations, and the private sector will indirectly benefit from its implementation. The program's overarching outcome is improved effectiveness of the USE system, enabling the Cambodian labor force to become more skilled and competitive in the near future and addressing the current mismatch between the skills workers have and what is needed in the workforce. Program interventions to be implemented nationwide are expected to lead to improved retention of students, enhanced quality of teachers and curriculum, and strengthened decentralized educational service delivery that meets local needs.

2. Impact channels and expected systemic changes. The program will positively impact beneficiaries through: (i) school construction that provides facility upgrades; (ii) student scholarships and incentives for teachers to boost student and teacher motivation and enrolment and produce better trained and qualified teachers; (iii) community awareness campaigns that promote the value of quality education; (iv) improved math, science, and information and

communications technology knowledge through improved curriculum, assessment, teaching delivery and the availability of essential inputs and resources such as textbooks, teacher guides, libraries, laboratories and equipment; and (v) strengthened institutional capacity and autonomy in districts and schools to plan, manage, and deliver education that is locally relevant.

3. Focus of (and resources allocated in) the PPTA or due diligence. Education Management Information System figures indicate that boys fare worse than girls in USE in terms of promotion, repetition, and dropout, in some provinces. However, gender stereotyping associated with the traditional role of females in society remain. Also, the migration of primarily younger adults to urban centers is increasing the average age of the rural population and resulting in children being left behind in rural areas. This emerging social issue needs to be addressed by a more comprehensive social protection system.

4. Specific analysis for policy-based lending. The policy-based loan component supports the institutionalization and timely implementation of the government's directives and policies on USE. Decentralized policy reforms will improved the quality of education service delivery in provinces with disadvantaged socioeconomic conditions by granting managers greater autonomy, leading to enhanced enrolment, retention, and educational outcomes in USE. Strengthened capacity for planning, management, and financial decision making under a decentralized framework will encourage school officials, staff, and communities to carry out their own plans to improve schools and build school pride among teachers, students, and communities.

## II. GENDER AND DEVELOPMENT

1. What are the key gender issues in the sector/subsector that are likely to be relevant to this project or program? Key gender issues include: (i) stereotypes associated with the traditional role of females in society, which prevents parents from allowing girls to complete secondary education; (ii) long distances between home and school, making travel to school unsafe for girls; (iii) lack of on-campus housing and sanitation facilities at schools, deterring female participation; and (v) opportunity costs of sending both girls and boys to school. High dropout rates, low graduation rates, and poor learning outcomes overall constrain female and male access to USE, while in some provinces, girls outperform boys in promotion, dropout, and repetition, indicating a gender reversal. Although many factors contribute to schooling and learning gaps, the quality and efficiency of education plays a critical role in reducing dropout and grade repetition. Key factors that impact the quality of education and higher student achievement are school-centered, relating to school management and facilities, teaching and learning materials, the qualifications and motivation of teachers, and an assessment system that provides analysis and feedback to teachers and students.

2. Does the proposed project or program have the potential to make a contribution to the promotion of gender equity and/or empowerment of women by providing women's access to and use of opportunities, services, resources, assets, and participation in decision making?

Yes  No Please explain. A gender action plan was prepared as part of due diligence.

3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality?

Yes  No The project activities and policy actions were formulated to specifically address the identified issues, (supply and demand-side) constraints and needs of women and/or girls so the project is expected to only have positive impact on women and girls.

4. Indicate the intended gender mainstreaming category:

GEN (gender equity)  EGM (effective gender mainstreaming)  
 SGE (some gender elements)  NGE (no gender elements)

## III. PARTICIPATION AND EMPOWERMENT

1. Who are the main stakeholders of the project, including beneficiaries and negatively affected people? Identify how they will participate in the project design. The main stakeholders include female and male students, teachers, education unit managers, MOEYS and officials from other ministries, nongovernmental organizations (NGOs), and development partners working in USE. There are no negatively affected people. Extensive discussions and consultations will be held with the government and other stakeholders and/or beneficiaries at the national and sub-national levels, particularly with regard to the policy actions and project activities to be implemented under the program.

2. How can the project contribute (in a systemic way) to engaging and empowering stakeholders and beneficiaries, particularly, the poor, vulnerable and excluded groups? What issues in the project design require participation of the poor and excluded? The project can do so by supporting policy reforms such as establishment of the scholarship program for the poor, improved curriculum and teaching practices, and expanding access to high-quality upper secondary schools in disadvantaged provinces, which will provide the poor greater choices in education.

3. What are the key, active, and relevant civil society organizations in the project area? What is the level of civil society organization participation in the project design?  M Information generation and sharing  H Consultation  
 M Collaboration  M Partnership

4. Are there issues during project design for which participation of the poor and excluded is important? What are they and how shall they be addressed?  Yes  No Collaboration with relevant stakeholders, especially the NGO

education partnership, will be conducted to develop messages that target parents about the value and benefits of USE. A communication strategy will be prepared for the program.

#### IV. SOCIAL SAFEGUARDS

##### A. Involuntary Resettlement Category A B C FI

1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement?  Yes  No The program will not entail involuntary resettlement. The participating schools have large tracts of land that can accommodate construction of new buildings and future expansion. As such, the project activities, including construction of additional upper secondary school buildings and teacher housing, will not require land acquisition nor restrict access to lands and/or livelihood of people. Due diligence has been undertaken, including field investigations of a sample of targeted schools in five provinces, and a desk review and actual verification of legal documents (land titles and transfers) among sample schools confirmed that land to be used for the school buildings and teacher housing units are unencumbered, with no past or current land disputes.

2. What action plan is required to address involuntary resettlement as part of the PPTA or due diligence process?

- Resettlement plan  Resettlement framework  Social impact matrix  
 Environmental and social management system arrangement  None

##### B. Indigenous Peoples Category A B C FI

1. Does the proposed project have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples?  Yes  No

2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain?  Yes  No

3. Will the project require broad community support of affected indigenous communities?  Yes  No

4. What action plan is required to address risks to indigenous peoples as part of the PPTA or due diligence process?

- Indigenous peoples plan  Indigenous peoples planning framework  Social Impact matrix  
 Environmental and social management system arrangement  None

X Indigenous peoples plan elements integrated in project with a summary

#### V. OTHER SOCIAL ISSUES AND RISKS

1. What other social issues and risks should be considered in the project design? N/A

- Creating decent jobs and employment  Adhering to core labor standards  Labor retrenchment  
 Spread of communicable diseases, including HIV/AIDS  Increase in human trafficking  Affordability  
 Increase in unplanned migration  Increase in vulnerability to natural disasters  Creating political instability  
 Creating internal social conflicts  Others, please specify \_\_\_\_\_

2. How are these additional social issues and risks going to be addressed in the project design? N/A

#### VI. PPTA OR DUE DILIGENCE RESOURCE REQUIREMENT

1. Do the terms of reference for the PPTA (or other due diligence) contain key information needed to be gathered during PPTA or due diligence process to better analyze (i) poverty and social impact; (ii) gender impact, (iii) participation dimensions; (iv) social safeguards; and (v) other social risks. Are the relevant specialists identified?

- Yes  No

2. What resources (e.g., consultants, survey budget, and workshop) are allocated for conducting poverty, social and/or gender analysis, and participation plan during the PPTA or due diligence? The PPTA team will include a gender and poverty specialist to conduct poverty, social and gender analysis.

<sup>a</sup> ADB. 2014. *Country Partnership Strategy, Cambodia, 2014-2018*. Manila.

<sup>b</sup> Ministry of Education Youth and Sports, Education Management Information System.

<sup>c</sup> United States Agency for International Development. 2015. *Integrated Nutrition Hygiene and Sanitation Program Gender Analysis and Integration Strategy*.

<sup>d</sup> World Economic Forum. 2013. *The Global Gender Gap Report 2013*. Geneva.

<sup>e</sup> National Institute of Statistics. 2014. *Cambodia Socio-economic Survey 2013*. Phnom Penh.

<sup>e</sup> National Institute of Statistics, Directorate General for Health, and ICF Macro, 2011. *Cambodia Demographic and Health Survey 2010*. Phnom Penh, Cambodia and Calverton, Maryland, USA:.

<sup>f</sup> Ministry of Planning. 2013. *Integration of Demographic Perspectives in Development*. Phnom Penh.