GLOBAL PARTNERSHIP for EDUCATION

BOD/2018/01 DOC 01
Board of Directors
Decision via Affirmative Vote
January 31, 2018

CAMBODIA EDUCATION SECTOR PROGRAM IMPLEMENTATION GRANT ALLOCATION: REPORT FROM THE GRANTS AND PERFORMANCE COMMITTEE

For Decision

Please note: Board papers are deliberative in nature and, in accordance with the GPE Transparency Policy, are not public documents until the Board has considered them. It is understood that constituencies will circulate Board documents among their members prior to Board consideration for consultation purposes.

1. STRATEGIC PURPOSE

1.1. The purpose of this paper is to request the Board to approve an allocation for the fixed part of an education sector program implementation grant (ESPIG) to Cambodia, as recommended by the Grants and Performance Committee (GPC) following its discussion of the grant application during its January 17-19, 2018 meeting.

2. RECOMMENDED DECISION

2.1 The GPC recommends the Board approve the following decision:

BOD/2018/02-XX–Approval of Allocation for an Education Sector Program Implementation Grant to Cambodia: The Board of Directors with respect to the application submitted in the fourth round of 2017:

1. Notes compliance with the requirements for accessing the fixed part of the maximum country allocation, as described in the application and summarized and assessed in Annex 2 to BOD/2018/01 DOC 01.
2. Approves an allocation from GPE trust funds for an education sector program implementation grant (ESPIG), as described in the application and summarized in Table 1 in BOD/2018/02-XX 2 (c), subject to:
   a. Availability of funds.
   b. Board decision BOD/2012/11-04 on commitment of trust funds for ESPIGs in annual installments.
   c. GPC recommendations for funding include (all amounts in US$):

Table 1 Application Summary and GPC Allocation Recommendations for an ESPIG in US$:

Cambodia		
a.	Maximum Country Allocation	20,600,000
b.	Allocation Requested (70%)	14,400,000[1]
c.	Fixed Part	14,400,000
d.	Variable Part	n/a
e.	**Allocation Recommended by GPC**	14,400,000
f.	Grant Agent	UNESCO
g.	Agency Fee % - Amount	7% - 1,008,000
h.	Period	3 years
i.	Expected Start Date	April 1, 2018
j.	Funding Source	GPE Fund

3. Requests the Secretariat to:

   a. Include in its notification to Cambodia, the relevant grant agent and coordinating agency, for distribution to the local education group (LEG) of the approval of the allocation and the expected timeframe for signing of the Grant Agreement and grant effectiveness, as applicable, the conditions, requests for report-back, and observations on the program as recommended by the GPC and set out in Annex 1 to BOD/2018/01 DOC 01.

   b. Include an update on the issues listed as "conditions" and "report back" in the annual Portfolio Review in accordance with the specified timelines.

4. Requests the Trustee to withhold the transfer of funds until the Grants and Performance Committee has received and is satisfied with the country's response to the condition set out in Annex 1 to BOD/2018/01 DOC 01. Any reallocation within the grant as a result of any proposed reduction of the grant agent allocation is regulated via the Policy on Education Sector Program Implementation Grants.

3. BACKGROUND

3.1 The Committee assessed the grant application from Cambodia for the fixed part of the maximum country allocation (MCA). Cambodia had decided not to apply for the variable part of the MCA at this time.

3.2 Prompted by the GPC Chair, no conflicts of interest were declared by Committee members.

[1] Includes US$1,439,991 for the cost of the grant agent to perform its roles and responsibilities (formerly supervision fees). Per decision BOD/2015/10-02 supervision fees are funded from the maximum country allocation effective from the second funding round of 2016

3.3 The GPC had a rich discussion regarding the application and found that Cambodia met the fixed part requirements of the funding model. The primary discussion points are summarized in Annex 1. The evidence for meeting the requirements and quality standards is set out in Annex 2.

4. PLEASE CONTACT Margarita Focas Licht (mlicht@globalpartnership.org) for further information.

5. ANNEXES

5.1 This paper includes the following annexes:

- Annex 1 – GPC Observations, Report-Backs, and Conditions
- Annex 2 – Secretariat Quality Assurance Review Phase 3 (Final Readiness Review)

5.2 The following is available on the Committee eTeam site:

- Cambodia ESPIG Application Package (GPC/2018/01 DOC 06)

ANNEX 1 – GPC OBSERVATIONS, REPORT-BACKS, AND CONDITIONS

Cambodia	
Observations	The Committee appreciates the efforts of the government and development partners to develop this program focused on system change. The Committee notes that Cambodia's national planning and budgeting cycle is not currently in sync with the ESPIG cycle and that the current education sector plan (ESP) ends in 2018. Nevertheless, the Committee notes the ESP targets and strategies were extended to 2020 through the 2016 mid-term review, and that the targets set during the 2016 mid-term review are to be incorporated in the ESP 2019-2023. The Committee further notes that the country has a robust operational plan in the form of an annual and rolling multi-annual budget, currently providing visibility until end 2019. The Committee therefore agrees that the ESP requirement has been met. The Committee noted that the local education group (LEG) selected a dual grant agent arrangement for this ESPIG: UNESCO for the fixed part and UNICEF for the variable part. The Committee commented that a dual grant agent arrangement may lead to a less effective and efficient partnership and encourages applications with a single grant agent in the future. Nonetheless, the Committee acknowledged the limited options available at the time of grant agent selection, considering development partners' constraints in taking on the role within the initially planned timeframe for submission of the grant application. With this in mind, the trade-offs in budget efficiency are deemed unavoidable in this particular case. The Committee also noted that the development of the new ESP would provide a good opportunity to discuss pathways for greater aid alignment to the national system in the future.
Report-Backs	The Committee requests a report-back by the LEG through the coordinating agency (CA) on the new ESP, once endorsed, along with reassurance that coherence between the GPE-financed program and the sector plan will continue. The Committee noted that education receives a high budget allocation as a share of government recurrent costs. Moving forward, it will be important to ensure that domestic financing to education is calculated using both recurrent and capital share of the government expenditure. Noting that capital expenditure has been introduced to the sector relatively recently, the Committee requests that the LEG monitors the share of government capital and recurrent budget allocated to the sector through the annual joint sector review (JSR). The program has a strong focus on improving education quality through investment in teachers. In addition to investing in teacher training and a continuous professional development system, it will be important to ensure that teachers are deployed appropriately, especially in rural areas. The Committee requests that updates on the deployment of teachers to rural areas are shared with the Secretariat on an annual basis through the JSR.

Conditions	The Committee recognized the need for the grant agent to ensure that its oversight arrangements for the grant are fit for purpose. However, the proportion of the grant budget allocated to supervision costs (grant agent allocation) was noted as unusually high for a non-fragile context, at 10 percent of the grant. The Committee appreciated the submission of a detailed budget and recognized that the grant agent will need to invest in human and other resources to provide robust program oversight. Nevertheless, the Committee requests that the grant agent provide an analysis and justification for the grant agent supervision budget that is satisfactory to the Committee, along with any efforts to reduce the cost. The analysis should include potential trade-offs to the supervision quality if the grant agent allocation were reduced.

ANNEX 2 – SECRETARIAT QUALITY ASSURANCE REVIEW PHASE 3 (FINAL READINESS REVIEW)

Quality Assurance Review – Phase 3

Proposed Grant Amount: US$ 20.6 million
Fixed Part: US$ 14.4 million, including US$ 1.4 million for Grant Agent's Implementation Support Costs
(Variable Part: US$ 6.2 million to be submitted in 2018)
Implementation period: 3 years (2018-2021)
Projected implementation start date (Fixed Part): April 1, 2018
Grant Agents: UNESCO (Fixed Part), UNICEF (Variable Part)

1. BACKGROUND AND EDUCATION SECTOR OVERVIEW

1.1 COUNTRY BACKGROUND

Cambodia is a lower middle-income country in Southeast Asia and is a member of the Association of Southeast Asian Nations (ASEAN). The country has a population of approximately 15.8 million, with an annual population growth of 1.6 percent.[2] In 2016, 31 percent of the population were less than 15 years old.

Cambodia has made impressive gains in life expectancy, expected years of schooling, and GNI per capita since the 1990s, when peace efforts started bearing fruit after nearly two decades of civil war. Thanks to the garment industry and tourism, the country enjoyed an average growth rate of 7.6 percent during 1994-2015.[3] Although UNDP's Human Development Report[4] ranks the country as having medium human development, its HDI value is below the group average, and ranks lower than most other ASEAN countries. Nearly one third (33 percent) of the population live in multidimensional poverty, while an additional 21.6 percent live near multidimensional poverty.[5] About 90 percent of the poor live in the countryside.[6]

The table below summarizes some key figures of the country.

	Cambodia
Population	15,762,370 (2016, World Bank[7])
Human Development Index Ranking	143 (2015, out of 188 countries)
GDP	US$ 20.017 billion (2016, World Bank[8])
GDP per capita	US$ 1,302 (2016, ESPIG application)
World Bank Income Classification Level	Lower Middle Income (2017, World Bank)

2.

1.2. EDUCATION SECTOR OVERVIEW

Cambodia has made steady progress in expanding access to education. The Net Enrolment Rate (NER) for primary education increased from 87 percent in 2001 to 93.9 percent in 2015. This increase is in part a result of promoting right age (6 years old) admission into primary schools, which has steadily increased from 80.6

[2] Idem.
[3] http://www.worldbank.org/en/country/cambodia/overview
[4] Human Development Report 2016 http://hdr.undp.org/sites/default/files/2016_human_development_report.pdf
[5] Idem. Multidimensional poverty assesses deprivation in education, health and living standards.
[6] http://www.worldbank.org/en/country/cambodia/overview
[7] http://data.worldbank.org/indicator/SP.POP.TOTL?locations=KH
[8] https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?end=2016&locations=KH&start=2016

percent in 2001 to 91.3 percent in 2015[9]. Enrolment in Early Childhood Education (ECE) services grew by almost 2.5 times between 2005/06 and 2014/15[10], with 64 percent of 5-year-old children accessing some form of ECE services[11] in 2015/16. The Gross Enrolment Rate (GER) for lower secondary education increased from 18.9 percent in 2001 to 51.1 percent in 2015, but the Gross Completion Rate is still low at 39.2 percent.[12]

Equity

Gender parity is almost achieved in primary education with the Gender Parity Index (GPI) for the Gross Enrolment Rate (GER) in 2015/16 at 0.99. In secondary education, girls outnumber boys, demonstrated by a GPI for GER of 1.11 at lower secondary and 1.08 at upper secondary.[13] However, while 54 percent of primary teachers are female, this proportion drops at the secondary level to 40 percent.[14] In terms of geographical disparity, while provinces in remote areas such as Ratanakiri and Mondulkiri show significant progress with their primary NERs at 93.9 percent and 82.4 percent in 2015/16 (increasing from 52 percent and 58.7 percent in 2001/02 respectively), provinces in urban areas like Phnom Penh and Banteay Meanchey show worrying decreases in recent years from 98 percent and 96.8 percent in 2012/13 to 88.3 percent and 84.1 percent in 2015/16, respectively.[15] There may be urban-related factors affecting the situation amid the high economic growth in recent years.[16] Despite progress in enrolment, many north-western districts including Stung Treng, Ratanakiri and Mondulkiri have less than 70 percent of children reaching the last grade of primary education.

Efficiency

Internal efficiency in primary education has dramatically improved in recent years. The primary repetition rate and drop-out rates have halved in the past decade from 11.9 percent (repetition) and 11.7 percent (drop-out) in 2004-05 to 6.7 percent and 6.2 percent in 2014-15. However, the Gross Completion Rate in primary education in remains modest at 80.6 percent in 2015 – down from 89.7 percent in 2011. This decrease appears to be partly due to the decrease of overage admission (57.3 percent in 2001 to 28.6 in 2015) and high drop-out rates, but as the reasons are not completely evident, the Local Education Group (LEG) has been monitoring the trends in recent Joint Sector Reviews (JSRs). The repetition rates are quite low in lower secondary education at around 2-3 percent,[17] but drop-out rates remain high and have not improved significantly over the years from 22.3 percent in 2004/05 to 19.2 percent in 2014/15.

Pupil Teacher Ratio (PTR) in primary education was 44.8 at the national level in 2015/16, but is higher in rural areas at 47.7 and lower in urban areas at 34.3. The average PTR has decreased over the years but efficient deployment of teachers (i.e. distribution) is still a challenge in this country.

Learning

A recent learning assessment in Grade 6 indicated that only 45.7 percent of Grade 6 children achieve basic competency in Khmer language.[18] Learning outcomes for math were even lower, with only 43.4 percent of students sampled able to meet minimum competency standards. Girls perform better than boys for both Khmer and math but key disparities lie in geographical area of residence and socio-economic background of children[19]. The situation is similar at the lower secondary level, with rural students and poorer students lagging behind urban students.

[9] Net Admission Rate
[10] RESA 2016 (Rapid Education Sector Analysis conducted in 2016 to reinforce the mid-term review of the ESP)
[11] Public preschools, community preschools, private preschools
[12] All figures here from Education Statistics and Indicators, MOEYS
[13] Education Statistics and Indicators, MOEYS
[14] Idem.
[15] Idem.
[16] RESA 2016 also mentions the possibility of higher private school enrolment in the urban areas and their possible incomplete coverage in the EMIS.
[17] Idem.
[18] 2013 Assessment. RESA 2016.
[19] RESA 2016.

Teachers' qualifications vary greatly across the country at both primary and secondary level. Since 2015, the minimum qualification for primary teachers has been an upper secondary certificate. In five districts, fewer than 50 percent of primary school staff have attained an upper secondary certificate or above.[20] The lowest rates are in the disadvantaged districts of Preah Vihear and Mondulkiri, where only 25 percent and 14 percent of primary teachers have an upper secondary certificate or higher, respectively. This is in part due to a previous waiver period, during which minimum qualifications were waived in order to increase the supply of primary teachers. In contrast, 90 percent of primary school teachers meet minimum requirements in Kep province. Among lower secondary teachers, the proportion of teachers meeting minimum qualification requirements is much higher at 81.3 percent in 2013.[21,22]

The current minimum qualification for teacher trainers is an upper secondary certificate. Only 66 percent of teacher trainers meet this minimum requirement nationally. Again, regional disparities are evident, with fewer than 50 percent of teacher trainers meeting the minimum qualification requirement in 5 out of 18 districts.

While teacher distribution has improved, from 42 percent of primary schools reporting teacher shortages in 2010 to 38 percent in 2014/15, it remains unequal. Indeed, almost one in five primary schools have a pupil-teacher ratio of less than 28:1, against a similar proportion of schools having a pupil-teacher ratio of more than 80:1.[23] Teachers' salaries represent around 60 percent of that of other comparable professionals, which makes attracting and retaining good human resources challenging. Moreover, many teachers supplement their income with other jobs including private tutoring. According to a research by the Civil Society Organizations coalition, more than 20 percent of instruction hours were lost in 2012/13.[24]

Monitoring of Sector Performance

The Local Education Group (LEG), called the Joint Technical Working Group for Education (JTWG-Ed), is comprised of Ministry of Education, Youth and Sports (MoEYS) and the following Development Partners (DPs): Asian Development Bank; European Union; Japan International Cooperation Agency; Korea International Cooperation Agency; NGO Education Partnership; UNESCO; UNICEF; Swedish International Development Cooperation Agency; World Bank; World Food Program; United States Agency for International Development.

The main monitoring mechanism of the Education Sector Plan implementation is the Annual Education Congress. Every year around January, each province conducts the Provincial Education Congress based on a provincial annual operational plan and produces a provincial report. Then around March, the National Education Congress (NEC) is conducted to review the sector progress based on sub-sector reports, provincial reports, EMIS and QEMIS[25] data, research and studies, learning assessment outcomes and other reports. Over 1,000 stakeholders from across the education sector, from national and sub-national levels, other government organizations, the private sector, DPs and civil society organizations are invited to the NEC. The NEC produces the annual Education Congress Report. To supplement the NEC, and as a way to harmonize DPs' bilateral reviews, the Joint Sector Review takes place right before the NEC. The JSR provides a forum for more in-depth discussions on the ESP implementation including Public Financial Management reform, decentralization and de-concentration, and sub-sectoral reforms. In addition, the Annual Education Retreat organized around October provides space for a more in-depth policy dialogue between MoEYS officials and the DPs.

[20] Idem.
[21] An upper secondary certificate.
[22] The latest year for which data are available.
[23] RESA 2016.
[24] NEP 2015 Teaching Hours in Primary Schools in Cambodia.
[25] Quality Education Management Information System aims to collect information related to the quality of education from schools.

2. FIXED PART REQUIREMENTS

2.1 Requirement 1: A credible, endorsed Education Sector Plan (ESP), or alternatively, a Transitional Education Plan (TEP).

The ESP 2014-18 was appraised and endorsed in 2013. The Mid-Term Review of the ESP reinforced by the RESA (Rapid Education Sector Assessment) on primary and secondary sub-sectors was conducted in 2016. The MTR report includes updated strategies, actions, indicator targets and financial projections until 2020, and serves as the updated ESP. The RESA was mainly financed by the ESP Development Grant of the GPE. The MTR report was not newly appraised but was endorsed by the LEG in December 2016. A full ESA will be conducted in 2018, and the next ESP will be launched in 2019. Cambodia develops an annual operation plan and a three-year rolling Budget Strategic Plan throughout the ESP implementation, which are regarded as equivalent to a costed multi-year implementation plan. The current Budget Strategic Plan covers through 2019. In the Secretariat assessment on the ESP MTR, Cambodia met six out of the seven ESP standards[26] except "Sensitivity to Context." Including a risk assessment on the implementation of the ESP would have helped to strengthen the ESP in terms of the "Sensitivity to Context" standard.

Conclusion: The Secretariat deems that Requirement 1 is met. While the original ESP will end in 2018, the MTR, serving as a renewed ESP, provides medium-term strategies, actions, targets and financials up to 2020.

2.2 Requirement 2: Evidence of commitment to ESP or TEP and its financing.

The commitment to finance the ESP is reflected in the ESP/MTR itself, as well as in the three-year rolling Budget Strategic Plan (equivalent to a Medium-Term Expenditure Framework). The recurrent budget share of education as part of the national recurrent budget was 18.2 percent in 2016, up from 16.9 percent in 2014.[27] It is projected to be 23 percent in 2020 as per the MTR.[28] The total share of education in the national expenditure (both recurrent and capital) was 12.2 percent in 2016, and planned to increase to 14.4 percent in 2020. Universal Primary Education (UPE) has not yet been achieved in this country, with a Primary Gross Completion Rate of 80.6 percent in 2015. The allocation of the recurrent education budget to the primary sub-sector was 48.3 percent in 2016. According to the MTR, 48-49 percent of the MoEYS recurrent costs will be allocated to primary education between 2017 and 2020. It should also be noted that MoEYS spends 7 percent of its budget on Early Childhood Education (2015 figure). Systematic allocation of capital budget is still new to the education sector in Cambodia, and a medium-term projection of this would be useful to improve planning.

External financing is provided at the level of more than US$ 100 million per year (US$ 105 million in 2016 and US$ 124 million in 2017). Development Partner commitments already made for the year 2017 and 2018 are US$ 85 million and US$ 44 million respectively, including potential GPE ESPIG funds. In addition, multi-donor funding/pooled funding has been in place since 2011 with contributions from EU, Sweden, and UNICEF, through the Capacity Development Partnership Fund (CDPF). Major areas of interventions of key DPs are summarized in Annex 1.

Conclusion: The Secretariat deems that Requirement 2 is met. However, the LEG/JTWG should continue closely monitoring the share of the education budget, including for capital budget.

2.3 Requirement 3: Availability of Data.

The MTR and the RESA conducted in 2016 provide rich data on the sector. There is a robust annual school census and supporting management information systems such as EMIS, HEMIS and NFE-MIS. The country reports on all the UIS required indicators. National learning assessments have been conducted periodically

[26] 1) Overall Vision, 2) Strategic, 3) Holistic, 4) Evidence-based, 5) Achievable, 6) Sensitive to Context, and 7) Attention to Disparities
[27] When Requirement 2 was assessed for Cambodia, the agreed measure was recurrent budget share. The October 2017 GPC meeting decided that both recurrent and capital budget should be reviewed going forward, but the new measure is not applicable in this case.
[28] Excluding education related funding that is allocated outside of MoEYS.

since the previous ESP 2009-2013.[29] MoEYS intends to strengthen the use of assessment findings; a framework for capacity development to use the learning assessment results to strengthen learning is planned in the MTR.

Conclusion: The Secretariat deems that Requirement 3 is met.

3. ESPIG

3.1. PAST ESPIG PERFORMANCE

An overview of the past ESPIGs:

Project title	Education Sector Support Scale Up Action Program (ESSSUAP: GPE1)	Second Education Sector Support Program (SESSP: GPE2)
Grant Agent	World Bank	World Bank
Duration	Jun 13, 2008 - Dec 31, 2012	May 16, 2014 - Jul 31, 2017
Financing amount	US$ 57.4 million	US$ 38.5 million
Key components	1) Expanding Early Childhood Education (US$14.06 M) 2) Improving Primary Education Access and Quality (primary facilities expansion, stimulates demands for education (primary scholarship), support to Child Friendly schooling, school improvement grants and instructional materials provision: US$ 43.34 million) 3) Promoting Institutional Development and Capacity Building (US$ 2.00million)	1) Improving the Access and Educational Experience of Vulnerable and Disadvantaged Students (ECE, primary scholarship, vision and hearing support: $23.80 M) 2) Benchmarking Student Competencies (EGRA/EGMA, national assessment: US$ 4.30 million) 3) Improving Cambodia's Teaching Force (US$ 2.50 million) 4) System Strengthening and Monitoring and Evaluation (US$ 7.90 million)

The overall outcome rating of the GPE 1 was judged as moderately satisfactory in the Implementation Completion Report (ICR) of the World Bank, which despite high relevance of program objectives and design, was somewhat negatively affected by the ratings for implementation (modest: 30-month extension) and the efficacy rating for achievement of Project Development Objectives (moderately unsatisfactory: Seven out of nine PDO level indicators were not met). The ICR for GPE 2 is not yet finalized. However, the recent Implementation Status Report (ISR) for GPE 2, shows that three[30] out of six PDO indicators were met as of June 2017, one month before its completion. Progress towards achievement of PDO and Overall Implementation Progress are rated moderately satisfactory in the latest ISR, but due to some corrective measures taken by the Ministry of Education and the World Bank team, the ICR will likely reflect some improvements by the project closure in July 2017.

[29] The systematic implementation of learning assessments started with the previous ESP (2009 -2013) and continued in the current ESP. In 2013, Grade 6 assessments were conducted, and in 2014 Grade 8 and 2015/16 Grade 3 respectively. From 2017, the national assessment tests will be conducted on Grade 3, Grade 6, Grade 8 and Grade 11 in Khmer and Math, and Science (for Grade 8 and 11) subjects with a cycle of four years for each grade. Cambodia piloted and conducted the Early Grade Reading Assessment test, as part of the National Assessment Tests. Between 2010 and 2012, the mean overall test scores in this test showed a significant improvement in all grades. Cambodia also conducted the Early Grade Mathematics Assessment in 2015.

[30] 1) 'Enrollment ratio of children aged 5 in the urban and rural districts where new 100 formal and 1,000 community based pre-school facilities are provided', 2) ' Enrollment ratio of children aged 3-5 in the urban and rural districts where new 100 formal and 1,000 community based preschool facilities are provided (girls)' and 3) 'Percentage of students in Grades 3 reaching 45-60 words per minute on the Early Grade Reading Assessment' were not met.

Some of the key lessons learned reflected in the application document include:

- Early Grade reading and mathematics assessments will be further institutionalized through the INSET (In-service Education and Training) as well in systematic assessment of learning outcomes in Grades 1-3.
- The delivery of scholarships to primary students will be further strengthened through enhanced targeting of disadvantaged students (related to the Variable Part).

3.2 ESPIG DESCRIPTION

The objective of Cambodia's program (GPE 3) is "to improve the quality of primary education, especially for children from disadvantaged groups and to foster effective leadership and management of education staff". There are three parts to this program: 1) Fixed Part program called STEPCam (Strengthening Teacher Education Programs in Cambodia), 2) Variable Part and 3) the program called CDPF (Capacity Development Partnership Fund) fed by the Variable Part. The current application focuses on the Fixed part, as the Variable Part application will be submitted in early 2018. As a result of the Secretariat's QAR Phase 3 Report in response to the September 2017 submission, the Fixed Part application was strengthened, and MoEYS, the GA and other partners are currently working towards submitting the Variable Part application in early 2018.

STEPCam is a stand-alone project administered by UNESCO Cambodia. The program mainly supports the implementation of the Teacher Policy Action Plan 2015-2020 (TPAP) under the ESP, with focus on Continuous Professional Development (CPD) of early grade teachers and their trainers. Most of the program targets 30 districts in five northern provinces where a high level of Grade 1 repetition and primary dropout is observed. The funds will be managed under the Implementation Partnership Agreement (IPA) between the Royal Government of Cambodia and UNESCO, in which the expenditure and procurement process will follow the national procedures where possible. The program components are as follows:

Component	Description	Major outputs/remarks
Component 1. Development and implementation of CPD management systems	This component aims to improve teachers' professional practices by supporting the development and operationalization of a CPD framework and management system.	CPD guidelines, quality assurance standards for teachers and other education professionals' CPD, an accreditation system for CPD and INSET, a tracking and monitoring system on CPD, CPD data interface developed and operationalized.
Component 2. INSET professional development of teachers of early grade learning	This component will support the implementation of INSET to improve the teaching capacities of primary school teachers in early grade learning, aligned with and supported by the CPD framework developed in Component 1.	Early grades INSET modules developed, 3,372 teachers trained in early grade teaching in six provinces through trainers at Provincial Teacher Training Colleges (PTTCs), 1,175 teachers selected from the trained teachers trained in school based mentoring, implementation of mentoring program.
Component 3. Upgrading qualifications of trainers in Provincial Teacher Training Colleges (PTTCs)	This component aims at reinforcing the qualifications of teacher trainers at PTTCs.	Upgrade between 72-144 PTTC trainers to the qualification of BA (Ed.) and provide up to 20 days of INSET to approximately 560 PTTC trainers.
Component 4. Renovation of PTTCs for institutionalized INSET	This component will support the renovation of the PTTCs to enable them to provide high-quality INSET.	11 PTTCs upgraded with computer laboratories, library facilities, renovated dormitories and WASH facilities, staffrooms and other required facilities.

Component 5. MoEYS program costs	This component covers MoEYS institutional costs to facilitate successful implementation of STEPCam.	MoEYS costs of program resources, equipment, committee overhead, program communications, and transportation including one vehicle.
Component 6. UNESCO program management costs	This component covers the identified costs for the UNESCO Cambodia office to act as the grant agent.	UNESCO costs of five program staff, running costs, one vehicle, mission costs, equipment, program audit, and program evaluation.

Table A: ESPIG Components and Costs

		Amount (GPE Financing - US$)	% of total
	Total MCA	**14,400,000 (Fixed Part) 6,200,000 (Variable Part)**	
Fixed Part			
Program Component			
A	Component 1. Development and implementation of CPD management systems	800,142	6.2%
B	Component 2. INSET professional development of teachers of early grade learning	6,828,954	52.7%
C	Component 3. Upgrading qualifications of trainers in PTTCs	1,407,221	10.9%
D	Component 4. Renovation of PTTCs	3,684,532	28.4%
E	Component 5. MoEYS program costs	239,160	1.8%
	Sub-total of Components	**12,960,009**	**100%**
Variable Part			
A	Equity	**NA**	
B	Efficiency	**NA**	
C	Learning Outcomes	**NA**	
	Sub-Total Variable Part		
	Grant Agent's Implementation Support Costs*	1,439,991	
GRAND TOTAL (with Grant Agent's Implementation Support Costs)		**14,400,000**	
	Agency Fees**	1,008,000	

** Include Grant Agent's direct costs, such as Program Management, Administrative and other direct implementation costs.*
***Agency Fee is not included in the MCA and is calculated as percentage rate (agreed with each GA) from the Total Fixed Part and Total Variable Part.*

3.3 ASSESSMENT OF THE PROGRAM DOCUMENT

Cambodia's GPE 3 application went through longer quality assurance processes than many other countries; in addition to the usual three rounds of QAR, additional rounds of QAR Phases 2 and 3 were conducted. This was partly due to the dual grant agent set-up which despite strong coordination efforts by stakeholders rendered parts of the program document not fully consistent. In addition, given UNESCO Cambodia's relatively small office size, the Secretariat also underscored the importance of ensuring financial and administrative oversight arrangements that would be strong enough to ensure smooth program implementation and oversight.

The QAR Phase 3 report from October 2017 recommended that country partners strengthen two main areas in the application submitted in September 2017:

- To review and if necessary strengthen implementation/oversight arrangements of the Fixed Part after UNESCO conducts a fiduciary risk assessment of MoEYS as mentioned in the previous QAR reports.
- To strengthen the Variable Part application, especially with regard to the efficiency strategy.

The country partners decided to take sufficient time to ensure that the Variable Part application responds well to previous feedback. The recommendation for the Fixed Part was addressed; the risk assessment carried out by an independent firm with oversight provided by UNESCO Headquarters' Internal Oversight Service confirmed that the proposed financial management arrangements were sufficiently robust. The assessment found that the risks were generally low, and mitigation measures are proposed for "moderate" risk rating domains.

By aiming to improve learning in early grades, the **Program Design** responds to some of the key challenges highlighted in the RESA such as high grade 1 repetition, declining primary completion rates and weak learning, as well as some corresponding strategies in the ESP and MTR. The program speaks strongly to GPE's strategic goals of "more equitable and better learning" (Goal 1) and "effective and efficient education systems" (Goal 3). In terms of Goal 2 of equity and inclusion, the interventions target provinces and districts in the northern part of the country with weaker student performance and weaker teachers.[31] Whereas until present, in-service teacher training has been limited to project-based sporadic training provided by different partners, the program will help establish a CPD "system" in the country, whereby teachers will be able to upgrade themselves in line with the new Teacher Career Path. The program also seeks to change teaching practices by requiring teachers to produce evidence of improved teaching methodology and establishing a mentorship system to support them after the training itself. As described in Appendix 1, the four program components are expected to produce a holistic result whereby early grade INSET program and upgrading of PTTC trainers and facilities will be supported by a CPD policy framework that would motivate teachers to further their skills in line with the Teacher Career Pathway, underpinned by a robust information management system. This shift to a comprehensive system that supports and rewards teachers to earn CPD credits to upgrade their skills and track progression through CPD database is transformative for the Cambodian education sector. However, this should go hand in hand with measures to improve teacher deployment and effective time on task, which are already in the TPAP.

The **Program Budget** is well detailed, with budget notes, a disbursement plan, and unit costs for key activities. The Secretariat has provided comments to different iterations of the program budget, which now provides extensive, well-planned and justified details. Although UNESCO was chosen as the GA by the LEG on the basis of their expertise on the issue of teachers, the supervision costs are high at 10 percent of the Fixed Part, since additional staff need to be hired to comprehensively fulfill the GA responsibilities. However, significant efforts have been made to lower the costs since the first QAR Phase 2, and the budget details in fact provide assurance that the proposed arrangements will facilitate good oversight. Moreover, these costs are elevated partly due to the program evaluation and financial audit planned in the final year.

[31] These are districts with higher repetition and drop-out rates, and also those with fewer teachers meeting the minimum qualification.

As for the **M&E framework**, besides monitoring through the governance and administration structure specifically established for STEPCam (such as the GPE 3 Steering Committee led by the Minister, STEPCam Project Management Task Force led by the Secretary of State, UNESCO STEPCam Management Team), the program will be monitored through national sector-monitoring mechanisms. The results framework is complete and provides clarity with regard to how the program objectives will be achieved and measured. Beyond the broad results framework in the program document, the annex provides year-by-year detailed outputs feeding into the outcomes. Some indicators will measure changes in teacher and trainer quality; although higher-level results of student learning outcome indicators would be a proxy for this, it will be important to define how these will be measured early on in the program implementation.

The **Implementation Arrangements and Readiness** are now assessed as strong by the Secretariat. As annexed in the application package, the Program Implementation Manual (PIM) is already drafted, and outlines details of the financial management arrangements. In response to the Secretariat recommendation in the previous version of QAR Phase 3, UNESCO has carried out an independent institutional risk assessment of MoEYS, which found that the risks were generally low, with five of the seven subject areas rated as low risk. UNESCO will disburse funds as per the Implementation Partnership Agreement (IPA) contract with MoEYS. For the two remaining areas where the risks were considered "moderate" (organizational structure and staffing, fixed assets and inventory), mechanisms to reduce risks were incorporated in the PIM. Parameters for financial assurance were newly added,[32] providing clarity on when and at what frequency programmatic visits, spot checks and audits will be carried out.

Regarding **Risk Identification and Mitigation Measures**, the Program Document provides a risk framework, integrates risks into the results framework and includes risk matrices in all component annexes. Besides fiduciary risks, implementation risks including those of INSET and mentoring interventions in attaining the result of improved learning outcomes, are identified, and adequate mitigation measures are proposed. Reflecting the Secretariat's comments from October 2017, the revised program document has further clarified mitigation strategies regarding: (i) fraud and corruption, (ii) contractor delay/malfeasance in PTTC renovations, (iii) retention of PTTC trainers.

The program strives to ensure **Sustainability**, not only through alignment with country priorities of teacher reform and the TPAP/CPD model and country ownership ensured during the program design and in the implementation arrangements, but also through the establishment of a CPD system as explained above. The interplay of CPD with other components of TPAP such as the Teacher Career Pathway as well as other medium-term strategies under the CPD such as development of various training programs (including local level training and distance-training) and "CPD allowance," enabling teachers to choose accredited CPD based on their own needs and earn credits, would also help improve sustainability. The heavy reliance on TAs is deemed justified given the level of expertise required for establishing and operationalizing such an ambitious and comprehensive system, and also given the planned transfer of technical knowledge and skills to MoEYS staff.

In terms of **Aid Effectiveness**, the program shows a significant degree of country ownership in the extent to which ESP (and MTR) priorities and key policies (TPAP, CDPF, etc.) are drawn on and embedded in the program design. However, the proposed program modality still indicates limited alignment to the government system and fragmentation of aid. Although the LEG collectively decided to select two grant agents, this means MoEYS will have to deal with two sets of implementation arrangements (although similar), and coordination may be more challenging than having a single interlocutor. Moreover, beyond the ESPIG program itself, the manifold standalone programs supported by various DPs, despite stronger MoEYS capacity, is a concern, although coordination and harmonization has been strengthened over the years through the work of JTWG-Ed, ESWG and JSRs. While the Secretariat notes that the CA has made efforts to reach out to DPs during the initial

[32] Using the Harmonized Approach to Cash Transfers (HACT) system of the UN.

program identification to seek opportunities for a more aligned approach, there currently seems to be little appetite among both the MoEYS and DPs to move towards a greater use of national systems to channel aid.

4. RECOMMENDATIONS[33]

The GPE Secretariat recommends the GPC to consider the three funding model requirements met.

The Secretariat finds STEPCam to be a strong and relevant program that responds to the present-day challenges of learning and primary retention in Cambodia, through building a strong CPD system and EG training, which form part of a comprehensive teacher reform. Such a high level of investment in teacher training should be accompanied by measures to better deploy and retain them, and ensure that they actually teach the required number of hours, as indeed planned in the TPAP. In this regard, the GPC/Board may wish to adopt this as a report-back point; particularly the progress made in improving teacher distribution and retention in rural areas.

While the dual grant agent mechanism may pose coordination challenges, coordination mechanisms led by MoEYS are well established, and the application quality has been greatly strengthened through the multiple iterations of the program. The Secretariat also notes the high degree of LEG consultation during the program identification and development. While the final Variable Part application is yet to be submitted, the full program document from September 2017 already demonstrated synergies between the Fixed and Variable Parts, and this additional time for refinement will most likely lead to a quality application, as was demonstrated by the Fixed Part improvements.

The multiplicity of standalone DP programs, despite the greater MoEYS capacity, calls for a renewed discussion among the government and DPs on aid harmonization and alignment, especially in the context of a new sector plan to commence in 2019.

Given the upcoming elections, the possible impact of the political situation on the education sector should be closely monitored by UNESCO and the LEG.

[33] These recommendations were adjusted by the GPC. The final recommendations are found in Board Document BOD/2018/01 DOC 01 Annex 1

Annex 1: Major Interventions of Development Partners[34]

Donor name	Major interventions	Financial scale
ADB	Secondary education access, quality, and policy development.	US$ 101 million
DVV International	Vocational skills, CSOs, Youth Programs, and environment in education.	US$ 600,000
EU	Sector budget support, youth training, CSOs	90.4 million EUROS
EU/SIDA/UNICEF/GPE	Planning, budgeting, policy implementation, auditing and monitoring, and evaluation	US$ 38.4 million
Germany BMZ/GIZ	WASH in schools	US$ 321,000
JICA	Lower secondary access, Science and Math lower secondary, technology, government officials' capacity development, and teacher education	US$ 19.6 million
KOICA	Agriculture, ECD, and ICT	US$ 12 million
Sweden/SIDA	Quality assurance, school-based management, ECD, inclusive education, and primary and lower secondary quality, and scientific research	US$ 65.5 million
UNESCO/GPE	Adult literacy, policy development, teacher education (GPE), girls lower-secondary alternative education, early grade quality	US$ 16.3 million
UNFPA	Reproductive health education, and youth development	US$ 1.3 million
UNICEF	ECD, inclusive education, quality primary and secondary, and community advocacy	US$ 6.9 million
USAID	Early grade reading	US$ 15 million
VSO	Curriculum development, teacher education, and management capacity	US$ 1.1 million
VVOB	Teacher education (Primary Math)	US$ 3.8 million
WFP	School feeding, food/cash scholarships, take-home rations	US$ 155.8 million
World Bank/GPE	Higher education (quality, access, research and management), GPE2, ECD and community-based ECD, lower secondary	US$ 144.3 million

[34] Reflecting ongoing/planned interventions up to 2023.