

Project Administration Manual

Project Number: 47136-003
Loan and/or Grant Number(s): XXXX
September 2016

Kingdom of Cambodia: Upper Secondary Education
Sector Development Program

ABBREVIATIONS

ADB	Asian Development Bank
ESP	– Education Strategic Plan
DOE	– District Office of Education
GSED	– Department of General Secondary Education
ICT	– Information and Communication Technology
LSS	– Lower Secondary Schools
MEF	– Ministry of Economy and Finance
MoEYS	– Ministry of Education, Youth and Sport
NIE	– National Institute of Education
NSDP	– National Strategic Development Plan
POE	– Provincial Office of Education
RGC	– Royal Government of Cambodia
SRS	– Secondary Resource Schools
TTD	– Teacher Training Department
USE	– Upper Secondary Education
USESDP	– Upper Secondary Education Sector Development Program
USS	– Upper Secondary Schools

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Project Administration Manual Purpose and Process

The project administration manual (PAM) describes the essential administrative and management requirements to implement the project on time, within budget, and in accordance with the policies and procedures of the government and Asian Development Bank (ADB). The PAM should include references to all available templates and instructions either through linkages to relevant URLs or directly incorporated in the PAM.

The Ministry of Education, Youth and Sport (MoEYS) and the Directorate General of Education (DGE), Directorate General of Policy and Planning (DGPP), and the National Institute of Education (NIE) are wholly responsible for the implementation of ADB-financed projects, as agreed jointly between the borrower and ADB, and in accordance with the policies and procedures of the government and ADB. ADB staff is responsible for supporting implementation including compliance by MoEYS, DGE, DGPP, and NIE of their obligations and responsibilities for project implementation in accordance with ADB's policies and procedures.

At loan negotiations, the borrower and ADB shall agree to the PAM and ensure consistency with the loan agreement. Such agreement shall be reflected in the minutes of the loan negotiations. In the event of any discrepancy or contradiction between the PAM and the loan agreement, the provisions of the loan agreement shall prevail.

After ADB Board approval of the project's report and recommendations of the President (RRP), changes in implementation arrangements are subject to agreement and approval pursuant to relevant government and ADB administrative procedures (including the Project Administration Instructions) and upon such approval, they will be subsequently incorporated in the PAM.

I. PROJECT DESCRIPTION

1. In order to sustain Cambodia's economic development and enhance its competitiveness, a skilled and productive workforce with better and higher qualifications, are essential. Increasing the pool of upper secondary graduates is critical to improving the quality of the workforce and expanding the tertiary sector, both critical to the country's future development and growth. The impending ASEAN integration—and the consequent need to provide a level playing field for Cambodian youth in availing of employment opportunities offered within Cambodia as well as within the ASEAN region—provides a strong justification and adds a sense of urgency to improving the quality of secondary education. The proposed **Upper Secondary Education Sector Development Program** will support the implementation of key priorities of the Government's Education Strategic Plan 2014–2018 and National Strategic Development Plan 2014-2018 which emphasize improving access to and the quality and relevance of upper secondary education.

2. The impact will be high-quality human resources developed. The outcome will be effectiveness of the upper secondary education system improved.

3. The outputs of the program will be: (i) access to upper secondary education improved; (ii) quality and relevance of upper secondary education improved; and (iii) institutional capacity for planning, management, and delivery of education strengthened.

4. While the policy reforms will be applied nationwide, many of the project investments will be implemented in seven disadvantaged provinces.¹

1. Output 1: Access to Upper Secondary Education Improved

5. Under output 1, policy actions include increased financial assistance to students through the establishment of a 3-tier scholarship program for students in secondary education. The first tier for poor students has been implemented with a budget allocation of \$2.7 million in 2015 and \$4.5 million in 2016. The second tier targeting science and math students at the secondary level from disadvantaged provinces has also been established, using selection criteria based on household's income poverty status, student merit and gender. The third tier was established to incentivize academically outstanding science and math students from non-disadvantaged provinces to enroll in the science stream.² To improve teacher deployment in rural and disadvantaged areas with high teacher shortages, the government has established, budgeted, and implemented a hardship allowance program.

6. To improve teacher deployment in areas with perennial high teacher shortages, the government has established, budgeted, and implemented a hardship allowance program in 2015 to attract teachers to teach in rural and disadvantaged areas and in acute shortage areas.

7. Project outputs:

- **Increasing the number of education facilities offering USE in disadvantaged provinces.** Overcrowded upper secondary schools (USSs) will be provided additional classrooms in five of the 7 disadvantaged provinces identified by MoEYS. On the other hand, five existing lower secondary schools (LSSs) will be upgraded to offer upper

¹ Koh Kong, Pailin, Otdar Meanchey, Preah Vihear, Stung Treng, Rattanakiri, and Monduliri

² Includes math and science

secondary education. Upgrading will include additional classrooms, and water and sanitation facilities to enable the transition to upper secondary education (USE). The project will also support the repair and rehabilitation of eleven existing USSs, including water and sanitation facilities in the schools.

- **Providing scholarship to outstanding science stream students in USE.** Some 6,000 outstanding science stream students³ will be provided two-year scholarships at the USE level. They will be selected based on criteria of merit⁴ with 60% of the beneficiaries being female. This is expected to encourage meritorious students, including those from poor families, to continue and complete USE and expand the pool of better qualified entrants for the science stream at tertiary level.
- **Improving deployment of teachers in disadvantaged provinces and in schools with shortage of teachers.** The project will address these constraints by:
 - **Augmenting the hardship allowance for teachers.** A study will initially be conducted to review the hardship allowance and other teacher incentives currently provided to teachers in rural and remote areas. After adjustments are made to address any identified design and implementation weaknesses, the project will support the provision of additional hardship allowance of 938 USS teachers in the seven disadvantaged provinces. The effectiveness of this intervention will be reviewed at project midterm.
 - **Providing scholarships to teacher-candidates from disadvantaged areas for NIE pre-service training.** Scholarships will be provided to 500 eligible teacher-candidates from disadvantaged areas to undertake a one-year pre-service training (PRESET) at the National Institute of Education (NIE). The scholarships will be spread over four years, and proportionally distributed among the science and math subjects.
 - **Provide teacher housing units in areas with high need.** Forty-four teacher housing units will be constructed (i) in disadvantaged provinces; (ii) USSs with shortage of teachers; (iii) schools with teachers transferring from other areas, especially female teachers; (iv) hard-to-reach areas; (v) schools within limited safe geographical location; (vi) schools with long teaching hours; (vii) schools with teachers who are poor and have low living standards; (viii) schools with newly married teachers and who come from distant areas; and (ix) schools with increasing student enrolment.

2. Output 2: Quality and Relevance of Upper Secondary Education Improved

8. Under output 2, policy actions include strengthened Science, Technology, Engineering and Mathematics (STEM) education to effectively respond to the labor market's changing skills and competency requirements. Policy directions on in-service and pre-service training and professional development opportunities for STEM teachers and administrators, and on the promotion of gender equality in STEM education have been established. To reinforce this, MoEYS established math and science study clubs in 50 upper secondary schools. The government has implemented measures to enhance quality assurance in USE through the adoption of revised guidelines for the establishment and management of Secondary Resource Schools. MoEYS has developed a School-level Quality Assurance Framework focusing on systematic inspection of schools, school level self-evaluation and standards for effective support and service to teachers and school management for quality improvement based on needs

³ Four cohorts starting in Grade 11 from SY 2017-2018 to SY 2020-2021.

⁴ Based on their scores in the qualifying exam for scholarship to be given by MoEYS.

assessment. Complementary policy reforms in curriculum and assessment have been implemented which include the approval of the Curriculum Framework for General and Technical Education, defining learning outcomes standards and learning content. The Grade 11 assessment was developed to inform adjustments on curriculum, teaching methodology, content and career guidance. The Grade 12 examination results have been disseminated to teachers and education staff to inform the design of interventions to address students' weaknesses and least learned skills. To address the long-standing issues on low teacher qualifications, the government implemented its comprehensive teacher policy and allocated adequate budget for its effective implementation.

9. Project outputs:

10. As improving education quality is dependent on a set of interlinked activities, the project will adopt a comprehensive approach and will support:

- **Improving the quality and availability of textbooks and teacher guides.** The project will support the quality review of textbooks and teacher guide manuscripts to ensure that they conform to the curriculum, are of high quality and are error-free, and advise on appropriate content presentation. The project will provide all Grade 12 students with textbooks for all subjects at a 1:1 student -textbook ratio and teacher guides for all Grade 12 subjects for USS teachers.
- **Aligning the science, math, and ICT curriculum with international standards.** The project will support the review and upgrading of the science, math, and ICT curriculum to ensure that it adheres to international standards. Since the science and math curriculum requires continuity across subsectors, the review to ensure standardization will cover the science and math curriculum for Grades 1 to12.
- **Improving the quality of science, math, and ICT teachers.** The project will strengthen the capacity for delivery of high quality PRESET and in-service teacher (INSET) training through: (i) review of training curriculum for both PRESET and INSET; (ii) professional development of USE science, math and ICT teacher educators; and (iii) professional development of USE science, math, and ICT teachers through INSET. Some of the trainings will be held at the Secondary Resource Schools (SRS) to enable teachers from network schools to associate with fellow teachers. MoEYS will engage with an internationally-recognized regional education institute to support the implementation of these various activities. All teacher training programs will include a module on career guidance and entrepreneurship concepts for US students based on successful pilots.
- **Upgrading of USSs to SRSs.** Twelve USSs located in 10 provinces⁵ will be upgraded to SRSs. The twelve schools have been identified according to criteria established by MoEYS. A complete set of learning facilities and school equipment will be provided which will also enhance access of nearby schools to these facilities. This also allows for more concentrated support to beneficiary schools.

3. Output 3: Institutional Capacity for Planning, Management, and Delivery of Education Strengthened

⁵ These schools are located in the following provinces: Banteay Meanchey, Battambang, Kampong Cham, KampongSpeu, Kampong Chhang, Sihanoukville, Kandal, Otdar Meanchey, Kratie, and Koh Kong.

11. Under output 3, policy actions include the implementation of functional assessment, performance review and capacity development of relevant decentralized offices of education and the Research and Teacher Assessment Office at the Teacher Training Department to enhance effectiveness of support to teachers. To inform evidence-based planning and budgeting, MoEYS updated the Education Strategic Plan 2014-2018, including strategies, priorities and targets based on the in-depth assessment conducted.

12. Project outputs:

- **Strengthening monitoring and evaluation.** The project will strengthen the capacity of SRSs and network schools in comprehensive monitoring and evaluation (M&E), through the provision of training to staff from MoEYS departments and from the POE and DOE, Directors of SRS and network schools to ensure optimum management and utilization of school resources. An evaluation of the effectiveness of project activities will be undertaken to inform adjustments to be made to enhance impact.
- **Strengthening the education management information system (EMIS).** The focus of EMIS enhancement will be on data management and data analysis through capacity development. Technical assistance will also be provided to support further adjustments to the EMIS.
- **Improving school management.** School management (Directors, Vice-Directors, and senior staff) of USS (three from each SRSs and network schools) will receive management training with emphasis on strengthening SRS networks, optimum utilization and management of learning resources (laboratories, libraries and textbooks), planning for efficient School Improvement Fund (SIF) utilization, and introduce elements of the Child Friendly School policy. The training will be provided at the SRS level, and its effectiveness assessed.
- **Select schools provided with School Improvement Funds (SIFs).** This is in line with the efforts of the MoEYS to harmonize the School Operating Budget and School Improvement Grant into one fund, i.e. the SIF. Forty eight SRSs and 240 network schools will be provided with SIFs to be utilized based on MoEYS guidelines to ensure efficient utilization and liquidation of the fund.
- **Supporting the newly established Departments of Examinations, ICT and Policy.** The project will support the three new departments with staff development and provision of office furniture and equipment.
- **Supporting the Education Research Council (ERC).** MoEYS has established the ERC to promote research in areas of relevance to policy and improving education quality. The ERC, which was established to undertake policy research will be supported to produce and issue (i) biannual thematic policy briefs; and (ii) three journals each with 4–5 peer reviewed articles and in the hosting of the Annual Research Forum.
- **Strengthening financial management.** A Financial Management (FM) Manual will be prepared for the project, particularly for SIF for SRSs and the network schools, and a computerized accounting system installed. Staff in the Departments of Secondary Education and Finance of MoEYS will be trained on the operation and maintenance of the FM system.

II. IMPLEMENTATION PLANS

A. Project Readiness Activities

Indicative Activities	2016				2017		Responsibility
	Sep	Oct	Nov	Dec	Jan	Feb	
Advance contracting actions	√						MoEYS/ADB
Establish project implementation arrangements	√						MoEYS
ADB Board approval	√						ADB
Loan signing			√				ADB/MEF
Government legal opinion provided					√		RGC
Government budget inclusion					√		MoEYS/MEF
Loan effectiveness					√		ADB/RGC

ADB = Asian Development Bank, MEF = Ministry of Economy and Finance, MoEYS = Ministry of Education, Youth and Sport, RGC = Royal Government of Cambodia.

Source: Asian Development Bank staff estimates.

B. Overall Project Implementation Plan

[illegible]

Outputs/Activities		2016	2017				2018				2019				2020				2021			
2.11	Provide school-level training																					
2.12	Provide professional development training to 13,300 USE teachers (3,500 science and math; 9,700 science; and 100 ICT)																					
2.13	Provide fellowships to 500 teacher-candidates at NIE and/or qualified teacher training providers																					
2.14	Provide ICT equipment (computer on wheels) to 50 USS for use in science and math																					
2.15	Provide ICT training for teachers																					
2.16	Strengthen the content portal																					
2.17	Provide career guidance modules																					
2.18	Conduct study on options for introducing entrepreneurship at USE level																					
Output 3: Institutional capacity for planning, management, and delivery of education strengthened																						
3.1	Provide equipment to upgrade EMIS																					
3.2	Provide training to 450 staff on comprehensive M&E, coordinated by the MoEYS M&E Department																					
3.3	Strengthen capacity on EMIS at the central level on data management and data analysis																					
3.4	Provide school management training to school directors, vice directors, and key teachers of resource schools																					
3.5	Provide equipment and office furniture to the new Departments of Examinations, ICT, and Policy/DGPP																					
3.6	Conduct training of staff of the new Department of Examinations, ICT, and Policy/DGPP																					
3.7	Provide support to the Research Unit of the ERC																					
3.8	Conduct assessment at Grade 11																					
3.9	Conduct training on financial management																					
3.10	Provide computer equipment, including software, to 288 USSs to improve financial management.																					

EMIS = Education Management and Information System, ERC = Education Research Council; ICT = information and communication technology, LSS = lower secondary school, M&E = monitoring and evaluation, NIE = National Institute of Education, USE = secondary education, USS = upper secondary school

III. PROJECT MANAGEMENT ARRANGEMENTS

A. Project Implementation Organizations: Roles and Responsibilities

13. The Ministry of Education, Youth, and Sport (MoEYS) will be the Executing Agency (EA), and the Directorate General of Education (DGE), the Directorate General of Policy and Planning (DGPP), and the National Institute of Education (NIE) of MoEYS will be the implementing agencies (IAs). MoEYS will be responsible for overall supervision, monitoring, and timely reporting on all program activities and ensure that the program is implemented in accordance with the loan agreement. It will also provide policy guidance and review and approve all finance and procurement-related documents. The IAs will be responsible for the day-to-day coordination and supervision of program and project activities at the national and subnational levels. The DGE and NIE will be mainly responsible for the management of investment project activities, while DGPP will handle all policy-related matters under the program loan.

14. A Project Coordination Unit (PCU) will be established by MoEYS within the DGE premises. The PCU will be responsible for the smooth management and coordination of project activities and administration, including planning, budgeting, procurement, monitoring, coordination, maintaining all project documents, maintaining the imprest account, as well as submitting required progress reports, annual audit reports, and financial statements as per agreed frequency and in proper format, and for ensuring that the project outcomes and outputs are achieved as planned and within the agreed schedule and budget. The PCU will be headed by a Project Director (Secretary of State, MoEYS), who will give guidance to DGE, DGPP, and NIE in overall project implementation. The Project Director will be assisted by a Deputy Project Director (MoEYS Secretary of State in charge of Secondary Education), a Project Manager (Deputy Director General of Education), and a Deputy Project Manager (Deputy Director General of Policy and Planning). The PCU will be supported by 30 qualified staff responsible for administration, finance, procurement, civil works, and project and program implementation in three technical units described in Table 1. The Imprest Account for the ADB loan resources will be established by the Ministry of Economy and Finance (MEF) and delegated to MoEYS to be used exclusively for ADB's share of eligible expenditures. The Account will be administered by MoEYS.

15. The established Project Steering Committee (PSC) for the Third Education Sector Development Program (ESDP III), chaired by the Minister of MoEYS, will also provide overall supervision and guidance to USESDP. The PSC will be responsible for policy direction and project oversight. Its responsibilities will include: (i) providing overall supervision and guidance on the policy program; (ii) ensuring coordination with concerned ministries and entities on cross-agency policy dialogue linked to policy reform agenda; (iii) approving annual work plan and budget allocations; and (iv) reporting to the Government. The PSC will comprise high-level representatives from MEF; Ministry of Public Function; Ministry of Labor and Vocational Training; Ministry of Women's Affairs; and MoEYS' Director General of Education, Director General of Policy and Planning, Director General of Administration and Finance, Inspectorate General, Director of NIE, and all relevant technical departments. The PSC will meet at least twice a year.

16. ADB will approve procurement activities and withdrawal applications, disburse funds for allowable expenditures, supervise program and project implementation and compliance with the Loan Agreement and Project Administration Manual (PAM), social and environmental safeguards and anti-corruption and fraud prevention policies, and be responsible for overall guidance to the PCU on technical, management, and implementation aspects. ADB will oversee

program and project implementation. ADB will conduct an inception mission and undertake regular reviews, including review of the project at midterm and completion for thorough assessment of the project progress and achievements against the project outcomes and outputs, including the Gender Action Plan (GAP).

Table 1: Project Implementation Organizations – Roles and Responsibilities

Project Implementation Organizations	Management Roles and Responsibilities
Ministry of Economy and Finance	<p>Borrower</p> <ul style="list-style-type: none"> • Sign the loan agreements for the financing required for the Program/Project • Monitor loan and project implementation, and provide respective coordination and facilitation • Allocate and release counterpart funds and oversight body for procurement, disbursements and resettlement matters • Endorse to ADB the authorized staff with approved signatures for withdrawal applications processing • Process and submit to ADB any request when required, for allocating the loan proceeds.
Project Steering Committee	<ul style="list-style-type: none"> • Oversight body • Provide overall direction and guidance • Facilitate inter-agency coordination • Ensure timely implementation of policy and institutional reforms • Meet twice a year, or as necessary, during the project period, to provide guidance on inter-ministerial or strategic issues
Ministry of Education, Youth and Sport	<ul style="list-style-type: none"> • Executing Agency • Implement the program in accordance with the loan agreement • Ensure that the program outputs and outcome are achieved on time and within budget • Mobilize, manage, and account for all program/project funds • Ensure compliance with good governance, social and environmental safeguards, anti-corruption measures, and assist MEF in ensuring compliance with involuntary resettlement safeguards.
Project Coordination Unit	<ul style="list-style-type: none"> • Be responsible for overall management, coordination, and M&E of program activities • Serve as the focal point for coordination with ADB, concerned RGC ministries, and other MoEYS offices • Prepare annual implementation plan and annual financial and accounting plan and schedules • Oversee the conduct of training programs • Handle all financial transactions and procurement-related activities • Prepare the reports required by MoEYS management and ADB
Directorate General of Education	<p>Technical Unit 1</p> <ul style="list-style-type: none"> • Manage and supervise the implementation of activities under the project loan including, but not limited to, the following: (i) provision of scholarships to students and additional hardship allowances to teachers; (ii) renovation/rehabilitation or new construction of teacher housing units, school buildings, classrooms, laboratories and libraries, water and sanitation facilities, and other support infrastructure; (iii) upgrading of LSSs to USSs and of USSs to SRSS; (iv) provision of textbooks and teacher guides in science and math; (v) upgrading of math, science, and ICT curriculum for USE; and (vi) management of the School Improvement Fund (SIF) • Prepare regular progress reports for inclusion in the reports to be submitted by PCU to MoEYS management and ADB
Directorate General of Policy and Planning	<p>Technical Unit 2</p> <ul style="list-style-type: none"> • Manage and supervise the implementation of activities under the policy-based loan, particularly the preparation and issuance of the required sub-decrees, <i>prakas</i>, policies and plans related to student scholarships, teacher incentives, curriculum framework for general and technical education, school-level assurance framework, student assessments, roles and functions of concerned MoEYS offices at national and subnational levels, and establishment of a research unit under the ERC, among others • Prepare regular progress reports for inclusion in the reports to be submitted by PCU to

Project Implementation Organizations	Management Roles and Responsibilities
	MoEYS management and ADB
National Institute of Education	Technical Unit 3 <ul style="list-style-type: none"> • Manage and supervise the implementation of project activities that are mainly related to the professional development of USE teachers and teacher-trainers, such as the provision of school-based training in math, science, ICT, career guidance as well as the provision of fellowships to qualified teacher candidates, among others • Prepare regular progress reports for inclusion in the reports to be submitted by PCU to MoEYS management and ADB
Procurement Review and Bid Evaluation Committee	<p>The Procurement Review and Bid Evaluation Committees will be established by the EA. The committees will be responsible for implementation and M&E of procurement activities under the USESDP.</p> <ul style="list-style-type: none"> • The Procurement Review Committee (PRC) will be chaired by MoEYS, and comprise the representatives from MEF. According to the respective threshold amounts in the Procurement Manual, the PRC for procurement of Goods, Works and Consulting Services is classified into three categories: (i) Minor Procurement Committee, (ii) General Procurement Committee, and (iii) Major Procurement Committee. • The Bid Evaluation Committee (BEC) for Goods and Works procurement will be chaired by the Procurement Officer, and comprise two members (Technical Officer and Financial Officer). • The Consultant Evaluation Committee (CEC) will be chaired by MoEYS and comprise representatives from MEF. According to the respective threshold amounts in the Procurement Manual, the CEC is classified into three categories: (i) Minor Consultants' Evaluation Committee, (ii) General Consultants' Evaluation Committee, and (iii) Major Consultants' Evaluation Committee. • The duties of PRC, BEC, and CEC are described in the Government's Standards Operating Procedures, and Procurement Manual (22 May 2012)
MoEYS Technical Departments and entities, Provincial and District Offices of Education, and beneficiary schools	All MoEYS technical departments and entities at both national and sub-national levels, including beneficiary schools, will participate actively in the implementation of relevant project activities and comply with the planning, financial, and reporting requirements of the project.
Asian Development Bank	<ul style="list-style-type: none"> • Provide financing, monitor implementation, and undertake review missions

B. Key Persons Involved in Implementation

Executing Agency

Ministry of Education, Youth and Sport

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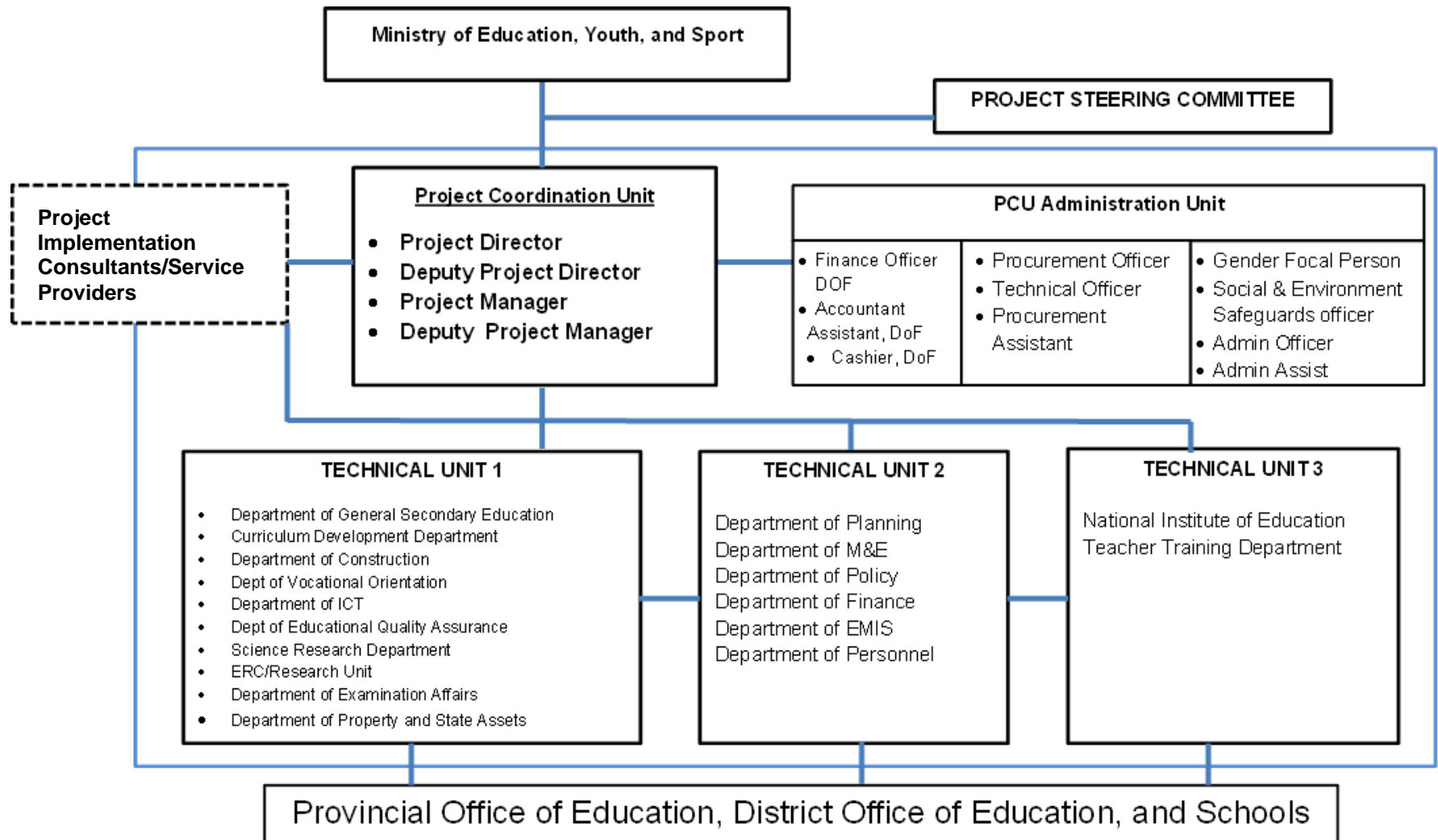
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C. Program Organization Structure

17. A diagram showing the organizational structure of the program and the relationships among the various agencies is shown in Figure 1.

Figure 1: Program Organization Structure



IV. COSTS AND FINANCING

18. **Overall program financing.** The program is estimated to cost \$48 million. ADB will provide a policy-based loan of \$15 million equivalent and a project loan of \$30 million equivalent. Both are from the Asian Development Fund (ADF). A \$1 million policy and advisory TA will also be provided on grant basis from ADB's TA Special Fund. The government will provide counterpart funding of \$3 million from its central budget. Table 2 shows the program financing plan.

Table 2: Program Financing Plan

Source	Amount (\$ million)	Share of Total (%)
Asian Development Bank		
ADF (policy-based loan)	15.00	31.25
ADF (project loan)	30.00	62.50
Government	3.00	6.25
TOTAL	48.00	100.00

Source: Asian Development Bank estimates.

19. **Program financing plan.** The government has requested a loan of \$15 million equivalent from ADB's Special Funds resources. The loan will have a 24-year term, including a grace period of 8 years, an interest rate of 1.0% per annum during the grace period and 1.5% per annum thereafter, and such other terms and conditions set forth in the draft loan agreement. 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 and training, STEM initiatives, SRS operation, and capital expenditures such as classroom construction. The policy-based loan will be released in a single tranche upon loan effectiveness.

20. **Project investment plan.** The government has requested a loan of \$30 million equivalent from ADB's Special Funds resources to help finance the project, including taxes and duties. The loan will have a 32-year term, including a grace period of 8 years, an interest rate of 1.0% per annum during the grace period and 1.5% per annum thereafter, and such other terms and conditions set forth in the draft loan agreement. The government will contribute in-kind counterpart staff, office accommodation, and facilities.

Table 3: Project Investment Plan (\$ million)

Item	Amount ^a
A. Investment Cost^b	
1. Access to upper secondary education improved	10.83
2. Quality and relevance of upper secondary education improved	14.67
3. Institutional capacity for planning, management, and delivery of education strengthened	2.64
Total Investment Cost (A)	28.14
B. Contingencies^c	3.51
C. Financing Charges During Implementation^d	1.34
Total (A+B+C)	33.00

NOTE: Numbers may not sum precisely due to rounding.

^a Investment costs include taxes and duties amounting to about \$2.21 million which will be financed by the Asian Development Bank. All Government Counterpart fund, amounting to \$3.0 million, will be in the form of in-kind contribution (\$2.40 million) and Project Coordination Unit staff time (\$0.60 million). 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".

^b In 2016 prices.

^c Physical contingency is set at 10% of total base cost. Price contingencies are based on escalation rates for local currency and foreign exchange costs estimated for Cambodia. Annual escalation rate for local currency costs is estimated at 3.0% for 2017 and 3.5% for each year from 2018-2021 while annual escalation rate for foreign exchange costs is estimated at 1.4% for 2017 and 1.5% for each year from 2018–2022.

^d Includes interest.

Source: Asian Development Bank estimates

A. Cost Estimates Preparation and Revision

21. The PPTA prepared the cost estimates in close collaboration with key focal persons from the different concerned departments of the MoEYS. The cost estimates will be reviewed and if necessary updated by the Project Coordination Unit with the Project Implementation Consultants every quarter and approved by Project Steering Committee.

B. Key Assumptions

22. The following key assumptions underpin the cost estimates and financing plan:

- (i) Exchange rate: KR 4,054.92 = \$1.00 (as of April 2016)
- (ii) Price contingencies based on expected cumulative inflation over the implementation period are as follows:

Table 4: Escalation Rates for Price Contingency Calculation

Item	2017	2018	2019	2020	2021	Average
Foreign rate of price inflation	1.4%	1.5%	1.5%	1.5%	1.5%	1.5%
Domestic rate of price inflation	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%

Source: Asian Development Bank estimates

C. Detailed Cost Estimates by Expenditure Category

Cost Category	Total Cost (\$ million)	Percent of Base Cost
A. Investment Costs		
1 Civil Works	9.50	33.7%
2 Textbooks, Training, and Research Materials	1.07	3.8%
3 Furniture	0.32	1.2%
4 Equipment	1.51	5.4%
5 Scholarship, Allowance and Grant		
5A Student Scholarships	2.80	9.9%
5B Teacher-Hardship Allowance Augmentation	0.23	0.8%
5C School Improvement Support Grant	0.48	1.7%
6 Training, Workshops and Campaign	5.06	18.0%
7 Consulting Services		
7A International Consultants	2.31	8.2%
7B National Consultants	0.64	2.3%
8 Surveys, Assessments, and Reviews	0.28	1.0%
9 Vehicles	0.12	0.4%
Subtotal (A)	24.33	86.5%
B. Recurrent Costs		
10A PCU Operating Costs (ADB-funded)	0.81	2.9%
10B PCU Operating Costs (Government-funded)	3.00	10.7%
Subtotal (B)	3.81	13.5%
C. Total Base Cost	28.14	100.0%
D. Contingencies	3.51	12.5%
E. Financial charges during implementation	1.34	4.8%
Total Project Cost (C+D+E)	33.00	117.3%

Notes: Numbers may not sum precisely because of rounding.

Source: Asian Development Bank estimates.

D. Allocation and Withdrawal of Loan Proceeds

Number	Item	Amount Allocated (\$) Category	Basis for Withdrawal from the Loan Account
1	Goods	3,031,000	100% of total expenditure claimed
2	Works	9,497,000	100% of total expenditure claimed
3	Consultant Services	2,958,000	100% of total expenditure claimed
4	Scholarship, Hardship Allowance and School Improvement Fund	3,505,000	100% of total expenditure claimed
5	Capacity Development	5,341,000	100% of total expenditure claimed

Number	Item	Amount Allocated (\$) Category	Basis for Withdrawal from the Loan Account
6	Recurrent Cost	812,000	100% of total expenditure claimed
7	Unallocated	3,512,000	100% of total expenditure claimed
8	Interest During Implementation	1,344,000	100% of total amount due
	TOTAL	30,000,000	

E. Detailed Cost Estimates by Financier

Item	Asian Development Bank				Royal Government of Cambodia				Total	
	Amount Net of Tax (\$ million)	Taxes and Duties (\$ million)	Total Amount (\$ million)	% of Cost Category	Amount Net of Tax (\$ million)	Taxes and Duties (\$ million)	Total Amount (\$ million)	% of Cost Category	Amount ^a (\$ million)	% Financed
A. Investment Costs^b										
1 Civil Works	8.07	1.42	9.50	100.0	-	-	-	-	9.50	100.0
2 Textbooks, Training, and Research Materials	1.07	-	1.07	100.0	-	-	-	-	1.07	100.0
3 Furniture	0.32	-	0.32	100.0	-	-	-	-	0.32	100.0
4 Equipment	1.21	0.30	1.51	100.0	-	-	-	-	1.51	100.0
5 Scholarship, Allowance and Grant										
5A Student Scholarships	2.80	-	2.80	100.0	-	-	-	-	2.80	100.0
5B Teacher-Hardship Allowance Augmentation	0.23	-	0.23	100.0	-	-	-	-	0.23	100.0
5C School Improvement Support Grant	0.48	-	0.48	100.0	-	-	-	-	0.48	100.0
6 Training, Workshops and Campaign	5.06	-	5.06	100.0	-	-	-	-	5.06	100.0
7 Consultant Services										
7A International Consultants	1.97	0.35	2.31	100.0	-	-	-	-	2.31	100.0
7B National Consultants	0.55	0.10	0.64	100.0	-	-	-	-	0.64	100.0
8 Surveys, Assessments, and Reviews	0.28	-	0.28	100.0	-	-	-	-	0.28	100.0
9 Vehicles	0.08	0.04	0.12	100.0	-	-	-	-	0.12	100.0
Subtotal (A)	22.12	2.21	24.33	100.0	-	-	-	-	24.33	100.0
B. Recurrent Costs^b										
10A PCU Operating Costs (ADB-funded)	0.81	-	0.81	100.0	-	-	-	-	0.81	100.0
10B PCU Operating Costs (Government-funded) ^c	-	-	-	-	3.00	-	3.00	100.0	3.00	100.0
Subtotal (B)	0.81	-	0.81	21.3	3.00	-	3.00	78.7	3.81	100.0
C. Total Base Cost	22.93	2.21	25.14	81.5	3.00	-	3.00	10.7	28.14	100.0
D. Contingencies										
1 Physical ^d	2.73	-	2.73	100.0	-	-	-	-	2.73	100.0
2 Price ^e	0.78	-	0.78	100.0	-	-	-	-	0.78	100.0
Subtotal (D)	3.51	-	3.51	100.0	-	-	-	-	3.51	100.0
D. Financial Charges During Implementation^f	1.34	-	1.34	100.0	-	-	-	-	1.34	100.0
Total Project Cost (C+D+E)	27.79	2.21	30.00	90.9	3.00	-	3.00	9.1	33.00	100.0

NOTE: Numbers may not sum precisely due to rounding.

^a Investment costs include taxes and duties amounting to about \$2.21 million to be financed by the Asian Development Bank (ADB). All Government counterpart fund, amounting to \$3.0 million, will be in-kind, \$2.40 million, and Project Coordination Unit (PCU) staff time, \$0.60 million.

^b In early 2016 prices.

^c The amount to be financed by the Government under this cost category is as follows: (i) in-kind contribution, \$2.40 million, and (ii) PCU staff time, \$0.60 million.

^d Physical contingencies are estimated based on 10% of total base cost.

^e Price contingencies are based on escalation rates for domestic and international costs estimated for Cambodia. Annual escalation rate for domestic costs is estimated at 3.0% for 2017 and at 3.5% for each year from 2018 - 2021 while annual escalation rate for international costs is estimated at 1.4% for 2017 and at 1.5% for each year from 2018 to 2021.

^f ADF loan terms include: (i) 32-year maturity period, including a 8-year grace period; (ii) interest rate of 1% per annum during the 8-year grace period; (iii) interest rate of 1.5% during the amortization period; (iv) equal amortization for 24 years; and (v) no commitment fee.

Source: Asian Development Bank estimates.

F. Detailed Cost Estimates by Outputs

Item	Access to upper secondary education Improved		Quality and relevance of upper secondary education Improved		Institutional capacity for planning, management, and delivery of education strengthened		Total Cost ^a
	(\$ million)	% of Cost Category	(\$ million)	% of Cost Category	(\$ million)	% of Cost Category	(\$ million)
A. Investment Costs^b							
1 Civil Works	5.30	55.8	4.20	44.2	-	-	9.50
2 Textbooks, Training, and Research Materials	-	-	0.89	83.2	0.18	16.8	1.07
3 Furniture	0.13	39.8	0.19	59.5	0.00	0.7	0.32
4 Equipment	0.08	5.1	1.25	82.8	0.18	12.1	1.51
5 Scholarship, Allowance and Grant							
5A Student Scholarships	2.40	85.7	0.40	14.3	-	-	2.80
5B Teacher-Hardship Allowance Augmentation	0.23	100.0	-	-	-	-	0.23
5C School Improvement Support Grant	-	-	-	-	0.48	100.0	0.48
6 Training, Workshops and Campaign	0.05	1.0	3.94	77.8	1.07	21.2	5.06
7 Consulting Services							
7A International Consultants	0.89	38.5	1.21	52.1	0.22	9.4	2.31
7B National Consultants	0.25	38.5	0.34	52.1	0.06	9.4	0.64
8 Surveys, Assessments, and Reviews	-	-	0.20	71.4	0.08	28.6	0.28
9 Vehicles	0.05	38.5	0.06	52.1	0.01	9.4	0.12
Subtotal (A)	9.36	38.5	12.68	52.1	2.29	9.4	24.33
B. Recurrent Costs^b							
10A PCU Operating Costs (ADB-funded)	0.30	37.1	0.38	47.3	0.13	15.6	0.81
10B PCU Operating Costs (Government-funded) ^c	1.17	38.8	1.60	53.4	0.23	7.7	3.00
Subtotal (B)	1.47	38.5	1.99	52.1	0.36	9.4	3.81
C. Total Base Cost	10.83	38.5	14.67	52.1	2.64	9.4	28.14
D. Contingencies							
1 Physical ^d	1.05	38.5	1.42	52.1	0.26	9.4	2.73
2 Price ^e	0.30	38.5	0.41	52.1	0.07	9.4	0.78
Subtotal (D)	1.35	38.5	1.83	52.1	0.33	9.4	3.51
E. Financial Charges During Implementation^f	0.52	38.5	0.70	52.1	0.13	9.4	1.34
Total Project Cost (C+D+E)	12.70	38.5	17.20	52.1	3.10	9.4	33.00

NOTE: Numbers may not sum precisely due to rounding.

^a Investment costs include taxes and duties amounting to about \$2.21 million to be financed by the Asian Development Bank (ADB). All Government counterpart fund, amounting to \$3.0 million, will be in-kind, \$2.40 million, and Project Coordination Unit (PCU) staff time, \$0.60 million.

^b In 2016 prices.

^c PCU operating costs will be financed by the Government is about \$3.0 million which is broken down as follows: (i) in-kind contribution, \$2.40 million, and (ii) PCU staff time, \$0.60 million.

^d Physical contingencies are estimated based on 10% of total base cost.

^e Price contingencies are based on escalation rates for domestic and international costs estimated for Cambodia. Annual escalation rate for domestic costs is estimated at 3.0% for 2017 and at 3.5% for each year from 2018 - 2021 while annual escalation rate for international costs is estimated at 1.4% for 2017 and at 1.5% for each year from 2018 to 2021.

^f ADF loan terms include: (i) 32-year maturity period, including a 8-year grace period; (ii) interest rate of 1% per annum during the 8-year grace period; (iii) interest rate of 1.5% during the amortization period; (iv) equal amortization for 24 years; and (v) no commitment fee.

Source: Asian Development Bank estimates.

G. Detailed Cost Estimates by Year

Item	2017 (\$ million)	2018 (\$ million)	2019 (\$ million)	2020 (\$ million)	2021 (\$ million)	Total Cost ^a (\$ million)
A. Investment Costs^b						
1 Civil Works	2.37	6.17	0.95			9.50
2 Textbooks, Training, and Research Materials	0.32	0.75				1.07
3 Furniture	0.08	0.21	0.03			0.32
4 Equipment		0.45	1.06			1.51
5 Scholarship, Allowance and Grant						
5A Student Scholarships	0.93	0.93	0.93			2.80
5B Teacher-Hardship Allowance Augmentation	0.06	0.08	0.05	0.05		0.23
5C School Improvement Support Grant	0.10	0.10	0.10	0.10	0.10	0.48
6 Training, Workshops and Campaign	0.60	2.45	1.18	0.41	0.41	5.06
7 Consulting Services						
7A International Consultants	0.28	1.12	0.54	0.19	0.19	2.31
7B National Consultants	0.08	0.31	0.15	0.05	0.05	0.64
8 Surveys, Assessments, and Reviews	0.14	0.09			0.05	0.28
9 Vehicles	0.12					0.12
Subtotal (A)	5.08	12.68	4.99	0.80	0.79	24.33
B. Recurrent Costs^b						
10A PCU Operating Costs (ADB-funded)	0.16	0.16	0.16	0.16	0.16	0.81
10B PCU Operating Costs (Government-funded) ^c	0.60	0.60	0.60	0.60	0.60	3.00
Subtotal (B)	0.76	0.76	0.76	0.76	0.76	3.81
C. Total Base Cost	5.84	13.44	5.75	1.56	1.55	28.14
D. Contingencies						
1 Physical ^d	0.57	1.30	0.56	0.15	0.15	2.73
2 Price ^e	0.14	0.37	0.18	0.05	0.05	0.78
Subtotal (D)	0.70	1.67	0.74	0.20	0.20	3.51
E. Financial Charges During Implementation^f	0.16	0.65	0.31	0.11	0.11	1.34
Total Project Cost (C+D+E)	6.71	15.76	6.81	1.87	1.86	33.00

NOTE: Numbers may not sum precisely due to rounding.

^a Investment costs include taxes and duties amounting to about \$2.21 million to be financed by the Asian Development Bank (ADB). All Government counterpart fund, amounting to \$3.0 million, will be in-kind, \$2.40 million, and Project Coordination Unit (PCU) staff time, \$0.60 million.

^b In early 2016 prices.

^c PCU operating costs will be financed by the Government is about \$3.0 million which is broken down as follows: (i) in-kind contribution, \$2.40 million, and (ii) PCU staff time, \$0.60 million.

^d Physical contingencies are estimated based on 10% of total base cost.

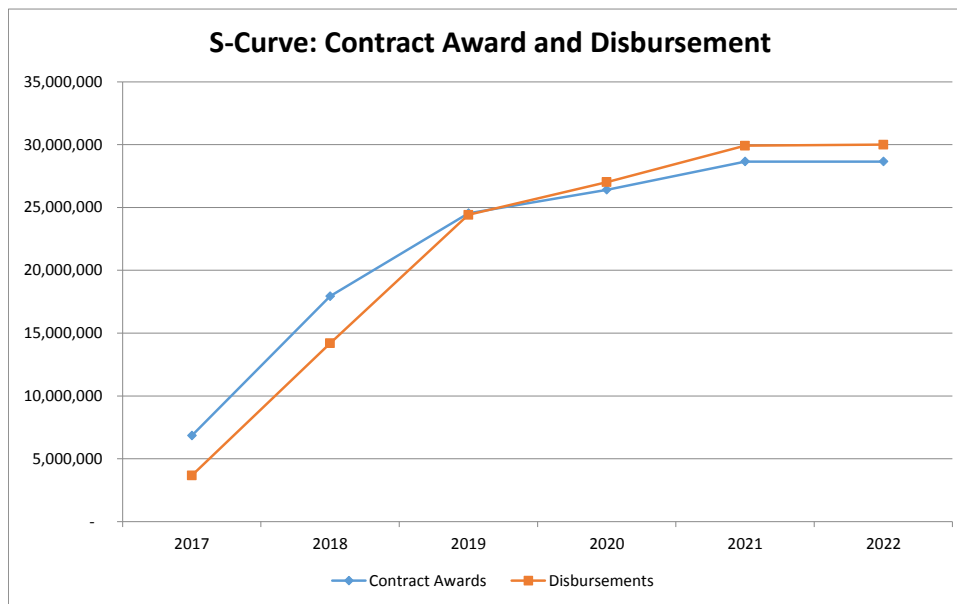
^e Price contingencies are based on escalation rates for domestic and international costs estimated for Cambodia. Annual escalation rate for domestic costs is estimated at 3.0% for 2017 and at 3.5% for each year from 2018 - 2021 while annual escalation rate for international costs is estimated at 1.4% for 2017 and at 1.5% for each year from 2018 to 2021.

^f ADF loan terms include: (i) 32-year maturity period, including a 8-year grace period; (ii) interest rate of 1% per annum during the 8-year grace period; (iii) interest rate of 1.5% during the amortization period; (iv) equal amortization for 24 years; and (v) no commitment fee.

Source: Asian Development Bank estimates.

H. Contract and Disbursement S-Curve

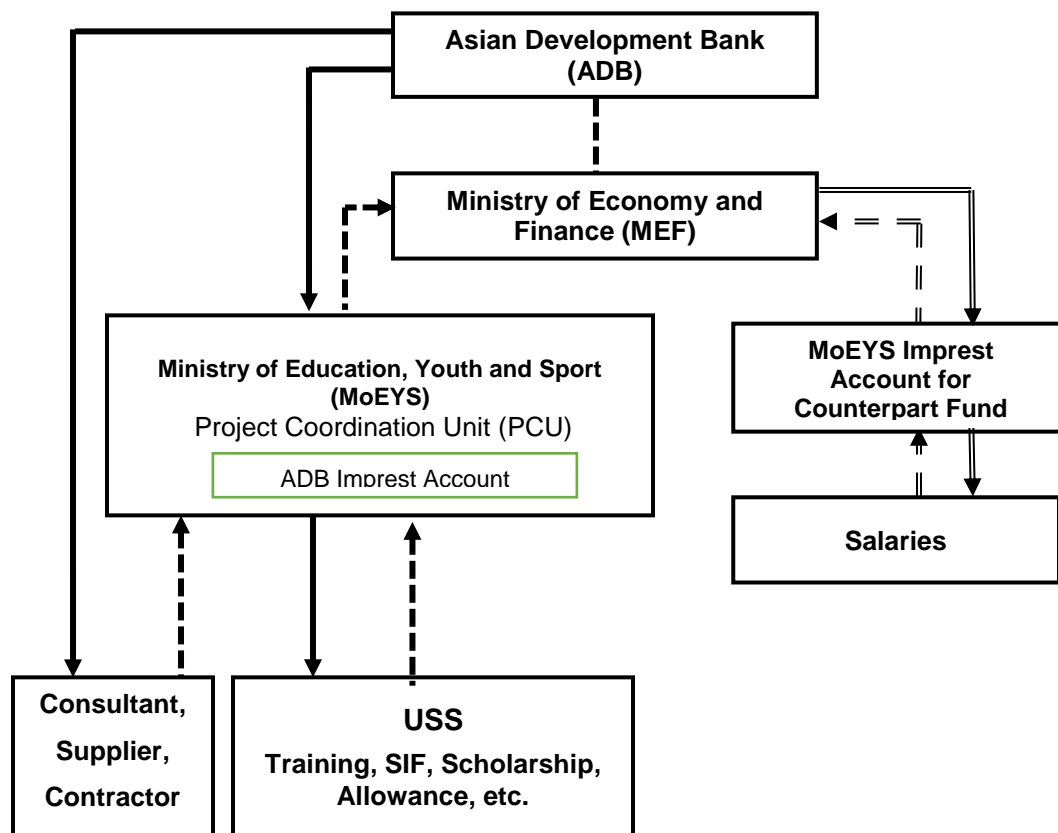
Disbursement and Contract Awards										
Years	Contract Awards (\$)					Disbursement (\$)				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
2017	876,748	2,364,568	1,383,037	2,219,488	6,843,840	341,956	792,844	929,132	1,602,126	3,666,058
2018	3,922,735	3,539,366	3,164,675	466,675	11,093,450	1,148,082	2,137,772	3,558,762	3,678,987	10,523,602
2019	1,299,475	466,675	4,289,175	543,675	6,598,999	3,065,789	2,916,923	2,609,123	1,634,964	10,226,799
2020	466,675	466,675	466,675	466,675	1,866,699	707,049	630,049	630,049	630,049	2,597,198
2021	1,306,675	466,675	239,748	239,748	2,252,845	630,049	1,470,049	403,122	403,122	2,906,343
2022	-	-			-	80,000	-			80,000
Total					28,655,834					30,000,000
	IDC				1,344,166					
Total Contract Awards + IDC					30,000,000					



I. Fund Flow Diagram

23. The following diagram presents the flow of funds from ADB to the borrower to implement project activities:

Figure 2: Funds Flow



Note:

- Loan Funds Flow
- - - -> Document Flow – Loan
- ====> Fund Flow – Counterpart Fund
- = = => Document Flow – Counterpart government salaries

V. FINANCIAL MANAGEMENT

A. Financial Management Assessment

24. The financial management assessment (FMA) was conducted in October and December 2015 and in April 2016 in accordance with ADB's Guidelines for the Financial Management and Analysis of Projects and the Financial Due Diligence: A Methodology Note. The FMA considered the capacity of the MoEYS and its implementing offices at national and sub-national level, including funds flow arrangements, staffing, accounting and financial reporting systems, financial information systems, and internal and external auditing arrangements. Key findings of the assessment of MoEYS are in Appendix 1.

25. Based on the assessment, the overall financial management capacity of MoEYS and the implementing units is **Satisfactory**. However, key financial management risks were identified: (i) possible delay in preparation of consolidated annual work plan and budget; (ii) conflict of work priorities of finance staff; (iii) slow disbursement for project activities due to lengthy preparatory work; (iv) activities under School Improvement Fund (SIF) not aligned with project objectives; and (v) late submission of financial report of SRS/NS on SIF implementation. It is concluded that the overall pre-mitigation financial management risk of the MoEYS and its implementing offices is **Moderate**. The MoEYS, through the Department of Finance, has agreed to implement an action plan to address the risks (Table 5).

Table 5. Financial Management Action Plan

	Key Risks	Activities to Mitigate	Responsible	Timeline
1	Delay in preparation of consolidated annual work plan and budget. The USESDP has various implementing units (IU) and each IU has to prepare its annual work plan and budget in coordination with stakeholders.	a) The PCU and DoF-PFT shall set specific timelines on the preparation and submission of annual work plan and budget, review process, consolidation and submission to ADB; b) DoF-PFT shall closely coordinate with implementing offices in the AWP & budget preparation and submission.	Finance Team Leader and Finance Officer	AWP & budget preparation shall be one month before the start of each fiscal year of the project.
2	Conflict of Work Priorities of Finance Staff. Nominated finance staff are permanent employees of MoEYS and have their regular workload. There may be cases of conflict of work priorities between the project and regular MoEYS tasks	a) Nominated DoF staff for Finance Officer, Accountant and Cashier shall devote at least 50% of his time to the Project b) the project finance team shall be supported with contracted staff to work full-time for the project; c) key outputs and deliverables of DoF-PFT shall be specified at the start of the project and coordinated by PCU; d) Financial Management Manual shall be prepared for the project to serve as guide to the DoF in financial management.	Finance Team Leader Procurement Office (for procurement of contracted local staff)	At the start of the project

	Key Risks	Activities to Mitigate	Responsible	Timeline
3	Slow disbursements caused by lengthy preparatory activities for each expected output. Each output has its own preparatory activities which may take some time resulting in slow disbursement for main activities.	a) DoF-PFT with the support from PCU shall closely coordinate with implementing departments in activity planning and implementation; b) monthly monitoring of activity and budget will be initiated by DoF and submit report to PCU.	Finance Officer Project Manager	Monthly & Quarterly
4	Activities under School improvement fund not aligned with project objectives. Schools have been implementing SIG for the last 3 years and may have tendency to implement same activity not focused on math, science and ICT.	a) Specific guidelines on preparation of SIF project proposal and implementation shall be prepared and orientation or training to SRS/NS shall be undertaken prior to actual implementation; b) Regular monitoring of SIF implementation	GSED SIF Officer and DoF Finance Officer	At the start of the project; Quarterly monitoring of SIF implementation at school level
5	Late submission of financial report of SRS/NS on SIF implementation. SRS/NS receiving SIF will be required to submit periodic financial reports. Some SRS may not submit on time, thus affecting the financial report for the project as a whole.	a) DoF shall collaborate with POE in monitoring the compliance of SRS/NS in SIF management and reporting.	DoF Finance Officer; POE	Quarterly

26. Table 6 presents the capacity development plan for sub national level (i.e. for Provincial Offices of Education or POE and District Offices of Education or DOE).

Table 6. Capacity Development Plan for Sub National Level

Activity	Responsible	Resources	Timeline
1. Hands-on Training for POEs Finance Staff on MoEYS FMIS.	MoEYS Finance Team	GPE 2 & CDPF Budget	August 2016 to December 2017
2. Provide training on MEF Treasury FMIS to the POEs finance staff which is different from MoEYS FMIS.	MEF & MoEYS DoF	Government Budget	Jan 2017 to Dec 2017
3. Provide upgraded hardwares to selected POEs to enable to them implement the MoEYS FMIS which will be ready and implemented by early 2017	Department of Finance	Government Budget & partly GPE 2 & CDPF	Jan to April 2017
4. Provide training to DOE and schools on new	Department of Finance	Government Budget & CDPF	Feb 2017 to August 2017

Activity	Responsible	Resources	Timeline
guidelines on accounting & reporting system			
5. Monitor POEs on implementation of MoEYS FMIS	FMIS Team & DoF	Government Budget	January onwards 2017
6. Support exchange visits among POEs for slow learning POEs to learn from fast learning POEs on FMIS implementation	Department of Finance	Government Budget	March to October 2017
7. Provide training to POEs on new guidelines on planning and budgeting with strong link of budget to policies once approved by MEF	MEF, DoP, & DoF	Government Budget	June 2017 to Dec. 2017

B. Disbursement

27. Loan proceeds will be disbursed in accordance with ADB's *Loan Disbursement Handbook* (2015, as amended from time to time), and detailed arrangements agreed upon between the Government and ADB.⁶ Online training for project staff on disbursement policies and procedures is available at <http://wpqr4.adb.org/disbursement> e-learning. Project staff are encouraged to avail of this training to help ensure efficient disbursement and fiduciary control.

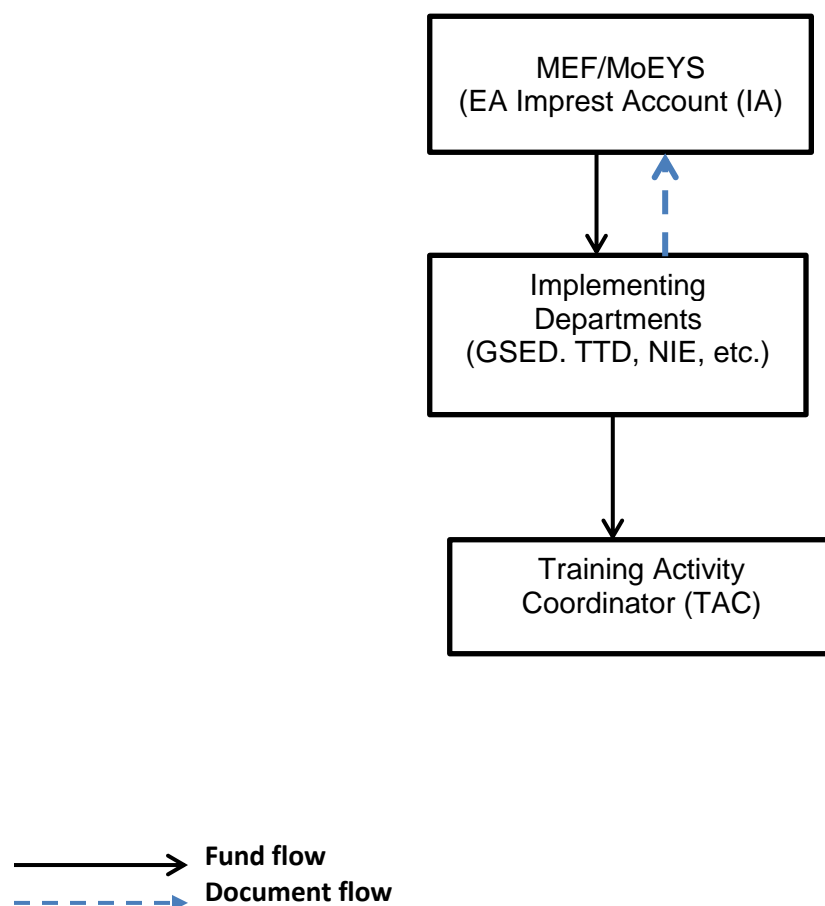
28. **Imprest Account.** As soon as the loan becomes effective, MEF in coordination with DoF/MoEYS will establish an imprest account (in US\$) at the National Bank of Cambodia.⁷ This account is to be used exclusively for ADB's share of eligible expenditures. MoEYS will be accountable for the proper use, monitoring, and reporting of advances to the imprest account.

29. The total outstanding advance to the imprest account should not exceed the estimate of ADB's share of expenditures to be paid through the imprest account for the forthcoming 6 months. MoEYS can request for initial and additional advances to the imprest account based on estimated expenditures to be financed through the account for the forthcoming 6 months.⁸ Supporting documents should be submitted to ADB or retained by MoEYS in accordance with ADB's *Loan Disbursement Handbook* when liquidating or replenishing the imprest account. Imprest funds are expected to be used for payments of training activities, scholarship grants and school improvement fund, and hardship allowance for teachers. The imprest funds for scholarship grants, school improvement fund, and hardship allowance for teachers will be transferred from MEF/MoEYS Imprest Account (IA) to the assigned school account at the commercial Bank, which is acceptable to ADB and the Government, at provincial level and to the individual account of eligible scholarship and hardship allowance recipients. The funds and document flow, including a brief description of the procedures involved, are shown in Figures 3, 4 and 5.

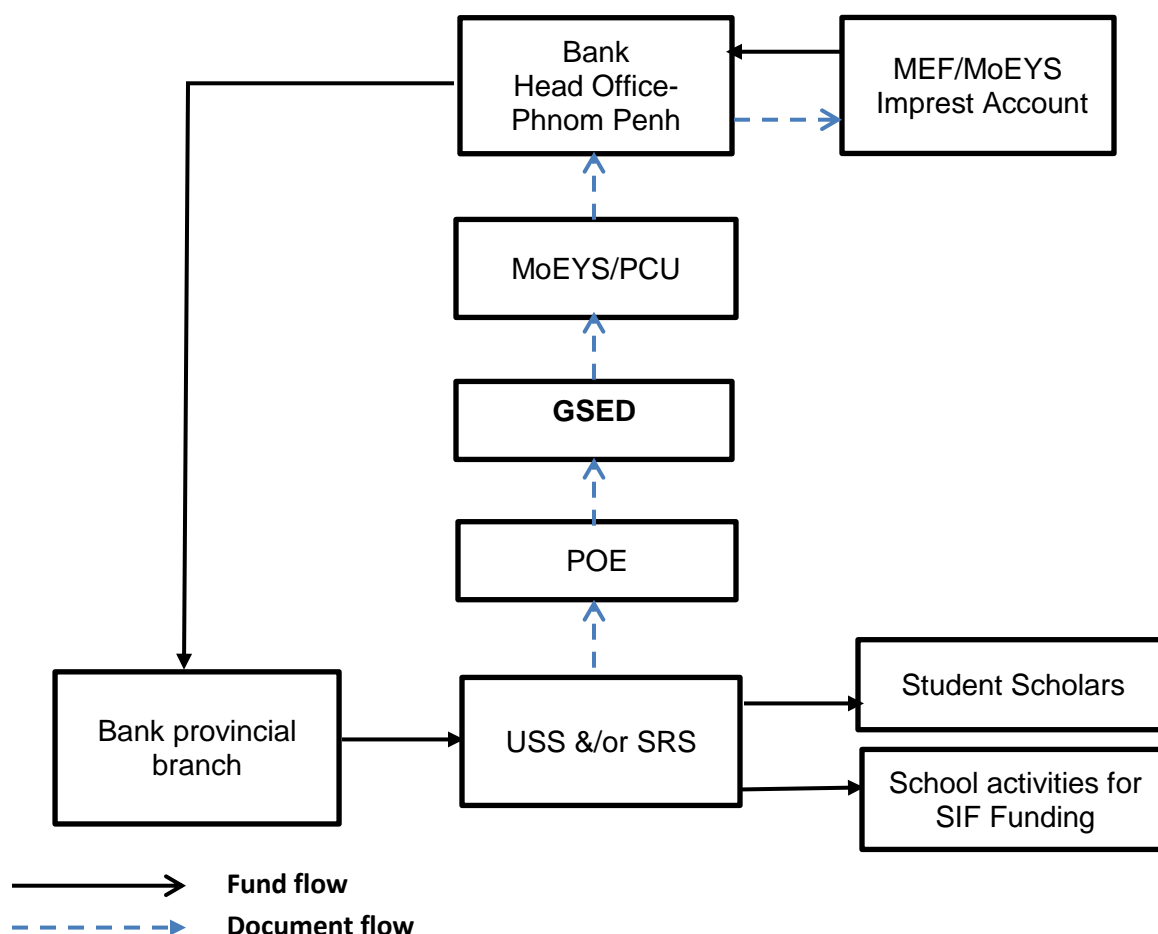
⁶ Available at <http://www.adb.org/documents/loan-disbursement-handbook>.

⁷ Bank charges may be financed by the ADB loan.

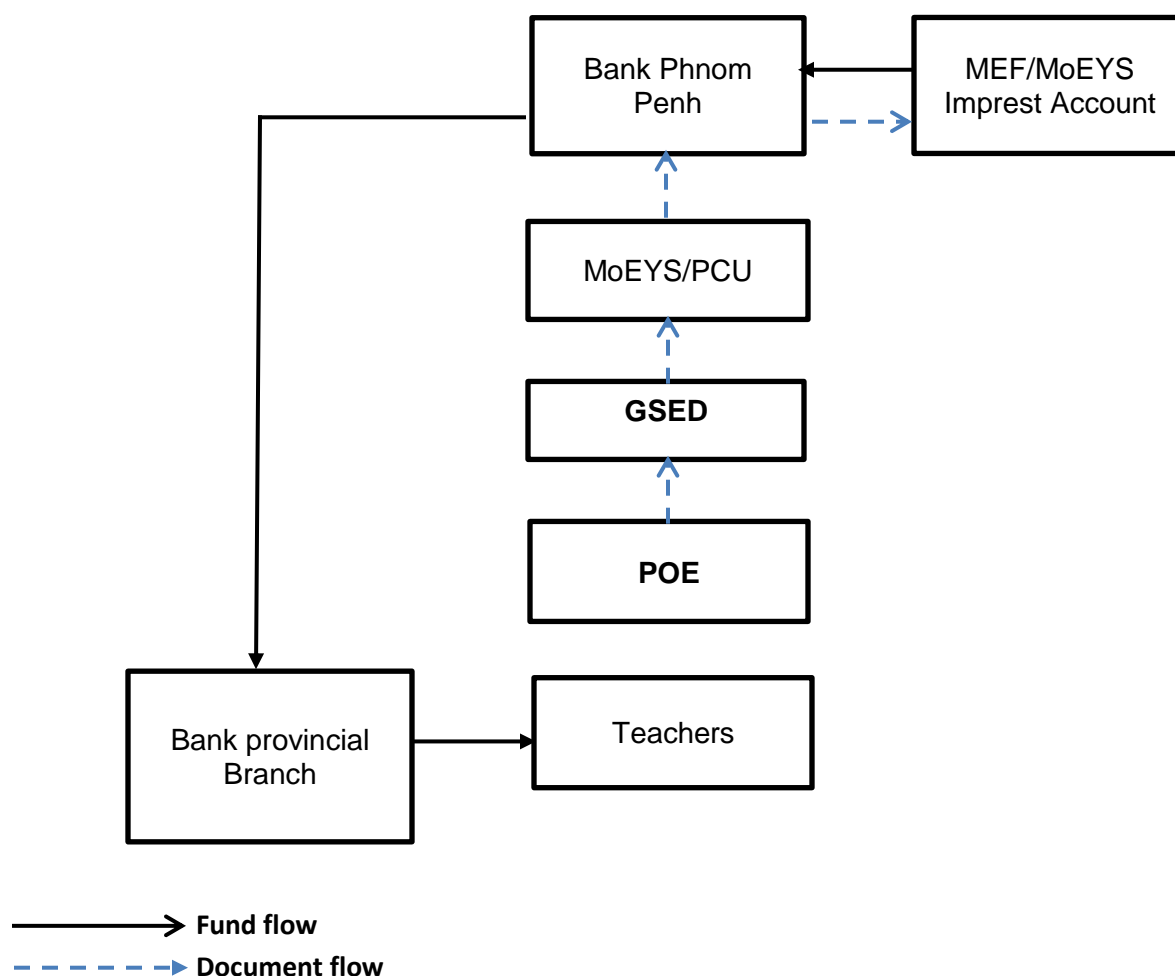
⁸ An Estimate of Expenditure Sheet is available in Appendix 10B of the *Loan Disbursement Handbook*.

Figure 3: Funds Flow for Training**Narrative Procedures:**

1. The Implementing departments (ID) prepare training proposal and cash advance request which must be endorsed by the concerned Department Director and approved by the Project Director, or Deputy Director, or Project Manager.
2. The approved training cash advance request is submitted by ID to MoEYS/PCU who will review the mathematical calculation of the advance request and if the activity is within the implementation plan and budget of the ID.
3. The MoEYS/PCU prepares the disbursement voucher and cheque from the Imprest Account and have these approved by the Project Director, or Deputy Project Director, or Project Manager. The cheque has to be signed at all times by two officials from the authorized signatories.
4. The MoEYS/PCU releases the cheque to the authorized Training Activity Coordinator (TAC).

Figure 4: Funds Flow for Scholarship & School Improvement Fund (SIF)**Narrative Procedure:**

1. POE submits the list of eligible scholars to GSED and the list of USS and SRS eligible for SIF based on the approved SIF proposal.
2. GSED reviews the list and endorses for approval by the Project Director.
3. The approved list is submitted by GSED to MoEYS/PCU for processing who in turn prepares disbursement voucher and cheque from the Imprest Account.
4. MoEYS/PCU also prepares detailed list of schools with bank account details and amount per school for scholarship and separate list for SIF.
5. MoEYS/PCU brings cheque and list to Bank Phnom Penh for transfer of SIF and scholarship fund to bank account of schools at Bank provincial branch.
6. Bank in Phnom Penh processes the clearance of the cheque with MoEYS IA National Bank of Cambodia.
7. Bank in Phnom Penh processes the transfer of fund to individual account of schools in Bank provincial branches.
8. MoEYS/PCU sends copy of list to POE and schools.
9. Schools collect the money from their bank account. For scholarship, school officials release scholarship money to students with their parents and sign in the scholarship documents. For SIF, the school pays for eligible expenses based on approved proposal and budget.

Figure 5: Funds Flow for Teachers Hardship Allowance**Narrative Procedure:**

1. POE submits the list of teachers eligible for hardship allowance to GSED.
2. GSED reviews the list and endorses for approval by the Project Director.
3. The approved list is submitted by GSED to MoEYS/PCU for processing who in turn prepares the disbursement voucher and cheque from the Imprest Account.
4. MoEYS/PCU also prepares payroll list with names of teachers, bank account details and amount to be transferred to the bank account.
5. MoEYS/PCU brings cheque and list to Bank in Phnom Penh for transfer of allowance to the account of the teachers at Bank provincial branch.
6. Bank in Phnom Penh processes the clearance of the cheque with MoEYS IA National Bank of Cambodia.
7. Bank Phnom Penh processes the transfer of fund to individual account of teachers in provincial branches.
8. MoEYS/PCU sends copy of list to POE.
9. POE informs the teachers of the transfer of allowance to their bank account, or delivers cash to individual teacher.
10. Teachers collect their allowances from their ACLEDA or ANZ bank account, or from the school.

30. **Statement of Expenditures (SOE).** The SOE procedure may be used for reimbursing eligible expenditures or liquidating advances to the imprest account. An SOE ceiling equivalent to \$100,000 per individual payment will apply to the project. Individual payments in excess of the SOE ceiling should be supported by full documentation when submitting WAs to ADB. SOE records should be maintained and made available to ADB during its disbursements or review missions.

31. **Withdrawal applications.** MEF's representative designated in the loan agreement should submit to ADB sufficient evidence of the authority of the person(s) who will sign the WA on behalf of MEF, together with their authenticated specimen signatures (see Appendix 4B of the Loan Disbursement Handbook). Such evidence must reach ADB before MEF submits the first WA.

32. For all disbursements, MEF should submit a WA in the prescribed and in original form.⁹ Supporting documents can be photocopies. Any alterations to WAs must be initialed by MEF's authorized representative. The minimum value for each WA is \$100,000. Individual payments below this amount should be paid either by MEF and subsequently claimed to ADB through reimbursement, or through the imprest fund procedure, unless otherwise accepted by ADB.

C. Accounting

33. MoEYS will maintain, or cause to be maintained, separate books and records by funding source for all expenditures incurred on the project following International Public Sector Accounting Standards. It will also prepare consolidated project financial statements in accordance with international accounting principles and practices. DoF will be responsible for preparing monthly, quarterly, and yearly financial reports.

D. Auditing and Public Disclosure

34. MoEYS will cause the detailed project financial statements to be audited by an independent auditor in accordance with International Standards on Auditing. MoEYS will submit to ADB the audited project financial statements together with the auditor's opinion in the English language within 6 months from the end of the fiscal year.

VI. PROCUREMENT AND CONSULTING SERVICES

A. Advance Contracting

35. All advance contracting will be undertaken in conformity with ADB Procurement Guidelines (2015, as amended from time to time) and ADB's Guidelines on the Use of Consultants (2013, as amended from time to time). The issuance of invitations to bid under advance contracting will be subject to ADB approval.

36. **Advance actions.** Advance actions will be undertaken to recruit three individual consultants to assist PCU in the start-up activities. These are: (i) an international procurement

⁹ A WA consists of (i) the application itself in letter form (Loan Disbursement Handbook [LDH] Appendices 7A, 8A, 10A, and 11A); (ii) summary sheet for each category claimed (LDH Appendices 7B and 8B); (iii) supporting documents; and (iv) summary sheet(s) and supporting documents, which may be substituted by simplified documentation, if approved (see LDH Sections 9.7-9.30).

and financial management specialist; (ii) a national procurement and contract management officer; and (iii) a national finance officer.

B. Procurement of Goods, Works, and Consulting Services

37. All procurement of goods and works will be undertaken in accordance with ADB's Procurement Guidelines (2015, as amended from time to time).

38. For goods, ICB procedures will be used for goods valued at \$1,000,000 or above; national competitive bidding (NCB) procedures will be used for goods valued below \$1,000,000 but equal to \$100,000 or above; and shopping procedures will be used for goods valued below \$100,000. For works, ICB procedures will be used for works valued at \$3,000,000 or above; NCB procedures will be used for works valued below \$3,000,000 but equal to \$100,000 or above; and shopping procedures will be used for works valued below \$100,000.

39. An 18-month procurement plan indicating threshold and review procedures, goods, works, and consulting service contract packages and national competitive bidding guidelines is in Section C.

40. All consultants will be recruited according to ADB's Guidelines on the Use of Consultants (2013, as amended from time to time).¹⁰ The terms of reference for all consulting services are detailed in Section D.

41. An international consulting firm will be recruited to provide an estimated 203 person-months (41 international, 162 national) of project management services. The firm will be engaged using the quality- and cost-based selection (QCBS) method with a standard quality–cost ratio of 90:10.

42. In addition, a suitable regional education institution (REI), will be engaged (QBS), to provide technical expertise and guidance to MoEYS in the implementation of project activities. Qualifications for selecting the REI include: (i) proven outstanding track record in teacher development, particularly on pedagogical innovation, content knowledge, classroom management, and research management skills; (ii) extensive experience in math and science curriculum and textbook development; (iii) several years of experience providing services that conform to both international as well as ASEAN standards; (iv) main country of operation consistently in the top five countries in international student tests; (v) geographic proximity to Cambodia; (vi) shared diplomatic and other on-going collaborations that will facilitate the cooperation on basis of equality, shared vision, and cultural and regional sensitivity; and (vii) English language as the main medium of communication/instruction. The terms of reference for the REI are detailed in Appendix 2.

C. Procurement Plan

1. Basic Data

Project Name: Upper Secondary Education Sector Development Program (USESDP)	
Project Number: 47136-003	Approval Number:
Country: CAMBODIA	Executing Agency: Ministry of Education, Youth and Sports (MoEYS)

¹⁰ Checklists for actions required to contract consultants by method available in e-Handbook on Project Implementation at: <http://www.adb.org/documents/handbooks/project-implementation/>

Project Procurement Classification: B	Implementing Agency: Ministry of Education, Youth and Sports (MoEYS)
Procurement Risk: Medium	
Project Financing Amount: \$ 33 million ADB Financing: \$ 30 million Cofinancing (ADB Administered): Nil Non-ADB Financing: Nil	Project Completion Date: 31 December 2021
Date of First Procurement Plan {loan/grant approval date}: TBD	Date of this Procurement Plan: {loan/grant approval date}: TBD

2. Methods, Thresholds, Review and 18-Month Procurement Plan

a. Procurement and Consulting Methods and Thresholds

43. Except as the Asian Development Bank (ADB) may otherwise agree, the following process thresholds shall apply to procurement of goods and works.

Procurement of Goods and Works		
Method	Threshold	Comments
International Competitive Bidding (ICB) for Works	\$3,000,000	
International Competitive Bidding for Goods	\$1,000,000	
National Competitive Bidding (NCB) for Works	Beneath that stated for ICB, Works	
National Competitive Bidding for Goods	Beneath that stated for ICB, Goods	
Shopping for Works	Below \$100,000	
Shopping for Goods	Below \$100,000	

Consulting Services	
Method	Comments
Quality and Cost Based Selection (QCBS)	
Least Cost Selection (LCS)	
Individual Consultant Selection (ICS)	

b. ADB Prior or Post Review

44. Except as ADB may otherwise agree, the following prior or post review requirements apply to the various procurement and consultant recruitment methods used for the project.

Procurement Method	Prior or Post	Comments
Procurement of Goods and Works		
International Competitive Bidding (ICB) for Works	Prior	All
National Competitive Bidding (NCB) for Goods	Post/Prior	First NCB subject to prior review
National Competitive Bidding (NCB) for Works	Post/Prior	First NCB subject to prior review
Shopping for Goods	Post/Prior	First Shopping subject to prior review
Shopping for Works	Post/Prior	First Shopping subject to prior review
Procurement of Consulting Services		
All selection methods for Consulting Firms	Prior	All
Individual Consultants	Prior	All

c. Goods and Works Contracts Estimated to Cost More Than \$1 Million

45. The following table lists goods and works contracts for which the procurement activity is either ongoing or expected to commence within the next 18 months.

Package Number	General Description	Estimated Value (US\$)	Procurement Method	Review [Prior / Post/Post (Sampling)]	Bidding Procedure	Advertisement Date (quarter/year)	Comments
USESDP-W-01	Construction of 44 teacher-housing units in remote areas	1,400,000	NCB	Prior	1S1E	Q4/2017	1. No prequalification 2. No domestic preference 3. NCB bidding documents
USESDP-W-02	Upgrading of 6 USS to secondary resource school by constructing 6 secondary resource centers in Kampong Cham, Kratie, Kampong Thom, Banteay Meanchey, Battambang, and Otdor Meanchey	1,900,000	NCB	Prior	1S1E	Q4/2017	1. No prequalification 2. Domestic preference 3. Small works bidding documents
USESDP-W-03	Upgrading of 6 USS to secondary resource school by constructing 6 secondary resource centers in Kampong Speu, Kandal, Sihanouk Vile, Koh Kong, Kampong Chhnang, and Pursat	1,900,000	NCB	Post	1S1E	Q4/2017	1. No prequalification 2. Domestic preference 3. Small works bidding documents
USESDP-W-04	Construction of additional school buildings for 10 overcrowded USS within existing sites in 5 provinces	2,700,000	NCB	Post	1S1E	Q1/2018	1. No prequalification 2. No domestic preference 3. NCB bidding documents

d. Consulting Services Contracts Estimated to Cost \$100,000 or more

46. The following table lists consulting services contracts for which the recruitment activity is either ongoing or expected to commence within the next 18 months.

Package Number	General Description	Estimated Value (US\$)	Recruitment Method	Review (Prior / Post)	Advertisement Date (quarter/year)	Type of Proposal	Comments
USESDP-	Procurement and	120,000	ICS	Prior	Q3/2016	CV	Advance action,

Package Number	General Description	Estimated Value (US\$)	Recruitment Method	Review (Prior / Post)	Advertisement Date (quarter/year)	Type of Proposal	Comments
IC-01	Contract Administration Officer for PCU						National, Time-based contract
USESDP-IC-02	Financial Management Officer for PCU	120,000	ICS	Prior	Q3/2016	CV	Advance action. National, Time-based contract
USESDP-CS-01	Project Implementation and Monitoring Consultant	1,700,000	QCBS	Prior	Q3/2016	FTP	Advance action, International, Quality: Cost = 90:10, Time-based contract
USESDP-CS-02	Institutional capacity development, knowledge transfer, and system strengthening	1,160,000	QBS	Prior	Q2/2017	FTP	International, regional education institution and, time-based contract
USESDP-CS-03	Strengthening of IT System, Assessing and strengthening of content portal, and ICT training for teachers	150,000	CQS	Prior	Q4/2017	BTP	National and Time-based contract

e. Goods and Works Contracts Estimated to Cost Less than \$1 Million and Consulting Services Contracts Less than \$100,000 (Smaller Value Contracts)

47. The following table groups smaller-value goods, works and consulting services contracts for which the activity is either ongoing or expected to commence within the next 18 months.

Goods and Works								
Package Number	General Description	Estimated Value (US\$)	Number of Contracts	Procurement Method	Review [Prior / Post/Post (Sampling)]	Bidding Procedure	Advertisement Date (quarter/year)	Comments
USESDP-G-01	Office equipment and project management software for PCU	200,000	4	Multiple Shopping	Prior	1S1E	Q1/2017	Goods.
USESDP-G-02	Office furniture for PCU	25,000	1	Shopping	Post	1S1E	Q1/2017	Goods.
USESDP-G-02	Vehicles for PCU	120,000	1	NCB	Prior	1S1E	Q1/2017	Goods.
USESDP-G-03	Science laboratory equipment for NIE	250,000	1	NCB	Post	1S1E	Q2/2017	Goods.
USESDP-G-04	Supply of Grade 12 textbooks for Grade 12 students,	510,000	2	NCB	Prior	1S1E	Q2/2017	Goods.

Goods and Works								
Package Number	General Description	Estimated Value (US\$)	Number of Contracts	Procurement Method	Review [Prior / Post/Post (Sampling)]	Bidding Procedure	Advertisement Date (quarter/year)	Comments
USESDP-G-05	Supply of 3,000 teacher guides for for all Grade 12 subjects	210,000	1	NCB	Post	1S1E	Q2/2017	Goods.
USESDP-G-06	Supply and installation of 24 computer on wheels for science and math to SRSs	360,000	1	NCB	Post	1S1E	Q2/2017	Goods.
USESDP-G-07	Supply of Career guidance modules	5,000	1	Shopping	Post	1S1E	Q3/2017	Goods
USESDP-G-08	Supply of computer equipment and software to 288 upper secondary schools	40,000	1	Shopping	Post	1S1E	Q3/2017	Goods
USESDP-G-09	Supply and installation of server equipment to upgrade EMIS	50,000	1	Shopping	Post	1S1E	Q4/2017	Goods
USESDP-W-04	Construction of 5 additional buildings (25 classrooms in total) in 5 LSSs to be upgraded to USSs	390,000	1	NCB	Post	1S1E	Q1/2018	Works.
USESDP-W-05	Repair and rehabilitation of 11 upper secondary schools	385,000	1	NCB	Post	1S1E	Q1/2018	
USESDP-G-10	Supply and installation of equipment for the new Departments of Examination, ICT, and Policy under DGPP	75,000	1	Shopping	Post	1S1E	Q1/2018	Goods

Consulting Services								
Package Number	General Description	Estimated Value	Number of Contracts	Recruitment Method	Review (Prior / Post)	Advertisement Date (quarter/year)	Type of Proposal	Comments
USESDP-IC-03	Procurement and Financial	92,000	1	ICS	Prior	Q3/2016	CV	Advance action.

Consulting Services								
Package Number	General Description	Estimated Value	Number of Contracts	Recruitment Method	Review (Prior / Post)	Advertisement Date (quarter/year)	Type of Proposal	Comments
	Management Specialist for PCU							International. Time-based contract
USESDP-CS-04	Design and conduct community awareness campaign	50,000	1	LCS	Prior	Q1/2017	STP	National Lumpsum contract

3. Indicative List of Packages Required Under the Project

48. The following table provides an indicative list of goods, works and consulting services contracts over the life of the project, other than those mentioned in previous sections (i.e., those expected beyond the current period).

Goods								
Package Number	General Description	Estimated Value (US\$)	Number of Contracts	Procurement Method	Review [Prior / Post/Post (Sampling)]	Bidding Procedure	Advertisement Date (quarter/year)	Comments
USESDP-G-11	Supply and installation of furniture for classrooms	42,500	1	Shopping	Post	1S1E	Q3/2019	Goods
USESDP-G-12	Supply and installation of furniture for 44 teacher-housing units	77,000	1	Shopping	Post	1S1E	Q4/2019	Goods
USESDP-G-13	Supply installation of science laboratory equipment for 12 upgraded USS to resource schools	240,000	1	NCB	Post	1S1E	Q1/2019	Goods.
USESDP-G-14	Supply and installation of computers for 12 upgraded USS to resource schools	300,000	1	NCB	Post	1S1E	Q1/2019	Goods.
USESDP-G-15	Supply of library books to upgraded 12 USS to resource schools	120,000	1	NCB	Post	1S1E	Q1/2019	Goods.
USESDP-G-16	Supply of furniture for 12	180,000	1	NCB	Post	1S1E	Q1/2019	Goods.

Goods								
Package Number	General Description	Estimated Value (US\$)	Number of Contracts	Procurement Method	Review [Prior / Post/Post (Sampling)]	Bidding Procedure	Advertisement Date (quarter/year)	Comments
	new resource schools							

4. National Competitive Bidding

a. Regulation and Reference Documents

49. The procedures to be followed for national competitive bidding shall be those set forth for the “National Competitive Bidding” method in the Government’s Procurement Manual issued under Sub-Decree Number 74 ANKR.BK, updated version dated 22 May 2012 with the clarifications and modifications described in the following paragraphs. These clarifications and modifications are required for compliance with the provisions of the Procurement Guidelines.

50. For the procurement of ADB financed contracts under National Competitive Bidding (NCB) procedures, the use of harmonized national bidding documents (NCB and National Shopping) developed in consultation with development partners including ADB, is mandatory except where the Government and ADB have agreed to amendments to any part of the documents. The Procurement Manual also advises users to check the ADB website from time to time for any update on ADB documents, which form the basis, among others, of the existing harmonized national bidding documents.

b. Procurement Procedures

i. Application

51. Contract packages subject to National Competitive Bidding procedures will be those identified as such in the project Procurement Plan. Any change to the mode of procurement of any procurement package in the Procurement Plan shall be made through updating of the Procurement Plan, and only with prior approval of ADB.

ii. Sanctioning

52. Bidders shall not be declared ineligible or prohibited from bidding on the basis of barring procedures or sanction lists, except individuals and firms sanctioned by ADB, without prior approval of ADB.

iii. Rejection of all Bids and Rebidding

53. The Borrower shall not reject all bids and solicit new bids without ADB’s prior concurrence. Even when only one or a few bids is/are submitted, the bidding process may still be considered valid if the bid was satisfactorily advertised and prices are reasonable in comparison to market values.

iv. Advertising

54. Bidding of NCB contracts shall be advertised on the ADB website via the posting of the Procurement Plan. Borrowers have the option of requesting ADB to post specific notices in the ADB website.

c. Bidding Documents

i. Use of Bidding Documents

55. The Standard National Competitive Bidding Documents provided with the Government's Procurement Manual shall be used to the extent possible both for the master bidding documents and the contract-specific bidding documents. The English language version of the procurement documents shall be submitted for ADB review and approval in accordance with agreed review procedures (post and prior review) as indicated in the Procurement Plan. The ADB-approved procurement documents will then be used as a model for all procurement financed by ADB for the project.

ii. Bid Evaluation

56. Bidders shall not be eliminated from detailed evaluation on the basis of minor, non-substantial deviations.

57. A bidder shall not be required, as a condition for award of contract, to undertake obligations not specified in the bidding documents or otherwise to modify the bid as originally submitted.

iii. Employer's Right to Accept or Reject Any or All Bids

58. The decision of the Employer to accept or reject any or all bids shall be made in a transparent manner and involve an obligation to inform of the grounds for the decision through the bid evaluation report.

iv. ADB Policy Clauses

59. A provision shall be included in all NCB works and goods contracts financed by ADB requiring suppliers and contractors to permit ADB to inspect their accounts and records and other documents relating to the bid submission and the performance of the contract, and to have them audited by auditors appointed by ADB.

60. A provision shall be included in all bidding documents for NCB works and goods contracts financed by ADB stating that the Borrower shall reject a proposal for award if it determines that the bidder recommended for award has, directly or through an agent, engaged in corrupt, fraudulent, collusive, or coercive practices in competing for the contract in question.

61. A provision shall be included in all bidding documents for NCB works and goods contracts financed by ADB stating that ADB will declare a firm or individual ineligible, either indefinitely or for a stated period, to be awarded a contract financed by ADB, if it at any time determines that the firm or individual has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive or obstructive practices or any integrity violation in competing for, or in executing, ADB-financed contract.

D. Consultant's Terms of Reference

1. Start-up Consultant

62. An individual international Procurement and Financial Management Officer will be engaged by MoEYS to assist PCU in start-up activities. The consultant should have at least a graduate degree in business administration, commerce, engineering, or related fields and at least 10 years of international experience in procurement, preparation of tender and contract documents, evaluation of bids, and contract management, as well as financial management in projects financed by ADB, World Bank, or other donor organizations. A good familiarity with ADB procurement and financial management guidelines, and prior experience working in Cambodia or other countries in the Greater Mekong Subregion (GMS) would be preferable. The TOR of the specialist are the following:

- (i) Assist PCU in procurement of equipment and furniture for the PCU;
- (ii) Assist PCU in preparing and updating the initial Procurement Plan and the implementation schedule;
- (iii) Assisting PCU in preparing and establishing the financial management information system, including procedures, protocols, and documents;
- (iv) Guide and assist the PCU in setting up accounts (ledgers, cash flow statements, balance sheet) that will facilitate the preparation of financial statements (based on international accounting standards) and in producing good quality financial statements on time for submission in the format and detail that will meet ADB standards;
- (v) Ensure the establishment of the relevant project accounts at the bank(s) acceptable to ADB and oversee the management of those accounts;
- (vi) Conduct project implementation and financial management workshops for PCU;
- (vii) Assist PCU in developing the draft bid documents, including detailed terms of reference (TORs) for the recruitment of the project implementation consulting firm and the regional education institution to partner with MoEYS;
- (viii) Assist PCU in preparing and organizing the inception seminar;
- (ix) Assist PCU in developing the formats and templates of the project's progress reports and other project documents;
- (x) Assisting PCU in preparing the first quarterly progress report; and
- (xi) Prepare an inception report and an end-of-assignment report; and
- (xii) Perform other tasks as may be reasonably required by the Project Director.

2. PCU Support Consultants

63. Two national consultants will be engaged by MoEYS through individual consultant selection (ICS), according to ADB's Guidelines for the Use of Consultants (2015, as amended from time to time), to provide full-time, continuing support to PCU in (i) procurement and contract management and (ii) finance. The minimum required qualifications and outline TORs of these consultants are in Table 7.

Table 7: Terms of Reference of PCU Support Consultants

Minimum Required Qualifications	Outline Terms of Reference
1. National Procurement and Contract Management Officer (60 p-m)	
A university degree in management,	(i) Manage the procurement process at the national

Minimum Required Qualifications	Outline Terms of Reference
<p>finance, engineering, or related fields; at least 8 years of experience in procurement and contract administration and at least five years of experience in projects/ programs funded by donors, including ADB, in Cambodia; with knowledge of government and ADB planning, procurement, and M&E policies and procedures; skilled in the use of computer information systems, word processing, database, financial and project management software; with excellent English communication skills.</p>	<p>level following the procurement manual and project procurement guidelines, and prepare official documents related to the procurement process;</p> <ul style="list-style-type: none"> (ii) Prepare and update the project procurement plan, prepare progress reports comparing actual procurement with the procurement plan, and monitor and follow up progress of procurement implementation at the subnational level; (iii) Coordinate with PCU staff in the preparation and updating of inventory lists and participate in the handover of equipment/ materials and construction; (iv) Provide instruction and training to project staff on procurement-related matters; (v) Participate in M&E activities and coordinate with the external auditors; (vi) Coordinate with ADB and MoEYS on procurement-related matters and coordinate with procurement officers at the national and subnational levels; (vii) Participate in technical, policy guidance, and other meetings, where topics related to procurement are discussed and participate in follow-up supervision meetings; (viii) Draft implementation contracts submitted by implementing entities in accordance with the approved formats, perform the initial review of contracts and amendments prior to submission to the Project Coordinator for approval; (ix) Following contract approval, ensure that they are effectively processed and administered, including a smooth flow of information and safekeeping of all data and documents; (x) Ensure regular M&E and prepare progress reports for submission to the Project Coordinator; (xi) Manage the PCU's inventory, personnel contracts, procurement, and bidding activities; and (xii) Perform other tasks as may be requested by the Project Manager.
2. National Finance Officer (60 p-m)	
<p>At least a graduate degree in finance, accountancy, business administration, management, or related field, and preferably a Certified Public Accountant; with at least seven years of work experience with projects funded by ADB, World Bank, or other international funding institutions; computer literate; and with excellent English language skills.</p>	<p>Assist the Project Finance Team of PCU in:</p> <ul style="list-style-type: none"> (i) Managing the project's accounts (ledgers, cash flow statements, balance sheet) and in the preparation of financial statements (based on international accounting standards) and in producing good quality financial statements on time for submission in the format and detail that will meet ADB standards; (ii) Managing funds flow, imprest account, and expenditures under the project accounts; (iii) Assisting PCU in preparing replenishment requests or withdrawal applications; (iv) Assisting PCU in preparing budgets for project activities, including project operation, civil works, training sessions, and other procurements; (v) Improving the capacity of PCU finance staff through on-the-job and other training; and

Minimum Required Qualifications	Outline Terms of Reference
	(vi) Performing other tasks as may be requested by the Project Manager.

3. Project Implementation Consultant (PIC)

64. The implementation of USESDP will require the services of a team of international and national specialists, who will support PCU in the management of project implementation. These consultants will be engaged through an international consulting firm using the quality and cost-based selection (QCBS) method (90:10) in accordance with ADB's *Guidelines on the Use of Consultants* (2015, as amended from time to time). The firm will provide a total input of 203 person-months of consulting services, broken down into five international specialists serving for a total of 41 person-months and six national specialist positions with a total input of 162 person-months, as shown in Table 8 below. The project management consultant will be fielded shortly after loan effectiveness and will provide support and advice to the PCU throughout the duration of the program.

Table 8: Summary of Project Implementation Consultant Services

No.	Position	Person-months (p-m)	
		International	National
1.	International Team Leader/Education Management Specialist	25	
2.	National Deputy Team Leader/Education Management Specialist		60
3.	National Gender Specialist		12
4.	National Environment and Social Safeguards Specialist		12
5.	International Financial Management Specialist	6	
6.	National Financial Management Specialist		12
8.	International Monitoring and Evaluation Specialist	4	
9.	National Monitoring and Evaluation Specialist		12
10.	International ICT Planning and Management Specialist	6	
11.	National Site Engineers (3 @ 18 p-m)		66
	Total	41	162
	Grand Total	203	

65. The consulting firm will provide support and assistance to the PCU in the management of program implementation, including financial management, monitoring and evaluation (M&E), social and environmental safeguards monitoring, ICT planning and management, as well as civil works supervision. The specialists will be required to work in close cooperation and collaboration with counterpart staff assigned to implement USESDP at both the national and provincial levels. In so doing, it is anticipated there will be considerable capacity building of counterpart staff in the execution of their duties. The minimum required qualifications and outline TORs of the individual specialists are summarized in Table 9.

Table 9: Minimum Required Qualifications and Outline TORs of Consultants

Minimum Required Qualifications	Outline Terms of Reference
1. International Team Leader/Education Management Specialist (TL/EMS) (25 person-months)	
At least a graduate degree in education or related fields; with 15 years of	(i) Provide overall guidance in the planning and implementation of program activities in close coordination

Minimum Required Qualifications	Outline Terms of Reference
<p>experience in the provision of technical or project management services to ADB, World Bank, other major donors, or government agencies in the education sector in Cambodia or other Greater Mekong Subregion (GMS) countries; preferably with team leadership experience; computer literate; with excellent English language skills.</p>	<p>with the MoEYS Project Coordinator and PCU;</p> <ul style="list-style-type: none"> (ii) Assist PCU in developing the USESDP's overall implementation plan and ensure the adoption of participatory approaches and methods in plan preparation; (iii) Oversee the performance of the other consultants in carrying out their duties and managing the quality and timely submission of reports/products in their individual TORs to the satisfaction of PCU; (iv) Assist MoEYS in the (a) review of science and math curriculum, (b) development of textbooks and teacher guides, (c) training of teacher trainers, (d) strengthening of assessment and examination systems, and (e) design and implementation of an M&E system for upper secondary schools, particularly the secondary resource schools; (v) Coordinate and collaborate with the institutional partner selected by MoEYS to provide technical inputs in the various aspects of the program, such as: (a) review of PRESETT and INSETT curricula for teacher training; (b) enhancement of teacher competencies for science, math, and ICT USE teachers; (c) M&E of the effectiveness of teacher training; and (d) design and delivery of school management training; (vi) Undertake field visits to oversee implementation of project activities, including the execution of civil works. (vii) Develop an effective reporting system to meet PCU and ADB's requirements; (viii) Assist the PCU Coordinator in: (a) communicating with ADB in an efficient and timely manner; (b) gaining familiarity with key aspects of the project implementation and financial management in accordance with ADB's operational policies and guidelines; (c) preparing, monitoring, and updating the overall Project Procurement Plan; (d) developing an effective reporting system to meet MoEYS and ADB requirements; (e) preparing project reports, as necessary, including quarterly progress reports, midterm report, and reporting requirements prior to, and following, ADB review missions; (ix) Prepare the Consultant's quarterly, midterm, and final reports to a standard acceptable to PCU and ADB.
2. International Financial Management Specialist (6 person-months)	
<p>At least a graduate degree in finance, business administration/management, or related field, and preferably a Certified Public Accountant; with at least seven years of work experience with projects funded by ADB, World Bank, or other international funding institutions; computer literate; and with excellent English language skills.</p>	<ul style="list-style-type: none"> (i) Guide and assist the PCU in setting up accounts (ledgers, cash flow statements, balance sheet) that will facilitate the preparation of financial statements (based on international accounting standards) and in producing good quality financial statements on time for submission in the format and detail that will meet ADB standards; (ii) Ensure the establishment of the relevant project accounts at the bank(s) acceptable to ADB and oversee the management of those accounts; (iii) Develop a Project Financial Management Manual to guide project financial management and to provide a base for training; (v) Prepare training materials suitable for the training of PCU national staff in the standards and procedures of ADB financial management; deliver training workshops on

Minimum Required Qualifications	Outline Terms of Reference
	<p>financial management, accounting, and internal cost control practices to ensure that the staff understand ADB's project financial management requirements and are able to independently manage project accounts to the acceptable standard and to deal with government and private auditors;</p> <p>(vi) Support the PCU Project Coordinator and Procurement Officer to establish a working relationship with ADB Controllers' Department (CTL) representative and to ensure access to relevant advice and guidance that will assist the PCU to produce quality accounting, records, reports and to respond to the auditor's findings and recommendations;</p> <p>(vii) Assist PCU in providing quarterly financial reports to ADB and ensure that these reports include comprehensive data coordinated across all the accounts, both government and other contractors; and</p> <p>(viii) Provide advice and train the PCU on the scrutiny and approval of invoices for payment and in managing the payment of invoices of funds under the project imprest account in accordance with agreed procedures and following the specified ADB disbursement guidelines for the program; and</p> <p>(ix) Prepare end-of-assignment reports for submission to the TL/EMS.</p>
3. International Monitoring and Evaluation (M&E) Specialist (4 person-months)	
<p>At least a graduate degree in education, sociology, economics, or , related fields; with 10 years of experience in the design of M&E systems and the M&E of projects funded by ADB, World Bank, or other major donors in Cambodia or other GMS countries; computer-literate; and with excellent English language skills.</p>	<p>(i) Assist PCU in establishing the project performance monitoring system (PPMS), including the M&E framework, evaluation methodologies, and monitoring indicators;</p> <p>(ii) Establish a participatory approach to M&E, identify potential stakeholders whose feedback would be required/desirable, and establish the M&E requirements for identified program activities;</p> <p>(iii) Strengthen PCU's capacity in data collection, analysis, and reporting for the PPMS through the design of M&E training workshops;</p> <p>(iv) Prepare guidelines for M&E of program activities, identify the information requirements for M&E of the program, and prepare an M&E manual to guide PCU staff in the regular M&E of the program;</p> <p>(v) Assist or support MoEYS' selected institutional partner for teacher training in the establishment and supervision of the implementation of a system to monitor and evaluate the effectiveness of PRESETT and INSETT provided to USE math, science, and ICT teachers at the school level;</p> <p>(vi) Identify trainers from among the participating departments and in collaboration with them, design and deliver the proposed training on M&E under the project;</p> <p>(vii) Assist PCU in the preparation of the midterm report and the Borrower's project completion report (PCR); and</p> <p>(viii) Prepare end-of-assignment reports for submission to the TL/EMS.</p>
4. International ICT Planning and Management Specialist (6 person-months)	
<p>At least a university degree in ICT; 7</p>	<p>(i) Conduct a detailed assessment of the ICT requirements of</p>

Minimum Required Qualifications	Outline Terms of Reference
<p>years of experience in the planning and management of ICT in education projects funded by ADB, World Bank, or other donors like UNESCO in Cambodia or other developing countries in the Southeast Asia; with excellent English language skills.</p>	<p>the selected project provinces;</p> <ul style="list-style-type: none"> (ii) Assist PCU in the preparation of a detailed work plan for the implementation of the ICT-related activities of the program; (iii) Coordinate with the Procurement Specialist in the preparation of the detailed technical specifications of the ICT equipment to be procured under the project; (iv) Assist MoEYS and PCU in the preparation of the ICT curriculum for upper secondary students enrolled in the science stream; (v) Assist PCU in the design and conduct of training and capacity building for staff of the new Department of Information Technology to be established in MoEYS, including the preparation of training materials and serving as technical resource person in the training workshops; (vi) Monitor the implementation of the ICT-related activities of the program, identify issues and concerns requiring PCU attention, and recommend measures to facilitate implementation; and (vii) Prepare end-of-assignment reports for submission to the TL/EMS.
5. National Deputy Team Leader/Education Management Specialist (DTL/EMS) (60 person-months)	
<p>At least a graduate degree, but preferably with a postgraduate degree, in education; with seven years of experience in the planning and implementation of education projects funded by ADB, World Bank, or other major donors in Cambodia; preferably with experience serving as team leader or deputy team leader; computer-literate, and with good English language skills.</p>	<ul style="list-style-type: none"> (i) Assist the TL/EMS in the provision of technical and project management support and assistance to PCU in the implementation of the program activities throughout the five-year duration of USESDP. Serve as Team Leader during periods when the TL is not in the field. More specifically, the DTL/EMS will assist the TL/EMS in the following: (ii) Develop the program's overall implementation plan by output; (iii) Develop an effective reporting system to meet PCU and ADB requirements; (iv) Oversee the performance of the consultants in carrying out their duties and in managing the quality and timely submission of reports/products, as per their individual TORs, and to the satisfaction of PCU; (v) Assist the PCU Director in: (a) communicating with ADB in an efficient and timely manner; (b) gaining familiarity with key aspects of project implementation and financial management in accordance with ADB's operational policies and guidelines; (c) preparing, monitoring, and updating the overall Project Procurement Plan; and (d) preparing various project reports, including reports required by ADB prior to, and following, review missions; (vi) Assist MoEYS in the (a) review of science and math curriculum, (b) development of textbooks and teacher guides, (c) training of teacher trainers, (d) strengthening of assessment and examination systems, and (e) design and implementation of an M&E system for upper secondary schools, particularly the secondary resource schools; (vii) Coordinate and collaborate with the institutional partner selected by MoEYS to provide technical inputs in the various aspects of the program, such as: (a) review of PRESETT and

Minimum Required Qualifications	Outline Terms of Reference
	<p>INSETT curricula for teacher training; (b) enhancement of teacher competencies for science, math, and ICT USE teachers; (c) M&E of the effectiveness of teacher training; and (d) design and delivery of school management training;</p> <p>(viii) Undertake field visits to oversee implementation of project activities, including the execution of civil works.</p> <p>(ix) Develop an effective reporting system to meet PCU and ADB's requirements;</p> <p>(x) Assist the PCU Coordinator in: (a) communicating with ADB in an efficient and timely manner; (b) gaining familiarity with key aspects of the project implementation and financial management in accordance with ADB's operational policies and guidelines; (c) preparing, monitoring, and updating the overall Project Procurement Plan; (d) developing an effective reporting system to meet MoEYS and ADB requirements; (e) preparing project reports, as necessary, including quarterly progress reports, midterm report, and reporting requirements prior to, and following, ADB review missions;</p> <p>(xi) Prepare the Consultant's quarterly, midterm, and final reports to a standard acceptable to PCU and ADB.</p>
6. National Gender Specialist (12 person-months)	
<p>At least a university degree in social science from a recognized institution; with at least seven years of experience in the provision of gender and ethnic minority inputs in the planning and implementation of donor- or government-funded projects in Cambodia; preferably with an excellent familiarity with ADB's and the Government's gender and ethnic minority development policies, plans and strategies, and contemporary development issues; with experience in the conduct of baseline socioeconomic surveys; with excellent communication skills in the English and Khmer languages; computer literate.</p>	<p>(i) Advise the MoEYS gender working group (GWG) and PCU in supporting gender and equitable access initiatives through the scope of the project and assist the other consultants with the implementation and monitoring of activities;</p> <p>(ii) Prepare a GAP implementation plan with measurable milestones and assist PCU in GAP implementation, monitoring, and reporting, and update and revise the GAP, as needed;</p> <p>(iii) Support the conduct of a simple sex-disaggregated baseline survey and yearly follow-up sample surveys, using both qualitative and quantitative questionnaires, to track performance (based on school assessments) of meritorious science and math recipients from disadvantaged areas, monitor scholarship disbursement, and evaluate the impact of scholarships on recipients;</p> <p>(iv) Assist PCU in developing gender-responsive messages for community awareness campaigns, encouraging parents to invest in USE for boys and girls, and for teacher hardship allowance information packages for pre- and in-service teachers and the community's information, and link with the MoEYS Information and ASEAN Affairs Department and other DPs with experience in behavior change campaigns;</p> <p>(v) Provide inputs to the math, science and ICT curriculum review process to ensure that the updated curriculum is gender sensitive;</p> <p>(vi) Link with the civil works team to ensure gender-responsive, safe, and secure measures/facilities are incorporated in all schools receiving additional buildings and teacher housing units;</p> <p>(vii) Prepare gender mainstreaming training material and facilitate basic staff training at national and provincial levels;</p>

Minimum Required Qualifications	Outline Terms of Reference
	<ul style="list-style-type: none"> (viii) Review and monitor program progress and monitoring reporting, including baseline surveys and end line impact evaluation reports to ensure that data are disaggregated by sex and ethnic minority groups; (ix) Ensure that the key achievements of gender and comprehensive GAP progress reports are included in the project midterm review and project completion reports; (x) Prepare end-of-assignment reports for submission to the TL or DTL, as the case may be.
7. National Environment and Social Safeguards Specialist (12 person-months)	
<p>At least a graduate degree in environment, biology, natural resource management or related fields from a recognized institution; with at least seven years of experience in the conduct of environmental assessment and the supervision of implementation of environmental monitoring plans for donor or government-funded projects in Cambodia; preferably with an excellent familiarity with ADB's Safeguard Policy Statement (SPS), 2009 and the Government's environment policies, plans and strategies; with excellent communication skills in the English and Khmer languages; and computer literate.</p>	<ul style="list-style-type: none"> (i) Work with PCU, MoEYS Department of Construction, relevant departments, and the project site engineers in screening subprojects and in preparing categorization, rapid environmental assessment checklists, and environmental management plan (EMP), as needed (See Appendix4), and other social safeguards issues; (ii) Work with PCU to ensure that the environmental clauses for civil works contracts are included in civil works bidding documents and effectively enforced; (iii) Ensure proper data collection and proper conduct of required consultations on environment and other social safeguards issues; (iv) As needed, update EMP report and confirm the environment category C of the subprojects in accordance with ADB's SPS (2009) and facilitate the required disclosure; (v) Participate in briefings for PCU staff and relevant local authorities on the project environment and provide capacity building to assigned safeguards staff of PCU in implementing and monitoring EMP and other social safeguards issues; (vi) Review and assist civil works contractors in preparing the Construction Environmental Management Plan (CEMP) and other social safeguards requirements; (vii) Conduct field visits to project sites in order to: (a) assess the performance of the contractors in terms of implementation of environmental mitigation and management measures specified in the EMP and CEMP; and (b) discuss outstanding environmental issues/non-compliance, if any, during construction and to assist PCU in implementing/monitoring the Corrective Action Plans; and (xi) Prepare end-of-assignment reports for submission to the TL or DTL, as the case may be.
8. National Financial Management Specialist (12 person-months)	
<p>A university degree in finance, accounting, or economics; at least five years' experience in financial management for donor-funded and government-implemented projects in Cambodia; knowledge of government and ADB financial management and disbursement</p>	<p>Assist the international Financial Management Specialist in:</p> <ul style="list-style-type: none"> (i) Setting up accounts (ledgers, cash flow statements, balance sheet) that will facilitate the preparation of financial statements (based on international accounting standards) and in producing good quality financial statements on time for submission in the format and detail that will meet ADB standards; (ii) Ensuring the establishment of the relevant project accounts

Minimum Required Qualifications	Outline Terms of Reference
<p>policies and procedures; skilled in the use of computer information systems, word processing, database, financial and accounting software; and English communication skills.</p>	<p>at the bank(s) acceptable to ADB and oversee the management of those accounts;</p> <p>(iii) Developing a Project Financial Management Manual to guide project financial management and to provide a base for training;</p> <p>(v) Preparing training materials suitable for the training of PCU national staff in the standards and procedures of ADB financial management; deliver training workshops on financial management, accounting, and internal cost control practices to ensure that the staff understand ADB's project financial management requirements and are able to independently manage project accounts to the acceptable standard and to deal with government and private auditors;</p> <p>(vi) Supporting the PCU Project Coordinator and Procurement Officer to establish a working relationship with ADB Controllers' Department (CTL) representative and to ensure access to relevant advice and guidance that will assist the PCU to produce quality accounting, records, reports and to respond to the auditor's findings and recommendations;</p> <p>(vii) Supporting PCU in providing quarterly financial reports to ADB and ensure that these reports include comprehensive data coordinated across all the accounts, both government and other contractors; and</p> <p>(viii) Providing advice and training the PCU on the scrutiny and approval of invoices for payment and in managing the payment of invoices of funds under the project imprest account in accordance with agreed procedures and following the specified ADB disbursement guidelines for the program; and</p> <p>(ix) Preparing the required financial reports for submission to ADB and MoEYS.</p>
9. National Monitoring and Evaluation Specialist (12 person-months)	
<p>At least a university degree in education, sociology, economics, or related fields; with at least 7 years of experience in the design of M&E systems and the M&E of projects funded by ADB, World Bank, or other major donors in Cambodia or other GMS countries; computer-literate; and with excellent English and Khmer language skills.</p>	<p>(i) Assist the international M&E Specialist and PCU in:</p> <p>(a) Establishing the project performance monitoring system (PPMS), including the M&E framework, evaluation methodologies, and monitoring indicators;</p> <p>(b) Establishing a participatory approach to M&E, identify potential stakeholders whose feedback would be required/desirable, and establish the M&E requirements for identified program activities;</p> <p>(c) Strengthening PCU's capacity in data collection, analysis, and reporting for the PPMS through the design of M&E training workshops;</p> <p>(d) Preparing guidelines for M&E of program activities, identify the information requirements for M&E of the program, and prepare an M&E manual to guide PCU staff in the regular M&E of the program;</p> <p>(e) Assisting or supporting the regional education institute selected by MoEYS for teacher training in the establishment and supervision of the implementation of a system to monitor and evaluate the effectiveness of PRESETT and INSETT provided to USE math, science,</p>

Minimum Required Qualifications	Outline Terms of Reference
	<p>and ICT teachers at te school level;</p> <p>(f) Identifying trainers from among the participating departments and in collaboration with them, design and deliver the proposed training on M&E under the project;</p> <p>(g) Assisting PCU in the preparation of the midterm report and the Borrower's project completion report; and</p> <p>(ii) Prepare end-of-assignment reports for submission to the TL/EMS.</p>
10. National Site Engineers (3 persons @ 18 person-months)	
<p>A university degree in civil or structural engineering; at least five years of experience in infrastructure planning and the supervision of construction of vertical structures, particularly school buildings, classrooms, teacher housing units, laboratories, libraries, and water and sanitation facilities in Cambodia; with good English language skills.</p>	<p>(i) Provide guidance and assistance to PCU in identifying design options for the renovation and/or new construction of various USESDP facilities to avoid negative social and environmental impacts and to identify and incorporate mitigation measures;</p> <p>(ii) Ensure that the selected design options comply with RGC building standards;</p> <p>(iii) Review quantity and cost estimates;</p> <p>(iv) Review specifications, drawings, and bills of quantity for consistency, completeness, and accuracy so that they can be incorporated into bid documents;</p> <p>(v) Assist with the establishment of procedures for inspection and approval of construction;</p> <p>(vi) Assist PCU and the concerned POEs/DOEs in the supervision of construction of school facilities by civil works contractors engaged by the project;</p> <p>(vii) Support and assist the national environment specialist in field inspections and environmental monitoring activities; and</p> <p>(viii) Prepare regular construction monitoring reports for submission to MoEYS and ADB.</p>

4. Regional Education Institute (REI)

66. The services of a an internationally-recognized regional education institute (REI) will be engaged by MoEYS to perform the following key tasks: (i) supporting MoEYS in the review, reform, and finalization of the USE curriculum in science, math, and ICT (including life skills) to meet international/ regional standards; (ii) performing a quality check on textbooks for all subjects and teacher guides; (iii) review of the content of textbooks and teacher guides for science, math, and ICT to ensure that textbooks for science, math, and ICT at the USE level (Grades10-12) conform to the curriculum, are error-free, of high quality, and are age-appropriate in design. The review process will cover the development of textbooks and teacher guides from initial manuscript development through finalization for printing; (iv) enhancing competencies of science, math, and ICT teachers at the upper secondary level; (v) conducting training of trainers in science, math, and ICT; (vi) conduct of teacher training at the resource school level; (vii) design and delivery of school management training; (viii) training of math and science teachers); and (ix) targeted capacity building/training/professional development of key technical staff of MoEYS and NIE Cambodia.

67. It is estimated that a total of 96 person-months (p-m) of technical experts' services (46 international and 50 national) will be required. The international experts will be affiliated with the

selected REI, to the extent possible, and will be experienced, senior staff. In case, staff from the REI are not available, experts with extensive experience in the curriculum reform and review process will be proposed by the institution. The outline terms of reference of the REI are provided in Appendix 3.

VII. SAFEGUARDS

68. **Prohibited investment activities.** Pursuant to ADB's Safeguard Policy Statement (2009), ADB funds may not be applied to the activities described on the ADB Prohibited Investment Activities List set forth at Appendix 5 of the Safeguard Policy Statement (2009).

69. **Environment.** Environment. The project is classified as Category B for environment. While environmental impacts are anticipated during the upgrade and construction of additional school buildings, water and sanitation facilities, and teacher housing units, these are principally confined to noise, dust, and construction safety. These are expected to be minor, localized, short-term and could be adequately addressed and covered in the civil works contracts. Environmental impacts for all infrastructures will be screened following procedures set out in the Environmental Assessment and Review Framework. All infrastructures categorized as category A for environment, according to ADB's Safeguard Policy Statement (2009) will not be funded by the USESDP. Requirements of the contractors with regard to environmental safeguards are included in the bidding documents. An Initial Environmental Examination (Linked document 14) for a representative subproject, the Tuol Vichea Secondary School in Stung Treng Province, has been prepared.

70. The PCU will assign an environmental officer (EO) to support the coordination and implementation of environmental safeguards. In addition, a National Environment Specialist (NES) will be engaged as part of the PIC team to work with the Site Engineers in conducting regular site inspections and ensure the compliance of the civil works contractors with the environment safeguards provisions in their contracts to minimize adverse environmental impacts during the construction phase. The EO will be supported by the NES and receive training to build longer term capacity in MoEYS for environmental management. With the EO's assistance, the PCU will submit the environmental assessment, as required, and monitoring reports to ADB for review in a timely manner. All environmental assessment and monitoring reports are subject to disclosure on ADB website.

71. **Indigenous Peoples.** The project is assigned Indigenous Peoples Category B. Ethnic minority students and staff make up a large percentage of the project loan's targeted schools in at least five of the seven poor and disadvantaged/difficult provinces targeted for the project. The poverty and social assessment has determined that no project activities will adversely affect ethnic minority communities. However, the ethnic minorities in the northeastern provinces (specifically, Ratanakiri, Mondulhiri, Stung Treng, and Preah Vihear) possess vulnerability characteristics in terms of poverty incidence and educational outcomes that the project is seeking to address. As per para. 17, Appendix 3 of the Safeguard Policy Statement (2009), measures to ensure that students, teachers, and school administrators in ethnic minority areas have been included in the project design in lieu of preparing a separate ethnic group plan.¹¹ Project components/activities directed at students and teachers in ethnic minority provinces include: scholarships for students, teacher housing units, augmentation of hardship allowance

¹¹ "If Indigenous Peoples are the sole or overwhelming majority of direct project beneficiaries, and when only positive impacts are identified, the elements of an Indigenous Peoples plan could be included in the overall project design in lieu of preparing a separate Indigenous Peoples plan." ADB. 2009. Safeguard Policy Statement. Manila. p. 57.

for teachers deployed in disadvantaged areas, scholarship for pre-service and in-service training of teachers from disadvantaged areas, including ethnic minority areas. All activities, meaningful consultation with ethnic minority families and students will be conducted and documented.

72. **Involuntary resettlement.** The involuntary resettlement category is C. The program as a whole will not entail involuntary resettlement issues. In general, school campuses in Cambodia occupy large tracts of land, allowing for future building expansion. As such, the project activities, including construction of new USS buildings, will not require land acquisition nor restrict access to lands and/or livelihood of people. Due diligence was undertaken, including field investigation for a sample of targeted schools in five provinces, and a desk review of legal documents (land titles and transfers) confirmed that land to be used for the school buildings and teacher housing units are unencumbered. Potential subprojects not included in the initial assessment conducted before Board approval will be screened following the assessment procedure of MoEYS Department of Construction and subprojects that would involve any involuntary resettlement impacts will be automatically excluded for financing under the USESDP.

VIII. GENDER AND SOCIAL DIMENSIONS

73. During project preparation, a poverty and social assessment, including gender analysis, was undertaken in accordance with ADB guidelines, and consultations with project beneficiaries were conducted in selected project sites. A summary poverty reduction and social strategy (SPRSS) has been prepared to present project benefits and mitigation measures to address social impacts and enhance the distribution of project benefits.

74. **Key poverty and social issues.** The RGC has made good progress in reducing income poverty; combating HIV, tuberculosis and malaria; improving maternal health; increasing adult literacy rates; expanding primary school enrolment, and attaining gender parity in primary school, and close to parity at secondary levels. However, there is a current mismatch and shortage of labor skills compared to those needed in the workplace, especially in the science, math, and technology arenas, which promote problem solving and critical thinking skills. To enhance Cambodia's economic and human resource development, especially among USE graduates, and to assist the workforce to become more competitive in the light of ASEAN integration, upgrading analysis and technical skills is key to meeting labor market demand.

75. The labor shortage comprises two educational gaps: the schooling gap and the learning gap.¹² The schooling gap concerns access – low enrolments, high dropout rates, and low completion rates, especially at the upper secondary education level. The learning gap is about quality of education and arises because students are not acquiring the required skills and competencies, even upon completing the required grades. Factors constraining learning include low capacity of teachers; curriculum that does not meet regional or international standards and is gender biased; lack of facilities such as science and computer laboratories/equipment; and low management capacity in education delivery.

76. **Specific issues relating to the project.** Nationwide, gender parity in NERs at the USE level has been more or less achieved over the past few years. In SY 2015, girls represented

¹² Cambodian Development Resource Institute. 2014. Chapter 4: Gender and Education and Training: Status, Trends, and Issues. (draft)

49.15% of students enrolled at USE level.¹³ However, at the provincial level, disparities in access exist, which have not been picked up in the aggregate. For example, nine provinces¹⁴ register USE NERs below 20%. Similar disparities exist (grade-wise) with regard to the percentage of students who get promoted, repeat a grade, or drop out, without pointing to any clear regional pattern for quality or access indicators.

77. Reasons for student dropout. The main reasons for dropping out of school include (i) opportunity costs of schooling; (ii) local employment and household chores; (iii) poor quality of schooling and low educational relevance; (iv) low student achievement and motivation; (v) teacher shortage and absenteeism; and, in the case of females, (vi) employment opportunities and gender barriers such as unsupportive school or home environments.¹⁵ PPTA interview responses also indicate that students drop out due to distance from schools; a lack of security and accommodation, especially for girls; early marriage, particularly for ethnic minority youth; lack of interest; migration; a preference to join peers in the labor force and earn money for material goods; and pressure from parents to contribute to the family income. Furthermore, a crackdown on examination cheating in 2014 resulted in only 40% of USE students (43% of whom were female) nationwide passing final year exams.¹⁶

78. Institutional gender disparities. In 2015, MoEYS had a total of 115,305 staff, of whom 43.5% are female, and a total of 89,151 teaching staff, 49% of whom are female. While MoEYS has reportedly given priority to appointing women in leadership and decision-making positions, only 16% of women are University Deans, 13% are Vice Deans, 7% are Deputy Directors General, 7% are Directors of Departments, 16% are Deputy Directors of Departments, 11% are Deputy Directors of RTTCs, 21% are Heads of Office at the national level, and 26% are Vice Heads of Office. At subnational (provincial and district) levels, similar percentages occur for women holding leadership roles. At the USE level, only 4% and 14% of women are School Directors and Deputy Directors, respectively; at the LSE level, 5% and 11% of women are School Directors and Deputies, respectively. It is only at the pre-school level that 41% and 100% of women are Directors and Deputy Directors, respectively. This decision-making authority at the lower education levels fits in well with women's traditional role of being primarily responsible for younger children.

79. Ratio of female to male teachers at USE level. The EMIS 2015 data show that there are 12,277 teachers (33% women) in Grades 10-12. Over the past decade, the proportion of female teachers in lower and upper secondary levels has remained relatively constant due to a number of reasons: (i) low levels of qualification of lower and upper secondary female teachers; (ii) lack of training opportunities; (iii) lack of teachers in remote and rural areas due to safety concerns; (iv) difficult logistics (e.g., inadequate housing, low pay, and difficult transport); and (v) lack of female representation in provincial and district offices of education.¹⁷

80. Social impacts and benefits. The overarching outcome of the USESDP, which is a nationwide program, is improved effectiveness of the USE system to assist Cambodia's labor force to become more skilled and competitive in the near future. The impact of the USESDP will

¹³ MoEYS 2015. Education Management Information System (EMIS).

¹⁴ Banteay Meanchey, Battambang, Kampong Speu, Kratie, Mondul Kiri, Otdar Meanchey, Palin, Ratanakiri, and Stung Treng.

¹⁵ ADB. 2014. *Sector Assessment (Summary): Education*; The World Bank. 2013. *Cambodia Poverty Assessment*.

¹⁶ PRIMEX-CADTIS-IDCJ. 2015. TA 8573-CAM: Strengthening Secondary Education and the Teaching of Science and Math. Inception Report submitted to ADB and MoEYS.

¹⁷ Sison, J. F. 2015. Supply and Demand Constraints to Secondary Education Access and Outcomes. Report prepared for TA 8573-CAM: Upper Secondary Education Sector Development Program. Midterm Report submitted to ADB and MoEYS.

be the development of high quality human resources. . The Policy Based Loan (PBL) supports the institutionalization and timely implementation of RGC directives and policies on USE and will be used to improve the quality of USE in nominated disadvantaged provinces. The impact of decentralized policy reforms in provinces with disadvantaged socioeconomic conditions will be the improved quality of education service delivery by managers with more autonomy, leading to enhanced enrolment, retention, and educational outcomes of USS students, particularly those with disadvantaged backgrounds, and meeting of needs in the local context. Strengthened capacity in planning, management, and financial decision-making at subnational levels will, in turn, encourage school officials and staff (in cooperation with their communities) to carry out their own initiatives and plans for improving schools and build school pride and ownership among teachers, students, and communities. The program is expected to increase the GER at USE level from 25.1% (baseline, SY 2015/2016) to 30%.

81. **Beneficiaries.** The direct beneficiaries are: (i) USE female and male students, especially from disadvantaged areas; (ii) USE teachers; and (iii) education policymakers, administrators, and managers. The indirect beneficiaries will be the general workforce, future generations, and the private sector. The proposed project activities will positively impact beneficiaries through: (i) school construction, providing upgrading of facilities; (ii) increased numbers of student scholarships and incentives for teachers to boost student and teacher motivation, student and teacher enrolment, and better trained qualified teachers, especially those deployed to rural, remote areas; (iii) community awareness campaigns promoting the value of better quality education, especially targeting parents of girls and boys in disadvantaged areas; (iv) higher levels of math, science, and ICT knowledge through improved curriculum, teaching delivery, and laboratory experiments; and (v) strengthened institutional capacity at provincial, district and school levels to plan, manage, and deliver education through increased technical assistance and clearly defined plans relevant to local contexts.

82. More specifically, the project will provide: (i) 6,000 students (60% female), of which 60% from 7 disadvantaged provinces, including ethnic minority areas, and 40% from SRS in non-disadvantaged provinces received 2-year scholarships to study science stream at USE level; (ii) 938 USE teachers posted in 7 disadvantaged provinces, including ethnic minority areas with additional hardship allowance for four years; (iii) 44 teacher housing units in schools, of which 70% are in 7 disadvantaged provinces and 30% are in high teacher shortage areas in non-disadvantaged provinces; (iv) 5 LSSs in 7 disadvantaged provinces upgraded to USSs; (v) 11 upper secondary schools in 7 disadvantaged provinces repaired or rehabilitated; (vi) 10 overcrowded USS in 5 of the 7 disadvantaged provinces with additional classrooms; (vii) Grade 12 textbooks for all subjects at 1:1 textbook to student ratio to all Grade 12 students; (viii) 3,000 teacher guides for all Grade 12 subjects to all USE schools (ix) 12 USSs upgraded to resource schools with standardized facilities of a resource center; (x) professional development programs for 250 USE teacher educators (40% female) on science, math and ICT; (xi) professional development programs for 13,300 USE teachers (40% female) on math, science and ICT; (xii) training of 13,300 USE teachers on career guidance to US students; (xiii) additional 500 teacher-candidates (40% female) at NIE granted fellowships; (xiv) training of 450 staff on comprehensive M & E; (xv) School management (Directors, Vice-Directors, senior staff) of 288 USS with management training; and (xvi) 48 SRS and 240 network resource schools with school improvement fund.

83. Key gender issues related to access to, and retention in, USE include the following: (i) stereotypes associated with the traditional role of females in society, which prevent parents from allowing girls to complete secondary education; (ii) far distances between home and school, making travel to school unsafe for girls; (iii) lack of on-campus housing on school premises,

which deters female student (and teacher) participation; (iv) lack of sanitation facilities at schools, deterring female participation; and (v) opportunity costs of sending both girls (and boys) to school. However, at the USE provincial levels, the PPTA findings revealed that girls outperform boys in promotion, dropout and repetition, indicating a gender reversal, where boys fare worse in most provinces. Thus the gender action plan (GAP) includes increased targeting of male students, as well as female students, to promote gender equality outcomes. Other deterrents to both girls and boys attending USE are similar to those mentioned above under reasons for dropping out.

84. To encourage parents to see the value and benefits of USE for their daughters and sons, an overall communications strategy for the program will also be developed by a Communications Specialist during program implementation period. The proposed strategy will include community awareness campaigns encouraging parents to invest in USE education for boys and girls of USE age as well as information packages targeting teachers and other MoEYS staff about teaching incentives and benefits. The strategy will also inform DPs working in the education sector at USE level about the USESDP activities.

85. The program is categorized as gender equity theme. The policies ensure that (i) 60% of poor scholars are female; (ii) hardship allowance program to attract teachers in rural and disadvantaged areas gives special emphasis on female teachers; and (iii) policies promote gender equality in STEM education.

86. **Gender action plan.** The GAP for the investment project ensures (i) undertaking a gender assessment on the impact of student and teacher scholarships; (ii) 40% female trainees for in-service math, science, ICT, and career counselling training; (iii) all females in current management positions receive management training; (iv) at least 40% female teacher candidates and/or qualified teacher training providers for NIE fellowships; (v) prioritizing female teachers and married couples for housing units in schools; and (vi) disaggregating EMIS data by sex and ethnicity.

GENDER ACTION PLAN

Project Outputs	Actions Proposed
Output 1: Access to upper secondary education improved	<ul style="list-style-type: none"> • Ensure that data on high math and science achievers is disaggregated by sex, poverty and disadvantaged area, in line with the approved selection criteria • Provide 6,000 2-year scholarships (60% to female students) for the highest achieving science stream students from Grades 11 and 12 beginning SY2017/18, 60% of whom come from 7 disadvantaged provinces, including ethnic minority areas, and 40% from Secondary Resource Schools (SRS) in non-disadvantaged provinces, by Q4/2021 • Scholarship enrolment, completion and teacher placement figures from NIE are disaggregated by sex, place of origin and place of deployment • Ensure that 938 USE teachers (all female teachers in the target areas provided) posted in 7 disadvantaged provinces, including ethnic minority areas, receive additional hardship allowance over 4 years by Q4/2021 • Undertake a gender assessment of the impact of student and teacher scholarships; pilot of additional hardship allowance and share lessons learned with NIE, the GWG and other stakeholders • The facility survey will ensure that data collected is disaggregated by sex using the facility, location, and that security issues, especially for female teachers are considered • Ensure that 44 teacher housing units (with priority for female teachers and married couples) are provided in schools by Q4/2019, of which 70% are in 7 disadvantaged provinces and 30% are in high teacher shortage areas • Ensure that identification of school sites for the upgrading of LSS to USS classrooms prioritizes disadvantaged areas with classroom shortages and female enrolments and make the following renovations:

Project Outputs	Actions Proposed
	<ul style="list-style-type: none"> • Upgrade 5 LSSs in 7 disadvantaged provinces to USSs by Q4/2019, ensuring the provision of a safe school environment for female and male teachers and students (e.g., security and separate toilets and private washing facilities) • Develop a gender responsive communications strategy and ensure Community awareness campaigns enhance communities' knowledge and understanding about the value and benefits of investing in girls' and boys' education at USE, the Project's gender equity interventions (e.g. student and teacher scholarships and teacher incentives), and the provision of upgraded facilities such as science laboratories
Output 2: Quality and relevance of upper secondary education improved	<ul style="list-style-type: none"> • Review USE curriculum in science and math subjects and check for gender bias, upgrade to regional/international standards and make changes to remove gender stereotyping by Q1/2018 • Review and upgrade curriculum for USE pre-service and in-service Teacher Training as above, by Q4/2017 • Ensure that 100% of female and male USE students and teachers have access to 3,000 teacher guides for all Grade 12 subjects by SY2017/18 • The NGS will liaise with the NIE and TTD to ensure that all equipment and laboratory facilities to be provided are relevant and safe for use by female and male teachers at training institutions and schools, and by female and male students • Ensure female participation in training courses on the management, use and maintenance of equipment, and provide professional development for 250 USE teacher educators (217 science and math, and 33 ICT) of whom 40% are female • 13,300 (40% women) US teachers received in-service training in math, science, ICT, and career counseling. • Ensure that 40% of 500 NIE fellowships are provided to female teacher candidates and/or qualified teacher training providers by Q4/2021
Output 3: Institutional capacity for planning, management, and delivery of education strengthened	<ul style="list-style-type: none"> • Integrate aspects of the MoEYS Gender Mainstreaming Policy 2016-2020 into the leadership training program for USE directors and vice directors and DOE and POE officials • Ensure that EMIS training conducted by Q4/2019 includes instruction in how to explain in narrative form the sex-disaggregated data collection, analysis, planning and reporting along with the tables of statistics, so that readers can obtain meaningful information • Provide 288 USS management staff (Directors, Vice Directors, senior staff) with management training, by Q4/2021 with all females currently in these positions trained. • Ensure the guidelines on the management and use of school resources include strategies to encourage participation of female education managers • Updated guidelines on the promotion of STEM and use of these resources (e.g. science laboratories) includes ways to encourage more girls and boys to study science and technology subjects • Ensure that all M&E training includes instruction on how to measure management and resource use against gender responsive indicators which capture qualitative as well as quantitative outcomes • Train 450 staff on comprehensive M&E giving ensuring maximum female participation, by Q4/2019

ASEAN=Association of South East Asian Nations; EMIS=Education Management Information System; DOE=District Office of Education; GWG=Gender Working Group; M&E=monitoring and evaluation; MoEYS=Ministry of Education Youth and Sports; NGS=National Gender Specialist; NIE=National Institute of Education; POE=Provincial Office of Education; SRS=Secondary Resource Schools; STEM=Science and Technology Engineering and Math; TTD=Teacher Training Department; USE=Upper Secondary Education

87. **Implementation arrangements and budget.** Implementation arrangements and estimated costs of the GAP are integrated into the overall arrangements and total budget of the Project. The implementation schedule of the GAP will be in line with the USESDP implementation and overseen by the project director who will report on gender activities in quarterly and annual reports.

88. A national gender specialist (NGS) will be recruited to work with the MoEYS gender working group (GWG) and Project implementation team to support gender and equitable access

initiatives through the scope of the project. The NGS will (i) advise the GWG about the Project's Gender Action Plan (GAP) and assist the Project consultants with its implementation and monitoring of activities; (ii) work with the International M&E Consultant to design and carry out a simple sex-disaggregated baseline survey and yearly follow-up sample surveys—using both qualitative and quantitative questionnaires—to track performance (based on school assessments) of meritorious science and math recipients from disadvantaged areas, monitor scholarship disbursement, and evaluate the impact of scholarships on recipients; (iii) assist the Communications Specialist to develop gender responsive messages for community awareness campaigns encouraging parents to invest in USE for boys and girls, and for teacher hardship allowance information packages for Pre- and In- service teachers and the community's information; and link with the MoEYS Information and ASEAN Affairs Department and NEP/other development partners with experience in behaviour change campaigns (iv) provide input to the math, science and ICT curriculum review process to ensure the updated curriculum is gender sensitive; (v) link with the civil works team to ensure gender responsive, safe and secure measures/facilities are being addressed in upgraded LSSs and teacher housing units, (vi) report to the TL as required.

IX. PERFORMANCE MONITORING, EVALUATION, REPORTING, AND COMMUNICATION

89. The PCU will be responsible for the smooth management and coordination of project activities. It will be established, and all staff identified, prior to loan negotiations. The PCU will be headed by a Project Director, supported by a Deputy Project Director, a Project Manager, and a Deputy Project Manager, as well as 30 staff members responsible for administration, finance, procurement, and civil works. The Project Director will be responsible for all aspects of project implementation, including planning, budgeting, procurement, monitoring, coordination, maintaining all project documents, maintaining the imprest account, submitting required progress reports, annual audit reports, and financial statements as per agreed frequency and in proper format.

90. An interdepartmental technical committee—with representation of all technical departments impacted by project activities—will be established by MoEYS to ensure close collaboration and coordination among the various departments and agencies. A high-level Project Steering Committee (PSC), chaired by the Minister of Education and comprising heads of other government ministries and MoEYS technical departments and agencies, will be established to guide and monitor program progress. The PSC will meet at least twice a year.

91. ADB will be responsible for overall guidance to the PCU on technical, management, and implementation aspects. ADB will oversee project implementation, ensure compliance with the loan agreement and the Project Administration Manual (PAM), observance of policies for safeguards and anti-corruption and fraud prevention, and the timely approval of procurement activities and withdrawal applications. ADB will conduct an inception mission and undertake regular reviews, including a review the project at midterm for a thorough assessment to see that all activities are on track and make adjustments as may be required and/or necessary.

A. Design and Monitoring Framework

Impact the Program is Aligned With High-quality human resources developed (Education Strategic Plan, 2014–2018) ^a			
Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting	Risks
Outcome Effectiveness of the USE system improved	By end of SY 2021/22: a. GER for USE increased to 30% (female: 30%); (SY2015/16 baseline: 25.1%, female: 26.0%) b. Promotion rate from grade 10 to 11 increased to at least 90% (female: 90%) (SY2014/15 baseline: 82.2%, female: 83.2%) c. Promotion rate from grade 11 to 12 increased to at least 90% (female: 90%) (SY2014/15 baseline: 88.8%, female: 89.0%)	a. EMIS b. Data from the Department of Quality Assurance, MoEYS c. MoEYS Annual education congress report	Weak linkage between education spending and the financial requirements to implement the education sector plan and priorities as indicated in ESP 2014-2018
Outputs 1. Access to USE improved	Program 1a. Scholarship program for poor students established and implemented 1b. Scholarship program inclusive of criteria of merit, poverty, and gender established for science and math USE students from disadvantaged areas 1c. Scholarship program for academically outstanding science and math students from non-disadvantaged provinces studying in the science stream at the USE level established 1d. Hardship allowance program for teachers in rural and disadvantaged areas established and implemented Project 1e. 6,000 students (60% female), of which 60% are from seven disadvantaged provinces, including ethnic minority areas, and 40% are from SRSs in non-disadvantaged provinces, receive 2-year scholarships to study in the science stream at the USE level by Q4 2021 (SY2015/16 baseline: 0%) 1f. 938 USE teachers (all female teachers in the disadvantaged areas of the disadvantaged provinces) posted in the seven disadvantaged provinces, including ethnic minority areas, receive additional hardship allowances for 4 years by Q4 2021 (SY2015/16 baseline: 0) 1g. 44 teacher housing units provided in schools, of which 70% are in the seven disadvantaged provinces and 30% are in high teacher shortage areas in non-disadvantaged provinces by Q4 2019 (SY2015/16 baseline: 0) 1h. Five lower secondary schools in the seven disadvantaged provinces are upgraded to USSs by Q4 2019 (SY2015/16 baseline: 0) 1i. 11 USSs in the seven disadvantaged provinces repaired or rehabilitated by Q4 2019 (SY2015/16 baseline: 0) 1j. 10 overcrowded USSs in five of the seven disadvantaged provinces provided with additional classrooms by Q4 2019 (SY2015/16 baseline: 0)	1a. Sub-Decree No. 34 (signed by the Prime Minister) on scholarship provision for poor students 1b. MoEYS scholarship guidelines for science and math for USS students from disadvantaged provinces and for academically outstanding USE students 1c. MoEYS <i>Prakas</i> (Ministerial Order) on hardship allowance for teachers in disadvantaged provinces 1d. M&E reports (qualitative and quantitative reports) with data disaggregated by sex and ethnicity 1e – 1j. MoEYS project quarterly and annual reports; review mission reports; project completion report	Non-adherence to the requirements of the government's procurement policies and procedures for externally financed investments Weak intra-and inter-agency coordination resulting in fragmented implementation of the project
2. Quality and relevance of USE improved	Program 2a. STEM education strengthened 2b. Math and science study clubs established in 50 USSs 2c. Comprehensive teacher policy implemented 2d. School-level quality assurance framework developed and issued	2a. MoEYS STEM policy 2b. MoEYS instruction on establishment of math and science	Insufficient procurement capacity, leading to unnecessary delays and occasional non-

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting	Risks
	<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. Grade 11 assessment conducted</p> <p>2h. Result of the grade 12 national examination disseminated</p> <p>Project</p> <p>2i. Textbooks made available for all grade 12 subjects at a 1:1 textbook-to-student ratio to all grade 12 students by SY2017/18 (SY2015/16 baseline: 1:2)</p> <p>2j. 3,000 teacher guides for all grade 12 subjects provided to all USE schools by SY2017/18 (SY2015/16 baseline: 0)</p> <p>2k. USE curriculum on science and math reformed (to regional/international standards) and disseminated by Q1 2018 (SY2004/05 baseline: not applicable)</p> <p>2l. Curriculum for USE pre-service and in-service teacher training revised by Q4 2017 (SY2004/05 baseline: curriculum review in 2004)</p> <p>2m. 12 USSs upgraded to secondary resource schools with standardized facilities of a resource center by Q4 2021 (SY2015/16 baseline: 36)</p> <p>2n. Professional development programs for 250 USE teacher educators (217 science and math and 33 ICT, 40% female) provided by Q2 2018 (baseline: not applicable)</p> <p>2o. Professional development programs and initiatives for 13,300 USE teachers (3,500 math, 9,700 science, and 100 ICT; 40% female) provided through SRS-based training by Q4 2019 (baseline: not applicable)</p> <p>2p. Training of 13,300 USE teachers on career guidance to USS students conducted by Q4 2021 (SY2015/16 baseline: 0)</p> <p>2q. Additional 500 teacher candidates (40% female) at the National Institute of Education and/or qualified teacher training providers granted fellowships by Q4 2021 (SY2015/16 baseline: 500 teacher candidates, 30% female)</p>	<p>study club at secondary schools</p> <p>2c. MoEYS Teacher Policy Action Plan</p> <p>2d. MoEYS Curriculum Framework for General Education and Technical Education</p> <p>2e. MoEYS Guidelines on Secondary Resource Schools and their Network Schools</p> <p>2f. MoEYS Quality Assurance Framework</p> <p>2g. MoEYS instruction on grade 11 assessment</p> <p>2h. Report on grade 12 national examination dissemination</p> <p>2i-2q MoEYS' progress reports; consultants' reports; MoEYS object quarterly and annual reports; MoEYS project completion report</p>	<p>adherence to the government's procurement policies and procedures for externally financed investments</p>
3. Institutional capacity for planning, management, and delivery of education strengthened	<p>Program</p> <p>3a. Functional and performance review and capacity development of personnel and training offices at all provincial offices of education and the Research and Teacher Assessment office at the MoEYS's Teacher Training Department implemented</p> <p>3b. Education Strategic Plan, 2014–2018 updated based on results of annual education sector review and in-depth assessment</p> <p>Project</p> <p>3c. 450 staff trained on comprehensive M&E by Q4 2019 (SY2015/16 baseline: 200)</p> <p>3d. EMIS capacity building initiatives on data management and analysis (including data disaggregated by sex and ethnicity) at the central level strengthened by Q4 2019 (SY2015/16 baseline: not applicable)</p> <p>3e. School management (directors, vice directors, senior staff) of 288 USSs provided management training by Q4 2021 (SY2015/16 baseline: Not applicable)</p> <p>3f. Departments of examination, ICT, policy and the research unit under the Education Research Council of</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 draft Education Strategic Plan, 2014–2018 midterm review report</p> <p>3c. Consultant's report</p> <p>3d. Project quarterly and annual reports</p> <p>3e. ADB review mission</p> <p>3f. Project completion report</p> <p>3g. Inspector reports</p>	<p>Weak intra- and inter-agency coordination resulting in fragmented implementation of project interventions</p> <p>Insufficient financial management capacity at subnational level</p>

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting	Risks
	<p>MoEYS supported with staff development training while office furniture, and equipment provided to Departments of examination, ICT, policy by Q3 2017 (SY2015/16 baseline: not applicable)</p> <p>3g. 48 SRSs and 240 network resource schools provided with SIF support starting Q4 2017 (SY2015/16 baseline: not applicable)</p> <p>3h. Financial management manual developed, and training of DOF and Secondary Education Department and SRS staff on the SIF operation and maintenance of computerized financial management system conducted by Q4 2017 (SY2015/16 baseline: not applicable)</p>	3h. Evaluation reports submitted by the Teacher Training Department and National Institute of Education	

Key Activities with Milestones

1. Access to USE improved
 - 1.1 Issue relevant policy document within 12 months of inception
 - 1.2 Provide scholarships of \$200/year/student beginning SY2017/18
 - 1.3 Provide additional hardship allowance to identified math, science, and ICT teachers (male and female) deployed in disadvantaged areas of the disadvantaged provinces by Q2 2017
 - 1.4 Provide teacher housing in disadvantaged areas of all provinces by Q4 2019
 - 1.5 Upgrade five lower secondary schools to USSs by Q4 2019
 - 1.6 Repair or rehabilitate 11 USSs by Q4 2019
 - 1.7 Provide 16 overcrowded USSs in five disadvantaged provinces with additional classrooms by Q4 2019
 2. Quality and relevance of USE improved
 - 2.1 Issue relevant policy document within 12 months of inception
 - 2.2 Support government review and finalize USE curriculum (science and math) by Q1 2018
 - 2.3 Perform quality check and distribute math and science textbooks by Q4 2017
 - 2.4 Review and upgrade curriculum for USE pre-service and in-service teacher training by Q4 2017
 - 2.5 Upgrade 12 USSs to resource schools with standardized facilities of a resource center by Q4 2021
 - 2.6 Strengthen competencies of 250 teacher educators by Q2 2018
 - 2.7 Strengthen competencies of 13,300 USE teachers through SRS-based training by Q4 2019
 - 2.8 Provide 500 teacher candidates with fellowships by Q4 2021
 3. Institutional capacity for planning, management, and delivery of education strengthened
 - 3.1 Issue relevant policy document within 12 months of inception
 - 3.2 Training of trainers on comprehensive M&E coordinated by MoEYS M&E department by Q4 2019
 - 3.3 Strengthen EMIS capacity at the central level for data management and data analysis by Q4 2019
 - 3.4 Support the establishment of the departments of examination and ICT by Q3 2017
 - 3.5 Provide 48 SRSs and 240 network resource schools with SIF support starting Q4 2017
- Project Management Activities**
1. Establish the project coordination unit by Q3 2016
 2. Recruit project consultants within 3 months of loan effectiveness
 3. Organize inception (within 2 months of consultant deployment), midterm (2019), and final review (2021) workshops

Inputs

ADB:

Policy-based loan: \$15,000,000 (ADF)

Project loan: \$30,000,000 (ADF)

Technical assistance: \$1,000,000 Technical Assistance Special Fund (TASF-V)

Assumptions for Partner Financing Not applicable

^a MoEYS. 2014. *Education Strategic Plan, 2014–2018*. Phnom Penh.

ADB = Asian Development Bank; ADF = Asian Development Fund; DOF = Department of Finance; EMIS = education management information system; ICT = information and communication technology; M&E = monitoring and evaluation; MOEYS = Ministry of Education, Youth, and Sport; NIE = National Institute of Education; Q = quarter; SIF = School Improvement Fund; STEM = science, technology, engineering, and mathematics; SRS = secondary resource school; SY = school year; USE = upper secondary education; USS = upper secondary school.

Source: ADB.

B. Monitoring

92. Project performance monitoring. Project progress, inputs, outputs, outcomes, and impacts will be monitored according to the DMF. The PCU will be responsible for monitoring and reporting on the performance of the project. The PCU will prepare quarterly progress reports (QPRs) describing (i) project implementation progress, (ii) problems and constraints, and (iii) proposed actions and solutions for submission to the Government and ADB.

93. At the commencement of project implementation, the PCU, with the assistance of the project start-up consultant, will use baseline information from MoEYS' EMIS to develop a comprehensive project performance management system (PPMS) to generate data systematically on the inputs and outputs, as well as the indicators to be used to measure project impact, taking into account the scope of the outputs. The PCU will (i) confirm achievable targets; (ii) finalize monitoring, recording, and reporting arrangements; and (iii) establish systems and procedures, no later than six months after loan effectiveness. Data from the EMIS will be supplemented by three surveys to obtain data and information for baseline, mid-term, and final review.

94. The national M&E Specialist will organize training courses for staff at national and provincial levels on M&E skills. Project reviews on performance progress, problems and constraints faced and proposed solutions, will be jointly made by ADB and the Government every six months. The PCU will be responsible for providing information and data for these semi-annual reviews.

95. ADB and the Government will conduct a midterm review halfway through project implementation in order to: (i) review project scope, design, and implementation mechanism; (ii) review the performance progress as compared with design targets and milestones; (iii) review project compliance with loan covenants; and (iv) propose necessary adjustments. The results of the midterm review will be presented and discussed at a Midterm Workshop to be participated in by representatives of stakeholders, consultants, and ADB. Necessary actions will be decided at the workshop.

96. **Compliance monitoring.** Compliance with policy, legal, financial, economic, environmental, social, and other covenants contained in the loan and project agreements will be monitored by the PCU, which will, in turn, advise report the situation regarding covenant compliance in each of its semi-annual progress reports to ADB. ADB will monitor compliance through a review of the PCU progress reports and through selective follow-up discussions or more detailed reviews during supervisory missions.

97. **Environmental safeguards monitoring.** The environmental categorization is B. As the proposed developments will be undertaken within the existing land area/footprint of the identified schools and will not require additional land area for the proposed infrastructure facilities, no adverse environmental impacts on the schools and communities is anticipated. However, an Environment Specialist will be engaged as part of the PIC team to work with the Site Engineers in conducting regular site inspections and ensure the compliance of the civil works contractors with the environment safeguards provisions in their contracts to minimize adverse environmental impacts mainly during the construction phase.

98. **Involuntary resettlement monitoring.** As the ADB involuntary resettlement category is C, no land acquisition and resettlement are anticipated.

99. **Indigenous peoples safeguards.** The project is assigned Indigenous Peoples category B as ethnic minority students and staff make up a large percentage of the project loan's targeted schools in at least five of the seven poor and disadvantaged provinces targeted for the project. However, the poverty and social assessment conducted during the PPTA determined that no project activities will adversely affect ethnic minority communities. Nevertheless, measures to ensure that students, teachers, and school administrators in ethnic minority areas have been included in the project design in lieu of preparing a separate ethnic group plan. A national Ethnic Minority Specialist will be engaged as part of the project implementation consultant team to monitor the implementation of the measures, which are intended to benefit indigenous peoples in the project area.

100. **Gender and social dimensions monitoring.** Gender and social dimensions will be monitored internally through the PPMS. Specific indicators and targets from the GAP have been included in the DMF. At the beginning of the project, the PCU, with assistance from the national Gender Specialist and the M&E Specialist, will develop the PPMS and associated forms to generate data systematically for each output, including selected indicators requiring sex-disaggregated data in the DMF and the GAP. The PCU will be responsible for preparing and submitting bi-annual reports on GAP activities to ADB as part of its quarterly progress monitoring reports.

C. Evaluation

101. ADB will conduct an inception mission within two months of project start and a review mission every six months, which will assess the progress of project implementation and the achievement of the outputs. A midterm review mission will indicatively be scheduled in mid-2019. Within six months after the physical completion of the project, the Project Director will submit to ADB a project completion report, analyzing implementation, project performance and achievements against the targets, and expected project impact.¹⁸

D. Reporting

102. MoEYS will provide ADB with (i) quarterly progress reports in a format consistent with ADB's project performance reporting system; (ii) consolidated annual reports including (a) progress achieved by output as measured through the indicator's performance targets, (b) key implementation issues and solutions, (c) updated procurement plan, and (d) updated implementation plan for the next 12 months; and (iii) a project completion report within six months of physical completion of the project. To ensure that projects will continue to be both viable and sustainable, project accounts and the executing agency audited financial statement together with the associated auditor's report, should be adequately reviewed.

E. Stakeholder Communication Strategy

103. Output 3 of the project will include the design and implementation of a communication strategy that will convey targeted and timely messages and information on program and project objectives and activities. The project will also provide for the translation of all policies, guidelines, and other operational documents developed/prepared under the project into both Khmer and English to facilitate information sharing for better planning and management. The PCU will liaise with MoEYS and other related agencies at the national and provincial levels to

¹⁸ Project completion report format is available at: <http://www.adb.org/Consulting/consultants-toolkits/PCR-Public-Sector-Landscape.rar>

provide directions, monitoring, and feedback for smooth implementation of the project. An international communications specialist will develop the overall communications strategy for the program.

X. ANTICORRUPTION POLICY

104. ADB reserves the right to investigate, directly or through its agents, any violations of the Anticorruption Policy relating to the project.¹⁹ All contracts financed by ADB shall include provisions specifying the right of ADB to audit and examine the records and accounts of the executing agency and all project contractors, suppliers, consultants, and other service providers. Individuals and/or entities on ADB's anticorruption debarment list are ineligible to participate in ADB-financed activity and may not be awarded any contracts under the project.²⁰

105. To support these efforts, relevant provisions are included in the loan agreement/ regulations and the bidding documents for the project.

XI. ACCOUNTABILITY MECHANISM

106. People who are, or may in the future be, adversely affected by the project may submit complaints to ADB's Accountability Mechanism. The Accountability Mechanism provides an independent forum and process whereby people adversely affected by ADB-assisted projects can voice, and seek a resolution of their problems, as well as report alleged violations of ADB's operational policies and procedures. Before submitting a complaint to the Accountability Mechanism, affected people should make an effort in good faith to solve their problems by working with the concerned ADB operations department. Only after doing that, and if they are still dissatisfied, should they approach the Accountability Mechanism.²¹

XII. RECORD OF CHANGES TO THE PROJECT ADMINISTRATION MANUAL

¹⁹ Anticorruption Policy: <http://www.adb.org/Documents/Policies/Anticorruption-Integrity/Policies-Strategies.pdf>

²⁰ ADB's Integrity Office web site: <http://www.adb.org/integrity/unit.asp>

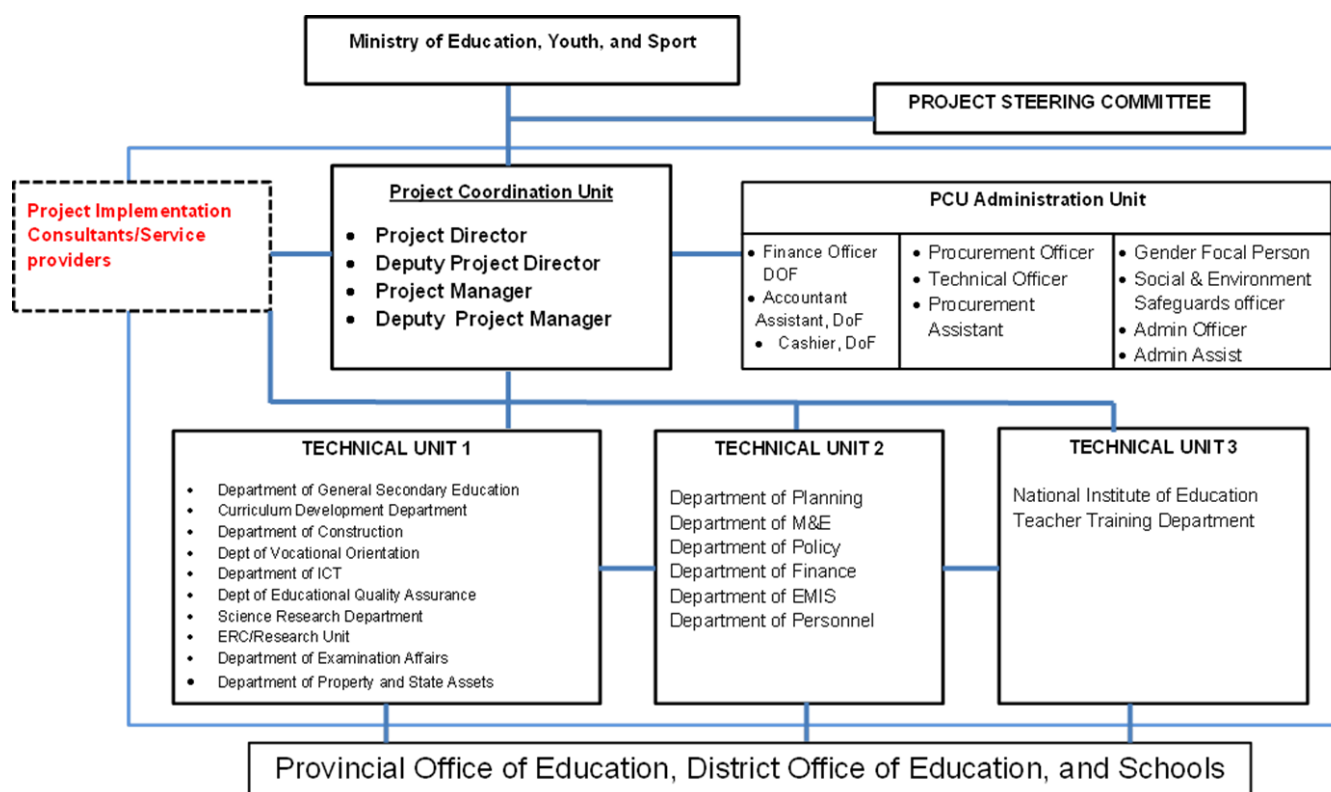
²¹ Accountability Mechanism. <http://www.adb.org/Accountability-Mechanism/default.asp>.

FINANCIAL MANAGEMENT ASSESSMENT REPORT

A. Background

1. The project will support the Ministry of Education, Youth, and Sport (MoEYS) in the implementation of the Education Strategic Plan (ESP), which is in line with the National Strategic Development Plan of the Royal Government of Cambodia (RGC). The project has three major outputs, namely: (i) Output 1: Access to upper secondary education improved; (ii) Output 2: Quality and relevance of upper secondary education improved; and (iii) Output 3: Institutional capacity for planning, managing and delivery of education services strengthened.

2. MoEYS will be the executing agency (EA) for the proposed project. As EA, MoEYS will have overall responsibility for project activity planning, coordination, implementation, and monitoring. A Project Coordination Unit (PCU) will be set up by MoEYS to oversee day-to-day project implementation. The PCU will be headed by the Project Director, assisted by the Deputy Project Director, Project Manager, and Deputy Project Manager. It will be responsible for: (i) overall management of the proposed project; (ii) coordination and liaison with ADB; (iii) review of detailed annual implementation plan and budget of each implementing unit and financial reports; (iv) review of the economic, environmental, and social assessment programs and subprojects; (v) management of trainings programs; (vi) selection of consulting services at the central level; (vii) monitoring and reporting; and (viii) coordination with implementing and support staff appointed by MoEYS from the various departments and offices, as shown in the organization chart below.



B. Financial Management Assessment

3. The financial management assessment (FMA) was conducted in October and December 2015 at country and sector level in accordance with ADB's Second Governance and Anticorruption Action Plan (GACAP II). The FMA considered the capacity of the Ministry of Education, Youth and Sport and its implementing offices at national and sub-national level, including planning and budgeting, budget execution, accounting and financial reporting system and internal audit. Based on the assessment, the overall risk at country and sector level is **Substantial**. The detailed risk assessment is presented in Table 1 and the risk management plan is provided in Table 2.

Table 1: Risk Assessment – Country and Sector Level

Governance Weaknesses	Risk Identified	Likely to Occur	Risk Category			
			Low	Moderate	Substantial	High
Public Financial Management						
Budgeting: A Budget Strategic Plan (BSP) is prepared which is a 3-year rolling plan. The BSP is in lieu of the MTEF. Based on the BSP, the Annual Operating Plan (AOP) is prepared. Full-program – based (PB) budgeting system is adopted effective 2015 which means that budgets are presented both in terms of economic classification (chapter, accounts and sub-account) and by program, sub-program and core activities. However, linkage of the budget to policy objective as spelled out in the Education Strategic Plan is not clear enough.	Analysis of budget spending in terms of its consistency to the realization of policy objectives is not possible yet. The budget at sub-national level is not consolidated into relevant program and sub-programs on a sub-sector basis, thus budgets by program, sub-program and core activities are not misleading as these are not integrated into the consolidated budget of the ministry into relevant sub-programs but presented as separate program.	/			/	
Budget Execution & Funds Flow Different methods of budget execution and funds flow is adopted. Petty Cash Advance is directly released by	Budget expenditures for each budget entity and POE could not easily be determined at a given time. Tracking system of budget releases or	/			/	

Governance Weaknesses	Risk Identified	Likely to Occur	Risk Category			
			Low	Moderate	Substantial	High
National Treasury or Provincial Treasury to central budget entities and POEs. In some budget items, the Treasury directly pay the suppliers or service providers based on the request of the budget entities. For salaries, the Treasury release check for the total salary of all personnel to the Personnel Department of the Ministry for central employees and to Personnel Dept of POE for sub-national employees.	spending is not fully established yet at each budget entity, POE or even at Department of Finance (DoF). The DoF has to get data from the Treasury in order to complete the Ministry data on budget execution.					
<u>Accounting System:</u> At budget entity level, accounting of budget spending is limited to those spent out of the Petty Cash Advance. At POE level, books of accounts are also limited to Petty Cash advance expenditures. Other expenditures are just recorded in excel spreadsheets.	With the different methods of budget releases, it makes it difficult for each budget entity and POE to account of its budget expenditures. At the Department of Finance (DoF), the accounting system to capture all budget expenditures of all budget entities and POEs is still being developed. A Ministry FMIS is developed to address this weakness in accounting system.	/			/	
<u>Financial Reporting System:</u> The weakness in accounting system both at national and sub-national level results in incomplete financial reports, thus, not providing timely and accurate information of budget	Incomplete data are not reliable in terms of checking budget spending whether it is for the intended purpose. Comparison of actual budget spending to approved budget in terms of program and sub-program is not	/			/	

Governance Weaknesses	Risk Identified	Likely to Occur	Risk Category			
			Low	Moderate	Substantial	High
received and expenditures.	possible.					
Auditing System: While the Ministry has its own Internal Audit Department, actual audit coverage is very limited at 12% of schools annually and only selected central departments and POEs. Capacity of internal auditors are also limited. External audit which is done annually by the National Audit Authority (NAA) seemed not very useful yet as audit results and recommendations are not shared on time with relevant departments.	Audit exercise does not help yet the budget entities in strengthening financial management system and detection of cases of budget misappropriation could not be determined in a timely manner.	/			/	

Table 2: Risk Management Plan – Country and Sector Level

Governance Weaknesses	Moderate and Substantial Risks	Risk Mitigation Action Plan	Indicator
Public Financial Management			
Budgeting: A Budget Strategic Plan (BSP) is prepared which is a 3-year rolling plan. The BSP is in lieu of the MTEF. Based on the BSP, the Annual Operating Plan (AOP) is prepared. Full-program – based (PB) budgeting system is adopted effective 2015 which means that budgets are presented both in terms of economic classification	<p>Analysis of budget spending in terms of its consistency to the realization of policy objectives is not possible yet.</p> <p>The budget at sub-national level is not consolidated into relevant program and sub-programs on a sub-sector basis, thus budgets by program, sub-program and core activities are not misleading as these are not integrated into</p>	<p>Internal consultation and study led by Department of Planning and Department of Finance is started on how to have a clear policy-budget linkage both at BSP and AOP.</p> <p>The results of the study will be discussed with MEF for possible revision of guidelines on planning and budgeting.</p>	<p>Results of study completed and discussion with MEF completed within 2016.</p> <p>Agreement with MEF as to implementation of new budget templates and guidelines reached by mid 2017.</p>

Governance Weaknesses	Moderate and Substantial Risks	Risk Mitigation Action Plan	Indicator
(chapter, accounts and sub-account) and by program, sub-program and core activities. However, linkage of the budget to policy objective as spelled out in the Education Strategic Plan is not clear enough.	the consolidated budget of the ministry into relevant sub-programs but presented as separate program.		
<u>Budget Execution & Funds Flow</u> Different methods of budget execution and funds flow is adopted. Petty Cash Advance is directly released by National Treasury or Provincial Treasury to central budget entities and POEs. In some budget items, the Treasury directly pay the suppliers or service providers based on the request of the budget entities. For salaries, the Treasury release check for the total salary of all personnel to the Personnel Department of the Ministry for central employees and to Personnel Dept of POE for sub-national employees.	Budget expenditures for each budget entity and POE could not easily be determined at a given time. Tracking system of budget releases or spending is not fully established yet at each budget entity, POE or even at Department of Finance (DoF). The DoF has to get data from the Treasury in order to complete the Ministry data on budget execution.	Roll out of the MEF FMIS to MoEYS for budget release monitoring and reporting to National Treasury. Implementation of MoEYS FMIS	MEF completed training on MEF FMIS by end of 2016. MEF FMIS implemented in 2017. At least 50% of central entities and POEs are implementing the MoEYS FMIS at end of 2016. By 2017, all entities and POEs are implementing the MoEYS FMIS. DoF is able to monitor the efficient operation of the MoEYS FMIS.
<u>Accounting System:</u> At budget entity level, accounting of budget spending is limited to those spent out of the Petty Cash Advance. At POE level, books of accounts are also limited to Petty Cash	With the different methods of budget releases, it makes it difficult for each budget entity and POE to account of its budget expenditures. At the Department of Finance (DoF), the accounting system to	MoEYS to prepare a sub-national financial management manual for guidance of schools and DOEs on accounting and reporting to POEs. Operation of FMIS which establishes a complete accounting system to cover all budget	A Sub-national FM Manual is prepared by middle of 2017 and DOEs and schools are trained for its implementation. Accounting system is operational in at least 50% of central entities and POEs by end of 2016

Governance Weaknesses	Moderate and Substantial Risks	Risk Mitigation Action Plan	Indicator
advance expenditures. Other expenditures are just recorded in excel spreadsheets.	capture all budget expenditures of all budget entities and POEs is still being developed. A Ministry FMIS is developed to address this weakness in accounting system.	expenditures by economic classification and program, sub-program and core activities. DoF to monitor the implementation of FMIS at central entities and POEs.	and 100% by end of 2017.
Financial Reporting System: The weakness in accounting system both at national and sub-national level results in incomplete financial reports, thus, not providing timely and accurate information of budget received and expenditures.	Incomplete data are not reliable in terms of checking budget spending whether it is for the intended purpose. Comparison of actual budget spending to approved budget in terms of program and sub-program is not possible.		Financial reports are generated from the FMIS by at least 50% of central entities and POEs by end of 2016. By middle of 2017, all entities and POEs can generate financial reports from the MoEYS FMIS. Reconciliation of accounts in MEF FMIS and MoEYS FMIS is possible by 2017
Auditing System: While the Ministry has its own Internal Audit Department, actual audit coverage is very limited at 12% of schools annually and only selected central departments and POEs. Capacity of internal auditors are also limited. External audit which is done annually by the National Audit Authority (NAA) seemed not very useful yet as audit results and recommendations are not shared on time with relevant departments.	Audit exercise does not help yet the budget entities in strengthening financial management system and detection of cases of budget misappropriation could not be determined in a timely manner.	The MoEYS PFMR Secretariat will support Internal Audit Department in dialogues with MEF for the updating of the Audit Manual and training of audit personnel. Audit plan is prepared with clear audit objectives and scope. Strengthening of the Inspectorate Division to do physical inspection of inputs to schools, DOEs and POEs. Dialogue with NAA on the proper disposition of audit reports.	An updated Audit Manual is available by first quarter of 2017. Internal Audit Department implements the new audit plan starting first quarter of 2017. Inspectorate Division started to implement new inspections guidelines already approved by MoEYS. The office of the Directorate General for Admin and Finance (DGAF) will initiate the

Governance Weaknesses	Moderate and Substantial Risks	Risk Mitigation Action Plan	Indicator
			dialogue by first quarter of 2017.

4. The financial management assessment (FMA) at project level was conducted in December 2015 and April 2016. The FMA considered the capacity of the Ministry staff at national and sub-national level to be involved in the financial management of the proposed project. The assessment covers funds flow arrangements, staffing, accounting and financial reporting systems, financial information systems, and internal and external auditing arrangements. Based on the assessment, the overall financial management capacity of MoEYS and the implementing units is **Satisfactory**. However, there key financial management risks identified which are: i) possible delay in preparation of consolidated annual work plan and budget; ii) conflict of work priorities of finance staff; iii) slow disbursement for project activities due to lengthy preparatory work; iv) activities under School improvement fund (SIF) not aligned with project objectives; and v) late submission of financial report of SRS/NS on SIF implementation. It is concluded that the overall premitigation financial management risk of the MoEYS and its implementing offices is **Moderate**. The MoEYS, through the Department of Finance, have agreed to implement action plan as key measures to address the risks. The financial management action plan is provided in attached Table 3.

Table 3. Financial Management Action Plan

	Key Risks	Activities to Mitigate	Responsible	Timeline
1	Delay in preparation of consolidated annual work plan and budget. The USESDP has various implementing units (IU) and each IU has to prepare its annual work plan and budget in coordination with stakeholders.	c) The PCU and DoF-PFT shall set specific timelines on the preparation and submission of annual work plan and budget, review process, consolidation and submission to ADB; d) b) DoF-PFT shall closely coordinate with implementing offices in the AWP & budget preparation and submission.	Finance Team Leader and Finance Officer	AWP & budget preparation shall be one month before the start of each fiscal year of the project.
2	Conflict of Work Priorities of Finance Staff. Nominated finance staff are permanent employees of MoEYS and have their regular workload. There may be cases of conflict of work priorities between the project and regular MoEYS tasks	e) Nominated DoF staff for Finance Officer, Accountant and Cashier shall devote at least 50% of his time to the Project f) b) the project finance team shall be supported with contracted staff to work full-time for the project; g) c) key outputs and deliverables of DoF-PFT shall be specified at the start of the project and coordinated by PCU; h) d) Financial Management Manual shall be prepared for the project to serve as guide to the DoF in financial management.	Finance Team Leader Procurement Office (for procurement of contracted local staff)	At the start of the project

	Key Risks	Activities to Mitigate	Responsible	Timeline
3	Slow disbursements caused by lengthy preparatory activities for each expected output. Each output has its own preparatory activities which may take some time resulting in slow disbursement for main activities.	b) DoF-PFT with the support from PCU shall closely coordinate with implementing departments in activity planning and implementation; b) monthly monitoring of activity and budget will be initiated by DoF and submit report to PCU.	Finance Officer Project Manager	Monthly & Quarterly
4	Activities under School improvement fund not aligned with project objectives. Schools have been implementing SIG for the last 3 years and may have tendency to implement same activity not focused on math, science and ICT.	b) Specific guidelines on preparation of SIF project proposal and implementation shall be prepared and orientation or training to SRS/NS shall be undertaken prior to actual implementation; b) Regular monitoring of SIF implementation	GSED SIF Officer and DoF Finance Officer	At the start of the project; Quarterly monitoring of SIF implementation at school level
5	Late submission of financial report of SRS/NS on SIF implementation. SRS/NS receiving SIF will be required to submit periodic financial reports. Some SRS may not submit on time, thus affecting the financial report for the project as a whole.	b) DoF shall collaborate with POE in monitoring the compliance of SRS/NS in SIF management and reporting.	DoF Finance Officer; POE	Quarterly

5. Table 2 presents the capacity development plan for sub national level

Table 2. Capacity Development Plan for Sub National Level

Activity	Responsible	Resources	Timeline
1.Hands-on Training for POEs Finance Staff on MoEYS FMIS.	MoEYS Finance Team	GPE 2 & CDPF Budget	August 2016 to December 2017
2. Provide training on MEF Treasury FMIS to the POEs finance staff which is different from MoEYS FMIS.	MEF & MoEYS DoF	Government Budget	Jan 2017 to Dec 2017
3. Provide upgraded hardwares to selected POEs to enable to them implement the MoEYS FMIS which will be ready and implemented by early 2017	Department of Finance	Government Budget & partly GPE 2 & CDPF	Jan to April 2017
4. Provide training to	Department of Finance	Government Budget &	Feb 2017 to August

Activity	Responsible	Resources	Timeline
DOE and schools on new guidelines on accounting & reporting system		CDPF	2017
5. Monitor POEs on implementation of MoEYS FMIS	FMIS Team & DoF	Government Budget	January 2017 onwards
6. Support exchange visits among POEs for slow learning POEs to learn from fast learning POEs on FMIS implementation	Department of Finance	Government Budget	March to October 2017
7. Provide training to POEs on new guidelines on planning and budgeting with strong link of budget to policies once approved by MEF	MEF, DoP, & DoF	Government Budget	June 2017 to Dec. 2017

C. Financial Management Arrangements

1. Preparation of Annual Financing Plan and Approval

6. The project annual financing plan shall be based on the proposed annual work plan and budget from each project implementing unit. Each unit's operating plan and budget shall be subject for review by the PCU and by the Department of Finance (DoF). The DoF shall consolidate the annual work plan and budget of all implementing units into an Annual Financing Plan (AFP). The AFP shall be submitted by the DoF to PCU for review and for approval by the Project Director. The approved AFP shall be submitted to ADB at the start of each fiscal year. The AFP shall serve as basis for the disbursement of funds for each activity based on approved activity schedule and fund request. On a periodic basis, the DoF shall review the implementation of the AFP and if there are significant budget variances, the DoF shall coordinate with the PCU and relevant implementing units in determining the causes or reasons for budget variances.

2. Disbursement Mechanisms at Project Level

a. Procurement of Goods, Civil Works and Consulting Services under ICB

7. At the start of each fiscal year, an Annual Procurement Plan (APP) for goods, civil works and consulting services shall be prepared by the Procurement Office based on the request from the implementing units. This plan shall be discussed and agreed upon with the ADB Project Officer before the formal submission to ADB. In the event of changes or updates to the APP, the updated APP shall also be discussed and agreed upon with the ADB Project Officer prior to official submission to ADB.

8. The direct payment method will be used for each claim under ICB contracts. This mode of payment shall be specified in the contract with each service provider or contractor. Contractors' invoice will be subject for certification for payment by the PCU after acceptance of

deliverables or outputs. The MoEYS/PCU will process the direct payment request and approved by the Project Director before these are submitted to MEF for approval of the Withdrawal Application. The WA with the supporting documents shall be submitted to ADB. Payment will be released by ADB direct to the bank account of the contractor stated in the invoice and request document.

b. Training

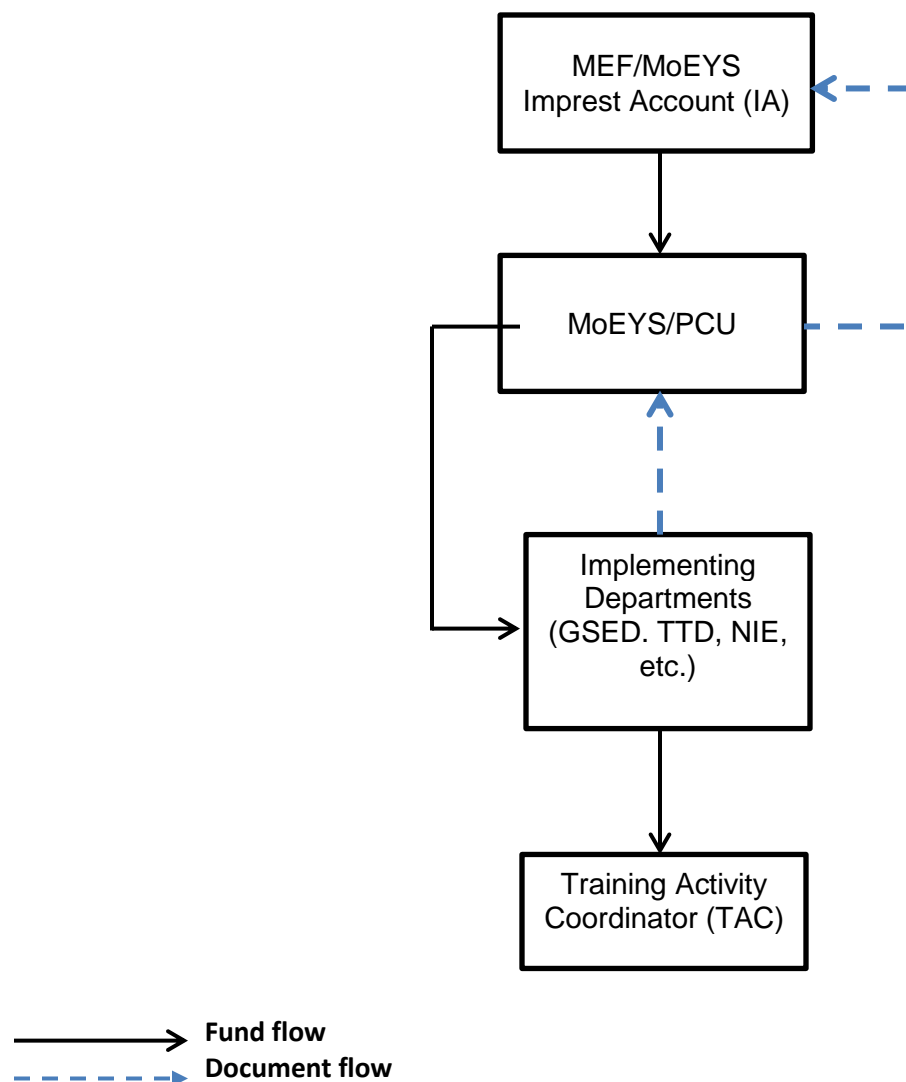
9. Disbursement for training activity shall be made based on approved training plan and cash advance request from implementing unit (IU) at the central level with specific authorized activity coordinator (AAC) to receive the training cash advance. A cheque from the imprest account will be issued in the name of the AAC. In case the training activity is to take place at the provinces, the training funds shall be transferred to a provincial bank where the AAC will claim the amount. This is to avoid the risk involved in handling big amount of money while on travel from the central office to the provinces. The funds flow for training is shown in Figure 2.

c. Scholarship Grant (SG) and School Improvement Fund (SIF)

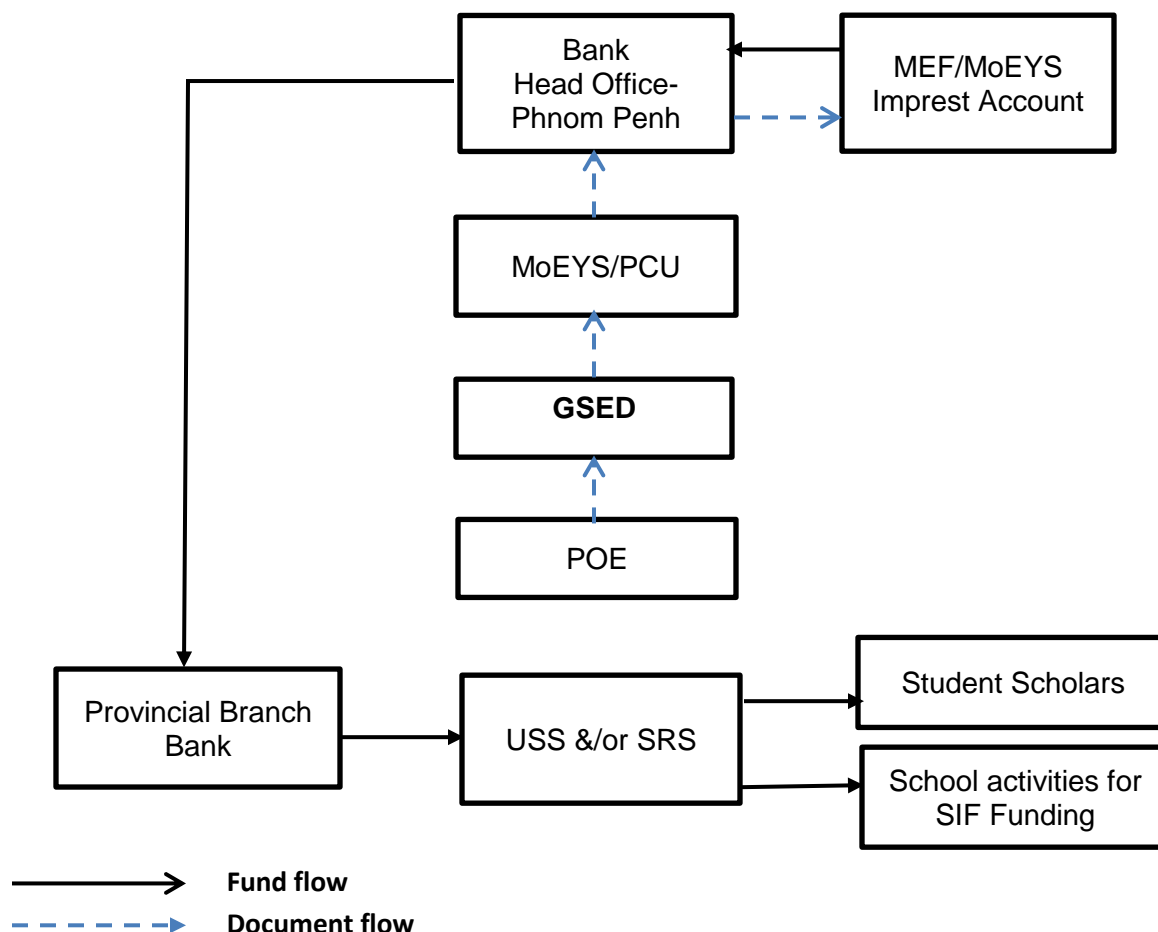
10. The banking system shall be used to transfer the SG and SIF to the schools based on the request and endorsement from the GSED. Transfer order from the Imprest Account to the existing bank account of the school will be prepared by the MoEYS/PCU and approved by the authorized imprest account signatories. A notice of fund release with the list of scholarship recipients in the case of SG shall be issued by MoEYS/PCU to schools. For SIF, fund release shall be based on the approved budget for each school as endorsed by POE and GSED and approved by the Project Manager. SIF funds will be transferred by MoEYS/PCU directly to the bank account of each school. The funds flow for SG and SIF is shown in Figure 3.

d. Hardship Allowances for Teachers

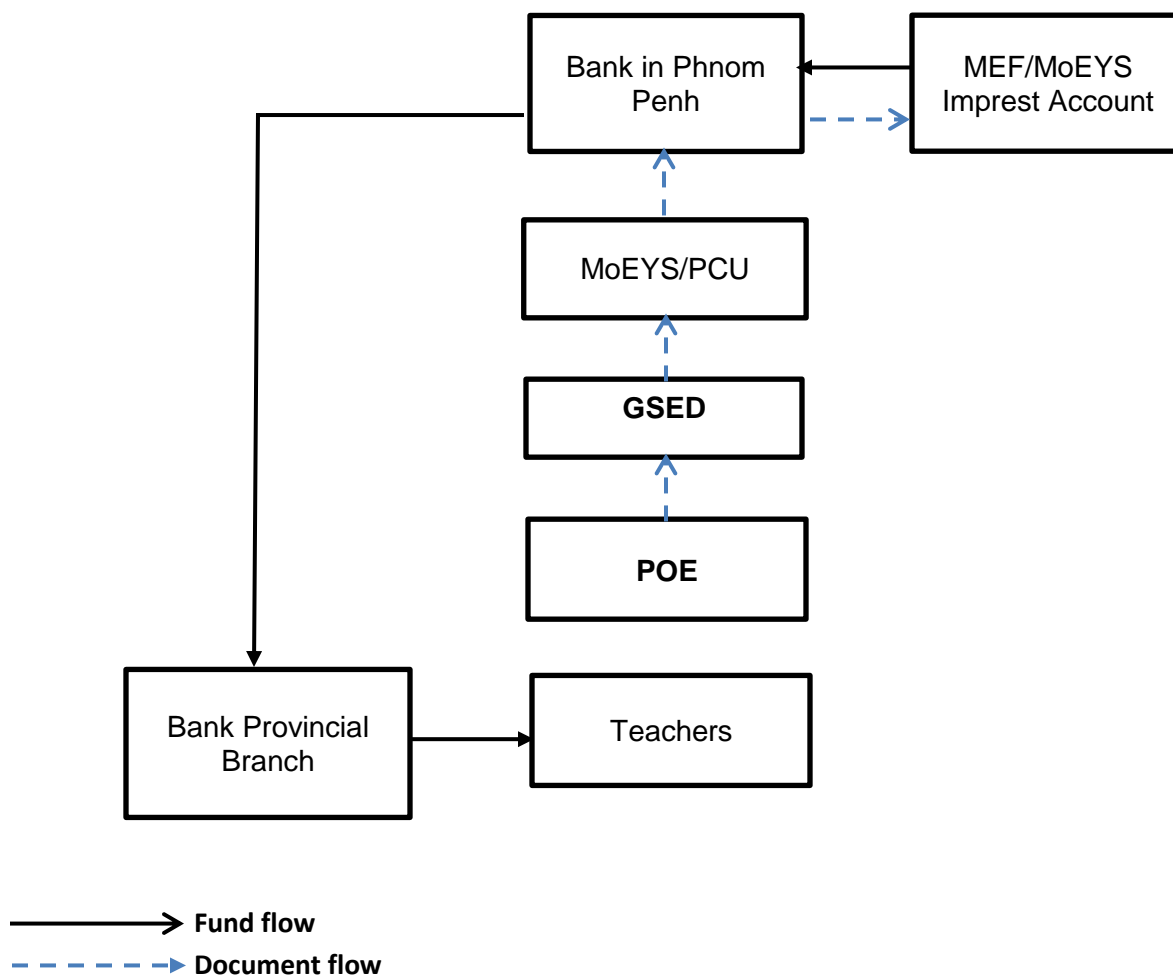
11. The banking system shall also be used to transfer hardship allowance for teachers using their existing bank account for salaries. The funds flow for hardship allowances for teachers is shown in Figure 4.

Figure 3: Funds Flow for Training**Narrative Procedures:**

1. The Implementing departments (ID) prepare training proposal and cash advance request which must be endorsed by the concerned Department Director and approved by the Project Director or Project Manager.
2. The approved training cash advance request is submitted by ID to MoEYS/PCU (or Project Finance Team) who will review the mathematical calculation of the advance request and if the activity is within the implementation plan and budget of the ID.
3. MoEYS/PCU prepares the disbursement voucher and cheque from the Imprest Account and have these approved by the Project Director, or Deputy Director, or Project Manager. The cheque has to be signed at all times by two officials from the authorized signatories.
4. MoEYS/PCU releases the check to the authorized Training Activity Coordinator (TAC).

Figure 4: Funds Flow for Scholarship & SIF**Narrative Procedure:**

1. POE submits the list of eligible scholars and list of USS and SRS eligible for SIF based on the approved SIF proposal to GSED.
2. GSED reviews the list and endorses for approval by the Project Director.
3. The approved list is submitted by GSED to MoEYS/PCU for processing who in turn prepares the disbursement voucher and cheque from the Imprest Account.
4. MoEYS/PUC also prepares the detailed list of schools with bank account details and amount per school for scholarship and separate list for SIF.
5. MoEYS/PCU brings cheque and list to Bank Phnom Penh for transfer of SIF and scholarship fund to bank account of schools at Bank provincial branch.
6. Bank in Phnom Penh processes the clearance of the cheque with MoEYS IA National Bank of Cambodia.
7. Bank in Phnom Penh processes the transfer of fund to the individual account of the schools in Bank provincial branches.
8. MoEYS/PCU sends copy of list to POE and schools.
9. Schools collect the money from their bank account. For scholarship, school officials release scholarship money to students with their parents and sign on scholarship documents. For SIF, the school pays for eligible expenses based on approved proposal and budget.

Figure 5: Funds Flow for Teachers Hardship Allowance**Narrative Procedure:**

1. POE submits to GSED the list of teachers eligible for hardship allowance
2. GSED reviews the list and endorse for approval by the Project Director.
3. The approved list is submitted by GSED to MoEYS/PUC for processing who in turn prepares the disbursement voucher and cheque from the Imprest Account.
4. MoEYS/PCU also prepares payroll list with names of teachers, bank account details and amount for transfer to the bank account.
5. MoEYS brings cheque and list to Bank in Phnom Penh for transfer of allowance to the account of the teachers at Bank provincial branch.
6. Bank in Phnom Penh processes the clearance of the cheque with MoEYS IA National Bank of Cambodia.
7. Bank in Phnom Penh processes the transfer of fund to the individual account of teachers in provincial branches.
8. MoEYS/PCU sends copy of list to POE.
9. POE informs the teachers of the transfer of allowance to their bank account.
10. Teachers collect their allowances from their bank account.

3. Project Accounts, Financial Reporting, and Audit Arrangement

12. **Project Special Account.** The Special Account (ADB Imprest Account) will be established by MEF, being the signatory to the loan agreement, at the National Bank of Cambodia, and will be under the administration of the MoEYS. Delegation of authority for withdrawal from the Special Account shall be vested with the officials from MEF and MoEYS. The Special Account will be managed using the imprest system under the responsibility of the Department of Finance, hence this shall be called Imprest Account. Payment for project activities not under the direct payment method shall be made from the Imprest Account. Counterpart from the MoEYS will be in the form of services of government staff involved in project implementation. There is no need for a separate bank account for this purpose as salary payments follow the existing government system.

13. As soon as the loan is effective, the DoF shall coordinate with MEF for the opening of the imprest account with National Bank of Cambodia (NBC). The imprest account will be opened, managed and operated in accordance with ADB's Loan Disbursement Handbook (January 2007). The ceiling and initial amount to be allocated to the imprest account shall not exceed \$2 million. Expenditures paid out of the imprest account shall be reported to ADB through the submission of Statement of Expenditures (SOE) and Withdrawal Application (WA) approved by the MEF for the purpose of replenishing the imprest account. When project activities are accelerated or on full swing, the advance ceiling of the Imprest account should be reviewed by the DoF if this is enough to support simultaneous activities. In consultation with PCU and approval from MEF, the project may request increase in ceiling of the Imprest Account to a reasonable level from ADB. Figure 5 presents the flow of funds from ADB to the borrower to implement project activities:

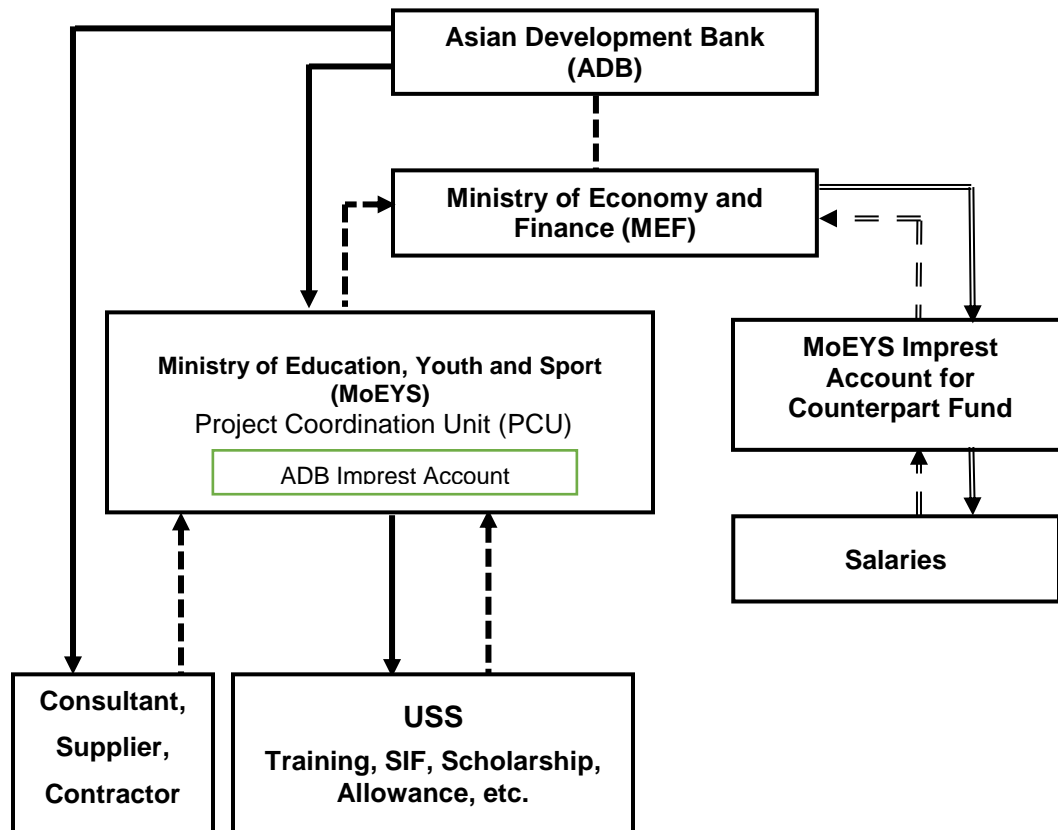
14. **Books of Accounts.** Complete books of accounts for the project will be established under the management of the DoF. An accounting software shall be used to facilitate the accounting process and preparation of financial reports. The design of the project accounting system will be in accordance with the guidelines from MEF and ADB where cost accounting of each project output and disbursement category will be recorded and reported. Accounting standards will be in accordance with the principles and standards of International Public Sector Accounting Standards (IPSAS).

15. **Financial reports.** Financial reports will be derived from the project books of accounts. The DoF shall be responsible for the preparation of financial reports on a monthly, quarterly, and yearly basis. Financial reports template will be in accordance with the prescribed templates of ADB and MEF but the basic financial records such as journal, general ledger, trial balance, statement of receipts and expenditures and balance sheet shall be in accordance with the international accounting standards.

16. **Audit.** The project accounts which includes the imprest account, books of accounts and financial reports as well as the disbursement procedures will be subject to audit by both internal auditor of MoEYS and external independent auditor. The Project Director will approve the audit work plan of the Internal Auditor who will audit the project accounts on a quarterly basis. The internal audit report shall be submitted to the Project Director. The external auditor who must be an independent entity will be selected on an annual basis by MEF and the selected entity shall be acceptable to ADB. External audit will be on an annual basis and the audit cost will be chargeable to the project loan. The annual audit report from the External Auditor shall be submitted to ADB not later than 6 months from the end of the fiscal year. The ADB reserves

the right of inspection of the project accounts as part of their fiduciary functions to ensure that the ADB loan proceeds are used in accordance with the terms and conditions of the loan agreement consistent with the ADB policies and procedures.

Figure 6: Project Funds Flow



Note:

- Loan Funds Flow
- - - - -** Document Flow – Loan
- ====>** Fund Flow – Counterpart Fund
- = = =>** Document Flow – Counterpart government salaries

Annex 1

FINANCIAL MANAGEMENT ASSESSMENT QUESTIONNAIRES USED WITH DOF

TOPIC		RESPONSE	REMARKS
1. IMPLEMENTING AGENCY			
1.1	What is the entity 's legal status/registration?	Government Agency	
1.2	Has the entity implemented an externally financed project in the past (if so, please provide details)?	Yes, various projects funded by ADB, World Bank, GPE, SIDA, UNICEF, etc.	
1.3	What are the statutory reporting requirements for the entity? Required reports from MoEYS to MEF or National Treasury?	Government budget: expenditure reports; For externally financed projects - Monthly, Quarterly and Annual Expenditure Report	
1.4	Is the governing body for the proposed project independent?	Senior Management of the Ministry. Yes it is.	
1.5	Is the organizational structure appropriate for the needs of the project?	Organizational structure and detail of key personnel attached	
2. FUNDS FLOW ARRANGEMENTS			
2.1	Described (proposed) project funds flow arrangements, including a chart and explanation of the flow of funds from ADB, government and other financiers?	ADB direct to MEF/MoEYS Imprest Account (IA); MoEYS to project activities and third party contractors through check payment; MoEYS to school bank account and supervised by POE during scholarship distribution; and SIG – direct transfer to school bank account. Funds flow arrangement is attached.	
2.2	Are the (proposed) arrangements to transfer the proceeds of the loan (from the government/finance ministry) to the entity satisfactory?	Yes. It is satisfactory.	
2.3	What have been the major problems in the past in receipt of funds by the entity?	There are few cases of delays in receipt of funds due to processing time at MoEYS and MEF.	
2.4	In which bank will the Imprest Account be opened?	National Bank of Cambodia	
2.5	Does the (proposed) project implementing unit (PIU) have experience in the management of disbursements from ADB?	Yes. It does	
2.6	Does the entity have/need a capacity to manage foreign exchange risks?	Yes	
2.7	How are the counterpart funds assessed?	Based on salaries of Project staff involved in the USESDP.	
2.8	How are payments made from the counterpart		

TOPIC		RESPONSE	REMARKS
	funds?		
2.9	If part of the project is implemented by communities or NGOs, does the PIU have the necessary reporting and monitoring features built into its systems to track the use of the project proceeds by such agencies?		
2.10	Are the beneficiaries required to contribute to project costs? If beneficiaries have an option to contribute in (in the form of labor), are proper guidelines formulated to record and value the labor contribution?	No	
3. STAFFING			
3.1	What is the (proposed) organizational structure of the accounting department? Attach an organizational chart.	See attached proposed organizational chart	
3.2	Identify the (proposed) accounts staff, including job title, responsibilities, educational background, and professional experience. Attach job descriptions and CVs of key accounting staff.	See attached organizational structure, CVs, and job description	
3.3	Is the project finance and accounting function staffed adequately?	Yes they are. Have many years of accounting experience.	
3.4	Is the finance and accounts staff adequately qualified and experienced?	Yes. The staff are with Master degree in accounting and are graduate of accounting	
3.5	Is the project accounts and finance staff trained in ADB procedures?	Yes. They have experienced handling ADB projects.	
3.6	What is the duration of the contract with the finance and accounts staff?	The staff are regular and permanent employees of MoEYS	
3.7	Indicate key positions not contracted yet, and the estimated date of appointment?	Financial Specialist both International and National will be hired at the start of project implementation	
3.10	Does the project have written position descriptions that clearly define duties, responsibilities, line of supervision, and limits of authority for all of the officers, managers, and staff?	Yes, it does. This is clearly stated in the Standard Operating Procedures (SOP) for externally financed projects/program	
3.11	At what frequency are personnel transferred?	None. No rotation experience for the last 10 years.	
3.12	What is the training policy for the finance and accounting staff?	Based on capacity building need and training need assessment.	
4. ACCOUNTING POLICIES AND PROCEDURES			
4.1	Does the entity have an accounting system that allows for the proper recording of project financial transactions, including the allocation of	Yes, staff have experience in Peachtree accounting system	

TOPIC		RESPONSE	REMARKS
	expenditures in accordance with the respective components, disbursement categories, and sources of funds? Will the project use the entity accounting system?		
4.2	Are controls in place concerning the preparation and approval of transactions, ensuring that all transactions are correctly made and adequately explained?	Yes. These procurements are clearly stated in the Financial Management Manual (FMM)	DoF
4.3	Is the chart of accounts adequate to properly account for and report on project activities and disbursement categories?	Chart of Accounts shall be in accordance with the MEF guidelines for externally funded projects.	
4.4	Are cost allocations to the various funding sources made accurately and in accordance establish agreements?	Yes, based on the guidelines from various funders	
4.5	Are the General Ledger and Subsidiary Ledgers reconciled and in balance?	Yes	
4.6	Are all accounting and supporting documents retained in a permanent basis in a defined system that allows authorized staff to examine them?	Yes. All accounting documents are retained on a permanent basis in a secured place that allows authorized users for easy access.	
5. SEGREGATION OF DUTIES			
5.1	Are the following functional responsibilities performed by different units or persons: (i) authorization to execute a transaction; (ii) recording of the transaction; and (iii) custody of asset funds.	Yes	
5.2	Are the functions of ordering , receiving, accounting for, and paying for goods and services appropriately segregated?	Yes. We have organization and different function	
5.3	Are the bank reconciliation prepared by someone other than those who make or approve payments?	Yes. We follow the standard of segregation of duties.	
6. BUDGETING SYSTEM			
6.1	Do budgets include physical and financial targets?	MoEYS is into full Program-based project	
6.2	Are budgets prepared for all significant activities in sufficient detail to provide a meaningful tool with which to monitor subsequent performance?	Yes, details are provided	
6.3	Are actual expenditures compared with the budget with reasonable frequency, and explanations required for significant variations from the budget?	Yes, they are according to FMM (monthly, quarterly, and annually)	
6.4	Are approvals for variations from the budget required in advance or after the fact?	Approved by MoEYS and different departments for utilization.	
6.5	Who is responsible for preparation and approval of budgets?	MoEYS approves the budget	
6.6	Are procedures in place to plan project activities, collect information from the units in charge of the different components, and prepare the budgets?	Yes. Technical team prepares and DOF checks and consolidates	

TOPIC		RESPONSE	REMARKS
6.7	Are the project plans and budgets of project activities realistic, based on valid assumptions, and developed by knowledgeable individuals?	Yes because we are guided by FMM	
7. PAYMENTS			
7.1	Do invoice-processing procedures provide for: (i) Copies of Purchase Orders and Receiving Reports to be obtained directly from issuing departments?, (ii) Comparison of invoice quantities, prices and terms, with those indicated on the purchase order and with records of goods actually received?, (iii) Comparison of invoice quantities with those indicated on the receiving reports?, (v) Checking the accuracy of calculations?	Yes, these procedures are followed as stated.	
7.2	Are all invoices stamped PAID, dated, reviewed and approved, clearly marked for account code assignment?	Yes, they are.	
7.3	Do control exists for the preparation of the payroll and are changes to the payroll properly authorized?	Yes. Payroll is based on the number of personnel stated in the Prakas.	
8. POLICIES AND PROCEDURES			
8.1	What is the basis of accounting (e.g. , cash, accrual)?	Modified Cash Basis	
8.2	What accounting standard are followed?	Cambodian Accounting Standard based on International Accounting Standards and International Financial Reporting Standards	
8.3	Does the project have an adequate policies and procedures manual to guide activities and ensure staff accountability?	Yes, the financial management manual (FMM) will be prepared by the TA.	
8.4	Is the accounting policy and procedure manual updated for the project activities?	Yes, based on the new FMM prepared by the TA.	
8.5	Do procedure s exist to ensure that only authorized persons can alter or establish a new accounting principle, policy or procedure to be used by the entity?	Yes. MoEYS follows the FMM and Standard Operating Procedures (SOP)	
8.6	Are the written policies and procedures covering all routine financial management and related administrative activities?	Yes, based on the manual	
8.7	Do policies and procedures clearly define conflict of interest and related party transactions (real and apparent) and provide safeguards to protect the organization from them?	Yes	
8.8	Are manuals distributed to appropriate personnel?	Yes, to all staff involved in the project	
9. CASH IN BANK			
9.1	Indicate names and positions of authorized signatories in the bank accounts (if with bank	Project Director, Project	

TOPIC		RESPONSE	REMARKS
	account)	Manager	
9.2	Does the organization maintain an adequate up to date cash book, recording receipts and payments?	Yes	
9.3	Do controls exists for the collection, timely deposit, and recording of receipts at and at each collection location?	Yes, the cash is counted and recorded and deposited to the bank account.	
9.4	Are bank and cash reconciled on a monthly basis?	Yes	
9.5	Are all unusual items on the banks reconciliation reviewed and approved by a responsible officials?	Yes	
9.6	Are all receipts deposited on a timely basis?	Yes	
10. SAFEGUARD OVER ASSETS			
10.1	Is there a system of adequate safeguards to protect assets from fraud, waste, and abuse?	It should be clearly stated in the manual.	
10.2	Are subsidiary records of fixed assets and stocks kept up to date and reconciled with control accounts?	Yes. The fixed asset register is updated every 6 months	
10.3	Are there periodic physical inventories of fixed assets and stocks?	Yes, they are.	
10.4	Are assets sufficiently covered by insurance policies?	Only vehicles and motorcycles	
11. OTHER OFFICES AND IMPLEMENTING ENTITIES			
11.1	Are there any other regional offices or executing entities participating in implementation?	Yes, POEs, DOEs, and schools, but depends on the PCU that will be established.	
11.2	Has the project established controls and procedure for flow of funds, financial information, accountability, and audits in relation to the other offices or entities?	Yes, based on the FMM	
11.3	Does information among the different offices/implementing agencies flow in accurate and timely fashion?	Yes	
11.4	Are periodic reconciliations performed among the different offices/implementing agencies?	Yes according to the meeting	
12. OTHERS			
12.1	Has the project advised employees, beneficiaries, and other recipients to whom the report if they suspect fraud, waste, or misuse of project resources or property?	We have no such experience.	
13. INTERNAL AUDIT			
13.1	Is there an internal audit department in the entity?	Yes, there is. It was established by a sub- decree by the Royal Government of Cambodia	
13.2	What are the qualifications and experience of audit department staff?	IAD is composed of 43 staff. Even though their n background are mostly teachers, they have attended many training	

TOPIC		RESPONSE	REMARKS
		courses organized by MEF.	
13.3	To whom does the internal auditor report?	The Director of IAD reports to MoEYS Minister.	
13.4	Will the internal audit department include the project in its work program?	Yes. IAD is willing to include internal audit work for the project.	
13.5	Are actions taken on the internal audit finding?	Yes. Around 50% to 80% of the findings identified by IAD have been implemented depending on the commitment of the departments, POEs, DOEs, and Schools.	
14. EXTERNAL AUDIT			
14.1	Is the entity financial statement audited regularly by an independent auditor? Who is the auditor?	National Audit Authority. The audit is once a year	
14.2	Are there any delays in audit of the entity? When are the audit reports issued?	The audit reports will be issued within 3 months of starting the field work. Do you have deadline as to when the audit is completed.	
14.3	Is the audit of the entity conducted according to the International Standards of Auditing?	Yes	
14.4	Were there any major accountability issues brought out in the audit report of the past three years?	No. There were none.	
14.5	Will the entity auditor audit the project accounts or will another auditor be appointed to audit the project financial statements?	MEF should hire an independent external auditor	
14.6	Are there any recommendations made by the auditors in prior audit reports or management letters that have not yet been implemented?	None based on our experience	
14.7	Is the project subject to any kind of audit from an independent government entity (e.g., the supreme audit institution) in addition to the external audit?	From National Audit Authority but depends on the priorities of NAA.	
14.8	Has the project prepared acceptable terms of reference for an annual project audit?	None yet	
15. REPORTING AND MONITORING			
15.1	Are financial statements prepared for the entity? In accordance with which accounting standards?	Yes, IPSAS	
15.2	Are financial statements prepared for the implementing units?	Yes	
15.3	What is the frequency of preparation of financial statements?	Monthly, Quarterly, Semi-Annually, Annual	
15.4	Does the reporting system need to be adapted to report on the project components?	Yes	
15.5	Does the reporting system have the capacity to link the financial information with the project's physical progress? If separate system are used to gather and compile physical data, what controls are in	Yes	

TOPIC		RESPONSE	REMARKS
	place to reduce the risk that the physical data may not synchronize with the financial data?		
15.6	Does the project have established financial management reporting responsibilities that specify what reports are to be prepared, what they are to contain, and how they are to be used?	Yes	
15.7	Are financial management reports used by management?	Yes	
15.8	Do the financial reports compare actual expenditures with budgeted and programmed allocations?	Yes	
15.9	Are financial reports prepared directly by the automated accounting system or are they prepared by spreadsheets or some other means?	Yes using Peachtree program	
16. INFORMATION SYSTEMS			
16.1	Is the financial system computerized?	Yes, Peachtree program	
16.2	Can the system produce the necessary project financial reports?	Yes	
16.3	Is the staff adequately trained to maintain the system?	Yes	
16.4	Does the management organization and processing system safeguard the confidentiality, integrity, and availability of the data?	Yes	

FINANCIAL MANAGEMENT ASSESSMENT QUESTIONNAIRES USED WITH POEs
Steung Streng Province

No.	TOPIC	RESPONSE	REMARKS
1.	STAFFING		
1.1	What is the (proposed) organizational structure of the Project Finance Office at provincial level?	There are Finance Manager, Accountant and Cashier. The organizational structure is attached in Annex 1,	
1.2	Identify the (proposed) accounts staff, including job title, responsibilities, educational background, and professional experience. Attach job descriptions and CVs of key accounting staff.	Account staff and job title attached in annex (1) and CVs in annex (2)	
1.3	Is the project finance and accounting function staffed adequately?	Yes, it is as staffing is based on FMM of project.	
1.4	Is the finance and accounts staff adequately qualified and experienced?	They joined ADB, SIDA and UNICEF project. The externally financed projects/program is based on the Financial Management Manual (FMM)	<ul style="list-style-type: none"> • SIG-ADB • SIG-SIDA • CDPF-UNICEF
1.5	Are the project accounts and finance staff trained in ADB procedures?	Yes, finance staffs were trained by DOF of MoEYS under loan of ADB, grant from SIDA and Unicef on disbursement guideline	
1.6	What is the duration of the contract with the finance and accounts staff?	Regular/permanent staff of POE	
1.7	Does the project have written position descriptions that clearly define duties, responsibilities, line of supervision, and limits of authority for all of the officers, managers, and staff?	Yes, it does, this is clearly stated in the Standard Operating Procedures (SOP) for externally financed projects/program.	
1.8	At what frequency are personnel transferred?	None for project finance and accounting in termination, resignation and transfer.	
1.19	What is the training policy for the finance and accounting staff?	The entity encourages to all the finance and counting staffs to attend the training course or workshop on finance management organized by ADB, SIDA, MoEYS and MEF based on their capacity.	
2.	ACCOUNTING POLICIES AND PROCEDURES		
2.1	Does the Provincial Finance Office have an accounting system for the proper recording of the project financial transactions, including the allocation of expenditure in accordance with	Yes, the entity has EXCEL accounting system	The project accounting system is based on

No.	TOPIC	RESPONSE	REMARKS
	the respective component, disbursement categories, and source of funds?		Financial Management Manual (FMM).
2.2	Are controls in place concerning the preparation and approval of transactions, ensuring that all transactions are correctly made and adequately explained?	Yes, these procurement are clearly stated in the FMM	
2.3	Is the chart of accounts adequate to properly account for and report on project activities and disbursement categories?	Yes, it is. The chart account should be the same to MEF guideline.	
2.4	Are the General Ledger and Subsidiary Ledgers reconciled and in balance?	Yes, they are. Basic monthly	
2.5	Are all accounting and supporting documents retained in a permanent basis in a defined system that allows authorized staff to examine them?	Yes, all accounting document are retained at least 10 years on a permanent basis in a defined system that allows authorized users for easy access. They need to keep for auditor.	
3. SEGREGATION OF DUTIES			
3.1	Are the following functional responsibilities performed by different units or persons: (i) authorization to execute a transaction; (ii) recording of the transaction; and (iii) custody of asset funds.	Yes, performed by different persons stated in (I, II, III).	
3.2	Are the functions of ordering, receiving, accounting for, and paying for goods and services appropriately segregated?	Yes, we have organization and different function	
3.3	Is the bank reconciliation prepared by someone other than those who make or approve payments?	Yes, follow the standard of segregation of duties	
4. BUDGETING SYSTEM			
4.1	Do budgets include physical and financial targets?	POE is into full Program-based project	
4.2	Are budgets prepared for all significant activities in sufficient detail to provide a meaningful tool with which to monitor subsequent performance?	Yes,	
4.3	Are actual expenditures compared with the budget with reasonable frequency, and explanations required for significant variations from the budget?	Yes, according to FMM.	
4.4	Are approvals for variations from the budget required in advance or after the fact?	In advance	
4.5	Who is responsible for preparation and approval of budgets?	Finance officer is responsible for preparing the budget and Provincial Project Manager and Director will check and	

No.	TOPIC	RESPONSE	REMARKS
		approve.	
4.6	Are procedures in place to plan project activities, collect information from the units in charge of the different components, and prepare the budgets?	Yes, technical offices prepares and finance office consolidates	
4.7	Are the project plans and budgets of project activities realistic, based on valid assumptions, and developed by knowledgeable individuals?	Yes, because we are guided by FMM	
5. PAYMENTS			
5.1	Do invoice-processing procedures provide for: (i) Copies of Purchase Orders and Receiving Reports to be obtained directly from issuing departments?, (ii) Comparison of invoice quantities, prices and terms, with those indicated on the purchase order and with records of goods actually received?, (iii) Comparison of invoice quantities with those indicated on the receiving reports?, (v) Checking the accuracy of calculations?	Yes, these procedures are followed as stated	
5.2	Are all invoices stamped PAID, dated, reviewed and approved, clearly marked for account code assignment?	Yes, they are	
5.3	Does control exist for the preparation of the payroll and are changes to the payroll properly authorized?	Yes. Payroll is based on the number of personnel stated in the PRAKAS issued by PCU	
6. POLICIES AND PROCEDURES			
6.1	What is the basis of accounting (e.g. , cash, accrual)?	Modified cash account. All transaction is on a cash-basic except for advances.	
6.2	What accounting standard are followed?	Cambodian Accounting Standard (CAS)	
6.3	Does the project have an adequate policies and procedures manual to guide activities and ensure staff accountability?	Yes, the Standard Operating Procedure (SOP) and FMM for externally financed project/program were developed by ADB, SIDA, UNICEF and MEF.	
6.4	Is the accounting policy and procedure manual updated for the project activities?	Yes,	
6.5	Do procedures exist to ensure that only authorized persons can alter or establish a new accounting principle, policy or procedure to be used by the entity?	Yes, POE follows the FMM.	
6.6	Are the written policies and procedures covering all routine financial management and related administrative activities?	Yes, based on the manual	
6.7	Do policies and procedures clearly define conflict of interest and related party transactions (real and apparent) and provide	Yes	

No.	TOPIC	RESPONSE	REMARKS
	safeguards to protect the organization from them?		
6.8	Are manuals distributed to appropriate personnel?	Yes to all personnel	
7. CASH IN BANK			
7.1	Indicate names and positions of authorized signatories in the bank accounts (if with bank account)	Provincial Project director	
7.2	Does the organization maintain an adequate up to date cash book, recording receipts and payments?	Yes	
7.3	Do controls exists for the collection, timely deposit, and recording of receipts at and at each collection location?	Yes, the cash is counted and recorded as per FMM and kept in the safe	
7.4	Are bank and cash reconciled on a monthly basis?	Yes	
7.5	Are all unusual items on the banks reconciliation reviewed and approved by responsible officials?	Yes	
7.6	Are all receipts deposited on a timely basis?	Yes	
8. SAFEGUARD OVER ASSETS			
8.1	Is there a system of adequate safeguards to protect assets from fraud, waste, and abuse?	It should be clearly stated in the manual.	
8.2	Are subsidiary records of fixed assets and stocks kept up to date and reconciled with control accounts?	Yes. The fixed asset register is updated every 6 months	
8.3	Are there periodic physical inventories of fixed assets and stocks?	Yes, they are. If discrepancy is found it will be immediately resolved and well informed to the relevant party.	
8.4	Are assets sufficiently covered by insurance policies?	None	
9. OTHER OFFICES AND IMPLEMENTING ENTITIES			
9.1	Are there any other regional offices or executing entities participating in implementation?	Yes, DOEs and Schools	
9.2	Has the project established controls and procedure for flow of funds, financial information, accountability, and audits in relation to the other offices or entities?	Yes, based on the FM	
9.3	Does information among the different offices/implementing agencies flow in accurate and timely fashion?	Yes	
9.4	Are periodic reconciliations performed among the different offices/implementing agencies?	Yes, according to the meeting	

No.	TOPIC	RESPONSE	REMARKS
9.5	Are actions taken on the internal audit finding	Yes	
10. REPORTING AND MONITORING			
10.1	Are financial statements prepared regularly? In accordance with which accounting standards?	Yes	
10.2	Are financial statements prepared for the implementing units?	Yes	
10.3	What is the frequency of preparation of financial statements?	The financial statements have been prepared in Monthly basic according to FMM	
10.4	Does the reporting system need to be adapted to report on the project components?	Yes,	
10.5	Does the reporting system have the capacity to link the financial information with the project's physical progress? If separate system is used to gather and compile physical data, what controls are in place to reduce the risk that the physical data may not synchronize with the financial data?	No, the system does not have this capacity	
10.6	Does the project have established financial management reporting responsibilities that specify what reports are to be prepared, what they are to contain, and how they are to be used?	Yes	
10.7	Are financial management reports used by management?	Yes	
10.8	Do the financial reports compare actual expenditures with budgeted and programmed allocations?	Yes	
10.9	Are financial reports prepared directly by the automated accounting system or are they prepared by spreadsheets or some other means?	The financial report are prepared by using data from the computerize accounting system and place them in the financial format in the spreadsheet.	
11. INFORMATION SYSTEMS			
11.1	Is the financial system computerized?	Yes, the accounting system is computerized (EXCEL program) but the finance reports are not prepared automatically.	
11.2	Can the system produce the necessary project financial reports?	Yes, but partially	
11.3	Is the staff adequately trained to maintain the system?	Yes, but only Excel level.	
11.4	Do the management, organization and processing system safeguard the confidentiality, integrity, and availability of the data?	Yes, it stated in financial Management Manual (FMM)	

Preah Vihear Province

No.	TOPIC	RESPONSE	REMARKS
1. STAFFING			
1.1	What is the (proposed) organizational structure of the Project Finance Office at provincial level?	There are Finance Manager, Accountant and Cashier. The organizational structure attached in annex (1)	
1.2	Identify the (proposed) accounts staff, including job title, responsibilities, educational background, and professional experience. Attach job descriptions and CVs of key accounting staff.	Account staff and job title attached in annex (1) and CVs in annex (2)	
1.3	Is the project finance and accounting function staffed adequately?	Yes, it is as staffing is based on FMM of project.	
1.4	Is the finance and accounts staff adequately qualified and experienced?	They joined ADB, SIDA and UNICEF project. The externally financed projects/program is based on the Financial Management Manual (FMM)	<ul style="list-style-type: none"> • SIG-ADB • SIG-SIDA • GPE FTI • CDPF-UNICEF
1.5	Are the project accounts and finance staff trained in ADB procedures?	Yes, finance staffs were trained by DOF of MoEYS under loan of ADB, grant from SIDA and Unicef	
1.6	What is the duration of the contract with the finance and accounts staff?	Regular/permanent staff of POE	
1.7	Does the project have written position descriptions that clearly define duties, responsibilities, line of supervision, and limits of authority for all of the officers, managers, and staff?	Yes, it does	
1.8	At what frequency are personnel transferred?	None for project finance and accounting in termination, resignation and transfer.	
1.19	What is the training policy for the finance and accounting staff?	The entity allow all the finance and counting staffs to attend the training course or workshop on finance management	
2. ACCOUNTING POLICIES AND PROCEDURES			
2.1	Does the Provincial Finance Office have an accounting system for the proper recording of the project financial transactions, including the allocation of expenditure in accordance with the respective component, disbursement categories, and source of funds?	Yes, the entity has EXCEL accounting system	The project accounting system is based on Financial Management Manual (FMM).
2.2	Are controls in place concerning the	Yes, these procurement are	

No.	TOPIC	RESPONSE	REMARKS
	preparation and approval of transactions, ensuring that all transactions are correctly made and adequately explained?	clearly stated in the FMM	
2.3	Is the chart of accounts adequate to properly account for and report on project activities and disbursement categories?	Yes, it is. The chart account should be the same to MEF guideline.	
2.4	Are the General Ledger and Subsidiary Ledgers reconciled and in balance?	Yes, they are. Basic monthly	
2.5	Are all accounting and supporting documents retained in a permanent basis in a defined system that allows authorized staff to examine them?	Yes, all accounting document are retained on a permanent basis in a defined system that allows authorized users for easy access. They need to keep for auditor.	
3. SEGREGATION OF DUTIES			
3.1	Are the following functional responsibilities performed by different units or persons: (i) authorization to execute a transaction; (ii) recording of the transaction; and (iii) custody of asset funds.	Yes, performed by different persons	
3.2	Are the functions of ordering, receiving, accounting for, and paying for goods and services appropriately segregated?	Yes, we have organization and different function	
3.3	Is the bank reconciliation prepared by someone other than those who make or approve payments?	Yes, follow the standard of segregation of duties	
4. BUDGETING SYSTEM			
4.1	Do budgets include physical and financial targets?	POE is into full Program-based project	
4.2	Are budgets prepared for all significant activities in sufficient detail to provide a meaningful tool with which to monitor subsequent performance?	Yes,	
4.3	Are actual expenditures compared with the budget with reasonable frequency, and explanations required for significant variations from the budget?	Yes, according FMM.	
4.4	Are approvals for variations from the budget required in advance or after the fact?	In advance	
4.5	Who is responsible for preparation and approval of budgets?	Finance officer is responsible for preparing the budget and Provincial Project Manager and Director will check and approve.	
4.6	Are procedures in place to plan project activities, collect information from the units in charge of the different components, and prepare the budgets?	Yes, technical offices prepares and finance office consolidates	

No.	TOPIC	RESPONSE	REMARKS
4.7	Are the project plans and budgets of project activities realistic, based on valid assumptions, and developed by knowledgeable individuals?	Yes, because we are guided by FMM	
5. PAYMENTS			
5.1	Do invoice-processing procedures provide for: (i) Copies of Purchase Orders and Receiving Reports to be obtained directly from issuing departments?, (ii) Comparison of invoice quantities, prices and terms, with those indicated on the purchase order and with records of goods actually received?, (iii) Comparison of invoice quantities with those indicated on the receiving reports?, (v) Checking the accuracy of calculations?	Yes, these procedures are followed as stated	
5.2	Are all invoices stamped PAID, dated, reviewed and approved, clearly marked for account code assignment?	Yes, they are	
5.3	Does control exist for the preparation of the payroll and are changes to the payroll properly authorized?	Yes. Payroll is based on the number of personnel stated in the PRAKAS issued by PCU	
6. POLICIES AND PROCEDURES			
6.1	What is the basis of accounting (e.g. , cash, accrual)?	Modified cash account.	
6.2	What accounting standard are followed?	Cambodian Accounting Standard (CAS)	
6.3	Does the project have an adequate policies and procedures manual to guide activities and ensure staff accountability?	Yes, externally financed project/program were developed by ADB, SIDA, UNICEF and MEF.	
6.4	Is the accounting policy and procedure manual updated for the project activities?	Yes,	
6.5	Do procedures exist to ensure that only authorized persons can alter or establish a new accounting principle, policy or procedure to be used by the entity?	Yes, POE follows the FMM.	
6.6	Are the written policies and procedures covering all routine financial management and related administrative activities?	Yes, based on the manual	
6.7	Do policies and procedures clearly define conflict of interest and related party transactions (real and apparent) and provide safeguards to protect the organization from them?	Yes,	
6.8	Are manuals distributed to appropriate personnel?	Yes	
7. CASH IN BANK			
7.1	Indicate names and positions of authorized signatories in the bank accounts (if with bank	Provincial Project director	

No.	TOPIC	RESPONSE	REMARKS
	account)		
7.2	Does the organization maintain an adequate up to date cash book, recording receipts and payments?	Yes	
7.3	Do controls exists for the collection, timely deposit, and recording of receipts at and at each collection location?	Yes, the cash is counted and recorded as per FMM and kept in the safe	
7.4	Are bank and cash reconciled on a monthly basis?	Yes	
7.5	Are all unusual items on the banks reconciliation reviewed and approved by responsible officials?	Yes	
7.6	Are all receipts deposited on a timely basis?	Yes	
8. SAFEGUARD OVER ASSETS			
8.1	Is there a system of adequate safeguards to protect assets from fraud, waste, and abuse?	It should be clearly stated in the manual.	
8.2	Are subsidiary records of fixed assets and stocks kept up to date and reconciled with control accounts?	Yes. The fixed asset register is updated	
8.3	Are there periodic physical inventories of fixed assets and stocks?	Yes	
8.4	Are assets sufficiently covered by insurance policies?	None	
9. OTHER OFFICES AND IMPLEMENTING ENTITIES			
9.1	Are there any other regional offices or executing entities participating in implementation?	Yes, DOEs and Schools	
9.2	Has the project established controls and procedure for flow of funds, financial information, accountability, and audits in relation to the other offices or entities?	Yes	
9.3	Does information among the different offices/implementing agencies flow in accurate and timely fashion?	Yes	
9.4	Are periodic reconciliations performed among the different offices/implementing agencies?	Yes	
9.5	Are actions taken on the internal audit finding	Yes	
10. REPORTING AND MONITORING			
10.1	Are financial statements prepared regularly? In accordance with which accounting standards?	Yes	
10.2	Are financial statements prepared for the implementing units?	Yes	
10.3	What is the frequency of preparation of financial statements?	The financial statements have been prepared in Monthly basic	

No.	TOPIC	RESPONSE	REMARKS
10.4	Does the reporting system need to be adapted to report on the project components?	Yes,	
10.5	Does the reporting system have the capacity to link the financial information with the project's physical progress? If separate system is used to gather and compile physical data, what controls are in place to reduce the risk that the physical data may not synchronize with the financial data?	Yes , the system has this capacity	
10.6	Does the project have established financial management reporting responsibilities that specify what reports are to be prepared, what they are to contain, and how they are to be used?	Yes	
10.7	Are financial management reports used by management?	Yes	
10.8	Do the financial reports compare actual expenditures with budgeted and programmed allocations?	Yes	
10.9	Are financial reports prepared directly by the automated accounting system or are they prepared by spreadsheets or some other means?	The financial report are prepared by using data from the computerize accounting system and place them in the financial format in the spreadsheet.	
11. INFORMATION SYSTEMS			
11.1	Is the financial system computerized?	Yes, the accounting system is computerized (EXCEL program).	
11.2	Can the system produce the necessary project financial reports?	Yes	
11.3	Is the staff adequately trained to maintain the system?	Yes, but only Excel level.	
11.4	Do the management, organization and processing system safeguard the confidentiality, integrity, and availability of the data?	Yes, it stated in financial Management Manual (FMM)	

Koh Kong Province

No.	TOPIC	RESPONSE	REMARKS
1. STAFFING			
1.1	What is the (proposed) organizational structure of the Project Finance Office at provincial level?	There are Finance Manager, Accountant and Cashier. The organizational structure attached in annex (1)	
1.2	Identify the (proposed) accounts staff, including job title, responsibilities, educational background, and professional experience. Attach job descriptions and CVs of key accounting staff.	Account staff and job title attached in annex (1) and CVs in annex (2)	
1.3	Is the project finance and accounting function staffed adequately?	Yes, it is as staffing is based on FMM of project.	
1.4	Is the finance and accounts staff adequately qualified and experienced?	They joined ADB, SIDA and WB project. The externally financed projects/program is based on the Financial Management Manual (FMM)	<ul style="list-style-type: none"> • SIG-ADB • SIG-SIDA • CESSP-WB
1.5	Are the project accounts and finance staff trained in ADB procedures?	Yes, finance staffs were trained by DOF of MoEYS under loan of ADB, grant from SIDA and WB on disbursement guideline	
1.6	What is the duration of the contract with the finance and accounts staff?	Regular/permanent staff of POE	
1.7	Does the project have written position descriptions that clearly define duties, responsibilities, line of supervision, and limits of authority for all of the officers, managers, and staff?	Yes, it does, this is clearly stated in the Standard Operating Procedures (SOP) for externally financed projects/program.	
1.8	At what frequency are personnel transferred?	None for project finance and accounting in termination, resignation and transfer.	
1.19	What is the training policy for the finance and accounting staff?	The entity encourages to all the finance and counting staffs to attend the training course or workshop on finance management organized by ADB, SIDA, MoEYS and MEF based on their capacity.	
2. ACCOUNTING POLICIES AND PROCEDURES			
2.1	Does the Provincial Finance Office have an accounting system for the proper recording of the project financial transactions, including the allocation of expenditure in accordance with the respective component, disbursement categories, and source of funds?	Yes, the entity has EXCEL accounting system. The account officers were trained on FMIS and start to implement in 2017.	The project accounting system is based on Financial Management Manual (FMM).
2.2	Are controls in place concerning the	Yes, these procurement are	

No.	TOPIC	RESPONSE	REMARKS
	preparation and approval of transactions, ensuring that all transactions are correctly made and adequately explained?	clearly stated in the FMM	
2.3	Is the chart of accounts adequate to properly account for and report on project activities and disbursement categories?	Yes, it is.	
2.4	Are the General Ledger and Subsidiary Ledgers reconciled and in balance?	Yes, they are. Basic monthly	
2.5	Are all accounting and supporting documents retained in a permanent basis in a defined system that allows authorized staff to examine them?	Yes, all accounting document are retained at least 15 years on a permanent basis in a defined system that allows authorized users for easy access. They need to keep for auditor.	
3. SEGREGATION OF DUTIES			
3.1	Are the following functional responsibilities performed by different units or persons: (i) authorization to execute a transaction; (ii) recording of the transaction; and (iii) custody of asset funds.	Yes, performed by different persons stated in (I, II, III).	
3.2	Are the functions of ordering, receiving, accounting for, and paying for goods and services appropriately segregated?	Yes, we have organization and different function	
3.3	Is the bank reconciliation prepared by someone other than those who make or approve payments?	Yes, follow the standard of segregation of duties	
4. BUDGETING SYSTEM			
4.1	Do budgets include physical and financial targets?	POE is into full Program-based project	
4.2	Are budgets prepared for all significant activities in sufficient detail to provide a meaningful tool with which to monitor subsequent performance?	Yes, the budget was prepared based on significant.	
4.3	Are actual expenditures compared with the budget with reasonable frequency, and explanations required for significant variations from the budget?	Yes, according FMM.	
4.4	Are approvals for variations from the budget required in advance or after the fact?	In advance	
4.5	Who is responsible for preparation and approval of budgets?	Finance officer is responsible for preparing the budget and Provincial Project director check and approve.	
4.6	Are procedures in place to plan project activities, collect information from the units in charge of the different components, and prepare the budgets?	Yes, technical offices prepares and finance office consolidates	
4.7	Are the project plans and budgets of project activities realistic, based on valid assumptions,	Yes, because we are guided by FMM	

No.	TOPIC	RESPONSE	REMARKS
	and developed by knowledgeable individuals?		
5. PAYMENTS			
5.1	Do invoice-processing procedures provide for: (i) Copies of Purchase Orders and Receiving Reports to be obtained directly from issuing departments?, (ii) Comparison of invoice quantities, prices and terms, with those indicated on the purchase order and with records of goods actually received?, (iii) Comparison of invoice quantities with those indicated on the receiving reports?, (v) Checking the accuracy of calculations?	Yes, these procedures are followed as stated	
5.2	Are all invoices stamped PAID, dated, reviewed and approved, clearly marked for account code assignment?	Yes, they are	
5.3	Does control exist for the preparation of the payroll and are changes to the payroll properly authorized?	Yes. Payroll is based on the number of personnel stated in the PRAKAS issued by PCU	
6. POLICIES AND PROCEDURES			
6.1	What is the basis of accounting (e.g. , cash, accrual)?	Modified cash account. All transaction is on a cash-basic except for advances.	
6.2	What accounting standard are followed?	Cambodian Accounting Standard (CAS)	
6.3	Does the project have an adequate policies and procedures manual to guide activities and ensure staff accountability?	Yes, the Standard Operating Procedure (SOP) and FMM for externally financed project/program were developed by ADB, SIDA, UNICEF and MEF.	
6.4	Is the accounting policy and procedure manual updated for the project activities?	Yes,	
6.5	Do procedures exist to ensure that only authorized persons can alter or establish a new accounting principle, policy or procedure to be used by the entity?	Yes, POE follows the FMM.	
6.6	Are the written policies and procedures covering all routine financial management and related administrative activities?	Yes, based on the manual	
6.7	Do policies and procedures clearly define conflict of interest and related party transactions (real and apparent) and provide safeguards to protect the organization from them?	Yes,	
6.8	Are manuals distributed to appropriate personnel?	Yes to all personnel	
7. CASH IN BANK			
7.1	Indicate names and positions of authorized signatories in the bank accounts (if with bank account)	Provincial Project director	

No.	TOPIC	RESPONSE	REMARKS
7.2	Does the organization maintain an adequate up to date cash book, recording receipts and payments?	Yes	
7.3	Do controls exists for the collection, timely deposit, and recording of receipts at and at each collection location?	Yes, the cash is counted and recorded as per FMM and kept in the safe	
7.4	Are bank and cash reconciled on a monthly basis?	Yes	
7.5	Are all unusual items on the banks reconciliation reviewed and approved by responsible officials?	Yes	
7.6	Are all receipts deposited on a timely basis?	Yes	
8. SAFEGUARD OVER ASSETS			
8.1	Is there a system of adequate safeguards to protect assets from fraud, waste, and abuse?	It should be clearly stated in the manual.	
8.2	Are subsidiary records of fixed assets and stocks kept up to date and reconciled with control accounts?	Yes. The fixed asset register is updated every 6 months	
8.3	Are there periodic physical inventories of fixed assets and stocks?	Yes, they are. If discrepancy is found it will be immediately resolved and well informed to the relevant party.	
8.4	Are assets sufficiently covered by insurance policies?	None	
9. OTHER OFFICES AND IMPLEMENTING ENTITIES			
9.1	Are there any other regional offices or executing entities participating in implementation?	Yes, DOEs and Schools	
9.2	Has the project established controls and procedure for flow of funds, financial information, accountability, and audits in relation to the other offices or entities?	Yes, based on the FM	
9.3	Does information among the different offices/implementing agencies flow in accurate and timely fashion?	Yes	
9.4	Are periodic reconciliations performed among the different offices/implementing agencies?	Yes, according to the meeting	
9.5	Are actions taken on the internal audit finding	Yes	
10. REPORTING AND MONITORING			
10.1	Are financial statements prepared regularly? In accordance with which accounting standards?	Yes	
10.2	Are financial statements prepared for the implementing units?	Yes	
10.3	What is the frequency of preparation of financial statements?	The financial statements have been prepared in Monthly basis according to FMM	

No.	TOPIC	RESPONSE	REMARKS
10.4	Does the reporting system need to be adapted to report on the project components?	Yes,	
10.5	Does the reporting system have the capacity to link the financial information with the project's physical progress? If separate system is used to gather and compile physical data, what controls are in place to reduce the risk that the physical data may not synchronize with the financial data?	No, the system does not have this capacity	
10.6	Does the project have established financial management reporting responsibilities that specify what reports are to be prepared, what they are to contain, and how they are to be used?	Yes	
10.7	Are financial management reports used by management?	Yes	
10.8	Do the financial reports compare actual expenditures with budgeted and programmed allocations?	Yes	
10.9	Are financial reports prepared directly by the automated accounting system or are they prepared by spreadsheets or some other means?	The financial report are prepared by using data from the computerize accounting system and place them in the financial format in the spreadsheet.	
11. INFORMATION SYSTEMS			
11.1	Is the financial system computerized?	Yes, the accounting system is computerized (EXCEL program) but the finance reports are not prepared automatically.	
11.2	Can the system produce the necessary project financial reports?	Yes, but partially	
11.3	Is the staff adequately trained to maintain the system?	Yes, Excel and FMIS system .	
11.4	Do the management, organization and processing system safeguard the confidentiality, integrity, and availability of the data?	Yes, it is stated in financial Management Manual (FMM)	

PROPOSED INSTITUTIONAL PARTNERSHIP BETWEEN MoEYS AND A REGIONAL EDUCATION INSTITUTE

A. Background

1. ADB has supported secondary education in the past, although much of that support was focused on lower secondary education (LSE). JICA has also provided support for strengthening science and math education through two completed projects and one ongoing project. Other development partners have provided systemic support that impacts USE. However, despite the direct and indirect inputs to enhance efficiency and improve quality, the government is still struggling to raise enrollments and improve learning outcomes at the USE level. According to EMIS, gross enrollment has declined by more than 7 percentage points in the past five years. Completion rates for USE, defined as children who completed Grade 12 but did not necessarily pass the Grade 12 examination, remain abysmally low at 20%.

2. JICA's impact survey administered to students from Grades 8 and 9 in math, physics, chemistry, biology, and earth science showed that the average score in all subjects for both grades was a failing score. Grade 12 exam results have yet to stabilize after the examination reforms initiated by government to check widespread cheating.

3. As Cambodia is set to compete in an integrated ASEAN economic community and tries to meet its own development/economic goals, the challenge to improve the efficiency and quality of USE, especially in science, math and ICT, grows more urgent. In view of this, ADB will support the Royal Government of Cambodia to assist in improving the effectiveness of the USE system with a particular emphasis on science, mathematics, and information and communication technology (ICT). The proposed USESDP will adopt a comprehensive approach to strengthening the quality of science, math, and ICT education at the USE level. Components and activities to strengthen access and quality of secondary education—particularly science, math, and ICT education—are interlinked and have complementary timelines. It is critical to ensure the quality, timeliness, and effectiveness of all of these components and activities.

4. The project will support the following activities, among others:

- Review of the science and math curriculum to ensure standardization at the regional/international levels;
- Development of textbooks and teacher guides to ensure that the content conforms to the curriculum and are error free and of high quality;
- Training of teacher trainers;
- Support to NIE for the: (i) review of pre-service and in-service teacher training (PRESETT/INSETT) curricula for teacher training; (ii) establishment of teacher competencies required of science, math, and ICT teachers at USE; (iii) monitoring and evaluation (M&E) of the effectiveness of teacher training; and (iv) design and delivery of school management training;
- Support to the MoEYS' Directorate General of Education for the design and implementation of a system for the M&E of upper secondary schools, particularly the resource schools; and
- Support to MoEYS for the strengthening of assessment and examination systems and assistance in developing a blueprint for creating an examination body over the long term, which is capable of managing an expanding examination and assessment system.

5. The above activities will all have a long-term impact on the education system and the quality of the delivery of USE. They fall within the responsibility of several departments and, in particular, the National Institute of Education (NIE). Teacher preparation, development, and management depend on the capacity and management of NIE. Currently, NIE is responsible for preparing teachers for USE through a one-year PRESETT program. In order for the project activities to be implemented successfully and effectively, strong coordination and collaboration will be necessary among all the implementing departments/agencies. MoEYS recognized that if reforms in these areas are to be successful, strong institutional leadership is critical.

6. Based on the foregoing, an institutional partnership between MoEYS and a internationally recognized regional education institute (REI) with outstanding track record is therefore proposed. Such an institutional partnership would bring about long-term gains for Cambodia in institutional capacity development, knowledge transfer, and system strengthening. A regional institute will also ensure setting regional standards for curriculum, textbooks and learning materials, assessment, and teacher competencies. Monitoring and evaluation of project activities will allow for quick and coordinated corrective measures at all levels, including schools.

B. Outputs and Activities

7. **Scope of work.** The scope of the institutional partnership will cover the following:

- **Review of the current MoEYS science and math curriculum to ensure standardization at regional/international levels.** The MoEYS' Department of Curriculum will be supported in the review of the curriculum for science and math, in both Khmer and English versions, from Grade 1 to Grade 12 to ensure that it conforms to regional/international standards.
- **Review of ICT curriculum.** MoEYS will be supported in the (i) review of the ICT curriculum for Grades 11 and 12; and (ii) review of the ICT curriculum for PRESETT and INSETT to assess its appropriateness and the consistency of the ICT curriculum for teacher training programs with the school ICT curriculum.
- **Development of quality textbooks and teacher guides.** MoEYS will be supported in the review of the content of textbooks and teacher guides for science, math, and ICT to ensure that textbooks for science, math, and ICT at the USE level (Grades 10-12) conform to the curriculum, are error-free, of high quality, and are age-appropriate in design. The review process will cover the development of textbooks and teacher guides from initial manuscript development through finalization for printing.
- **Improving the quality of PRESETT and INSETT through:**
 - *Training of teacher trainers.* Technical support will be provided to NIE in strengthening the competencies of national teacher trainers in science, math, and ICT, including: (i) improved pedagogical skills; (ii) integrating appropriate subject content, equipment (science laboratories), and other learning materials (textbooks etc.) into day-to-day teaching; using multimedia technologies to expose teachers to better teaching methodologies, classroom management, projects, and student based activities.

- *Review PRESETT and INSETT curricula for teacher training.* NIE will be supported in the review and upgrading of the PRESETT and INSETT curriculum to include not only pedagogy, but key elements of student assessment, counseling, classroom management, incorporating project-based learning activities, and incorporating available teaching learning materials effectively in classroom teaching.
- *Establishing teacher competencies required of science, math, and ICT teachers at USE.* NIE will be assisted in (i) establishing the competencies required of USE science, math, and ICT teachers and (ii) introducing teacher evaluation against these competencies at the end of the training.
- *Conducting M&E of the effectiveness of teacher training.* NIE will be assisted in establishing and supervising the implementation of a system to monitor and evaluate the effectiveness of PRESETT and INSETT provided to USE math, science, and ICT teachers at the school level over the project duration.
- **Strengthening school management.** NIE will be supported in the design of a one-week training program aimed at strengthening the management of secondary resource schools and their network schools in the principles of school management with a particular emphasis on strengthening SRS networks, optimum utilization and management of learning resources (laboratories, libraries, and textbooks), annual planning for the utilization of SIFs for learning and extra-curricular activities, etc. The training will be designed to be provided at the SRS level. Through the project period, the effectiveness of this training will be assessed, and corrective guidance provided to schools. The assessments will be undertaken at six monthly intervals and will cover at least 50% of the 288 SRSs and network schools.
- **Strengthening assessments and examination systems to measure student learning.** MoEYS will be supported in strengthening its assessment and examination systems and in developing a blueprint for creating an examination body over the long term, which is capable of managing an expanding examination and assessment system.

8. The above activities are interconnected and essential to improve the delivery of education and have a noticeable impact at the level of the beneficiary schools (i.e., SRSs and network schools). In addition to these activities, some funds may be provided for targeted capacity building/training/professional development of key technical people. These people may be identified during implementation based on an assessment and identification of staff for optimal benefit to the system.

C. Cost and Financing

9. The institutional partnership is estimated to cost \$1.16 million to be financed out of the project loan. Details are shown in Table 1.

Table 1: Cost Estimates (\$'000)

Item	Amount
1. Consultants	
a. Remuneration and per diem	
i. International consultants	828.0
ii. National consultants	135.0
b. International and local travel	25.0
c. Reports and communications	10.0
2. Equipment	5.0
3. Seminars and workshops	10.0
4. Miscellaneous administration and support costs	20.0
5. Contingencies	127.0
Total	1,160.0

Source: PPTA estimates.

D. Implementation Arrangements

1. The Directorate General of Policy and Planning (DGPP) of MoEYS will oversee the provision of technical services by the REI and will coordinate all its activities, including all required consultations and dissemination of the outputs produced by the REI jointly with MoEYS.

2. The REI will provide an estimated 96 person-months of technical services (46 international, 50 national), as shown in Table 2. The outline terms of reference of the REI are given in Annex 1. The REI will be engaged by MoEYS, under single source selection, according to ADB's Guidelines for Consulting Services (2015, as amended from time to time). The REI will work closely with concerned departments of MoEYS and NIE Cambodia, which will designate counterpart staff and/or focal persons in specified areas of specialization.

Table 2: Summary of Consulting Services

Specialist	No. of Person-months	
	International	National
Project Director	3	
Project Coordinator		6
Curriculum Development Specialists	12	12
Textbook/Learning Materials Development Specialists	12	12
Training of Trainers Specialists	3	4
Teacher Training Curriculum Development Specialists	4	4
Teacher Development Specialists	4	4
School Management Specialists	4	4
Assessment and Examinations Specialists	4	4
Total	46	50

3. The services will be provided by the REI over a 12-month period, tentatively commencing in the second quarter after loan effectiveness.

4. The REI will prepare an inception, quarterly progress reports, and a completion report, as well as technical reports including revised curriculums for science, math, and teacher training as well as drafts of revised textbooks and learning materials for MoEYS review. All outputs prepared by the REI will be shared with concerned stakeholders and made available on the MoEYS website in both Khmer and English.

Annex 1

OUTLINE TERMS OF REFERENCE OF THE REGIONAL EDUCATION INSTITUTE

1. The services of a suitable regional education institute (REI) will be engaged by MoEYS to perform the following key tasks: (i) supporting MoEYS in the review, reform, and finalization of the USE curriculum in science, math, and ICT (including life skills) to meet international/regional standards; (ii) performing a quality check on textbooks for all subjects and teacher guides; (iii) providing existing textbooks to all USE students on a 1:1 ratio; (iv) providing teacher guides for science and math to all USSs; (v) enhancing competencies of science, math, and ICT teachers at the upper secondary level; (vi) conducting training of trainers in science, math, and ICT; (vii) conduct of teacher training at the resource school level; (viii) design and delivery of school management training; (ix) training of math and science teachers; and (x) targeted capacity building/training/professional development of key technical staff of MoEYS and NIE Cambodia.
2. It is estimated that a total of 96 person-months (p-m) of technical experts' services (46 international and 50 national) will be required. The international experts will be affiliated with the selected REI, to the extent possible, and will be experienced, senior staff. In case, staff from the REI are not available, experts with extensive experience in the curriculum reform and review process will be proposed by the institution. The outline terms of reference of the specialists are provided below.
4. **Project Director (international; 3 p-m, intermittent).** The REI will designate one of its senior education specialists or management staff to serve as Project Director for this engagement. He/she will exercise overall responsibility for the performance of the services and ensure the timely delivery of high-quality outputs by the REI team. He/she will provide technical direction to the team of experts, participate in high-level meetings with MoEYS and NIE Cambodia, and conduct regular supervision visits to Cambodia over the duration of the assignment. He/she will also be responsible for the preparation of the required progress reports and other technical outputs produced by the REI team.
5. **Project Coordinator (national; 6 p-m, intermittent).** A senior national education specialist with project management experience will be engaged by the REI to serve as Project Coordinator. He/she will be mainly responsible for ensuring the efficient coordination of the REI team's activities and the full and active engagement of NIE Cambodia throughout the assignment period. He/she identify and collect the data/information and materials for review by the international specialists, facilitate meetings and consultations with government counterparts, and organize dissemination workshops or seminars. He/she will also be mainly responsible for collating and compiling the materials for the required progress and technical reports for submission to the Project Director.
6. **Science, Math, and ICT Curriculum Experts (total of 24 p-m: 12 p-m international, 12 p-m national [6 subjects @ 2 p-m/subject]).** The curriculum experts will have an established record in curriculum development in the subject area of their specialization. They will work closely with MoEYS' curriculum committees and will support the MoEYS' Department of Curriculum to review the curriculum for science and math subjects from Grades 1–12 to ensure that the curriculum conforms to regional/International standards, in both Khmer and English versions. They will also support MoEYS in: (i) reviewing the ICT curriculum for Grades 11 and 12 and for pre-service and in-service training of teachers for appropriateness; and (ii)

ensuring the consistency of the ICT curriculum in teacher training programs with the ICT curriculum in schools.

7. Textbook Development and Learning Materials Specialists (total of 24 p-m: 12 p-m international, 12 p-m national [6 subjects @ 2 p-m/subject]). The specialists will have an established record in textbook and learning materials development. They will support MoEYS to review the content of textbooks and teacher guides for science, math, and ICT to ensure that they conform to the curriculum. The specialists will also ensure that textbooks and teacher guides are error-free and are of high quality and that the design is age/grade-appropriate. The review process will cover the development of textbooks and teacher guides from initial manuscript development through finalization of manuscripts for printing.

8. Training of Trainers Specialists (international, 3 p-m; national, 4 p-m). The specialists will have specialization and experience in the training of trainers. They will work closely with counterparts in NIE Cambodia to establish competencies of national teacher trainers for science, math and ICT. These will include: (i) improved pedagogical skills, ability to integrate appropriate subject content, equipment (science laboratories), and other learning materials (textbooks etc.) into day-to-day teaching; and (ii) use of multimedia technologies to expose teachers to better teaching methodologies, classroom management, projects, and student-based activities.

9. Teacher Training Curriculum Specialists (international and national, 4 p-m each). The specialists will provide technical support to NIE Cambodia to review and upgrade the pre-service and in-service teacher training curriculum to strengthen pedagogy as well as key elements of student assessment, counseling, classroom management, introducing project based learning activities, and incorporating available teaching learning materials effectively in classroom teaching.

10. Teacher Development Specialists (international and national, 4 p-m each). The specialists will help NIE/Cambodia and the MoEYS Teacher Training Department (TTD) in establishing competencies required of science, math, and ICT teachers at the upper secondary level and introduce teacher evaluation against these competencies at the end of the training. They will also help establish and supervise, over the duration of the assignment, a system to monitor and evaluate the effectiveness of pre-service and in-service teacher training provided to USE math, science, and ICT teachers under the project at the school level.

11. School Management Specialists (international and national, 4 p-m each). The specialists will support NIE Cambodia in designing a one-week training program aimed at strengthening the management of secondary resource schools (SRSs) and the network schools in the principles of school management, with a particular emphasis on: (i) strengthening SRS networks on optimum utilization and management of learning resources (laboratories, libraries, and textbooks); and (ii) annual planning for the utilization of School Improvement Funds (SIFs) for learning and extracurricular activities. The training will be designed to be provided at the SRS level. Through the assignment period, the effectiveness of this training will be assessed and corrective guidance provided to schools. The assessments will be undertaken at six-month intervals covering at least 50% of the 288 SRSs and network schools

12. Assessment and Examination Specialists (international and national, 4 p-m each). The specialists will support MoEYS to strengthen assessment and examination systems and help develop a blueprint for creating an examination body over the long term, which is capable of managing an expanding examination and assessment system.

ENVIRONMENTAL SAFEGUARDS PROCEDURES

1. This appendix describes the environment safeguards procedures to be adopted during the implementation of the Upper Secondary Education Sector Development Program (USESDP) in compliance with ADB's Safeguard Policy Statement (SPS) (2009). It includes the following: (i) institutional arrangements for the implementation of the environmental safeguards requirements; (ii) environmental screening of subprojects; (iii) environmental monitoring requirements; and (iv) mitigation measures (EMP matrix) required to address the impacts of the project.

A. Institutional Arrangements

2. The environmental safeguards and management system for the Upper Secondary Education Sector Development Program (USESDP) will consist of the following:

- The Project Coordination Unit (PCU) within the Ministry of Education, Youth, and Sport (MoEYS) will be responsible for the overall management, monitoring, and reporting on the application of environmental safeguards. Support will be provided by a national Environment Specialist (NES), who will provide advice and assistance to the Project Implementation Consultant (PIC) Site Engineers in the implementation and monitoring of the EMP.
- The Civil Works Contractor will appoint two staff members, an Environmental and Health and Safety Officer (EHSO) and a Community Liaison Officer (CLO), who will be responsible for implementing the EMP on behalf of the contractor.

3. The PCU will be responsible for coordinating the implementation of the environmental safeguards requirements, as stipulated in the EMP. These will include, but not be limited to, the following:

- The PCU will assign an environmental officer (EO) to support the coordination and implementation of environmental safeguards
- Environmental monitoring and institutional requirements will be fully met while meaningful public consultations are carried out satisfactorily.
- MoEYS will submit the environmental assessment and monitoring reports to ADB for review in a timely manner. The EO will provide the necessary support for this activity. During implementation, the EO will be supported by the NES and receive training to build longer term capacity in MoEYS for environmental management.
- The primary environmental management tasks will be to provide environmental safeguards training to staff of the provincial and district offices of education (POEs/DOEs) and the contractor to strengthen the environmental management of the project.

B. Environmental Screening

4. USESDP has been classified as Category B for environmental safeguards. Since the final selection of the beneficiary schools will be confirmed only during project implementation, it is necessary to conduct environmental screening of the identified school facilities for renovation/improvement or for new construction of additional classrooms, school buildings, or teacher housing prior to civil works development. It is not expected, though, that any of the infrastructure development subprojects will fall under either Category A as the selection criteria for beneficiary schools excludes schools where facility improvement or new construction will

produce adverse environmental impacts. Also, as indicated in the rapid environmental assessment (REA) checklist for USESDP, none of the schools that have been preliminarily identified is located in or close to sensitive areas such as protected areas, cultural or heritage sites, or coastal areas.

5. Regardless, project screening and categorization of the USESDP infrastructure development subprojects will be undertaken to: (i) determine the significance of potential impacts or risks that a project might present with respect to the environment; (ii) identify the level of assessment and institutional resources required to address environmental safeguard issues; and (iii) determine the information disclosure and consultation requirements. Subproject screening and categorization will be carried out with the use of the environmental screening checklist shown in Annex 1.

6. The subproject will be assigned a category for environmental safeguards, which will depend on the significance of the potential environmental impacts and risks:

- **Category A:** If it is likely to have significant adverse environmental impacts that are irreversible, diverse, or unprecedented. These impacts may affect an area larger than the sites or facilities subject to physical works. An environmental impact assessment (EIA), including an environmental management plan (EMP), is required.
- **Category B:** If its potential adverse environmental impacts are less adverse than those of a Category A project. These impacts are site-specific, few (if any) of them are irreversible, and, in most cases, mitigation measures can be designed more readily than for category A projects. An initial environmental examination (IEE), including an EMP, is required.
- **Category C:** If it is likely to have minimal or no adverse environmental impacts. An EIA or IEE is not required, although environmental implications need to be reviewed.

7. The NES will help screen all environmental impacts using the REA checklist and confirm category C of each proposed infrastructure. If an infrastructure is category A for environment, it will not be funded by the project. The categorization form and REA checklist template for buildings are attached for the guidance of PCU.

8. Records of the environmental screening process (categorization form and REA checklist) for each infrastructure subproject will be signed off by the project director and kept for ADB review upon request. After screening, the NES will assist in updating the EMP for the bid documents, as necessary. This updated EMP should be sent to ADB for prior review.

C. Environmental Monitoring and Reporting

9. The environmental monitoring plan forms the basis for verifying the extent of compliance during the implementation stages of the project. The objectives of the environmental monitoring program are to: (i) evaluate the performance of the mitigation measures included in the project's environmental management plan (EMP) (see Annex 2); (ii) provide information which could be used to verify predicted impacts and, thus, validate impact prediction techniques; (iii) suggest improvement in environmental mitigation measures, if required; and (iv) provide information on unanticipated adverse impacts or sudden change in impact trends.

10. At the start of the project and before monitoring begins, the EO, with the assistance of the NES, will review the monitoring activities and update the monitoring requirements to

conform to any changes that have been made to the project design and activities. The monitoring program will be conducted on two levels: (i) compliance monitoring; and (ii) baseline monitoring to determine the extent of variations and changes in the levels of pollutants in the environment and other parameters and indicators, considering the implementation or operation of the project.

11. The implementation of mitigation measures will be ensured through both routine and periodic monitoring. Monitoring will be conducted at different stages of implementation. A sample construction phase monitoring plan is shown in Table 1, and an operation phase monitoring plan is in Table 2.

Table 1: Sample of Construction Phase Monitoring Plan

Item	Monitoring Indicator	Method of Monitoring	Monitoring Frequency	Responsibility
1.	Transportation of construction materials in covered condition, and safe loading and unloading of construction materials	Direct observation	Regular during construction	SA/Contractor
2.	Stockpiling of excavated materials	Direct observation	Everyday	SA/Contractor
3.	Reuse of excavated materials	Direct observation	Everyday	SA/Contractor
4.	Solid waste segregation disposal	Direct observation	Everyday	SA/Contractor
5.	Clearing of trees	Direct observation	Regular during construction	SA/Contractor
6.	Occupational health and safety, use of safety gears	Direct observation	Once a month	SA/Contractor
7.	Safety of students	Record of injuries	Once a week	SA

Table 2: Sample Operation Phase Monitoring Plan

Item	Monitoring Indicator	Method of Monitoring	Monitoring Frequency	Responsibility
2.	Solid waste management system	Record of wastes	Bi-annual	SA/PIC NES
3.	Impact audit	Compliance with environmental monitoring framework	Annual	PIC NES

12. The environmental monitoring requirements of the project are summarized in Table 3 below.

Table 3: Summary of Environmental Monitoring Requirements

No.	Environmental Monitoring Tasks	Implementation Responsibility	Implementation Schedule
A.	Design Phase		
1.	Disclosure of subprojects to Ministry of Environment (MOE) and monitor permitting	PCU (EO)	Prior to construction

No.	Environmental Monitoring Tasks	Implementation Responsibility	Implementation Schedule
2.	Audit project bidding documents to ensure that the EMP are included in the bidding documents and in bid evaluation	PCU (EO), PIC-NES, and ADB	Prior to issuance of bidding documents
B.	Construction Phase		
1.	Train and brief contractor's management and site agents with regard to all EMP requirements	PCU (EO), PIC-NES, and Contractor	First training prior to preparation of EMP and commencement of each contract and refresher courses at yearly intervals throughout construction period
2.	Monitor the performance of environmental training by contractor and briefings and of the environmental awareness of contractor's staff, toolbox, talks, and refresher courses. Contractor to report on EMP implementation in Monthly Reports.	PCU (EO), PIC-NES and Contractor	Ongoing, prior to, and during implementation of works and operation
3.	Regular (monthly) monitoring and reporting (quarterly) of contractor's compliance with EMP and statutory environmental requirements	PCU (EO) and PIC-NES	Continuous throughout construction period
4.	Regular (monthly) monitoring and reporting (quarterly) of complaints and responses or environmental mitigation measures	PCU (EO) and PIC-NES	Continuous throughout construction period
5.	Monitor adjustments to the EMP for unexpected impacts and the thorough implementation of detailed EMP	PCU (EO) and PIC-NES	During all phases of the subprojects
C.	Operation and Maintenance Phase		
1.	Observations during routine maintenance inspections of facilities. Inspections will include monitoring implementation of operational mitigation measures versus environmental criteria specified in the EMP for operational impacts.	PCU (EO) and PIC-NES	As per MOE inspection schedules

13. The PCU of MoEYS will have overall responsibility for the management, monitoring, and reporting of the implementation of the project EMP and will be supported by the PIC through the NES. The PCU will be expanded to include an EO (and a Social Officer), who will receive training and capacity building from the PIC-NES. The EO will be responsible for liaising with the contractor and providing training, advice, and assistance in the preparation of the EMP and its implementation as well as assisting the EO in monitoring and reporting on implementation.

14. Monitoring will relate to compliance with construction contracts (including EMP measures and provisions), the state and health of the nearby environmental resources, and the effectiveness of mitigation measures and complaints. The PCU will be the primary entity responsible for reporting the progress of the project to MoEYS and ADB. Monitoring will include a review of the contractor's monthly reports, which will cover the progress of EMP implementation and compliance (including general good practice). A section on safeguards activities and compliance with the EMP for each subproject will also be included in the QPR prepared for MoEYS and ADB. The reporting will be as per the following schedule:

- A *monthly report* prepared by the contractor during construction, reporting on progress of EMP activities, issues, and corrective actions. This will be based on the site diary maintained by the EHSO and compiled notes of daily and weekly inspections;
- A *quarterly progress report (QPR)* prepared by the PIC-NES. The QPR will include a section on safeguards activities and EMP compliance for each subproject and will summarize the monthly reports submitted by the contractor.
- A *semi-annual safeguards monitoring report* prepared by the PCU and submitted to MoEYS and ADB and disclosed; and
- A *project completion report*, which will include a section on safeguards implementation and make recommendations, as required, for modifications to the processes set out in the EMP procedures based on the review undertaken at the end of the project. The safeguards section will be prepared by the MoEYS/PCU-EO and PIC/NES three months prior to the end of the project.

15. During operation, monitoring will be carried out by MoEYS in coordination with MOE.

16. The EMP (including monitoring) for USESDPII is presented in **Annex 1**. The cost of EMP implementation will be incorporated in the bill of quantities (BOQ) for the facilities for construction. As part of construction, the contractor will be responsible for the provision of a number of mitigation measures, as shown in the EMP, the purchase of the requisite environmental monitoring equipment, and the laboratory analysis of the samples, where required.

Annex 1: ENVIRONMENTAL MANAGEMENT PLAN AND MONITORING MATRIX FOR USESDP

Mitigation Measures					Monitoring	
Activity	Issue / Potential Environmental Impact	Proposed Mitigation Measures	Implementing Responsibility	Mitigation Cost	Frequency and Means of Monitoring	Monitoring Responsibility
CONSTRUCTION STAGE						
Preparation of site: excavation, removal and disposal of unusable materials.	<ul style="list-style-type: none"> Lowered water quality from eroded material; Loss of visual amenity from poorly located and finished dumpsites; Soil erosion and sedimentation of water courses as a result of the removal of the topsoil and from improper disposition of the spoils; Increased levels of particulate matter as a result of the excavation works and dumping of materials, which is projected to be particularly problematic during the dry periods; Loss of vegetation as a result of the excavation works. 	<ul style="list-style-type: none"> Limit the areas to be excavated to those that can be effectively managed and protected. Topsoil is removed and stored in separate heaps that are located in stable areas for later re-use for site rehabilitation. Excavated material is sorted and stored as either competent (able to be reused) and incompetent (to be disposed of) materials. Materials are not to be disposed/stockpiled less than 20 meters (m) from water courses. Side casting of materials are not to be undertaken especially during the wet season. At completion of work dumping areas to be re-top-soiled and re-vegetated. 	Contractor	Included in contract price	<p>Weekly or as required until site has been established.</p> <p>Verify that clearance and excavation have met mitigation requirements.</p>	Contractor, EO/NES to verify
Preparation of site and establishment of contractor's facilities (camps, offices, quarries, concrete batching areas etc.).	<ul style="list-style-type: none"> Clearing and grubbing activities for the establishment of the required facilities, quarries, camps and offices will result in loss of vegetation which may further result in soil erosion and increased sedimentation of nearby water bodies; An acute increase in ambient levels of noise may be experienced as a result of the operation of the heavy equipment and increased vehicular 	<ul style="list-style-type: none"> The location and development of contractor's facilities are to be approved prior to establishment. The camps and offices are to be provided with the necessary sanitary facilities such as toilets and bathrooms; The camps, offices, and ancillary facilities should not interfere with the welfare of surrounding communities in terms of noise, dust, noxious gases and vibration from construction activities and their social well-being from their proximity to contractor's facilities; The areal extent of the contractor's facilities are to be 	Contractor	Included in contract price	At start of site establishment, then as required.	Contractor, EO/NES to verify

Mitigation Measures					Monitoring	
Activity	Issue / Potential Environmental Impact	Proposed Mitigation Measures	Implementing Responsibility	Mitigation Cost	Frequency and Means of Monitoring	Monitoring Responsibility
	and human traffic in the area; <ul style="list-style-type: none"> An acute increase in suspended particulate matter may occur because of the removal of covering vegetation and the increase human and vehicular traffic in the area; Increased levels of SO₂ and NO₂ as a result of the operation of the various heavy equipment, vehicles; Contamination of water bodies and the aquifer may also result due to the generation of solid and domestic waste from camps and offices; 	limited to reduce unnecessary clearing of vegetation, <ul style="list-style-type: none"> Sanitary waste and grey water (or wastewater excluding fecal matter) is not to be released untreated into surface water systems. As the workers' camps are temporary structures, a mechanical system like sand filtration could be installed near the camps. Solid waste from the camps will be properly collected and disposed in the approved disposal sites. Septic tanks are to be constructed to address the domestic waste that will be generated from the camps and contractor's offices; Proper drainage facilities, such as a storm drainage system are to be established in the camps and facilities to mitigate contamination of the nearby water courses and aquifers; Sites are to be properly drained. Paved areas, including vehicle parking areas, workshops and fuel storage areas are to drain to an oil and water separator; Machinery and equipment are to be maintained in good working conditions at all times. 				
Noise and vibration	<ul style="list-style-type: none"> During the works, the operation of heavy equipment and various construction machinery are primary noise generators. Poor maintenance of equipment may cause very high noise levels. 	<ul style="list-style-type: none"> Temporary construction facilities such as labor camps, vehicle maintenance workshop and earth moving equipment will be located at least 1 km away from settlements and other sensitive areas as far as possible. Noise sources, such as vehicles, will be relocated to less sensitive 	Contractor & CLO	Included in contract price	At start of noisy activities then as required. Community complaints. Grievance redress mechanism (GRM) and complaints register	Contractor, EO/NES to verify

Mitigation Measures					Monitoring	
Activity	Issue / Potential Environmental Impact	Proposed Mitigation Measures	Implementing Responsibility	Mitigation Cost	Frequency and Means of Monitoring	Monitoring Responsibility
	<ul style="list-style-type: none"> Poor loading, unloading, excavation, and hauling techniques may lead to increased noise levels. 	<ul style="list-style-type: none"> areas and at least 1 km away to take advantage of distance and shielding. Silencers will be installed in construction equipment and machinery and maintained properly at all times. Equipment and machinery with lower sound levels will be selected for the use. Protection devices such as ear plugs/ or ear muffs will be provided to the workers during period of operating high noise generating machines. Construction activities will be carried out between 7 am to 7 pm only to avoid disturbance to nearby communities at night. Only in extreme instances will work beyond these hours be allowed. Noise barriers such as earth mounds or walls of wood, metal that form a solid obstacle between the work areas and community will be used. Proper information and notification of the concerned local government unit will be conducted to prevent disturbance and nuisance to nearby settlement areas. 				
Air quality	<ul style="list-style-type: none"> Acute increase in levels of total suspended particulate matter, SO_x, NO_x and CO; Increase in incidence of upper respiratory diseases due to elevated levels of pollutants in the work areas and nearby 	<ul style="list-style-type: none"> Water sprinkling, water fogging, broom sweeping will be carried out in dust prone locations, unpaved haulage roads, earthworks, stockpiles. Open burning of solid wastes (plastic, paper, organic matters) will be prohibited. Use of dust control methods (such as covers, water 	Contractor & CLO	Included in contract price	<ul style="list-style-type: none"> As determined by wind and site conditions. Complaints from school and communities (GRM and records) 	Contractor, EO/NES to verify

Mitigation Measures					Monitoring	
Activity	Issue / Potential Environmental Impact	Proposed Mitigation Measures	Implementing Responsibility	Mitigation Cost	Frequency and Means of Monitoring	Monitoring Responsibility
	settlement areas; • Increased incidence of accidents due to low visibility during dusty conditions in the work areas; • Nuisance to residents near haul roads due to increased traffic in the area	suppression on paved or unpaved road surfaces, or increase moisture content for open materials storage piles) will be practiced. • A regular vehicle maintenance and repair program will be implemented. • Masks and personal protective equipment (PPE) will be provided to the construction workers to minimize inhalation of respirable suspended particulate matters.				
Earthwork cut and fill	• Loss of soil resources • Sedimentation - decreased water quality of water courses affected; • Eroded soil interfering with construction activities; • Increased turbidity in nearby watercourses and channels.	• Limit the extent of excavation to reduce soil erosion potential. • Install control structures or soil conservation protection methodology is to be applied to susceptible areas to avoid storm water runoff carrying eroded materials either, off-site to susceptible areas or, else onto already finished work areas. • Schedule construction so that large areas of soil are not laid bare during wet seasons, and avoid excavating areas and operating machinery in wet ground conditions. • Excavated areas are to be re-vegetated as soon as possible at the completion of the work site.	Contractor, EO, and NES will advise on re-vegetation requirements	Included in contract price	Monthly and then as required. Sites are stable.	Contractor, EO/NES to verify
Conduct of prohibited activities (Appendix 5)	• Health dangers to workers and environment	• Contractor to abide by prohibited activities as listed in Appendix 5 of the SPS.	Contractor	NA	Spot checks, as required	Contractor, EO/NES to verify
Public access to site	• Unrestricted access to the work sites and contractor's facilities may present security concerns. • Increased risk of accidents as a result of	• Access to the contractor's facilities will be controlled. • A security fence will be installed around the facilities. • Visitors will be required to report to a check point before being	Contractor	Included in contract price	Weekly verification of accident reports involving community and school children	Contractor, EO/NES to verify

Mitigation Measures					Monitoring	
Activity	Issue / Potential Environmental Impact	Proposed Mitigation Measures	Implementing Responsibility	Mitigation Cost	Frequency and Means of Monitoring	Monitoring Responsibility
	unhampered access of unauthorized persons, especially school children, into the work areas and facilities.	allowed to enter the site. • Work areas will be demarcated by barrier tape and signs erected as required to warn people that there is no right of entry to these areas.				
Community and school children safety from increased vehicle movements	• Accidents to surrounding communities and schools from vehicles transiting the areas	• Trucks and other vehicles will be maintained in a safe operating condition. • All drivers and machinery operators must act responsibly. • All loads are to be secured and all loads with fugitive materials (e.g. excavated soil and sand) are to be covered with tarpaulins,	Contractor	Included in contract price	Weekly verification of accident reports and community and school population complaints	Contractor, EO/NES to verify
Workplace health and safety	• Hazards from operating and using machinery. Direct hazards to the machine operators, school children, teachers and to workers working in the vicinity of the machine; • Hazards to workers exposed from heavy materials being lifted by cranes; • Traffic accident hazards.	• Workers and school population to be provided with safe working environment including: (i) warning signs and barriers around work areas; (ii) no drugs or alcohol allowed on site; and (iii) noise and dust controlled. • All workers are provided with safety equipment appropriate for the task in which they are employed. • To be supplied on-site for workers: Potable water, chemical toilet, changing place with clothes storage, and washing and showering facilities. • Prior to entering site for first time workers to be inducted to site and site hazards explained together with explanation of work site safety procedures. • Medical and first aid facilities provided together with a person qualified in first aid.	Contractor	Included in contract price	Spot checks and weekly inspections; accident record.	Contractor, EO/NES to verify
OPERATION STAGE						
Infrastructure maintenance	Lowering of soil and water quality.	• All maintenance wastes are collected.	DOE	MoEYS/DOE operating cost	During conduct of maintenance work	MoEYS

Mitigation Measures					Monitoring	
Activity	Issue / Potential Environmental Impact	Proposed Mitigation Measures	Implementing Responsibility	Mitigation Cost	Frequency and Means of Monitoring	Monitoring Responsibility
		<ul style="list-style-type: none"> Site to be kept tidy and no waste allowed to accumulate in yard or sites 				

Legend: MoEYS = Ministry of Education, Youth, and Sport; PCU = Project Coordination Unit; NES = National Environment Specialist (part of the Project Implementation Consultant [PIC] Team); EO = Environment Officer, DOE = District Office of Education

Note: Contractor to undertake daily and weekly inspections and maintain site diary; monthly reports to cover EMP implementation.