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 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 April 10-12, 2018 meeting. The recommended allocation is for the variable part of the maximum country allocation. The Board approved an allocation for the fixed part in February 2018 via affirmative vote.

2. RECOMMENDED DECISION

2.1. The GPC recommends the Board approve the following decision:

BOD/2018/05-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 first round of 2018:

1. Notes compliance with the incentives for accessing the variable part of the maximum country allocation and approves the indicators on Equity, Efficiency, and Learning and their means of verification, as described in the application and assessed in Annex 2 to BOD/2018/01 DOC 02.

2. Approves an allocation from GPE trust funds for an Education Sector Program Implementation Grant (ESPIG), as described in the application submitted and summarized in Table 1 in BOD/2018/05-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$):
Table 1 Application Summary and GPC Allocation Recommendations for an ESPIG in US$:

<table>
<thead>
<tr>
<th>Cambodia</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Maximum Country Allocation</td>
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<tr>
<td>b. Allocation Requested (30%)</td>
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<tr>
<td>c. Fixed Part Requested</td>
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<tr>
<td>d. Variable Part Requested</td>
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<tr>
<td>e. Allocation Recommended by GPC</td>
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<tr>
<td>f. Grant Agent</td>
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<tr>
<td>g. Agency Fee % - Amount</td>
</tr>
<tr>
<td>h. Period</td>
</tr>
<tr>
<td>i. Expected Start Date</td>
</tr>
<tr>
<td>j. Variable Part Disbursement Modality</td>
</tr>
<tr>
<td>k. Funding Source</td>
</tr>
</tbody>
</table>

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/2018/04 DOC 02.
   b. Include an update on the issues listed as “conditions” and “report back” in the annual Portfolio Review in accordance with the specified timeline.

3. BACKGROUND

3.1 The Committee assessed the grant application from Cambodia and discussed whether it met the funding model requirements to access the variable part of the maximum country allocation.

3.2 Prior to the discussion, the following conflict of interest was disclosed:
   - Atif Rafique, UNICEF, as representative of the grant agent for the proposed program.

3.3 The GPC had a rich discussion regarding the application and found that Cambodia met the requirements with some caveats that need to be addressed.

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1 This grant will contribute to a pooled fund with the EU, Sweden, and UNICEF that includes the cost of the grant agent to perform its roles and responsibilities (formerly supervision fees). When the attainment of variable part indicators/targets are confirmed, funds including the grant agent cost, will be used in line with the pooled funding workplan.

2 An allocation for the fixed part of the maximum country allocation totalling US$14,400,000 was approved by the Board of Directors in February 2018 (BOD/2018/02-02).
3.4 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](mailto: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/2018/04 DOC 08)
### Cambodia

#### Observations

The Committee noted that Cambodia has begun preparations for a new education sector plan (ESP) to be launched in 2019. The Committee welcomes this rich opportunity for Cambodia to conduct additional analysis in the education sector, and to create an ESP which builds on the strengths of the 2016 Mid-term Review. A report-back on this was already requested in the approval of the fixed part of the MCA in February.

The Committee reiterated concerns regarding the dual grant agent arrangement and the separate submission, as noted previously during the discussion on the application for the fixed part. While not ideal, the Committee agreed that this was necessary, given the limited availability of grant agents in Cambodia for the period of the GPE ESPIG. The Committee recommends that strong links are maintained between UNESCO and UNICEF as the fixed and variable parts are implemented. The Committee further requests that the Secretariat provide close oversight of the dual arrangement, and notifies the Committee if it appears ineffective.

The Committee took into consideration the Secretariat’s assessment on the strong linkages between the fixed and variable part, which both focus on improving education quality, efficiency and learning outcomes in Cambodia’s most disadvantaged districts. The Committee also takes note of the synergies between the three dimensions.

With regard to the learning outcomes dimension, the Committee noted that it does not measure learning outcomes, despite the availability of learning assessment data. The Committee noted that the indicator focusing on teacher acquisition of new skills is a proxy for learning, which is understandable given the limitations of the Capacity Development Partnership Funds implementation timeline. However, the Committee recommends that learning outcomes in the target districts are monitored through joint sector reviews, grant agent reports and other appropriate mechanisms.

As teacher professional development is a strong focus of the program, while the Committee acknowledges that teachers were consulted as part of program development, it requests that the local education group (LEG) discuss the formal inclusion of teachers in the local education group and any sub-working groups.

#### Report-Backs

With regard to the equity dimension and the scholarship program, while noting with appreciation that the Ministry of Education has now mainstreamed the scholarships for lower secondary and upper primary which began under previous GPE support, the Committee further noted that the sustainable expansion of the scholarship program to early primary grades and the possible reconsideration of the amount will require increased financial commitment from the government. Moreover, according to the grant application documents, the scholarship framework and particularly the removal of the condition on merit requires negotiation with the Ministry of Finance and Planning, and decisions are not all within the control of the Ministry of Education. Upon completion of the revised scholarship framework, the Committee requests that
the LEG provide an update on the targeting and perspectives on sustainability, including the inclusion of a needs-based approach in the final selection criteria.

With regard to the efficiency dimension, the Committee noted that repetition rates are influenced by a variety of internal and external factors. To ensure that school-based management is effectively embedded in the target communities, the Committee requests that no more than 12 months after grant effectiveness, the LEG provide a report-back on proposed mechanisms for better engaging communities and teachers in the school improvement planning, implementation and monitoring process. The report-back should also include assurances that the indicator on repetition rates does not encourage adverse incentives such as automatic promotion and that the third-party verification mechanism is sufficient.

<table>
<thead>
<tr>
<th>Conditions</th>
<th>N/A</th>
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ANNEX 2 – SECRETARIAT QUALITY ASSURANCE REVIEW PHASE 3 (FINAL READINESS REVIEW)

Quality Assurance Review – Phase 3

Proposed GPE Grant Amount: US$ 6.2 million (Variable Part only)
Implementation period: 3.5 years (2018-2021)
Projected implementation start date: July 1, 2018
Grant Agent: UNICEF (Variable Part)

Cambodia’s Maximum Country Allocation is US$20.6 million, of which the Fixed Part program with UNESCO as Grant Agent was reviewed by the Grants and Performance Committee in January 2018 and subsequently approved by the Board in February 2018.

1. BACKGROUND AND EDUCATION SECTOR OVERVIEW

This chapter remains essentially the same as that in the QAR Phase 3 Report presented for the Fixed Part in January 2018.

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. 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. Although UNDP’s Human Development Report ranks the country as having medium human development, its Human Development Index 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. About 90 percent of the poor live in the countryside.

The table below summarizes some key figures of the country.

<table>
<thead>
<tr>
<th>Cambodia</th>
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</thead>
<tbody>
<tr>
<td>Population</td>
</tr>
<tr>
<td>Human Development Index Ranking</td>
</tr>
<tr>
<td>GDP</td>
</tr>
<tr>
<td>GDP per capita</td>
</tr>
<tr>
<td>World Bank Income Classification Level</td>
</tr>
</tbody>
</table>

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3 Idem.
6 Idem. Multidimensional poverty assesses deprivation in education, health and living standards.
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 percent in 2001 to 91.3 percent in 2015.\(^{10}\) Enrolment in Early Childhood Education (ECE) services grew by almost 2.5 times between 2005/06 and 2014/15\(^{11}\), with 64 percent of 5-year-old children accessing some form of ECE services\(^{12}\) 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.\(^{13}\)

**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.\(^{14}\) However, while 54 percent of primary teachers are female, this proportion drops at the secondary level to 40 percent.\(^{15}\) 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.\(^{16}\) There may be urban-related factors affecting the situation amid the high economic growth in recent years.\(^{17}\) 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 realized some improvement in recent years though remains an important challenge in some contexts. At a national level, 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, in 20% of districts, primary dropout is nearly 8% or higher. Grade 1 repetition nationwide is 11%, and in more marginalized districts reaches to 16%. 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,\(^{18}\) 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.

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10 Net Admission Rate
11 RESA 2016 (Rapid Education Sector Analysis conducted in 2016 to reinforce the mid-term review of the ESP)
12 Public preschools, community preschools, private preschools
13 All figures here from Education Statistics and Indicators, MOEYS
14 Education Statistics and Indicators, MOEYS
15 Idem.
16 Idem.
17 RESA 2016 also mentions the possibility of higher private school enrolment in the urban areas and their possible incomplete coverage in the EMIS.
18 Idem.
Learning
A recent learning assessment in Grade 6 indicated that only 45.7 percent of Grade 6 children achieve basic competency in Khmer language.\textsuperscript{19} 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\textsuperscript{20}. The situation is similar at the lower secondary level, with rural students and poorer students lagging behind urban students.

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.\textsuperscript{21} 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.\textsuperscript{22,23}

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.\textsuperscript{24} 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.\textsuperscript{25}

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, Education Management Information System (EMIS) and Quality Education Management Information System (QEMIS)\textsuperscript{26} data, research and studies, learning assessment outcomes and other reports. Over 1,000

\begin{itemize}
  \item 19 2013 Assessment. RESA 2016.
  \item 20 RESA 2016.
  \item 21 Idem.
  \item 22 An upper secondary certificate.
  \item 23 The latest year for which data are available.
  \item 24 RESA 2016.
  \item 25 NEP 2015 Teaching Hours in Primary Schools in Cambodia.
  \item 26 Quality Education Management Information System aims to collect information related to the quality of education from schools.
\end{itemize}
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 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 Education Sector Plan (ESP) implementation including Public Financial Management (PFM) 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.

2. FIXED PART REQUIREMENTS

This was discussed by the GPC when the Fixed Part application was presented in January 2018. A report-back point on monitoring domestic financing was adopted by the Board.

3. ESPIG

3.1. PAST ESPIG PERFORMANCE, IF APPLICABLE

An overview of the past ESPIGs:

<table>
<thead>
<tr>
<th>Project title</th>
<th>Education Sector Support Scale Up Action Program (ESSSUAP: GPE1)</th>
<th>Second Education Sector Support Program (SESSP: GPE2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grant Agent</td>
<td>World Bank</td>
<td>World Bank</td>
</tr>
<tr>
<td>Financing amount</td>
<td>US$57.4 million</td>
<td>US$38.5 million</td>
</tr>
<tr>
<td>Key components</td>
<td>1) Expanding Early Childhood Education (US$14.06 million)</td>
<td>1) Improving the Access and Educational Experience of Vulnerable and Disadvantaged Students (ECE, primary scholarship, vision and hearing support: US$23.80 million)</td>
</tr>
<tr>
<td></td>
<td>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)</td>
<td>2) Benchmarking Student Competencies (EGRA/EGMA, national assessment: US$4.3 million)</td>
</tr>
<tr>
<td></td>
<td>3) Promoting Institutional Development and Capacity Building (US$2 million)</td>
<td>3) Improving Cambodia’s Teaching Force (US$2.5 million)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4) System Strengthening and Monitoring and Evaluation (US$7.9 million)</td>
</tr>
</tbody>
</table>

The performance of the past two grants have been highlighted in the Fixed Part QAR Phase 3 Report. Lessons learned and the remaining challenges have been considered in the formulation of GPE 3. The Early Grade Reading Assessment/Early Grade Mathematics Assessment work that started under GPE 2 will be continued in GPE 3, through both the Fixed and Variable Parts. Scholarships, which started under GPE 1 and mainstreamed by the government during GPE 2, is the strategy under the equity dimension but will be geared more to impact equity learning from the lessons. The school improvement grant from GPE 1 continues into a strengthened school based management under the Variable Part of GPE 3.

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 Strengthening Teacher Education Programs in Cambodia (STEPCam), 2) Variable Part and 3) Capacity Development Partnership Fund (CDPF) a pooled program) which the Variable Part disbursements will support. As a result of the Secretariat’s QAR Phase 3 Report in response to the September 2017 submission, both the Fixed and Variable Parts were strengthened. The country decision
to have separate Grants Agents for the Fixed and Variable Parts is outlined in the QAR III Report for the Fixed Part.

As evident in the program objective, all parts of the grant support MoEYS’ key reforms to improve the quality of teaching and learning. STEPCam 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. The current application focuses on the Variable Part, as the Fixed Part application was assessed by the GPC in January 2018 and approved by the Board in February 2018. While the Fixed Part is a stand-alone project, the Variable Part will be channeled through a pooled funding modality for CDPF.

With the objective of aid harmonization and alignment in mind, the LEG chose to use the Variable Part funding (once results achieved) for a pooled fund (CDPF Phase 3) through which EU, Sweden, and UNICEF pool resources to support MoEYS’ Capacity Development Master Plan (CDMP). The pool finances various activities around policy development, planning, financing, etc. UNICEF, as the managing agency of these funds, was chosen by the LEG to be the GA of the Variable Part. A mix of national and UNICEF systems will be used for procurement and auditing, depending on the capacity assessment in line with UNICEF’s HACT guidelines, as described in the program document. The CDPF steering committee will approve the work plan annually. Once the Variable Part targets are achieved, disbursed GPE funds will be used for CDPF in the subsequent year under the approved workplan. CDPF will run from 2018 to 2021.

GPE 3 Steering Committee, chaired by the Minister, will oversee both Fixed and Variable Parts, while the existing CDPF Steering Committee and the STEPCam Management Task Force will manage the more technical aspects of the program.

**Table A: ESPIG Components and Costs**

<table>
<thead>
<tr>
<th>Program Component</th>
<th>GPE Financing US$</th>
<th>% of total</th>
<th>IDA Financing US$</th>
<th>Total Amount US$ (CDPF)</th>
<th>% of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total MCA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed Part (Presented to the GPC in January 2018)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sub-total of Components</td>
<td>14,400,000</td>
<td>70%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Variable Part</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A Equity</td>
<td>2,100,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B Efficiency</td>
<td>2,100,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C Learning Outcomes</td>
<td>2,000,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sub-total Variable Part</td>
<td>6,200,000</td>
<td>30%</td>
<td></td>
<td>23,951,348</td>
<td>(total CDPF budget with EU, Sweden, UNICEF contribution)</td>
</tr>
<tr>
<td>GRAND TOTAL (with Grant Agent's Implementation Support Costs)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agency Fees**</td>
<td>496,000</td>
<td></td>
<td></td>
<td>1,778,033</td>
<td>(all agencies)</td>
</tr>
</tbody>
</table>

*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.
Because funds of the CDPF are spent in line with the annual workplan approved by the CDPF Steering Committee each year, it is not possible to have a prior breakdown of the GA/supervision costs. However, according to the program document, in CDPF phase 2 (2015-2017), the management costs were 10.4% percent including M&E. Indicatively using this figure against the proportion of GPE funding of the total CDPF (25.8 percent), this means that GPE Variable Part funds for GA/supervision would represent 2.4% percent of the total CDPF. In practical terms, since GPE funds would be available only when results are confirmed, other pooled DP funds would be covering upfront the management costs (although funds are fungible). By pooling funds with other donors, GPE funding would be able to leverage more sector-level results in direct support of the CDMP. It is to be noted that around 80% percent of the CDPF funding would support human resource development and strengthening at the sub-national level.

3.3 ASSESSMENT OF THE PROGRAM DOCUMENT

As mentioned in the Fixed Part QAR Phase 3 report, Cambodia’s GPE 3 application went through a longer quality assurance process than many other countries. This was partly due to the dual grant agent set-up which despite strong coordination efforts by stakeholders rendered parts of the original program document not fully consistent. In addition, given the Fixed Part GA’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 regarding the efficiency strategy.

The recommendation for the Fixed Part was addressed and final application submitted in November 2017. The country partners decided to take more time for the Variable Part, hence the present submission in February 2018. The QAR process provided feedback on indicators/targets, timing of results, and theories of change for all Variable Part components. Most of this feedback has been integrated into the revised Variable Part application, and in the case of the efficiency strategy, this report provides a concluding recommendation.

4. VARIABLE PART

4.1. Description of the variable part

The equity dimension will entail strengthening the equity focus of the existing scholarship program to reduce the primary dropout rate. More specifically, through the development of a new primary scholarship framework, it will ensure that the most vulnerable children are targeted. The scholarships would also be expanded to cover grades 1-3, improving on-time enrolment of vulnerable young children and their retention throughout the cycle. The implementation will focus on improved targeting/identification to ensure that children receive scholarships at the beginning of the school year.

The efficiency dimension will strengthen the school as the primary service delivery unit by increasing the capacity of school principals to implement school-based management (SBM) effectively. It is expected that this will lead to reduced repetition rates, which are particularly high in Grade 1. In line with the Decentralization and Deconcentration (D&D) reform, as increased decision-making power is devolved to school principals and communities, it will be essential to ensure that principals have the knowledge and capacity to plan, budget, manage human resources and support teaching and learning, thereby responding effectively to school/community-level challenges related to repetition and dropout.
The learning outcomes dimension will aim to improve learning in early grades by strengthening teaching capacities and practices. This will be done through development and adoption of the Continuous Professional Development (CPD) framework and its action plan, as well as the operationalization of a school-based mentoring system in primary schools as a major step to the realization of a functioning CPD system.

While the equity dimension will be national, the efficiency and learning dimensions will target districts with low repetition and dropout rates, many of them overlapping with the Fixed Part (and also among the Variable Parts) in order to increase synergy.

Below are the proposed indicators for the three dimensions:

- **Equity**: 1) Equity-focused primary scholarship is developed and adopted,
  2) At least 60 percent of primary scholarship beneficiaries receive the first tranche of payment within the first month of the school year

- **Efficiency**: 1) 50 percent of primary school directors in 26 target districts are trained on SBM,
  2) 70 percent of the primary school directors in 26 target districts prepare standardized school development plans and budgets as per SBM guidelines,
  3) Grade 1 repetition rates in 26 target districts reduced

- **Learning**: 1) CPD implementation framework and action plan prepared and adopted,
  2) 80 percent of grade 1-3 teachers in 21 target districts receive mentoring support,
  3) 20 percent of grade 1 teachers in 21 target districts apply expected core early grade learning methodologies

Verification of results would combine reports from MoEYS, GA, and third-party verification agents, as detailed in the program document alongside timeline and mechanisms for verification. For policy development-related indicators, e.g. the scholarship framework and the CPD implementation framework, the LEG would confirm indicator attainment through GA verification of MoEYS reports. For downstream implementation, indicator attainment would be validated by the LEG using the results of the spot checks by third party verifiers. It is expected that results verification activities will be paid for from the CDPF budget.

Once the targets are attained, the funds will be made available to the pooled funding of CDPF 3, under its annual workplan agreed by the Steering Committee co-chaired by the MoEYS Secretary of State and the EU. As detailed in the program document particularly annex 5, CDPF supports policy development and implementation based on research and dialogue, and supports the development, implementation, and monitoring of sector plans (including annual operational plans and budgets well-linked with the ESP) as well as capacity development at central and sub-national levels with the Provincial and District Offices of Education. It will also support the strengthening of MoEYS financial and HR systems, through support to the Financial Management Information System, budget formulation, and Human Resource Management Information System. These all contribute to the ESP/Mid-Term Review (MTR) implementation, and to making Cambodia’s education system more effective.

### 4.2. Assessment of the variable part

**Equity**

The scholarship scheme is one of the main strategies to help MoEYS achieve the ESP/MTR objective to "ensure all school aged children are enrolled and retained". While the program initially covered lower secondary education under GPE 1, it has gradually been expanded to upper primary, and is currently totally financed by the government. The Variable Part aims to take this further, increasing its responsiveness to inequities hindering access and retention in lower primary education.
Previous feedback from the GPC and the Secretariat included the initially low amount of funds allocated to this dimension (which was significantly lower than for the other two), and concerns about how the targeting would contribute to equity, especially given that the scholarship scheme was already in place. These concerns have been addressed.

The “stretch” effect lies in the direct targeting of the current bottlenecks, and this to a large part hinges on a successful negotiation with the Ministry of Economy and Finance (MEF). Until now, MEF has been reluctant to provide scholarships on the sole basis of poverty, hence the current condition of “merit”, comprising attendance and academic performance. The poorest children are currently less likely to meet and sustain this requirement, as confirmed through the review on the effectiveness of scholarships carried out by MoEYS’ Department of Policy in 2017. The development and adoption of the scholarship framework, including the removal of the merit-based condition, would entail detailed discussions about the beneficiaries and the ultimate aim of the scholarship, not to mention the financial implications for scaling up. The inclusion of early grades would help vulnerable children enroll and stay in school, and given the high repetition and dropout in early grades, is convincing and tallies well with the Fixed Part activities as well as Cambodia’s effort in increasing ECE coverage. The selection of beneficiaries in line with the new framework much ahead of the current timeline and the budgeting of scholarships in the prior fiscal year also represent a significant challenge in terms of capacity at school, district and central levels. Although limitations to the implementation timeframe linked to CDPF meant that MoEYS could not select a dropout indicator, the theory of change has been strengthened, and the proposed indicator is still ambitious and transformational for equity in Cambodia: vulnerable children across the country (including in weaker capacity provinces) accessing scholarships by end November as opposed to February/March in current practice, within a year of the adoption of the framework.

**Efficiency**

The efficiency dimension responds directly to ESP policy “Ensure Primary Education Result-based Management systems are fully functioning”, and its operationalization through the TPAP Strategy #8 (Strengthening the effectiveness of school leadership), through strengthening school directors’ capacity to manage schools. Currently SBM training is supported by different departments and DPs using various tools and approaches. Under this dimension, learnings from different trainings will be consolidated into one single package and guidelines which would underpin the national SBM system for all primary school directors.

Schools do currently prepare plans, but their capacity to analyze the situation and plan various response activities is weak. Different rules and trainings govern the two funding streams flowing to schools, without enough flexibility to allocate funds in response to the schools’ individual objectives/plans. As part of the PFM reform, the grants will now be merged under the School Improvement Funds (SIF), directly wired to the school bank accounts (rather than through the District Offices of Education). Through the national SBM training, school directors would be able to better plan activities and funding to address the causes of repetition and dropout, for example through increased correct age school entry, reduced teacher and student absenteeism, better school/learning environment etc. This dimension would impact SBM training beyond the scope of the target districts under the GPE grant, as it would be a part of the CPD system for the school directors, linked to their career pathway. The training targets all principals from the most vulnerable target districts, in which capacity is believed to be particularly low, leveraging improvements not only in efficiency but also equity.

Part of the funding is attached to 70 percent of trained school directors in target districts preparing a school improvement plan. This may appear as low (especially as it pertains to only the preparation and not implementation); however, given the short timeframe after the training and the weaker capacity of the districts it was considered to demonstrate ambition. Another weakness may be that the disbursement protocol does not incentivize the training of the remaining 50 percent of the school directors. However, to capture the transformational potential of these activities in the results framework, a reduction in Grade 1 repetition is proposed as an outcome level indicator. This will be a challenge, given the high and deteriorating trend of
repetition rates especially in the target districts, where the average G1 repetition is as high as 16 percent (against the national G1 repetition rate of 11.7 percent). To receive the full funds against this indicator the G1 repetition rate must decrease by 4.9 percentage points from baseline. Communication of Government Grade 1 repetition priorities and targets to school directors in year 1 of program implementation could play an important role in strengthening the efficiency strategy theory of change. This activity could support principal buy-in to the efficiency strategy and foster discussion on how to mitigate against adverse incentives (such as automatic promotion), perhaps by pairing this strategy with a learning outcomes measure.

Increased capacity of school directors to work with communities is one of the key strategies for Cambodia’s education sector improvement, and this is all the more strategic for MoEYS as it also sits well within the broader context of D&D reform, a national priority. In addition, this dimension complements the equity and learning outcomes dimensions, to ensure a holistic approach to the challenge of repetition and dropout. For the full effect of the equity and learning dimensions to be felt, it is imperative that school directors have the knowledge and capacity to make informed decisions about financial and human resources in order to respond to school-level challenges.

**Learning Outcomes**
This dimension directly contributes to the implementation of the TPAP Strategy #6 to improve professional development for teachers, through the development of a CPD action plan and operationalization of school-based mentorship.

Establishment of a CPD system is transformational, given the immense challenge in moving from ad-hoc trainings supported by different partners to building a comprehensive in-service training and follow-up system under the strong leadership and oversight of MoEYS. This system would encompass different sub-sectors, staff levels and categories, areas of training, provision modalities (including mentoring), and linked with teacher career pathway, remuneration, and good data collection and management. While the Fixed Part provides support to start preparing the CPD implementation framework, the Variable Part supplements this through the development of a costed action plan. The actual establishment of such a large system would require not only the combined resources of MoEYS and GPE funds, but also other DP human and financial resources. School-based mentoring is one part of such a system. The effectiveness of school-based mentoring has been documented in many countries; in Cambodia, this has so far only been implemented on a small scale through partners, but with a wider scale coverage through the Variable Part, the results would be transformational for the sector.

The target of 80 percent of grades 1-3 teachers in target districts receiving mentoring is mainly due to the tight verification and payment schedule related to CDPF. The mentoring program will be functional in November 2019 and the verification needs to be completed by September 2020. While an actual learning outcome improvement indicator was not selected, the indicator on G1 teachers applying core early grade reading methodologies was considered adequately ambitious, given that some teachers will receive the training only in school year 2019/20 as well as the current anecdotal evidence on the absence of such methodologies and the behavior change this indicator requires. During the SBM training, school directors will learn how to use data to improve learning outcomes. This knowledge, together with enhanced teacher skills developed through mentoring, creates strong synergies between the two dimensions, and a complementary skill set at school level.
5. **RECOMMENDATIONS**

The Fixed Part requirements were discussed in the previous GPC application, and a report-back point was adopted by the GPC in this regard. The condition on the GA cost for the Fixed Part is currently being addressed.

Through strengthening school directors’ capacity to manage and respond to local needs, the efficiency component of the Variable Part supplements well the investment in teacher quality in the Fixed Part and the learning outcomes dimension of the Variable Part. While GPE 3 focuses heavily on quality aspects, the equity component addresses the demand-side constraints by providing the much-needed support to vulnerable students from the early grades. The learning outcomes component addresses the supply-side constraints in early grades by operationalizing the mentoring system. Together, in synergy with other ESP strategies, these will work to impact the high repetition rates in early grades and the declining primary completion rates. Although the efficiency dimension’s theory of change timeframe is short between the training of directors and the reduction of repetition rates, the mere fact of having repetition as one of the primary objectives of SBM may instill such an effect starting from year 1 of the program. To reinforce this strategy, the committee may wish to consider recommending that the accountability of the Variable Part target attainment is shared with local-level stakeholders, through communication to the school directors about the repetition objectives for MoEYS’ results-based financing early in the program period. It may further recommend that MoEYS propose how it intends to mitigate against the risk that directors automatically promote Grade 1 students.

While the choice of having two GAs may not be ideal from a transaction cost perspective, the LEG has justified this in the absence of a single agency willing and capable to undertake the responsibility for both parts but also the aid harmonization rationale in pooling the Variable Part funding with other DP funds. The good collaboration mechanism as well as synergy between the Fixed and Variable Parts should be well noted. Synergy between GPE 3 and other DP support, such as the harmonization of indicators with EU’s results based support and collaboration with USAID on EGRA, also fits well with aid effectiveness principles. The attention to build on and strengthen priorities started under GPE 1 and 2 is also noteworthy.

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27 These recommendations were adjusted by the GPC. The final recommendations are found in Board Document BOD/2018/04 DOC 02 Annex 1.
### Attachment 1: Major Interventions of Development Partners

<table>
<thead>
<tr>
<th>Donor name</th>
<th>Major interventions</th>
<th>Financial scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADB</td>
<td>Secondary education access, quality, and policy development.</td>
<td>US$101 million</td>
</tr>
<tr>
<td>DVV International</td>
<td>Vocational skills, CSOs, Youth Programs, and environment in education.</td>
<td>US$600,000</td>
</tr>
<tr>
<td>EU</td>
<td>Sector budget support, youth training, CSOs</td>
<td>US$111.5 million</td>
</tr>
<tr>
<td>EU/SIDA/UNICEF/GPE</td>
<td>Planning, budgeting, policy implementation, auditing and evaluation</td>
<td>US$38.4 million</td>
</tr>
<tr>
<td>Germany BMZ/GIZ</td>
<td>WASH in schools</td>
<td>US$321,000</td>
</tr>
<tr>
<td>JICA</td>
<td>Lower secondary access, Science and Math lower secondary, technology, government officials' capacity development, and teacher education</td>
<td>US$19.6 million</td>
</tr>
<tr>
<td>KOICA</td>
<td>Agriculture, ECD, and ICT</td>
<td>US$12 million</td>
</tr>
<tr>
<td>Sweden/SIDA</td>
<td>Quality assurance, school-based management, ECD, inclusive education, and primary and lower secondary quality, and scientific research</td>
<td>US$65.5 million</td>
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<tr>
<td>UNESCO/GPE</td>
<td>Adult literacy, policy development, teacher education (GPE), girls lower-secondary alternative education, early grade quality</td>
<td>US$16.3 million</td>
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<td>UNFPA</td>
<td>Reproductive health education, and youth development</td>
<td>US$1.3 million</td>
</tr>
<tr>
<td>UNICEF</td>
<td>ECD, inclusive education, quality primary and secondary, and community advocacy</td>
<td>US$6.9 million</td>
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<tr>
<td>USAID</td>
<td>Early grade reading</td>
<td>US$15 million</td>
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<tr>
<td>VSO</td>
<td>Curriculum development, teacher education, and management capacity</td>
<td>US$1.1 million</td>
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<td>VVOB</td>
<td>Teacher education (Primary Math)</td>
<td>US$3.8 million</td>
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<tr>
<td>WFP</td>
<td>School feeding, food/cash scholarships, take-home rations</td>
<td>US$155.8 million</td>
</tr>
<tr>
<td>World Bank/GPE</td>
<td>Higher education (quality, access, research and management), GPE2, ECD and community-based ECD, lower secondary</td>
<td>US$144.3 million</td>
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