

**ASIAN DEVELOPMENT BANK**

**JFPR: CAM 38107**

**PROPOSED**

**GRANT ASSISTANCE**

(Financed by the Japan Fund for Poverty Reduction)

**TO THE**

**KINGDOM OF CAMBODIA**

**FOR**

**IMPROVING PRIMARY SCHOOL ACCESS IN DISADVANTAGED  
COMMUNES**

**December 2004**

## CURRENCY EQUIVALENTS

(as of 30 November 2004)

Currency Unit	–	riel (KR)
KR1.00	=	\$0.0002599
\$1.00	=	KR3,847.00

## ABBREVIATIONS

ADB	–	Asian Development Bank
CSP	–	Country and Strategy Program (of ADB)
EFA	–	Education for All
ESDP	–	Education Sector Development Program
ESP	–	Education Strategic Plan
ESSP	–	Education Sector Support Program
GIU	–	grant implementing unit
JFPR	–	Japan Fund for Poverty Reduction
JICA	–	Japan International Cooperation Agency
MDG	–	Millennium Development Goals
MOEYS	–	Ministry of Education, Youth, and Sport
NGO	–	nongovernment organization
NPRS	–	National Poverty Reduction Strategy
PAP	–	Priority Action Program
SEDP	–	Socio-Economic Development Plan
Sida	–	Swedish International Development Cooperation Agency
UNICEF	–	United Nations Children’s Fund
WFP	–	United Nations World Food Program

## NOTES

- (i) The fiscal year of the Government ends on 31 December.
- (ii) In this report, “\$” refers to US dollars.

# CAMBODIA IMPROVING PRIMARY SCHOOL ACCESS IN DISADVANTAGED COMMUNES



- Targetted Provinces
  - ★ National Capital
  - Provincial Capital
  - City/Town
  - Incomplete School
  - River
  - Provincial Boundary
  - International Boundary
- Boundaries are not necessarily authoritative.

## JAPAN FUND FOR POVERTY REDUCTION (JFPR) JFPR Grant Proposal

<b>I. Basic Data</b>	
<b>Name of Proposed Activity</b>	<b>Improving Primary School Access in Disadvantaged Communes</b>
<b>Country</b>	<b>Cambodia</b>
<b>Grant Amount Requested</b>	<b>\$1.87 million</b>
<b>Regional Grant</b>	<input type="radio"/> Yes / <input checked="" type="radio"/> No
<b>Grant Type</b>	<input checked="" type="radio"/> Project / <input type="radio"/> Capacity building

### **II. Grant Development Objectives and Expected Key Performance Indicators**

<p><b>Grant Development Objectives :</b></p> <p>The Project will help reduce poverty in the poorest districts and communes in Cambodia by ensuring access to primary education (Grades 1–6), especially for girls from the poorest families and children (including ethnic minorities) living in remote areas. The Project will provide community mobilization and capacity building, and improve facilities in incomplete schools. Incomplete schools are those that do not offer the full range of primary education (Grades 1–6) because they lack classrooms or teachers. Almost half of the primary schools in Cambodia offer only Grades 1–4. There is a high dropout rate among girls: parents are not as willing to allow them to go to school, the nearest of which could be 10 kilometers (km) away. The Project aims to provide extra classrooms for schools to provide full primary education. The repetition rate of 20% and dropout rate of 10–12% represent the main limitations to achieving universal primary education and the Millennium Development Goals (MDGs) by 2015. An associated objective is to enable stronger community governance and management of targeted schools through a demand-led school development planning and grant process. This objective is part of an alternative approach to strengthening relationships between schools, parents, and Commune Councils. Monitoring of performance indicators by provincial and district education offices will also be included under the Grant.</p>
<p><b>Expected Key Performance Indicators:</b></p> <ol style="list-style-type: none"> <li>1. Expand capacity at 340 primary schools (out of a nationwide total of 2,500 incomplete schools in 6 of the poorest provinces) to provide full primary education (Grades 1–6). Target: enrolment growth of 40,000 students, of which 40% will be girls, by 2007.</li> <li>2. Reduced dropout and repetition rates. Target: dropout rate of 6% per year, and repetition rate of 10% per year, by 2007.</li> <li>3. Introduction of community-led school development grant process. Target: award 100–120 grants per year.</li> <li>4. Strengthen school development planning and management as a joint process by schools, parents, and communities. Target: Establish the joint process in 150 poor communes (out of the total of 1,621 in Cambodia) by 2007.</li> <li>5. Improved financial management and execution and monitoring processes. Target: \$1.2 million school grants disbursed by 2007; 100 central, provincial and district staff trained in 2005.</li> </ol>

### **III. Grant Categories of Expenditure, Amounts, and Percentage of Expenditures**

<b>Category</b>	<b>Amount of Grant Allocated (\$)</b>	<b>Percentage of Expenditures</b>
1. Civil Works	500,000	27
2. Water, Sanitation, and Furniture	250,000	13
3. Goods and Consumable Supplies	250,000	13
4. Training, Workshops, and Seminars	250,000	13
5. Consulting Services	105,000	7
6. Project Management and Coordination	245,000	13
7. Other Project Inputs (NGOs)	100,000	5
8. Contingencies	170,000	9
<b>Total</b>	<b>1,870,000</b>	<b>100</b>
Incremental Cost (ADB)	30,000	

ADB = Asian Development Bank, NGOs = nongovernment organizations.

**JAPAN FUND FOR POVERTY REDUCTION**  
**JFPR Grant Proposal**  
**Background Information**

<b>A Other Data</b>	
<b>Date of Submission of Application</b>	August 2004
<b>Project Officer</b>	Paul Chang, Principal Education Specialist
<b>Project Officer's Division, E-mail, Phone</b>	Social Sectors Division, Mekong Department <a href="mailto:pchang@adb.org">pchang@adb.org</a> , tel. 632 6190 (direct), 632 4196 (local)
<b>Other Staff Who Will Need Access to Edit/Review the Report</b>	William Loxley, Agriculture, Natural Resources, and Social Sectors Division, Regional and Sustainable Development Department Sukhdeep Brar, Social Sectors Division, Mekong Department Kori Emzita, Office of General Counsel Sopheha Mar, Cambodia Resident Mission
<b>Sector</b>	Social Sector/Education
<b>Theme</b>	Human Development
<b>Was JFPR Seed Money used to prepare this grant proposal?</b>	<input checked="" type="radio"/> <b>Yes</b> / <input type="radio"/> <b>No</b>
<b>Have SRC comments been reflected in the proposal?</b>	<input checked="" type="radio"/> <b>Yes</b> / <input type="radio"/> <b>No</b>
<b>Name of Associated ADB Financed Operation</b>	<b>Proposed Second Education Sector Development Program</b> in the amount of \$45 million, firm project in 2004.
<b>Executing Agency</b>	Ministry of Education, Youth, and Sport (MOEYS)
<b>Grant Implementing Agencies</b>	<p>H.E. Pok Than, Secretary of State  MOEYS  80 Blvd. Preah Norodom  Phnom Penh, Cambodia  E-mail: <a href="mailto:crsmeys@camnet.com.kh">crsmeys@camnet.com.kh</a>  Telephone: (855-23) 216 370  Fax: (855-23) 216 314</p> <p>H.E. Im Sethy, Secretary of State  MOEYS  80 Blvd. Preah Norodom  Phnom Penh, Cambodia  E-mail: <a href="mailto:crsmeys@camnet.com.kh">crsmeys@camnet.com.kh</a>  Telephone: (855-23) 217 253  Fax: (855-23) 217 250</p> <p>H.E. Koeu Nay Leang, Director General  Directorate General of Education, MOEYS  169 Blvd. Preah Norodom  Phnom Penh, Cambodia  E-mail: <a href="mailto:DGE@bigpond.com.kh">DGE@bigpond.com.kh</a>  Telephone: (855-23) 211 217  Fax: (855-23) 211 230</p>

## B. Details of the Proposed Grant

### 1. Description of the Components, Monitorable Deliverables/Outcomes, and Implementation Timetable

<b>Component A</b>	
Component Name	<b>Capacity Building and Mobilization of Schools/Community Committees</b>
Cost (\$)	\$335,000 (excluding contingencies)
Component Description	This component aims (i) to initially strengthen the capability of school, parents, and community groups to apply for school grants; (ii) to improve their capacity to manage and implement school development grants and report on progress and impact; and (iii) to mobilize additional community resources for primary education in beneficiary schools.
Monitorable Deliverables/Outputs	<ol style="list-style-type: none"> <li>1. School/community development planning committees established in 340 schools. Target: Approximately 3,400 people trained (10 per school).</li> <li>2. Effective school development grant implementation processes in 340 schools. Target: 100% of grants executed effectively.</li> <li>3. Effective grant reporting and accounting processes established in 340 schools. Target: 100% of schools to submit completion reports and financial accounts within 3 months of project completion.</li> <li>4. Improved community resource mobilization in 340 beneficiary schools. Target: 100% of schools make in-kind contributions, providing an average of an additional 10–20% to the Grant.</li> </ol>
Implementation of Major Activities: Number of months for grant activities	<p>The Project will be implemented in three phases (phase one: 60 schools, phase two: 120 schools, and phase three: 160 schools). The phasing and the activities in each phase will overlap and all training to be completed over the 3–year life of the Project.</p> <ol style="list-style-type: none"> <li>1. Selection of training providers, either MOEYS or NGO group (2 months).</li> <li>2. Training of commune councils and parents/teachers association (2 months per batch).</li> <li>3. Conducting community mobilization campaign at school level (1 month).</li> </ol>

<b>Component B</b>	
Component Name	<b>Community-Based School Improvement Grants</b>
Cost (\$)	\$1,150,000 (excluding contingencies)
Component Description	Provision of small school development grants to incomplete schools ranging \$1,000–3,500, depending on the nature of the proposed activities. All incomplete schools in the six identified provinces <sup>1</sup> and 150 disadvantaged communes will be eligible to apply. Selection criteria include (i) schools offering Grades 1–3 only; (ii) schools with less than three classrooms; (iii) among the poorest 40%, according to World Food Program (WFP) poverty index; (iv) schools serving ethnic minority areas; and (v) schools in border reconciliation areas. Preliminary eligible activities will include (i) school enrolment and

<sup>1</sup> Koh Kong, Kratie, Mondulkiri, Preah Vihear, Ratanakiri, and Stung Treng.

	<p>attendance campaigns; (ii) classroom organization changes, including multi-grade teaching; (iii) small-scale classroom expansion and rehabilitation; (iv) safe water supply and toilets; and (v) school/community library initiatives designed to retain poor children in the upper grades of primary school. The awareness campaign will target parents who, because of ignorance and illiteracy, do not appreciate the value of education for their children. Increased enrolment is the end result, especially for girls. None of these activities can be carried out easily or in a cost-efficient manner through centrally planned or managed programs.</p> <p>Provincial and district education officers will support and monitor implementation, also overseeing minor construction work along with Commune Councils and parent-teacher associations. The community is expected to provide in-kind contributions such as labor. Because the schools to be assisted are already in place, there is no land acquisition or resettlement required. Deep-well water supplies and toilets will be provided to schools that do not have them. These subprojects are small in scale and will not have environmental implications. School/community committees will be required to submit school development plans and sign memoranda of agreement on the use of these funds, similar to existing United Nations Children's Fund (UNICEF) and WFP strategies for community-led school development. Government will provide additional teaching staff and operational budget to complete the transition to full primary education as part of the Grant Agreement.</p> <p>The communities/Commune Councils will be required to provide matching funds (in kind, cash, and/or labor) of around 10–20% of the Japan Fund for Poverty Reduction (JFPR) expense inputs to the school. The parent-teacher associations and Commune Councils are expected to provide operation and maintenance support to the school over the long term.</p>
Monitorable Deliverables/Outputs	<ol style="list-style-type: none"> <li>1. Effective planning, management, and implementation of 340 school grants. Targets are 60 schools for phase one, 120 schools for phase two, and 160 schools for phase three.</li> <li>2. Establishment of school/community-led grant planning and management system in 340 approved incomplete schools.</li> <li>3. Effective grant information dissemination processes in six provinces and 150 communes. Target: 80% of incomplete schools to apply.</li> <li>4. More efficient use of facilities and staff. Target: 20% efficiency improvement in pupil/classroom and pupil/teacher ratios.</li> </ol>
Implementation of Major Activities: Number of months for grant activities	<p>The Project will be implemented in three phases. The phases and the activities in each phase may overlap depending on nature of activities:</p> <ol style="list-style-type: none"> <li>1. Preparation of school development plan proposal by school/ community committees (3 months).</li> <li>2. Assessment and approval of proposals and awards; establishment of accounts; mobilization (1.5 months).</li> <li>3. Implementation of grant activities (1–4 months maximum).</li> </ol>

	<ol style="list-style-type: none"> <li>4. Progress monitoring reports and submission of accountants (1 month after project completion).</li> <li>5. Sample impact monitoring and data collection on enrolment and efficiency in all beneficiary schools (3 months maximum).</li> </ol>
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<b>Component C</b>	
Component Name	<b>Program Planning, Management, and Monitoring</b>
Cost (\$)	\$215,000 (excluding contingencies)
Component Description	This component aims to build the planning, operations, financial management, and monitoring capacity of central, provincial, and district education officers through systems development. This includes assembling targeting criteria, eligibility criteria, and regular monitoring of the impact of the Grant on enrolment, attendance, drop-out rates, transition to lower secondary schools, and incidence of beneficiaries receiving scholarships under JFPR 9028. <sup>2</sup> NGOs and MOEYS will jointly set up national, provincial, and community project coordination operations and train community groups, NGOs, and education authorities in planning, managing, and monitoring the Project.
Monitorable Deliverables/Outputs	<ol style="list-style-type: none"> <li>1. Design of program management and financial and monitoring systems.</li> <li>2. Implementation of program management systems. Target: training of six provincial education officers and around 30 district education officers, and a total of 100 MOEYS technical staff.</li> <li>3. Implementation of program monitoring systems. Targets: Analysis of 100–120 grant reports per annum and training of 10 MOEYS central staff.</li> <li>4. Annual report on school development grant and capacity components. Target: three summary reports over project lifetime.</li> <li>5. Project performance audit including impact evaluation and financial audit. Target: within 3 months of project completion.</li> </ol>
Implementation of Major Activities: Number of months for grant activities	<ol style="list-style-type: none"> <li>1. Approval of management, financial, and monitoring system; designation of MOEYS officers (3 months).</li> <li>2. Training of MOEYS, provincial, and district education officers (3 months).</li> <li>3. Conduct field monitoring activities by provincial/district staff (340 schools receive two visits over project lifetime).</li> <li>4. Conduct annual project progress review workshop at headquarters and provincial level (3 days each).</li> <li>5. Conduct midterm review and end-of-project performance evaluation/audit (1 week and 2 weeks, respectively).</li> </ol>

<sup>2</sup> ADB. 2002. *Grant Assistance to the Kingdom of Cambodia for Targeted Assistance for Education of Poor Girls and Children in Ethnic Minority Areas*. Manila. The implementation is now on its second year and is due to be completed at the end of school year 2005/06.

## 2. Financing Plan for Proposed Grant to be Supported by JFPR

Financier	Amount (\$)
JFPR	1,870,000
Government	200,000
Other Sources (Please identify)	
- Communities	300,000
- Aid agencies and NGO partners	500,000
<b>Total</b>	<b>2,870,000</b>

JFPR = Japan Fund for Poverty Reduction, NGO = nongovernment organization.

## 3. Genesis

The Government of Cambodia, through MOEYS, requested assistance from the Asian Development Bank (ADB) in March 2004 to finance, through JFPR, a grant to help the Government address poverty reduction in the most disadvantaged provinces through greater access to primary education and the reduction of dropout and retention rates among the poorest communities. The assistance will support poor communes where small primary schools' financial support mechanisms cannot be effectively addressed through ADB loan projects. The project is innovative and is oriented toward expanding quality of and access to primary education project for children from the poorest families, for girls who currently drop out in the upper primary grades, and for children living in remote and disadvantaged areas not currently covered by other assistance programs. Indigenous peoples and ethnic minorities are not in any way adversely affected by the Project. But while they are not particularly targeted, they will benefit from the Project as members of the community.

The proposed project will extend and consolidate previous assistance provided by ADB: (i) the Education Sector Development Program (ESDP I),<sup>3</sup>(ii) the JFPR scholarship program for poor girls and ethnic minority children at lower secondary school level (footnote 2), and (iii) the recently completed advisory technical assistance (TA)<sup>4</sup> that provided for capacity building in planning, finance, monitoring, and deconcentration of authority. The Project will directly complement activities under the Second Education Sector Development Program (ESDP II).<sup>5</sup> Incomplete schools in seven other provinces are being assisted by the Belgian Technical Assistance, UNICEF/Aeon and Save the Children, Norway (SCN).

The Project was initially identified and designed on a participatory basis with MOEYS, NGOs, community groups, and aid agencies as part of the joint annual education sector performance review in 2003. The Japan International Cooperation Agency (JICA) office in Phnom Penh has been consulted in the development of the JFPR application and was kept abreast of developments. The joint sector review identified incomplete schools as a major constraint to primary survival rates and long-term achievement of the MDGs and the Education for All (EFA)

<sup>3</sup> ADB. 2001. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to the Kingdom of Cambodia for Education Sector Development Program*. Manila (Loan 1864/1865-CAM[SF]). A program loan of \$20 million equivalent supports a policy reform program, and a project loan of \$18 million provides facilities development, and support for planning, management, and monitoring.

<sup>4</sup> ADB. 2002. *Technical Assistance to the Kingdom of Cambodia for Performance Management in the Education Sector*. Manila (TA 3858-CAM, in the amount of \$800,000 financed on a grant basis from the Japan Special Fund, funded by the Government of Japan).

<sup>5</sup> Proposed CAM: Second Education Sector Development Program. A program loan of \$20 million equivalent supports a policy reform agenda; a project loan of \$25 million provides facilities development for secondary education and skills training for out-of-school youth; and an advisory TA for \$500,000 supports education regulatory reform and governance for decentralization.

initiative. The 2003 sector review also highlighted the importance of alternative approaches to strengthening community governance and education decentralization. The Project will directly enhance the effectiveness of the ongoing JFPR scholarship program by ensuring that children from the poorest families can remain in the upper primary grades. This will help strengthen the coverage of these children in the Grades 7–9 scholarships program. The Project supports the Government's revised Education Strategic Plan (ESP) and the Education Sector Support Program (ESSP) 2004–2008. ADB-financed technical assistance has facilitated these planning processes that are also central to the education components of the Government's National Poverty Reduction Strategy (NPRS) and Socioeconomic Development Plan (SEDP).

#### **4. Innovation**

A range of innovative models for community mobilization will be initiated through financial management and development of incomplete schools. Healthy competition among Commune Councils and villages will begin with project design and development. Provincial and district program planning committees will be established for screening and selecting school development proposals against agreed selection criteria and a list of eligible activities. A school-community committee makes a school development proposal to reach full primary coverage (Grades 1–6). Each school-community committee that qualifies will be given a development grant. Competition between provinces will be encouraged by providing the three top provinces with additional allocation at the end of each year, with their performance measured against agreed targets.

Other innovations include (i) community matching funds of up to 20% of the JFPR grant (in kind, cash, and/or labor services); (ii) operation and maintenance support to the school over the long term by the parent-teacher association and the Commune Council; and (iii) use of classrooms activities other than formal schooling (two-shift and multi-grade teaching), such as for adult education, nonformal education, and community/village meetings. The current practice of informal payments demonstrates community members' willingness and ability to pay.

The Project will provide capacity building for schools, parents' committees, community-based organizations, and NGOs through targeted training programs and logistical support in the selection, management, and financial accounting of participating schools, communities, and villages. Improvements in local- and district-level management and networking will also be included under the Project.

#### **5. Sustainability**

The Project will address sustainability in three main ways. Firstly, the institutional focus on improving internal efficiency will eliminate some of the current costs to the Government and to parents that are associated with repetition and dropout. This will help assure greater long-term financial sustainability of primary education. The lessons learned from institutional development efforts and ongoing monitoring will feed into the phasing and sequencing of subsequent government support.

Secondly, project benefits will be sustained through assuring that beneficiary schools receive additional staffing and operational budget support, supported by the expected ESDP II program loan. For example, ongoing MOEYS Priority Action Programs (PAPs) (e.g. staff deployment to underserved schools, school operational budgets, re-entry classes for out-of-school youth, in-school remedial programs) are also designed to complement the same strategic priorities as the Project. The success of these programs will also provide information for the phasing and sequencing of the ESDP II program loan conditionalities and complementary support from other aid agencies.

Thirdly, the community ownership generated under the Project will ensure continued community support and resource mobilization for beneficiary schools. Lessons learned will feed into a sector-wide community governance and financing strategy. The anticipated complementary support from UNICEF for school development planning and budgeting will provide a framework for effective targeting of additional community support.

## 6. Participatory Approach

The Project will be implemented in a participatory manner involving community groups, village committees, parents' associations, NGOs, government agencies, and aid agencies through workshops during planning, managing, and implementation of the school grants. The design and planning phase will be highly participatory in addressing how beneficiaries will be selected and how the funds are disbursed and accounted for by community committees. Community groups will have opportunities for capacity building for these tasks at the start of the Project. The preparation of the school development plan by the school/community committees is another participatory approach employed by the Project to generate ownership.

The design of the Project drew on the experiences of aid agencies and NGOs, such as the Belgian Technical Assistance, UNICEF, Swedish International Development Cooperation Agency (Sida), Japan Kusanone Grant<sup>6</sup>, World Bank, Japan Policy and Human Resource Development (JPHRD), and SCN. The Education Sector Working Group of aid agencies in Cambodia has been regularly consulted and informed of ADB plans and developments. The Project will continue to draw on the extensive experience of NGOs and community-based organizations in small-scale, community-based education reform. The lessons learned from these innovations will help form the basis for implementing sector-wide community mobilization and education decentralization strategies, complementing the recent JICA community-based primary education facilities study (2002) and the NGO Education Partnership operational research study (2003).

The Project will utilize existing parents' committees and Commune Councils in the design and planning of the program. The Project will also strengthen these groups, which will be responsible for mobilizing parents for managing funds and for ensuring that children remain in school. District education authorities and selected NGOs will be responsible for capacity building and for monitoring of and progress and impacts.

Primary Beneficiaries and Other Affected Groups and Relevant Description	Other Key Stakeholders and Brief Description
<ol style="list-style-type: none"> <li>1. The poorest families in Ratanakiri, Preah Vihear, Stung Treng, Kratie, Monduliri, and Koh Kong; girls who currently drop out in the upper primary grades; and disadvantaged peoples in remote and disadvantaged areas in these provinces.</li> <li>2. Commune councils, school committees, parent-teacher associations in the 340 target schools.</li> <li>3. MOEYS, provincial, and district education officers.</li> </ol>	<ol style="list-style-type: none"> <li>1. Communities of the poorest districts and communes in Cambodia.</li> <li>2. Development partners, including UNICEF, Sida, WFP, World Bank, JICA, Japan Kusanone Grant, SCN, Belgian Technical Assistance, Japanese NGOs, such as Shanti Volunteer Association (SVA)<sup>7</sup>, and Japan Team of Young Human Power<sup>8</sup> (JHP).</li> </ol>

<sup>6</sup> The Kusanone Grant (or Grassroots Grant) is managed by the Japan Embassy in Cambodia for NGOs and grassroots organizations to implement community improvement projects.

<sup>7</sup> Shanti Volunteer Association (SVA), with headquarters in Japan, has provided 38 primary school buildings since 1999 in Phnom Penh and in nine provinces. It has also provided library resources and teaching/learning materials.

<sup>8</sup> Japan Team of Young Human Power (JHP), with headquarters in Japan, has provided 39 primary school buildings and lavatories in Phnom Penh and in four provinces since 1999. It has also provided music workshops for teachers.

## 7. Coordination

The project will build on a number of interventions in basic education by other aid agencies, such as the Japan Kusanone Grant, Sida, UNICEF, WFP and the World Bank. The design and implementation will draw on approaches toward participatory community-based management and implementation that were pioneered under the Japan Kusanone Grant. Sida and UNICEF are assisting with capacity building for program management, monitoring, and school community governance systems at the district, commune, and school levels. The design will also draw on a WFP-supported Food For Work program which has successfully used food security as a means of stimulating school enrolment and facilities development in the poorest communes. The focus on incomplete schools will also draw on a recent UNICEF study (in mid-2003) of issues for incomplete, remote, and small primary schools and the experiences of community-based traditional school construction by MOEYS/SCN in remote provinces under the Japan Social Development Fund (JSDF) program managed by the World Bank. The Project is also expected to complement the proposed World Bank Basic Education Support Program.

Close coordination and consultation with other aid agency-supported programs will be explored, including (i) ADB's ESDP and the Japan Kusanone Grant funding for larger-scale construction projects; (ii) UNICEF/European Commission technical assistance (TA) for school development and capacity building for provincial and district education officers; (iii) Food for Work and school feeding programs in selected communes; and (iv) the World Bank's Basic Education Support Program providing the construction needs for schools offering Grades 1–9. Provincial committees will be required to direct schools to other forms of aid agency support to avoid duplication and provide complementarities.

Close coordination with MOEYS programs will also enhance project outcomes, including (i) appropriate staff deployment and incentives (PAP 1) and increased operational budgets (PAP 2), especially to ensure deployment of a sufficient number of teachers in supported schools; (ii) change annex schools<sup>9</sup> into full primary schools by appointing school directors; (iii) set minimums for full primary (Grades 1–6) schools at three classrooms and three teachers, including double-shift or multi-grade teacher status; (iv) expand short-course multi-grade teacher upgrading program in selected schools; and (v) give priority to management training programs for school directors in selected schools.

## 8. Detailed Cost Table

Please refer to Appendix 1 for detailed cost estimates.

### C. Linkage to ADB Strategy and ADB-Financed Operations

ADB's new Country and Strategy Program for Cambodia (2005–2009) (CSP) highlights the need to improve the level of human development, Cambodia's being the lowest in East Asia. Education levels are quite low as a result of the near destruction of the education system after 1975. The CSP also highlights the importance of community involvement in the early restoration of the education system in the 1980s and early 1990s. Currently, the lack of basic education and skills severely limits opportunities and is a serious constraint on economic growth, especially in the poorest communities where limited access to education and training constrains economic

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<sup>9</sup> Annex schools offer Grade 1 and sometimes Grade 2. These schools are utilized in remote areas with small school-age populations. These schools are supervised by the school directors of the nearest primary school. Directors may be responsible for a number of annex schools.

diversification. The proposed Project supports the CSP and is consistent with ADB's sector strategy, which supports the MDGs.

The Project supports the Government's revised ESP 2004–2008. The draft ESP accords the highest priority to improving the internal efficiency and quality of basic education, including new strategies for greater community involvement in planning and managing education, consistent with the new draft education law. ADB-financed technical assistance has facilitated these ESP planning processes that are also central to the education components of the Government's NPRS and SEDP.

### 1. Linkage to ADB Strategy

Document	Document Number	Date of Last Discussion	Objectives
1. CSP	ADB	May 2004	1.1 Pro-poor systemic interventions for education. 1.2 Targeted education project interventions in underseved communes. 1.3 Strengthening grassroots community governance and management in the social sectors.
2. NPRS	RGC	May 2004	2.1 Enabling move to universal primary education by 2010. 2.2 Expanding primary education in rural and remote areas.
3. SEDP	RGC	Late 2003	3.1 Targeted support for the poorest communes in the social sectors 3.2 Strengthening community partnerships in the social sectors
4. EFA and ESP	MOEYS	3 August 2004	4.1 Implement 9 years of basic education 4.2 Expanded youth skills training programs 4.3 Expansion of secondary education access
5. ESSP	MOEYS	Joint review, Sep 2004	(In support of ESP, 2004–2008)

ADB = Asian Development Bank, CSP = Country Strategy and Program, EFA = Education for All, ESP = Education Strategic Plan, ESSP = Education Sector Support Program, MOEYS = Ministry of Education, Youth and Sport, NPRS = National Poverty Reduction Strategy, RGC = Royal Government of Cambodia, SEDP = Socio-Economic Development Plan.

### 2. Linkage to Specific ADB-Financed Operation

<b>Project Name</b>	Proposed Second Education Sector Development Program (ESDP II)
<b>Project Number</b>	(Upon approval of loan)
<b>Date of Board Approval</b>	Loan scheduled for Board consideration on 9 December 2004.
<b>Loan Amount (\$ million)</b>	\$45 million

### 3. Development Objective of the Associated ADB-Financed Operation:

To contribute to Cambodia's broader poverty reduction policy by helping the Government attain EFA and the MDGs, as well as to reform and strengthen the education sector. The focus of the assistance is on poverty intervention and human development. Access to full primary education in rural areas is fundamental to achieving the MDGs.

#### 4. List the Project's Main Components

No.	Component Name	Brief Description
1.	Policy reform	1.1 Increase of resource allocation to the education sector. 1.2 Improve access, quality and efficiency of the sector. 1.3 Enhance managerial capacity and deconcentrate service delivery.
2.	Investment for increased access and equity for secondary education and skills training	2.1 Additional secondary education classrooms and community based skills training for 14–21-year-old out-of-school youth, requiring throughput of disadvantaged children from primary education.
3.	Capacity building for deconcentrated and decentralized planning, management, and monitoring	3.1 Establishment of devolving management responsibilities down to the provincial, district, and school/community levels.

#### 5. Rationale for Grant Funding versus ADB Lending

ADB lending is inappropriate for this Project because the needs of the incomplete schools are so varied; the amounts required are small; and the local geographical, social, and economic circumstances are mixed (Appendix 2 discusses the criteria for selecting provinces). The Project is a pilot scheme that will mobilize the community to support increased enrolment in the poorest 40% of communes; to retain more pupils, especially among children of the poor; and to operate and maintain schools, providing the needed infrastructure according to locally appropriate technology. The Project will address only a fraction of the national needs: 13% of the incomplete primary schools in Cambodia. If the Project is found workable, it could be adapted for implementation on a larger scale.

ADB loan projects such as Loan 1824-CAM: Emergency Flood Rehabilitation, Loan 1865-CAM: ESDP, have provided standard 3-, 4-, or 5-classroom school buildings built along a common MOEYS design. The proposed lower secondary school component of ESDP II will also provide for 400 new school buildings in communes that do not have schools. While the policy reform and investment components of ESDP II are comprehensive—aiming to facilitate the implementation of a number of access, quality and efficiency improvements in schooling—ESDP II is not designed to target the specific constraints associated with incomplete primary schools. While ESDP II will focus on sector-wide and systemic policy and institutional interventions for improvements to primary education, the incomplete schools problem requires a responsive and flexible community-based approach in order to assure throughput of children from disadvantaged communities to access secondary education and skills training opportunities expanded under ESDP II. The Project will therefore be designed to ensure that the support under ESDP II can be fully optimized by addressing other social and cost factors that constrain access to schooling for the poorest in small and remote incomplete schools.

The more traditional nationwide development programs (e.g. facilities, training, and capacity building) under ESDP II are designed to implement the Government's nationwide sector reforms. The circumstances of individual incomplete schools are very diverse and cannot be addressed by a single nationwide approach. MOEYS is still examining alternative approaches to strengthening community governance and management in education. The Project is designed to provide lessons for later formulation of a national sector-wide strategy for capacity building for education decentralization and governance.

## D. Implementation of the Proposed Grant

<b>Implementing Agency</b>	Department of Primary Education, Directorate General of Education (DGE), MOEYS
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As with the ongoing JFPR 9028, progress of which is generally satisfactory, DGE is responsible for implementing the Project. A grant implementing unit (GIU) will be established at DGE under the direct supervision of the director general. MOEYS is also the executing agency for ESDP II. The existing steering committee established under ESDP will also provide general policy guidance, oversee JFPR project activities, facilitate coordination with local governments and other targeted assistance programs, and approve the project implementation manual together with annual work plans and budgets. The project implementation manual will be drawn up and discussed during project inception. ADB will, through the Ministry of Economy and Finance, make transfer payments directly to the JFPR imprest account held by the GIU at a commercial bank satisfactory to ADB. Financial disbursements will be channeled directly to school/community committees' accounts, either through the Association of Cambodian Local Economic Development Agencies (ACLEDA) or other banking facilities (fund flow arrangement is shown in Appendix 3).

All procurements under the JFPR grant will be conducted in accordance with ADB's *Guidelines for Procurement*. International and local consultants, NGOs, and resource persons will be contracted by the GIU in accordance with ADB's *Guidelines on the Use of Consultants* and other suitable engagement method acceptable to ADB. The project duration will be 3 years. The Project will finance 6 person-months of consulting services for a team leader (terms of reference in Appendix 4) and project implementation advisor who will coordinate the work of NGOs and the consultants that UNICEF will provide. UNICEF will provide complementary support in terms of 33 person-months of consulting services, as well as workshops, seminars, and other operations (Appendix 5 for scope of UNICEF support). Contingent upon approval by the Governments of Cambodia and Japan, the Project is expected to be implemented from January 2005 until December 2007. Implementation arrangements are in Appendix 6.

## 2. Risks Affecting Grant Implementation

Type of Risk	Brief Description	Measure to Mitigate the Risk
Governance	<ol style="list-style-type: none"> <li>Limited community capacity</li> <li>Limited community experience in financial management and accounting</li> </ol>	<ol style="list-style-type: none"> <li>JFPR capacity building component and UNICEF school development planning</li> <li>JFPR training programs in financial management and monitoring</li> </ol>
Infrastructure	<ol style="list-style-type: none"> <li>Selective need for small scale infrastructure in some schools</li> <li>Inefficient use of existing facilities and staff</li> </ol>	<ol style="list-style-type: none"> <li>Minor works included in grant eligibility criteria</li> <li>School grant criteria promotes organization and efficiency improvements</li> </ol>
Human resource shortages	<ol style="list-style-type: none"> <li>Need to post additional teachers in some beneficiary schools</li> <li>Uncertain school director leadership capacity</li> </ol>	<ol style="list-style-type: none"> <li>New remote posting policy will ensure adequate teacher deployment</li> <li>New school director training and performance-based pay</li> </ol>

JFPR = Japan Fund for Poverty Reduction, UNICEF = United Nations Children's Fund.

### 3. Incremental ADB Costs (see Appendix 1 for details)

Component	Incremental Bank Cost
Amount requested	\$30,000
Justification	Facilitate community organization and training for project implementation, as well as NGO collaboration
Type of work to be rendered by ADB	General oversight of project implementation

ADB = Asian Development Bank, NGO = nongovernment organization.

### 4. Monitoring and Evaluation

Key Performance Indicator	Reporting Mechanism	Plan and Timetable for M&E
Expanded enrolment capacity of 340 primary schools to provide most, if not all, primary grades (Grades 1–6) (net enrolment rate is around 88% currently). Target: enrolment growth of 40,000 students, of which 40% will be girls, by 2007.	<ol style="list-style-type: none"> <li>1. Provincial enrolment statistics</li> <li>2. School enrolment statistics</li> <li>3. Collation of overall enrolment impact</li> </ol>	<ol style="list-style-type: none"> <li>1. Annual education census</li> <li>2. Annual education census</li> <li>3. Final evaluation report</li> </ol>
Reduced dropout rate (10–12%) and repetition rate (20%) in targeted schools. Target: dropout rate of 6% per year and repetition rate of 10% per year by 2007.	<ol style="list-style-type: none"> <li>1. Provincial enrolment statistics</li> <li>2. School enrolment statistics</li> <li>3. Collation of overall enrolment impact</li> </ol>	<ol style="list-style-type: none"> <li>1. Annual education census</li> <li>2. Annual education census</li> <li>3. Final evaluation report</li> </ol>
Introduction of community-led school development grant process. Target: to award 100–120 grants per year	<ol style="list-style-type: none"> <li>1. Provincial progress reports</li> <li>2. National and provincial financial accounts</li> </ol>	<ol style="list-style-type: none"> <li>1. Quarterly project reports</li> <li>2. Quarterly provincial accounts and annual JFPR accounts</li> <li>3. Final evaluation and audit</li> </ol>
Strengthened joint school-parent-community development planning and management for schools. Established in 150 poor communes by 2007.	<ol style="list-style-type: none"> <li>1. Training provider reports</li> <li>2. MOEYS monitoring reports</li> </ol>	<ol style="list-style-type: none"> <li>1. Quarterly MOEYS/NGO reports</li> <li>2. Annual report by MOEYS and provincial committees</li> </ol>
Improved financial management and execution and monitoring processes. Targets: \$1.2 million school grants disbursed by 2007; 100 staff members from headquarters, provinces, and districts trained by 2005.	<ol style="list-style-type: none"> <li>1. JFPR grant disbursement reports</li> <li>2. JFPR grant financial statement</li> <li>3. Mid-term and final review and evaluation report</li> </ol>	<ol style="list-style-type: none"> <li>1. Quarterly report by province</li> <li>2. Annual report by MOEYS</li> <li>3. School activity completion report</li> <li>4. Final evaluation and audit</li> </ol>

JFPR = Japan Fund for Poverty Reduction, MOEYS = Ministry of Education, Youth and Sport, NGO = nongovernment organization

## 5. Estimated Disbursement Schedule

<b>Fiscal Year (FY)</b>	<b>Amount (\$)</b>
FY2004 (Start-Up)	100,000
FY2005	500,000
FY2006	550,000
FY2007	720,000
<b>Total Disbursements</b>	<b>1,870,000</b>

### Appendixes

1. Cost Estimates
2. Criteria for the Selection of Provinces
3. Fund Flow Arrangement
4. Terms of Reference: Project Implementation Advisor (Team Leader)
5. Scope of UNICEF Support
6. Implementation Arrangements

## COST ESTIMATES

**Table A1.1: Summary Cost Estimates**  
(\$'000)

Inputs and Components (\$'000)	Component A: Capacity Building and Mobilization of Schools/Community Committees	Component B: Community-Based School Improvement Grants	Component C: Program Planning, Management, and Monitoring	Total Inputs	%
1. Civil Works	0	500	0	<b>500</b>	<b>26.7</b>
2. Water, Sanitation, Desks, and Other Furniture	0	250	0	<b>250</b>	<b>13.4</b>
3. Goods, Consumables, and Supplies	0	200	50	<b>250</b>	<b>13.4</b>
4. Training, Workshops, and Seminars	200	0	50	<b>250</b>	<b>13.4</b>
5. Consulting Services	35	35	35	<b>105</b>	<b>5.6</b>
6. Project Management and Coordination	0	165	80	<b>245</b>	<b>13.1</b>
7. Other Project Inputs: NGOs	100	0	0	<b>100</b>	<b>5.3</b>
8. Contingencies (10% of total JFPR contributions)	34	115	21	<b>170</b>	<b>9.1</b>
<b>Subtotal (JFPR-Financed)</b>	<b>369</b>	<b>1,265</b>	<b>236</b>	<b>1,870</b>	<b>100.0</b>
Government contribution	100	0	100	<b>200</b>	
Community contribution	0	300	0	<b>300</b>	
Aid agency and NGO contribution	200	0	300	<b>500</b>	
<b>Total Project Costs</b>	<b>669</b>	<b>1,565</b>	<b>636</b>	<b>2,870</b>	

JFPR = Japan Fund for Poverty Reduction, NGO = nongovernment organization.  
Source: Asian Development Bank estimates.

**Table A1.2: Detailed Cost Estimates**  
(\$'000)

Item		Costs			Contributions			
		Unit	Cost Per Unit	Total	JFPR	Government	Community	Aid Agencies/NGOs
<b>Component A: Capacity Building and Mobilization of Schools/Community Committees</b>			<b>Subtotal:</b>	<b>635.0</b>	<b>335.0</b>	<b>100.0</b>		<b>200.0</b>
A.1	Civil works							
A.2	Water, sanitation, desks, and other furniture							
A.3	Goods, consumable, supplies							
A.4	Training, workshops, seminars			400.0	200.0			200.0
	A.4.1 PEO/GIU workshops							
	A.4.2 Community workshops							
A.5	Consulting services	2 person-months	17.5	35.0	35.0			
A.6	Project management and coordination	340	0.3	100.0		100.0		
A.7	Other project inputs: services from nongovernment organizations (NGOs)	Lumpsum		100.0	100.0			
<b>Component B: Community-Based School Improvement Grants</b>			<b>Subtotal:</b>	<b>1,450.0</b>	<b>1,150.0</b>		<b>300.0</b>	
B.1	Civil works	340	1.8	600.0	500.0		100.0	
B.2	Water, sanitation, desks, and other furniture	340	0.9	300.0	250.0		50.0	
B.3	Goods, consumable, supplies	340	0.7	250.0	200.0		50.0	
B.4	Training, workshops, seminars							
B.5	Consulting services	2 person-months	17.5	35.0	35.0			
B.6	Project management and coordination			165.0	165.0			
	B.6.1 PEO project management and monitoring	6	5.0					
	B.6.2 Community project management support	340	0.4					
	B.6.3 School grant management	Lumpsum		100.0			100.0	
B.7	Other project inputs: NGOs							

*Continued on next page*

Item		Costs			Contributions			
		Unit	Cost Per Unit	Total	JFPR	Government	Community	Aid Agencies/NGOs
<b>Component C: Program Planning, Management, and Monitoring</b>			<b>Subtotal:</b>	<b>615.0</b>	<b>215.0</b>	<b>100.0</b>		<b>300.0</b>
C.1	Civil works							
C.2	Water, sanitation, desks, and other furniture							
C.3	Goods, consumable, supplies	Lumpsum		50.0	50.0			
C.4	Training, workshops, seminars			50.0	50.0			
	C.4.1 Annual workshop on best practices	3	5.0					
	C.4.2 Information disseminations on best practices	12	3.0					
C.5	Consulting services (annual budget)	2 person-months	17.5	335.0	35.0			300.0
C.6	Project management and coordination			180.0	80.0	100.0		
	C.6.1 GIU central staff (annual budget)	3	15.0					
	C.6.2 GIU central project monitoring (annual budget)	3	28.0					
	C.6.3 Impact evaluation	2	12.5					
	C.6.4 External Audit	1	25.0					
C.7	Other project inputs: services from nongovernment organizations (NGOs)							
<b>Components 1 to 4 = Subtotal</b>			<b>Subtotal:</b>	<b>2,700.0</b>	<b>1,700.0</b>	<b>200.0</b>	<b>300.0</b>	<b>500.0</b>
<b>Contingency (maximum 10% of total JFPR contribution)</b>				<b>170.0</b>	<b>170.0</b>			
<b>Total Project Cost</b>					<b>2,870.0</b>	<b>1,870.0</b>	<b>200.0</b>	<b>300.0</b>
<b>Incremental Costs:</b>								
	ADB staff travel							
	airfare	3 trips	1,440.0	4,320.0				
	subsistence	18 days	155.0	2,790.0				
	Local Travel	3 trips	500.0	1,500.0				
	Consultancy	1 person-month	19,500.0	19,500.0				
	Contingency			1,890.0				
<b>Total Incremental Costs</b>					<b>30,000.0</b>			

GIU = grant implementing unit, JFPR = Japan Fund for Poverty Reduction, NGO = nongovernment organization, PEO = provincial education office.  
Source: Asian Development Bank estimates.

## CRITERIA FOR THE SELECTION OF PROVINCES

### A. Rationale

1. The objectives of the program are as follows:
  - (i) to address the severe repetition and dropout rates that undermine achievement of Education for All (EFA) initiatives and universal primary education and adversely affect students from the poorest communes;
  - (ii) to focus on direct community-based school development initiatives, especially in remote areas where provincial/district support is difficult to mobilize; and
  - (iii) to promote institutional reforms at the school level for access and quality improvement—including in-school support initiatives for teacher development, multi-grade teaching, and double shifts—that are most needed in smaller, remote schools.
2. The selection of the provinces is designed to focus JFPR support in areas where these constraints are most severe.

### B. Selection Criteria

3. There are four criteria for the selection of provinces for the Project: (i) the number of incomplete schools in the province; (ii) the level of dropout and repetition rates; (iii) the remoteness of school sites from district/provincial support services; and (iv) levels of teacher qualification that necessitate direct, school-based skills upgrades.
4. The prevalence of incomplete schools is the most significant factor in high levels of dropout and repetition rates. As shown in Table 1, the six selected provinces reflect very high levels of incomplete schools, reaching as high as 85% compared to the 36% national average. Nevertheless, the JFPR program scope of 340 schools represents only 15% of the incomplete primary schools in Cambodia and only 5% of the total number of primary schools.

**Table A2.1: Frequency of Incomplete Schools, 2003/04**

Province	All Primary Schools	Incomplete Schools	Incomplete Schools (%)
Koh Kong	93	55	59.1
Kratie	212	103	48.6
Mondulhiri	58	47	81.0
Preah Vihear	147	104	70.7
Ratanakiri	122	103	84.4
Stung Treng	120	77	64.2
<b>All Schools in Cambodia</b>	<b>6,061</b>	<b>2,178</b>	<b>35.9</b>

Source: Ministry of Education, Youth and Sport.

4. As shown in Table 2, the six selected provinces also demonstrate significantly higher dropout and repetition rates; in many cases, more 20% per year. For every 1,000 students in Ratanakiri, for example, 266 drop out of school each year.

**Table A2.2: Primary School Dropout and Repetition Rates, 2003/04**

Province	Dropout Rate (%)		Repetition Rate (%)	
	Total	Girls	Total	Girls
Koh Kong	20.1	19.3	12.3	11.6
Kratie	13.5	13.8	10.1	9.2
Mondulkiri	21.8	23.3	19.5	18.7
Preah Vihear	20.2	19.7	16.9	16.2
Ratanakiri	26.6	26.3	16.2	16.3
Stung Treng	14.5	14.1	18.1	17.7
<b>National Average</b>	<b>12.0</b>	<b>11.5</b>	<b>10.4</b>	<b>9.3</b>

Source: Ministry of Education, Youth and Sport.

6. The vast majority of students who repeat or drop out come from the poorest 20% of the population. Thus, the proposed JFPR project initiative is pro-poor in terms of ensuring equitable access to primary schooling.

7. MOEYS activities and initiatives are managed and implemented at the provincial, district, and sometimes the cluster level. None of these bring much benefit to remote schools that are too far removed from district/province support services. The JFPR approach espoused in the Project will work directly with school support committees to overcome constraints resulting from remoteness. Table 3 shows the frequency of remoteness in the six selected provinces.

**Table A2.3: Remote Schools Profile, 2003/04**

Province	All Primary	Remote Schools	Remote Schools (% of total)
Koh Kong	93	29	31.2
Kratie	212	41	19.3
Mondulkiri	58	50	86.2
Preah Vihear	147	60	40.8
Ratanakiri	122	83	68.0
Stung Treng	120	104	86.7
<b>National Average</b>	<b>6,061</b>	<b>473</b>	<b>7.8</b>

Source: Ministry of Education, Youth and Sport.

8. As shown in Table 3, the JFPR targeting is consistent with high levels of remoteness, justifying direct support at the community level. Most of these remote schools have small numbers of children enrolled, meaning multi-grade teaching initiatives can bring immediate benefits, alongside direct school-based teacher development support.

9. Direct, school-based teacher upgrading is particularly necessary in remote schools as part of quality improvement, since the teachers in these schools are the least qualified. As

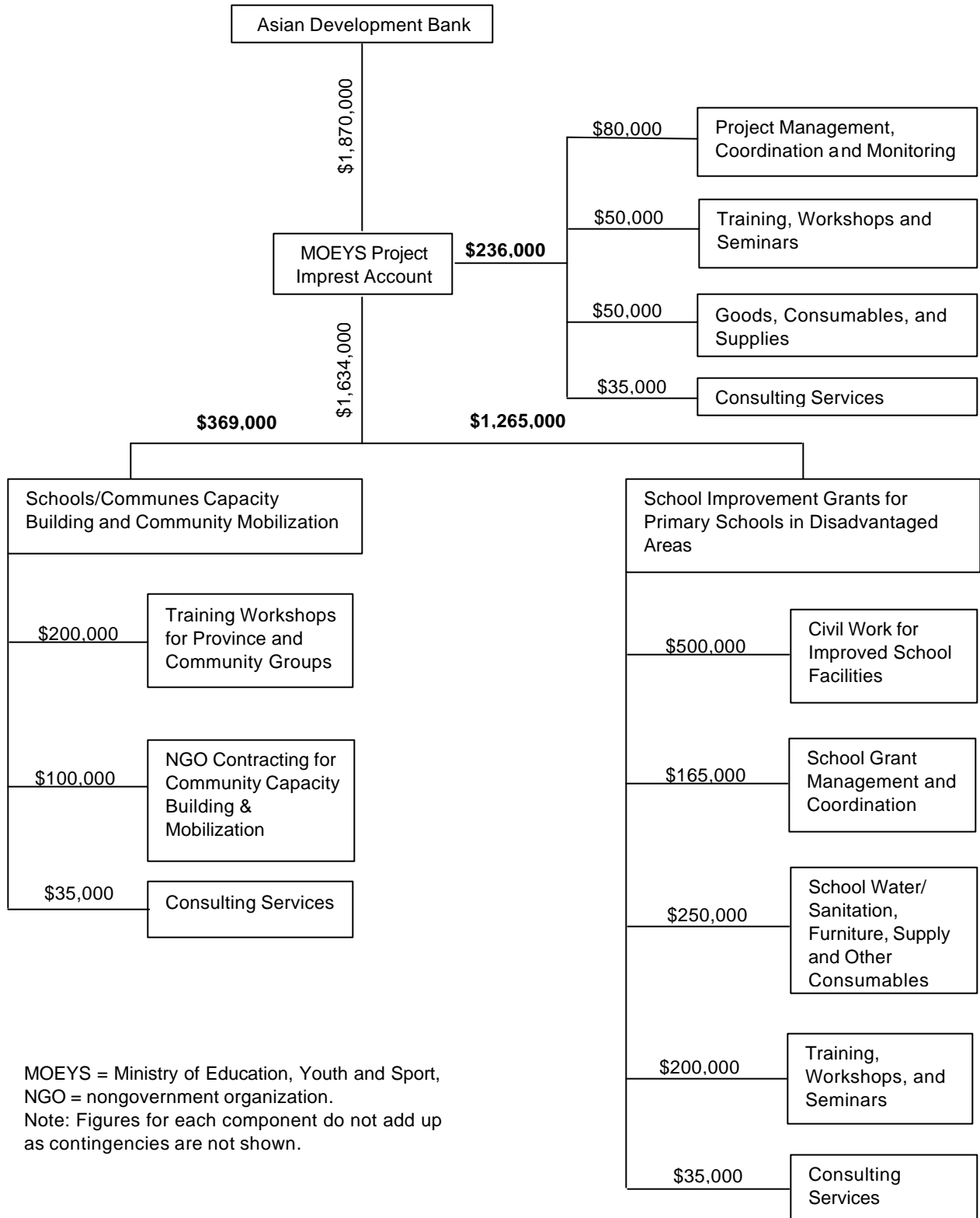
shown in Table 4, half of the teachers in remote schools have completed only primary education. The project would therefore address a broad range of access, quality, and efficiency improvements.

**Table A2.4: Remote Schools Teachers Profile by Level of Education, 2002/03**

Location	Primary		Secondary		Graduate	
	No.	%	No.	%	No.	%
Urban Schools	412	4	9,793	95	94	1
Rural Schools	2,571	7	34,333	93	13	0
<b>Remote Schools</b>	<b>574</b>	<b>48</b>	<b>616</b>	<b>52</b>	<b>1</b>	<b>0</b>

Source: Ministry of Education, Youth and Sport.

### FUND FLOW ARRANGEMENT



MOEYS = Ministry of Education, Youth and Sport,  
 NGO = nongovernment organization.  
 Note: Figures for each component do not add up  
 as contingencies are not shown.

**TERMS OF REFERENCE: PROJECT IMPLEMENTATION ADVISOR (TEAM LEADER)**  
(international consultant, 6 person-months)

The advisor must be experienced in project implementation in Cambodia and have expertise in (i) in project management and program administration; and (ii) partnership development with aid agencies, in particular the Asian Development Bank (ADB), United Nations Children's Fund (UNICEF), Japan Kusanone Grant, the European Commission, the World Bank, Belgium Technical Cooperation, and nongovernment organizations (NGOs). The duties are as follows:

- (i) to prepare an overall work plan and to collaborate and network with senior Ministry of Education, Youth, and Sport (MOEYS) officials, task forces, counterpart staff, the steering committee, NGOs, and staff and consultants of UNICEF and other related projects;
- (ii) to supervise and monitor the key results areas covered under the Project;
- (iii) to coordinate closely with staff of UNICEF, the World Bank, Belgian Technical Assistance, and others with similar projects, as well as with staff of ADB and its Cambodia Resident Mission;
- (iv) to administer and manage the Project, including supervision of school/community development planning committees;
- (v) to assess and set indicators for measuring progress and accountability, including the availability of gender-disaggregated data on indicators such as primary school completion;
- (vi) to develop monitoring and evaluation (M&E) mechanisms for project benefits;
- (vii) to assess different scenarios for analyzing whether the Government can accomplish its target of education for all (EFA) by 2015;
- (viii) to assist MOEYS with a medium- and long-term sector-wide financing framework consistent with policy priorities, drawing on the existing EFA sector-wide financing framework; and facilitate discussions among relevant government agencies and aid agencies on alternative financing modalities to implement these policies;
- (ix) to conduct conferences, seminars, roundtables, and participatory design workshops as appropriate;
- (x) to assist in the planning and implementation of project-related ADB missions, such as the project inception review, the midterm review, and project completion missions;
- (xi) to facilitate the design of performance monitoring systems, financial and budgetary support, and capacity-building programs;
- (xii) to coordinate the outputs of the consulting team in developing the implementation strategy of the Project, ensuring that each component is linked to priority sector objectives;
- (xiii) to review the framework for performance and program monitoring indicators and associated data collection, and update data related to the Project;
- (xiv) to liaise and coordinate with aid agencies, NGOs in general, and with cofinancing partners and agencies in particular;
- (xv) to assist ADB in any other assignments as may be reasonably expected within the scope of work; and
- (xvi) to coordinate, integrate, and ensure timely preparation of required reports.

## SCOPE OF UNICEF SUPPORT

1. The scope and coverage of proposed support from the United Nations Children's Fund (UNICEF) includes:

- (i) Advisory support and operational funding for program management and implementation capacity building focused on the grant implementing unit (GIU) in the Department of Primary Education, linked to UNICEF provincial support services that will already be in place in early 2005.
- (ii) Advisory support and operational funding for school development planning in the project schools, focusing on both organizational and institutional reform and capacity building for the school support committees and school directors as part of governance and quality improvement from mid- to late 2005.
- (iii) Advisory support and operational funding for optimizing current levels of multi-grade teaching and expanding the approach in other project schools, including training workshops for trainers, school directors, and teachers in the organization and delivery of multi-grade teaching—especially in smaller incomplete and remote schools where traditional approaches based on a single class are not cost-effective—from mid- to late 2005.
- (iv) Advisory support for financial management and accounting, including setting up of an information Technology (IT)-based accounting systems and training of central, provincial, district and school in project financial management and report systems in mid-2005.

**Table A5.1: Indicative Budget: 2005/07**

<b>Component</b>	<b>Cost (\$)</b>
1. Planning and design support (ADB/JFPR)	52,500
• Consulting services (3 person-months)	
• Planning workshops and other operations	
2. Management capacity building support (UNICEF/Sida)	135,000
• Consulting services (15 person months)	
• Training workshops and other operations	
3. School development planning support (UNICEF/Sida)	63,000
• Consulting services (7 person months)	
• Training workshops and other operations	
4. Multi-grade teaching capacity building support (UNICEF/Sida)	63,000
• Consulting services (7 person months)	
• Teacher and school director training workshops	
5. Strategic monitoring support (ADB/JFPR)	52,500
• Consulting services (3 person months)	
• Strategic seminars and other operations	
6. Finance and accounting support (UNICEF/Sida)	6,000
• Consulting services (4 person months)	
<b>Grand Total</b>	<b>372,000</b>

ADB = Asian Development Bank, JFPR = Japan Fund for Poverty Reduction, Sida = Swedish International Development Cooperation Agency, UNICEF = United Nations Children's Fund.

Note: Indicative program budgeting would be \$202,500 in 2005, \$143,250 in 2006, and \$26,250 in 2007.

Sources: UNICEF and ADB estimates.

2. The overall TA financing plan is shown in Table A5.2. UNICEF support is committed for 2005 only. Additional UNICEF support from 2006 onwards will be determined as part of the UNICEF Cambodia country program 2006/10 planning processes.

**Table A5.2: Proposed Input, Costs, and Funding Sources**  
(\$)

<b>Fund Source</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>Total</b>
ADB/JFPR	52,500	26,250	26,250	105,000
UNICEF/Sida	150,000	117,000	0	267,000
<b>Total</b>	<b>202,500</b>	<b>143,250</b>	<b>26,250</b>	<b>372,000</b>

ADB = Asian Development Bank, JFPR = Japan Fund for Poverty Reduction, Sida = Swedish International Development Cooperation Agency, UNICEF = United Nations Children's Fund.

Sources: UNICEF and ADB estimates.

## IMPLEMENTATION ARRANGEMENTS

### A. Roles and Responsibilities of Executing Agency

1. The Executing Agency for the Project will be the Ministry of Education, Youth and Sport (MOEYS), which is responsible for formulating national education policies and strategies. MOEYS is also the executing agency for the proposed Second Education Sector Development Program (ESDP II) and will establish a steering committee for ESDP II that will also provide general policy guidance, oversee Project activities, facilitate coordination with the local government and other targeted assistance programs, and approve the project implementation manual, together with the annual work plans and budgets.

### B. Implementation Arrangements

2. Implementation arrangements will be similar to those for JFPR 9028. The Implementing Agency will be the Department of Primary Education, Directorate General of Education (DGE), under MOEYS. DGE will be responsible for overall project coordination, administration, and technical backstopping, as well as disseminating lessons learned. MOEYS will establish a grant implementing unit (GIU) in DGE that will oversee (i) school/community management committees for the use of the school development grant and the school/community mobilization and capacity building component; and (ii) MOEYS central and provincial authority for the project management and monitoring component.

3. The GIU will be constituted to reflect an interdepartmental administrative design to ensure participation and cooperation from both the primary and secondary education sectors. Interdepartmental cooperation will be essential to ensure involvement of primary schools in candidate identification and selection, and of secondary schools in ongoing management of the program. Overall project management will comprise (i) project coordination, administration, and monitoring; (ii) workshops and seminars with key government officials to mainstream the experiences from the pilot project in the education policy; and (iii) independent impact assessment.

4. The GIU will subcontract subcomponents of the school/community capacity building to local and international nongovernment organizations (NGOs) based on Asian Development Bank (ADB) procedures. The GIU will also contract independent evaluation and audit specialists in the final year of implementation. The Project is planned to be implemented over 3 years commencing in January 2005 and completed by December 2007.

### C. Procurement and Disbursement

5. All ADB-financed procurement for the Project will be in accordance with ADB's *Guidelines for Procurement*. Each contract for the supply of goods, equipment, furniture, and instructional materials estimated to cost less than \$3,500 equivalent will be awarded on a direct purchase basis. Selected civil works, depending scale and costs, maybe awarded on the basis of local competitive bidding procedures acceptable to ADB.

6. To expedite project implementation, an imprest account for the Executing Agency will be established in the Foreign Trade Bank. For expenditures incurred at the provincial level—including investments in small-scale civil works and other goods and services—funds will be channeled directly to the schools/community committees' accounts, either through the ACLEDA Bank or other banking facilities. Schools/community committees will make periodic withdrawals from accounts to make payments to beneficiaries, as well as to cover their administrative expenses. They will further be required to keep proper accounts and provide reports to existing budget management centers at the provincial and district levels, which will be responsible for

monitoring cash disbursements. Payment of NGOs will be made from the imprest account in accordance with the approved work plan and contracts.

7. The imprest account will be established, managed, replenished, and liquidated in accordance with ADB's Loan Disbursement Handbook, January 2001. The advance to the imprest account shall be based on 6 months' estimated expenditures, or 10% of the grant amount, whichever is lower. The accounting records and system will be managed and maintained in accordance with ADB's Project Accounting Manual for Cambodia. ADB's statement of expenditure (SOE) procedure will be used to reimburse eligible expenditures up to a maximum of \$10,000 and to liquidate advances to the imprest account.

#### **D. Consulting Services**

8. The Project will finance 6 person-months of consulting services for the team leader and project implementation advisor who will coordinate the work of NGOs and the consultants that will be provided by UNICEF. As with the ongoing JFPR 9028, UNICEF will provide complementary support in terms of consulting services, workshops, seminars, and other operations. Consulting services under UNICEF will include (i) management and capacity building support (15 person-months); (ii) school development planning support (7 person-months); (iii) multi-grade teaching capacity building support (7 person-months); and (iv) finance and accounting support (4 person-months) (Appendix 5 details the scope of UNICEF support and estimated costs). A letter of agreement will be signed between ADB and UNICEF for this purpose. International and local NGOs will be recruited by MOEYS to provide consulting services for community capacity building, as well as progress and impact monitoring of the program under Component B. International and domestic consultants will be recruited according to ADB's *Guidelines on the Use of Consultants* and other arrangements satisfactory to ADB for the engagement of domestic consultants.

#### **E. Reports, Accounts, and Audits**

9. The Government will ensure that records and accounts adequate to identify goods and services financed from the proceeds of the Japan Fund for Poverty Reduction (JFPR) grant will be maintained. Separate accounts for the JFPR project will be maintained, and auditors acceptable to the ADB will audit accounts and financial statements annually in accordance with sound accounting principles.

10. MOEYS will prepare quarterly reports on the implementation of the Project and submit them to ADB within 30 days of the end of each quarter. The reports will be in a format acceptable to ADB and will indicate, among other things, (i) progress against established targets, both technical and financial; (ii) status of performance indicators; (iii) problems encountered during the quarter, and steps taken and proposed to be taken to resolve problems identified; and (iv) project activities proposed for the succeeding quarter. A JFPR project completion report will be submitted to ADB not later than 3 months following the physical completion of the Project.

#### **F. Regular and Midterm Reviews**

11. The Government, ADB, other aid agencies, and NGOs will review implementation annually and assess the impact of the Project as part of their joint education sector performance reviews. In addition to annual and other reviews, the Government and ADB will jointly undertake a midterm review of the Project. The midterm review will identify changes since the time of appraisal, reassess impact with regard to future project implementation and sustainability, assess implementation performance against project performance indicators, review compliance with agreed arrangements, and identify problems and constraints.