

## TECHNICAL ASSISTANCE COMPLETION REPORT

Division: MKSS

<b>TA No. and Name</b> TA 3858-CAM: Performance Management in the Education Sector			<b>Amount Approved:</b> \$800,000	
			<b>Revised Amount:</b> \$800,000	
<b>Executing Agency</b> Ministry of Education, Youth and Sport		<b>Source of Funding:</b> JSF	<b>TA Amount Undisbursed</b> \$26,726.86	<b>TA Amount Utilized</b> \$773,273.14
<b>Approval</b> 18 April 2002		<b>Signing</b> 29 May 2002	<b>Fielding of Consultants</b> 24 June 2002– 28 Feb. 2004	<b>Completion Date</b> <b>Original</b> 30 Nov 2003 <b>Actual</b> 31 May 2004
			<b>Original</b> 31 March 2004	<b>Closing Date</b> <b>Actual</b> 31 December 2004 <sup>1</sup>
<b>Description</b> In 1999, the Ministry of Education, Youth and Sport (MOEYS) initiated a policy review and development process which resulted in a pro-poor and policy-led education reform program, the Education Strategic Plan (ESP), 2001–2005, and the Education Sector Support Program (ESSP). The priority was to achieve universal basic education by 2010 by expanding services and improving internal efficiency. In support of MOEYS' five-year plan and program, ADB provided the Education Sector Development Program (ESDP) in 2001. The technical assistance (TA) provided capacity building support to MOEYS in conjunction with ESDP. Its scope included education planning to move the single-year system, with no predictability in the budget process, to a more transparent, forward-looking process based on policy objectives. A rolling, three-year Medium Term Expenditure Framework (MTEF) was to be translated into expenditure ceilings for recurrent and investment budgets. It was envisaged that MOEYS would become increasingly capable of exercising discretion in planning the use of its resources, in return for greater accountability for performance against policy objectives.				
<b>Objectives and Scope</b> In support of the Government's ESP and ESSP, the TA aimed to strengthen the capacity of MOEYS in expenditure planning, programming, and performance monitoring of the education sector. The TA was to provide capacity building support for (i) improved planning and financial systems, to enable annual adjustments of program priorities within the MTEF and annual budget allocations; (ii) monitoring of education system performance against identified outcome and output targets, linked to systems for planning, financing, and delivery of educational services; and (iii) deconcentration of authority for program planning, financial management, and monitoring, to provinces, districts, communes, schools and institutions.				
<b>Evaluation of Inputs</b> The TA design was adequate and the terms of reference (TORs) were clear and comprehensive. The original TORs provided 63 person-months of specialist services in education performance management, expenditure planning and management, and decentralized program planning. Monitoring was an integral part of the consultants' functions. The TA engaged three international (27 person-months) and three domestic consultants (36 person-months). The TORs did not require any major modification during implementation. The consultants performed satisfactorily and were appreciated by MOEYS' leadership and staff. As well, the consultants' final report was much appreciated in ADB. Apart from the consulting services, the TA included provision of computers, office equipment, a utility vehicle, training, seminars and workshops. The undisbursed amount represents savings due mainly to unused contingency funds and savings in consultancy services. Procurement of the utility vehicle was not deemed necessary. MOEYS as the executing agency and the Planning Department of MOEYS as the implementing agency, as well as the various technical working groups and task forces, performed satisfactorily. MOEYS provided counterpart teams, information and the necessary administrative support in a timely manner. Working groups, task forces, and MOEYS staff worked closely with the consultant team and benefited from the innovative sectorwide approach used in education reform. ADB fielded TA administration missions for the inception, midterm review and the final review. Review of the TA was also conducted at various times in conjunction with loan/project reviews of ESDP and JFPR 9028. The review missions monitored the progress of activities, reviewed reports, resolved issues, provided advice to the team and MOEYS, and coordinated with and informed other development partners active in the education sector in Cambodia on ADB activities. Collaboration among ADB and MOEYS staff, the consultants, and development partners was considered highly satisfactory. The performance of both ADB and the executing agency is rated highly satisfactory.				
<b>Evaluation of Outputs</b> <b>Financial Planning and Management.</b> Key outputs of this component have included MOEYS capacity building in a number of areas: (i) the institutionalization of a results-oriented medium-term expenditure planning process related to				

<sup>1</sup> Subject to liquidation of the outstanding advance to EA and receipt of consultant's certificate of full payment.

ADB broader support for the MTEF process within Government; (ii) the development of a target led annual budget allocation process; (iii) introduction of an annual financial performance review process; and (iv) strengthening of integrated financial and strategic planning processes. The TA has helped MOEYS to be the lead line ministry in introducing policy-led public expenditure management.

**Sector Performance Monitoring.** The TA has assisted in comprehensive capacity building within MOEYS for sector performance analysis and the management of the annual ESSP review. Key outcomes include: (i) strengthening MOEYS capacity to analyze performance data for the sector performance reports in 2002 and 2003; (ii) assistance to MOEYS departmental planners and analysts with the preparation of 9 small-scale strategic studies, including social protection and scholarships/incentives for the poor, transition policy for primary to secondary schools, teacher deployment strategy; (iii) mobilization and training of 24 MOEYS central departments in the preparation of annual departmental performance reports; and (iv) mobilization and organization of MOEYS to participate in the ESSP reviews. Over 300 central MOEYS staff received coaching, mentoring or analytical support in the process of sector performance review.

**Decentralized Program Monitoring.** The following key outcomes have been achieved: (i) implementation and dissemination of operational monitoring guidelines at all levels in the system; (ii) assistance to central MOEYS departments with target setting and monitoring system development; (iii) facilitation of training needs assessment and implementation of monitoring staff development programs across 24 provinces; and (iv) strengthening MOEYS capacity to collate and analyze program progress and impact data. Thus, MOEYS was able to incorporate a comprehensive analysis of program impact in the education sector performance report of 2003. This will facilitate the rolling program of strategy and program design review intrinsic to the ESSP review process.

#### **Overall Assessment and Rating**

The TA attained its objectives and targeted outputs, was implemented satisfactorily, and contributed to the strengthening of MOEYS institutional capacity. The TA is rated highly successful. Government officials, especially those of MOEYS and the Ministry of Economy and Finance, are appreciative of ADB assistance.

#### **Major Lessons Learned**

A key lesson learned is that it is difficult to introduce a sustainable sector performance management system without clear mechanisms for institutionalizing them and without incentives for actions. The first joint sector performance review in 2002 represented the critical opportunity to mobilize support and commitment to results-oriented sector performance management and monitoring.

A second lesson learned is that effective results-oriented performance management requires clear presentation of target setting, resource management responsibilities, and lines of accountability. Currently, these arrangements are only clear at the central and national levels. In order to bring these to provincial, district and school levels, a number of institutional arrangements are required, including: (i) greater delegated authority for target setting at the local levels; (ii) better alignment between targets and budget allocations at these levels; and (iii) performance agreement as a basis for mutual accountability.

A third lesson learned is that predictability in resource allocation and budget execution is a critical factor in implementing a sustainable results-oriented performance management system. The difficulties with timely releases of priority action program funds have tested MOEYS' and development partners' confidence in the process. It is important that Government, MOEYS and partners maintain a focus on sector reform results, recognizing that budget execution is merely one instrument of implementation and not an end in itself.

A final lesson learned is that the potential long-term sustainability of these capacity building processes is difficult to assess, especially outcomes as opposed to outputs and activities. Key factors in sustaining these processes will be continued leadership by MOEYS, further development of performance monitoring information systems, and the prospects for increased Government and continued donor support for system operations.

#### **Recommendations and Follow-Up Actions**

MOEYS and its partners recognize the importance of using the sector performance review as a basis for a rolling program of strategic review and development. The TA assisted MOEYS with the planning of ESP 2004/08. In the future, the following performance management issues need to be addressed over the period 2005–2006: (i) review of the effectiveness of current policies and strategies; (ii) design of additional sector reforms and strategies, especially at the post-basic level; (iii) review and rationalization of priority programs to avoid policy fragmentation; (iv) strengthening pro-poor financing strategies; (v) education decentralization and improved governance; and (vi) strengthening of partnership development, including harmonization of policy-led external assistance modalities.