



Technical Assistance Report

Project Number: 40555
August 2008

Kingdom of Cambodia: Preparing the Strengthening Technical and Vocational Education and Training Project (Financed by the Japan Special Fund)

Asian Development Bank

CURRENCY EQUIVALENTS

(as of 31 July 2008)

Currency Unit	–	riel (KR)
KR1.00	=	\$0.0002427626
\$1.00	=	KR4,119.25

ABBREVIATIONS

ADB	–	Asian Development Bank
MoEYS	–	Ministry of Education, Youth and Sports
MoLVT	–	Ministry of Labor and Vocational Training
NTB	–	National Training Board
PTC	–	provincial training center
TA	–	technical assistance
TVET	–	technical and vocational education and training

TECHNICAL ASSISTANCE CLASSIFICATION

Targeting	–	General intervention
Classification		
Sector	–	Education
Subsector	–	Education sector development
Themes	–	Sustainable economic growth, inclusive social development, capacity development
Subthemes	–	Human development, institutional development

NOTE

In this report, "\$" refers to US dollars.

Vice-President	C. Lawrence Greenwood, Jr., Operations Group 2
Director General	A. Thapan, Southeast Asia Department (SERD)
Director	S. Lateef, Social Sectors Division, SERD
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I. INTRODUCTION

1. The Asian Development Bank (ADB) is a leading partner in the technical and vocational education and training (TVET) sector in Cambodia. The investment component of ADB's Second Education Sector Development Program was approved in December 2004 with \$7.5 million equivalent (of the total project cost of \$25 million) targeted for strengthening TVET. The Government of Cambodia has requested further ADB support for TVET to meet the growing demand for a better skilled work force. In response to this request, ADB's Country Operations Business Plan¹ (2007–2009) acknowledged the need for continuing support to TVET and a TA project was included for 2008². A Fact-Finding Mission visited Phnom Penh from 7 to 11 April 2008 and reached an agreement on the scope, objectives, implementation arrangements, cost estimates and financing plan, and consulting services for technical assistance (TA) for a project to strengthen TVET³. The TA is in line with the Government's Rectangular Strategy for Growth, Employment, Equity and Efficiency, which has private sector growth and employment, including creation of jobs, as one of its four pillars. The National Strategic Development Plan also highlights the need to create employment opportunities in both the formal and informal sectors and to improve the supply of qualified labor. The design and monitoring framework for the TA is in Appendix 1.

II. ISSUES

2. Although human development indicators in Cambodia have improved over the past two decades, social, cultural, economic and geographic factors have created significant disparities. Of Cambodia's 13 million people, approximately 34% live below the poverty line. Cambodia is experiencing impressive economic growth; in 2005 the economy grew by 13.5%, double the rate projected by the Government and in 2006 the economy also grew by substantially more than projected. Strong expansion of the services sector and sustained growth in industrial output contributed to the economic upsurge, while agriculture's share of the economy declined from 13.5% in 2005 to 4.4% in 2006. The workforce employed in agriculture has also declined, from 74.7% in 1999 to 55.4 % in 2004.

3. A rapidly expanding economy with annual growth levels of about 10% demands a skilled workforce. This poses two key challenges for Cambodia—ensuring more equitable access to high-quality education to meet the emerging demand for a qualified and skilled workforce, and devising development strategies to address rural poverty. It is estimated that about 300,000 people enter the workforce every year. Of these, approximately 90,000 are graduates from private and public TVET providers. The economy generates approximately 150,000 jobs annually. In 2006, 11,000 students graduated from universities but only 10% were able to secure jobs. These figures indicate that there is no dearth of labor but a shortage of people with adequate skills to be either gainfully self-employed or to be absorbed by the private and public sectors.

4. Meeting the demand for skilled labor is constrained by the low quality of general education. Children leaving school at any level are not very well prepared for the workforce. Despite rapidly increasing enrollments at the secondary level, the gross enrollment ratio is only 60% at the lower secondary level and only 21.2 % at the upper secondary level. Of the 200,000 secondary school graduates, about 112,000 go on to pursue tertiary education.⁴ The TVET system has the capacity to absorb only 5,000 entrants. With the scope and reach of vocational

¹ ADB. 2006. *Country Operations Business Plan for Cambodia (2007–2009)*. Manila.

² The project was originally included in the COBP as Enhancing Secondary Education.

³ The TA first appeared in the business opportunities section of ADB's website on 23 May 2008.

⁴ Ministry of Labor and Vocational Training (MoLVT) estimates, April 2006.

and technical education programs severely limited, a large percentage of young people have no or limited opportunity for education or skills development. This in turn limits the potential for economic growth.

5. The demand for a skilled workforce needs to be addressed through a multifaceted approach with interventions situated within an overall long-term strategy to (i) expand access and strengthen the quality of general education; (ii) strengthen the quality of higher education, including technical education; and (iii) strengthen the TVET system so that it can respond to the needs of both the rapidly growing urban economy and the underdeveloped rural economy. However, provision of education and skills needs to be complemented by strong links with industry, partnerships with the private sector, and an enabling policy framework that places an adequate and appropriate focus on employment generation and rural development.

6. In Cambodia, TVET was covered by a department within the Ministry of Education, Youth and Sports (MoEYS) until October 2004 when responsibility for TVET was transferred to the newly constituted Ministry of Labor and Vocational Training (MoLVT). The Directorate General of TVET is divided into three departments: (i) Department of TVET Management, responsible for institutional management monitoring; (ii) Department of National Competent Standards, responsible for competency standards and the National TVET Qualifications Framework (NTQF); and (iii) Department of Labor Market Information, which is also responsible for managing apprenticeships. A stakeholder-based National Training Board (NTB), chaired by the deputy prime minister approves a National TVET Development Plan annually which sets overall policy.

7. The Government has established a network of training institutions. The National Technical Training Institute provides the trainers for the TVET system. There are nine “long course” institutions that offer diplomas and degrees to grade 12 graduates as well as certificate courses for candidates who have completed grade 9 in the traditional degree areas in technology and business. Nominally, these institutions meet the needs of business and industry for technicians, applied engineers, and entry level accounting and administrative staff. There are 22 provincial training centers (PTCs)—two of which are now polytechnics and are counted among the nine institutions offering long courses, with a mandate to address the NTB’s priority to alleviate poverty and to provide training to students from communes and towns in the provinces. Most trainees have basic literacy with higher levels of academic achievement required for IT and electronics courses. PTCs offer “short courses” of 3–6 months’ duration and train about 16,000 students a year (2007), although the certificates are not yet linked to the NTQF. PTCs also implement a voucher skills training program (VSTP) for rural trainees. There are also an estimated 300 private trade schools, largely in the IT sector and currently unregulated. The institutions are often insufficiently resourced, which lowers the quality of the programs they offer.

8. ADB has supported the TVET sector through three projects: (i) the Basic Skills Project (which closed in February 2003), (ii) the Education Sector Development Program (approved in December 2001), and (iii) the ongoing Second Education Sector Development Program (approved in December 2004). Major achievements under the Basic Skills Project included (i) establishing the NTB, (ii) establishing the National Training Fund, (iii) strengthening the capacity of the TVET staff in MoEYS, and (iv) establishing TVET centers in selected provinces. The project completion report concluded that the project achieved its development targets and was successful. ADB’s Operations Evaluation Department assessed the project as “highly effective” and emphasized the need to strengthen institutional capacity, and to assist MoLVT during the transitional phase when responsibility for TVET was moved from MoEYS to MoLVT. The Education Sector Development Program I supported TVET by increasing the NTB’s autonomy over training funds and TVET centers, including upgrading old TVET centers and constructing new ones. The Second Education Sector Development Program is further

strengthening the capacity of the TVET system. The VSTP has been successfully piloted in seven provinces and covers over 66,000 trainees. However, there is no such program in the remaining 14 provinces, which are also poor and need basic rural skills.

9. The NTB, an interministerial and multistakeholder body headed by the deputy prime minister, provides policy guidance for skills training. It works well, but its functions, membership, and responsibilities need to be reviewed. The reach and quality of the training institutions need to be improved. Links to employment opportunities, whether through partnerships with industry or institutional support to promote entrepreneurship, need to be developed. A strong TVET system requires a strong labor market information system and an inventory of the labor force and employment statistics, which are currently lacking.

10. Despite the growth of TVET, the national system is perceived to be lacking relevance, effectiveness, and efficiency and to have weak links with labor market demands. The system needs to be strengthened so it can respond to the rapid economic growth and provide meaningful income-generating opportunities for women and other disadvantaged groups. At present there is no database providing accurate labor statistics or analysis of labor demand, making responding to the needs of industry difficult. The Government needs to strengthen cooperation with the private sector so it can provide it with skilled labor and encourage it to become a skills provider. Given the volatility of the global economy, and the resource and capacity constraints, public funds should be used to strengthen the public TVET system to provide skills that need periodic upgrading but are not subject to rapid redundancy.

11. As a relatively new ministry, MoLVT is attempting to address complex challenges with limited capacity and resources. The Government has manifested its commitment to TVET by increasing the TVET budget from \$750,000 in 2006 to \$2 million in 2009. However, the subsector has received limited external support. Korea International Cooperation Agency provided a soft loan of \$30 million in 2005 for the building and equipment for the National Polytechnic Institute of Cambodia. The Korea Research Institute for Vocational Training has provided \$1.2 million over 2 years (2006–2008) for research on the NTQF, setting up four qualification testing centers and study tours to the Republic of Korea for the staff from these centers. India, under its bilateral economic cooperation program, has helped establish the Cambodia–India Entrepreneurship Development Center. The Government’s National Strategic Development Plan 2006–2010 highlights several key TVET areas but a lack of resources is likely to constrain the Government’s ability to operationalize the plan.

12. An in-depth analysis of the TVET subsector is needed to prioritize areas of need. This should examine economic trends, the demand and supply of labor, the institutional capacity to manage and deliver TVET, institutional upgrading needs, and the role of and partnerships with other stakeholders. This project preparatory technical assistance will help MoLVT to undertake this analysis so that resources can be targeted to strengthen TVET and enhance its relevance.

III. THE TECHNICAL ASSISTANCE

A. Impact and Outcome

13. The impact of the TA will be a strengthened technical and vocational education and training system. The outcome will be an agreed project design for strengthening TVET to help the Government achieve its goal of sustained economic growth and poverty reduction by improving the earning potential of the country’s youth.

14. The TA will be implemented in two phases and will have the following outputs: (i) a comprehensive analysis of the TVET subsector; and (ii) based on the subsector analysis, a feasibility report for a focused, quality-oriented and demand-driven TVET project. The subsector

analysis will take into account: (i) the existing capacity within the subsector; (ii) policies and strategies pertaining to the subsector; (iii) a functional analysis of the MoLVT Directorate General of TVET; (iv) past and current investments in the subsector and lessons learned from these investments; (v) participation of women and other disadvantaged groups and the VSTP program; (vi) geographic dispersion; (vii) the role of the private sector as TVET providers; (viii) the potential of different levels of vocational and technical education to address the needs of the country's rapidly growing economy and underdeveloped rural areas, and (ix) the role of industry in providing support to TVET through sector councils and the potential for public-private partnerships. The analysis will include a review of existing labor market studies and conduct skills demand surveys in areas identified for potential support. Based upon this analysis, and in consultation with Government, the TA will prepare a feasibility report for a project to strengthen TVET with costs, components, management structures, monitoring systems and implementation arrangements to support specific interventions that will help meet Government objectives and policies for TVET.

B. Methodology and Key Activities

15. The TA will interact closely with public and private providers of TVET to analyze the capacity and needs for skills development. It will examine the different levels of skills needed for different target groups. It will examine ongoing interventions and programs and ensure an overall integrated approach of support. It will undertake extensive consultations with stakeholders through seminars, workshops and focus groups. Based on these consultations it will recommend (i) policy revisions, if necessary; (ii) cost-effective strategies; and (iii) an implementation framework with costs.

16. The feasibility study for the proposed project will include rationale; objectives; detailed project components; policy targets; monitoring indicators; an analysis of benefits, impact and risks; consultant requirements with indicative terms of reference; and a project framework. The TA will undertake a social and poverty impact analysis and recommend strategies to improve access for women and other socially, economically and geographically disadvantaged groups. It will conduct studies to: (i) determine skills requirements in areas recommended for coverage by project, (ii) collect baseline data and identify monitoring and evaluation indicators, (iii) conduct a needs assessment, and (iv) assess the need for employment support services.

C. Cost and Financing

17. The total cost of the TA is estimated to be \$960,000 equivalent. ADB will finance \$800,000 equivalent. The TA will be financed on a grant basis by the Japan Special Fund, funded by the Government of Japan. The Government will finance the balance equivalent to \$160,000, through the provision of counterpart staff, office accommodation and meeting space, translation services and general office support (details of the cost estimates and financing plan is in Appendix 3). The Government has been advised that approval of the TA does not commit ADB to finance any ensuing project.

D. Implementing Arrangements

18. MoLVT will be the Executing Agency for the TA and will provide overall technical guidance through counterpart staff. An interministerial steering committee chaired by the secretary of state, MoLVT, will be established to provide overall guidance to the TA team and to ensure coordination with concerned ministries, departments and central and local government agencies and institutions. In view of the links with the private sector, the steering committee will also include two members from the private sector. The Directorate General of TVET will provide

technical support. The Government will provide (i) qualified staff to help the international consultants in all aspects of their work, including liaison with concerned agencies and institutions; (ii) administrative and logistical support; (iii) office accommodation; and (iv) data and reports.

19. A team of seven international and eight national consultants will be recruited to provide specialist services totaling 62 person-months (29 person-months of international consulting services and 33 person-months of national consulting services). Consulting services will cover the following areas: (i) TVET policy and management, (ii) labor economics and enterprise links, (iii) institutional capacity building, (iv) agribusiness development, (v) small business development, (vi) information systems development, (vii) career development and guidance, and (viii) social equity. Consultants will be engaged through a firm using quality- and cost-based selection and simplified technical procedures in accordance with ADB's *Guidelines on the Use of Consultants* (2007, as amended from time to time). Office equipment will be procured in accordance with ADB's *Procurement Guidelines* (2007, as amended from time to time) and will be turned over to the executing agency upon completion of the TA.

20. The TA will begin in October 2008 and end in June 2009. An inception report will be submitted at the end of the first month. This will be followed by a stakeholder workshop to clarify the purpose of the TA, identify and discuss the issues, and ensure close interaction and coordination among all stakeholders. To ensure a widely consultative process, meetings and interviews will be held at provincial and commune levels. A draft of the analysis of the TVET subsector will be submitted at the end of the fourth month and presented at a national workshop. ADB will hold a staff review committee meeting to examine the findings of the analysis and, based on the analysis and in consultation with Government, identify the most appropriate approach for the design of the proposed project. A workshop will be held after 7 months to present the draft feasibility report. The final feasibility report will be submitted before TA completion.

THE PRESIDENT'S DECISION

21. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of \$800,000 on a grant basis to the Government of Cambodia for preparing the Strengthening Technical and Vocational Education and Training project, and hereby reports this action to the Board.

DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets and/or Indicators	Data Sources and/or Reporting Mechanisms	Assumptions and Risks
<p>Impact</p> <p>Strengthened Technical and Vocational Education and Training (TVET) system</p>	<p>20% increase in the skilled work force entering the labor market</p>	<p>National employment data, labor force statistics and surveys</p>	<p>Assumptions</p> <p>The overall economic scenario remains positive</p> <p>Skills development will be relevant and beneficiaries can be absorbed</p> <p>Government continues to accord high priority to TVET</p> <p>Risks</p> <p>Weak commitment to economic reform</p> <p>Downturns in economic situation due to unforeseen circumstances</p>
<p>Outcome</p> <p>An agreed project design for strengthening TVET</p>	<p>A signed MOU with the Government on the scope, objectives, outputs, financing and implementing arrangements on Strengthening Technical and Vocation Education and Training Project</p>	<p>TA final report Supporting studies and reports</p>	<p>Assumption</p> <p>Effective support from MoLVT and other stakeholders</p> <p>Risk</p> <p>Weak participation and coordination among different stakeholders</p>
<p>Outputs</p> <p>1. A comprehensive analysis of the vocational and technical education subsector</p> <p>2. A feasibility report for a focused, quality-oriented and demand-driven TVET project that identifies goals, objectives, scope and outputs of the project</p>	<p>Draft reports Final report Supporting studies</p> <p>Draft final report</p> <p>An agreed final report</p> <p>Project proposal that is fully costed and clearly lays down goals, objectives, scope, inputs and projected outputs</p>	<p>PPTA reviews PPTA reports Workshops Stakeholder consultations</p> <p>PPTA reviews</p> <p>PPTA reports</p> <p>Workshops</p> <p>Stakeholder consultations</p>	<p>Assumptions</p> <p>Government provides adequate counterpart support</p> <p>Strong participation from all stakeholders</p> <p>Risks</p> <p>Slow or weak support and access to data and information</p> <p>Participation from industry and employer associations is weak</p> <p>Government agencies, other than MoLVT, do not fully participate or own the recommendations</p>

Activities with Milestones	Inputs
<p>Output 1</p> <p>1.1 Workshops, periodic stakeholder consultations, and data gathering</p> <p>1.2 Draft subsector analysis (end of fourth month)</p> <p>Output 2</p> <p>2.1 Feasibility study for a project</p> <p>2.1.1 Identify goals, objectives, and scope of the project (week four)</p> <p>2.1.2 Draft feasibility report and midterm workshop (end of sixth month)</p> <p>2.1.3 A draft feasibility report (end of seventh month)</p> <p>2.1.4 A project proposal that is agreed between Government and ADB (end of eighth month)</p>	<ul style="list-style-type: none"> • ADB (\$800,000) 1. International Consultants: \$542,000 2. National Consultants: \$66,000 3. International and Local travel: \$52,000 4. Reports and Communications: \$15,000 5. Office Equipment and Supplies: \$18,000 6. Workshops and Seminars: \$13,000 7. Surveys: \$5,000 8. Miscellaneous Administrative Costs: \$13,000 9. Representative for Contract Negotiations: \$6,000 10. Contingencies: \$70,000 • Government (\$160,000) 1. Office Accommodation and Transport: \$60,000 2. Counterpart Staff: \$80,000 3. Others: \$20,000

ADB = Asian Development Bank, MoLVT = Ministry of Labor and Vocational Training, PPTA = project preparatory technical assistance, TVET = technical and vocational education and training.

INITIAL POVERTY AND SOCIAL ANALYSIS

Country and Project Title: Cambodia – Preparing Strengthening Technical and Vocational Education and Training Project

Lending/Financing Modality: Sector Development Program

Department/Division: Southeast Asia Department/
Social Sectors Division

I. POVERTY ISSUES

A. Linkages to the National Poverty Reduction Strategy and Country Partnership Strategy

1. Based on the country poverty assessment, the country partnership strategy and the sector analysis describe how the project would directly or indirectly contribute to poverty reduction and how it is linked to the poverty reduction strategy of the partner country.

Cambodia is experiencing impressive economic growth. In 2005 the economy grew by 13.5%—double the Government's projected rate and growth in 2006 was also higher than projected. A strong expansion in services and sustained growth in the industrial output contributed to the economic upsurge. Private investment has risen and inflation is decreasing. About 74%^a of Cambodia's population is engaged in agriculture and lives in rural areas which are highly underdeveloped. In 2004, the percentage of Cambodians living in poverty was about 34%.

Cambodia's rapidly growing economy, together with a large percentage of the population still engaged in agriculture creates many challenges for Cambodia—ensuring more equitable access to good quality education to meet the emerging demand for a qualified and skilled workforce, and devising development strategies to address rural poverty. In order to assist the country to address these challenges, the midterm review of the ADB country strategy and program for Cambodia (2005–2009)^b recognizes the need to improve the quality of education and to strengthen links between education and rural development. There is also a need to provide skills to meet the demands of the rapidly growing economy and to provide a strong and sustainable platform for continuing economic growth.

An in–depth analysis of the subsector will be undertaken to help the Government to develop a cohesive institutional framework, including policies and infrastructure, to develop a dynamic TVET sector that can respond to the needs of the rapidly growing urban economy and the underdeveloped rural economy.

Strengthening TVET by assessing the demand for skills for both for the urban and the rural sectors, providing quality skills, and strengthening links with employment and entrepreneurship will greatly enhance the employability and earning potential of the workforce. This will eventually lead to poverty reduction and sustained economic growth.

B. Targeting Classification

1. Select the targeting classification of the project:

- | | |
|---|--|
| <input checked="" type="checkbox"/> General Intervention (GI) | <input type="checkbox"/> Individual or Household (TI-H) |
| <input type="checkbox"/> Geographic (TI-G) | <input type="checkbox"/> Non-Income MDGs (TI-M1, M2, etc.) |

2. Explain the basis for the targeting classification:

The proposed project will address issues of policy, institutional strengthening, and strengthening links with industry and employer agencies, in addition to supporting training.

C. Poverty Analysis

1. If the project is classified as TI-H, or if it is policy-based, what type of poverty impact analysis is needed?

A summary poverty reduction and social strategy and a gender action plan will be prepared if necessary.

2. What resources are allocated in the project preparatory technical assistance (PPTA)/due diligence?

Four person-months of national equity specialist under supervision of the team leader.

3. If GI, is there any opportunity for pro-poor design (e.g., social inclusion subcomponents, cross subsidy, pro-poor governance, and pro-poor growth)?

The proposed project will include a component that is targeted at the poor and will include a percentage of female beneficiaries.

II. SOCIAL DEVELOPMENT ISSUES

A. Initial Social Analysis

Based on existing information:

1. Who are the potential primary beneficiaries of the project? How do the poor and the socially excluded benefit from the project?

The poor and the socially excluded will benefit from an expanded and improved TVET system and also from targeted training opportunities

2. What are the potential needs of beneficiaries in relation to the proposed project?

The potential beneficiaries need an opportunity to develop skills that can enhance their earning potential and support for entrepreneurship/employment

3. What are the potential constraints in accessing the proposed benefits and services, and how will the project address them?

The constraints are lack of resources and physical distance to access training. The project will address these through provision of commune-based training which has already been successfully piloted under an ongoing project and provision of stipends for enterprise-based training.

B. Consultation and Participation

1. Indicate the potential initial stakeholders.

The stakeholders are government agencies, development agencies, industry groups, employer organizations, communities, and potential trainees.

2. What type of consultation and participation is required during the PPTA or project processing (e.g., workshops, community mobilization, involvement of nongovernment organizations and community-based organizations, etc.)?

Workshops, seminars, and surveys.

3. What level of participation is envisaged for project design?

Information sharing Consultation Collaborative decision making Empowerment

4. Will a consultation and participation plan be prepared? Yes No Please explain.

A stakeholder analysis will be conducted and participation strategy developed during the TA as deemed appropriate.

C. Gender and Development

1. What are the key gender issues in the sector and/or subsector that are likely to be relevant to this project or program?

The TA will assess and analyze participation of women in the workforce and make recommendations to provide targeted support for skills development for women to encourage their participation in the labor force. The TA will also review and assess the policy framework from the gender sensitivity perspective.

2. Does the proposed project or program have the potential to promote gender equality and/or women's empowerment by improving women's access to and use of opportunities, services, resources, assets, and participation in decision making? Yes No Please explain.

3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please explain			
III. SOCIAL SAFEGUARD ISSUES AND OTHER SOCIAL RISKS			
Issue	Nature of Social Issue	Significant/Limited/ No Impact/Not Known	Plan or Other Action Required
<u>Involuntary Resettlement</u>	None	No impact	<input type="checkbox"/> Full Plan <input type="checkbox"/> Short Plan <input type="checkbox"/> Resettlement Framework <input checked="" type="checkbox"/> No Action <input type="checkbox"/> Uncertain
<u>Indigenous Peoples</u>	Indigenous people have lower levels of education and skills	Not known (however, indigenous people are likely to beneficiaries of the project)	<input type="checkbox"/> Plan <input type="checkbox"/> Other Action <input type="checkbox"/> Indigenous Peoples Framework <input type="checkbox"/> No Action <input checked="" type="checkbox"/> Uncertain
Labor <input checked="" type="checkbox"/> Employment Opportunities <input type="checkbox"/> Labor Retrenchment <input type="checkbox"/> Core Labor Standards			<input type="checkbox"/> Plan <input type="checkbox"/> Other Action <input type="checkbox"/> No Action <input checked="" type="checkbox"/> Uncertain
Affordability	Cost barriers to skills development	Will be assessed	<input type="checkbox"/> Action <input type="checkbox"/> No Action <input checked="" type="checkbox"/> Uncertain
Other Risks and/or Vulnerabilities <input type="checkbox"/> HIV/AIDS <input type="checkbox"/> Human Trafficking <input type="checkbox"/> Others (conflict, political instability, etc.), please specify	None	No impact	<input type="checkbox"/> Plan <input type="checkbox"/> Other Action <input checked="" type="checkbox"/> No Action <input type="checkbox"/> Uncertain
IV. PPTA OR DUE DILIGENCE RESOURCE REQUIREMENT			
1. Do the terms of reference (TOR) for the PPTA (or other due diligence) include poverty, social and gender analysis and the relevant specialist(s)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please explain why.			
2. Are resources (consultants, survey budget, and workshop) allocated for conducting poverty, social and/or gender analysis, and consultation and participation during the PPTA or due diligence? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please explain why.			

^a This figure is taken from the CSP update of June 2007. Some estimates put this figure at 64%.

^b ADB. 2007. *Country Strategy and Program Midterm Review for Cambodia 2005–2009*. Manila.

COST ESTIMATES AND FINANCING PLAN
(\$'000)

Item	Total Cost
A. Asian Development Bank Financing^a	
1. Consultants	
a. Remuneration and Per Diem	
i. International Consultants	542.0
ii. National Consultants	66.0
b. International and Local Travel	52.0
c. Reports and Communications	15.0
2. Office Equipment ^b and Supplies ^c	18.0
3. Workshops and Seminars	13.0
4. Surveys	5.0
5. Miscellaneous and Administration Costs	13.0
6. Representative for Contract Negotiations	6.0
7. Contingencies	70.0
Subtotal (A)	800.0
B. Government Financing	
1. Office Accommodation and Transport	60.0
2. Remuneration and Per Diem of Counterpart Staff	80.0
3. Others	20.0
Subtotal (B)	160.0
Total	960.0

^a Financed by the Japan Special Fund, funded by the Government of Japan

^b Computers, printers, copier, fax, etc.

^c Includes consumables and nonconsumables.

Source: Asian Development Bank estimates.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

1. The technical assistance (TA) will be implemented by a team of seven international and eight national consultants. All consultants will contribute to the subsector analysis as well as to the feasibility study to be undertaken by the TA.

A. Team Leader and Technical and Vocational Education and Training (TVET) Policy and Management Specialist (international: 8 person-months, national deputy team leader: 8 person-months)

2. The team leader will have extensive expertise in policy and management of TVET programs at the macro level. His or her experience should cover both developing and developed countries so best practices can be culled from both. The team leader will have proven ability to engage in policy dialogue at the highest levels and to lead a team of technical experts to put together a highly analytical sector assessment for TVET, followed by a feasibility report for a proposed project. The team leader will be supported by a national expert who will serve as the deputy team leader and will also be well versed in the TVET subsector in Cambodia. The specific tasks of the team leader (supported by the deputy team leader as appropriate) will be as follows:

- (i) Undertake an in-depth analysis of the TVET subsector, based on extensive consultations with all stakeholders, including relevant ministries, private industry and employer organizations, including an assessment of existing strengths, weaknesses, and current capacity of the subsector; policies pertaining to the subsector; participation of women and other disadvantaged groups; geographic dispersion; role of the private sector and the potential of TVET to address the needs of the country's youth. This analysis will include, wherever possible, the TVET programs of other line ministries.
- (ii) Review and analyze the management and organization of the national training system, including the decision-making bodies, the cohesion and coordination of the system, cooperation with industry, this analysis will follow the problem tree approach, taking into account causes and effects and recommendations for a project to be linked to this analysis. The analysis will include the nature and amount of external assistance currently provided by bilateral and multilateral agencies.
- (iii) Help MoLVT review the National TVET Development Plan and identify areas that need further strengthening, or inclusion, including areas in which policy gaps exist, or where policy revisions may be desirable.
- (iv) Identify and review key components in TVET where improvements are considered necessary for its overall development.
- (v) Review and analyze the management of programs and institutions and make recommendations for phased strengthening.
- (vi) Assess the appropriateness of professional structures concerned with vocational qualifications and certification, curriculum and curriculum development, staff development, skills assessment, and career counseling of trainees and potential trainees.
- (vii) Review the system for monitoring and evaluation (M&E) in TVET, assess the M&E requirements, including the information and training needs of key managers, and staff requirements for effective M&E.

- (viii) Review the achievements of previous development interventions in TVET to benefit from the lessons learned and incorporate these lessons into the design of the project.
- (ix) Provide guidance to the national equity specialist in undertaking his or her tasks.
- (x) Prepare a feasibility report for a project for strengthening planning, management, and delivery of TVET that includes rationale, objectives, detailed project components, policy targets, monitoring indicators, an analysis of benefits, impact and risks, and a project framework.
- (xi) Design efficient management and monitoring systems for implementing the project.
- (xii) Address any other issues, as required, in carrying out comprehensive analysis of TVET.

B. Labor Economist and Enterprise Linkage Specialist (international: 6 person-months, national: 6 person-months)

3. The international expert, supported by the national expert, will provide reviews and inputs for the subsector analysis and for the feasibility report. The specific tasks of the experts will be as follows:

- (i) Examine the external and internal efficiency of TVET in terms of employment and earning, labor market policies, and self-employment, including for girls and women.
- (ii) Contribute to the profile of technical education and vocational training by reviewing existing labor market studies.
- (iii) Conduct surveys to identify demand for skills for institutional strengthening and for potential support.
- (iv) Prepare detailed cost estimates for the proposed project using Costab software.
- (v) Prepare the economic and benefit analysis of the project.
- (vi) Provide guidance to the national equity specialist as required.
- (vii) Any other task assigned by the task manager.

C. TVET Institutional Capacity Building Specialist (international: 4 person-months, national: 4 person-months)

4. The international expert will have demonstrated multi-country experience in addressing issues of institutional capacity and management for provision of TVET. The expert will be supported by a national expert with good knowledge of TVET institutions in Cambodia. The specific tasks of the experts will be as follows:

- (i) Review the existing institutional mechanisms and management structures for provision of TVET, including an analysis of the effectiveness of current institutional and management structures and their capacity for efficient delivery of full- and part-time TVET programs.
- (ii) Make recommendations for an organizational structure for the management of a stronger and expanded demand-driven TVET system.
- (iii) Make recommendations, with estimated costs, for strengthening and upgrading institutional capacity of TVET facilities (including strengthening administrative efficiency), identification of core skills best delivered through public institutions, and enhancing trainer skills and capabilities.

- (iv) Make recommendations for a regional system of institutional development with the goal of upgrading selected institutions for the provision of higher level generic technical skills.
- (v) Identify areas for the provision of skills through the private sector and through on-the-job training or apprenticeship programs.

D. Agribusiness Development Specialist (international: 3 person-months, national: 3 person-months)

5. The international expert will have substantial experience in designing and implementing successful innovative programs aimed at agribusiness for rural development and income generation. The national expert will be well versed in the agriculture sector in Cambodia. The specific tasks of the experts will be as follows:

- (i) Identify existing agribusinesses, markets they serve, and how they work with communities.
- (ii) In consultation with relevant stakeholders, identify potential opportunities for developing agribusinesses, including supply chain analysis and access to markets.
- (iii) Gender issues pertaining to women's equal access to agribusiness and/or small business development will be assessed in-depth by the consultant and in consultation with the team leader and the social equity specialist.
- (iv) Identify the potential of the TVET system, in collaboration with the Ministry of Agriculture, to support entrepreneurship in the manufacture, supply, maintenance and repair of improved and appropriate agricultural implements and technology.
- (v) Recommend strategies, with estimated costs, for employment generation in the agribusiness sector.

E. Small Business Development Specialist (international: 3 person-months, national: 3 person-months)

6. The international expert will have demonstrated experience in small business development, and entrepreneurship. The national expert will have similar expertise at the national level. The specific tasks of the experts will be as follows.

- (i) Review the experience with and potential for small business development.
- (ii) Estimate the number of TVET graduates whose training will create demand for self-employment.
- (iii) Identify strategies and models for including training for self-employment.
- (iv) Identify strategies for strengthening institutional capacity to provide training and advisory services for self-employment and small business management (including accessing credit and markets).
- (v) Prepare a plan, with estimated costs, for implementing these strategies.

F. Information Systems Specialist (international: 3 person-months, national: 3 person-months)

7. The international expert will have substantial experience in designing and setting up customized information systems. The national expert will be proficient in information technology (IT). The specific tasks of the experts will be as follows:

- (i) In collaboration with other team members, counterpart staff and key stakeholders, prepare a fully costed project component for developing a labor market information system (LMIS) and a TVET management information system (MIS) that is appropriate for Cambodia and can be implemented in a phased manner.
- (ii) Prepare a plan, with estimated costs, for the introduction of IT as a management tool in the TVET system.

G. Career Development and Guidance Specialist (international: 2 person-months, national: 2 person-months)

8. The international expert will have experience in designing and/or implementing career guidance services in the TVET sector. The national expert will have similar expertise at the national level. The specific tasks of the experts will be as follows:

- (i) Prepare a strategy, with estimated costs, for introducing a career guidance system that targets out-of-school youth, students in the final year of lower and upper secondary education, and trainees in the TVET institutions.

H. Social Equity Specialist (national: 4 person-months)

9. The national social equity specialist will have demonstrated experience in conducting research on equity issues and in designing programs aimed at bridging the equity divide in access to services and programs for women and other disadvantaged groups. The specific tasks of the specialist will be as follows:

- (i) Prepare a poverty and social analysis.
- (ii) Assess the TVET policy framework, emphasizing existing mechanisms (targets and quotas) to ensure equal representation of women in traditional and nontraditional TVET.
- (iii) Analyze current beneficiaries of the training system to identify how accessible it is as well as the relevance of the current skills development programs for disadvantaged groups and women.
- (iv) Explore opportunities and mechanisms for extending voucher-based training, providing scholarships, and other targeted interventions for disadvantaged trainees.
- (v) Make recommendations to create an enabling environment for disabled trainees in institutions.
- (vi) Review the community development model being used in VSTP and make recommendations for improving the model and expanding inclusiveness.