



# Validation Report

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Reference Number: PVR-377  
Project Number: 34388  
Loan Numbers: 2121 and 2122  
December 2014

## Cambodia: Second Education Sector Development Program

Independent Evaluation Department  
**Asian Development Bank**

## ABBREVIATIONS

ADB	–	Asian Development Bank
DMF	–	design and monitoring framework
ESDP II	–	Second Education Sector Development Program
ESP	–	Education Strategic Plan
ESSP	–	Education Sector Support Program
GEMAP	–	gender and ethnic minority action plan
MOEYS	–	Ministry of Education, Youth and Sport
MOLVT	–	Ministry of Labor and Vocational Training
OSY	–	out-of-school youth
PCR	–	project completion report
PTC	–	provincial training center
SRC	–	school resource center
TA	–	technical assistance
TVET	–	technical and vocational education and training

## NOTE

In this report, “\$” refers to US dollars.

### Key Words

adb, asian development bank, cambodia, community-based training, education sector reform, lower secondary education, policy development, resource mobilization, skills training, upper secondary education, tvet

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## PROGRAM BASIC DATA

<b>Project Number:</b>	34388	<b>PCR Circulation Date:</b>	Jun 2012	
<b>Loan Numbers:</b>	2121, 2122	<b>PCR Validation Date:</b>	Dec 2014	
<b>Project Name:</b>	<b>Second Education Sector Development Program</b>			
<b>Country:</b>	Cambodia		<b>Approved</b> (\$ million)	<b>Actual</b> (\$ million)
<b>Sector:</b>	Education	<b>Total Project Costs:</b>		
		Program	20.00	20.00
		Project	33.58	31.01
<b>ADB Financing:</b> (\$ million)	<b>ADF:</b> Program: 20.00 Project: 25.00	<b>Loan:</b>		
		Program	20.00	20.00
		(SDR equivalent, million)	13.34	13.34
		Project	25.00	24.70
		(SDR equivalent, million)	16.68	16.14
		<b>Borrower:</b>		
		Project	8.58	6.31
	<b>OCR:</b> 0.00	<b>Beneficiaries:</b>	0.00	0.00
		<b>Others:</b>	0.00	0.00
<b>Cofinancier:</b>		<b>Total Cofinancing:</b>	0.00	0.00
<b>Approval Date:</b>	9 Dec 2004	<b>Effectiveness Date:</b>	3 May 2005	31 Aug 2005
<b>Signing Date:</b>	3 Feb 2005	<b>Closing Date:</b>		
		<b>Program</b>	30 Jun 2008	30 Jun 2008
		<b>Project</b>	30 Jun 2010	30 Jun 2010
<b>Project Officers:</b>	S. Brar S. Mar K. S. Bloom S.S. Dy	<b>Location:</b> ADB headquarters Cambodia Resident Mission Cambodia Resident Mission Cambodia Resident Mission	<b>From:</b> Dec 2004 Nov 2008 Dec 2009 Apr 2010	<b>To:</b> Oct 2008 Nov 2009 Mar 2010 Dec 2010
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<b>Quality Reviewer:</b>	E. Gozali, Principal Evaluation Specialist, IED1	<b>Director:</b>	W. Kolkma, IED1	

ADB = Asian Development Bank; ADF = Asian Development Fund; IED1 = Independent Evaluation Department, Division 1; OCR = ordinary capital resources; PCR = project completion report; SDR = special drawing rights.

## I. PROJECT DESCRIPTION

### A. Rationale

1. The Government of Cambodia was committed to pro-poor education reform over the past decade through its Education Strategic Plan (ESP) and Education Sector Support Program (ESSP) 2001–2005, both of which were consistent with the National Poverty Reduction Strategy, 2003–2005. The ESP and ESSP were revised to consolidate and extend education reforms during 2004–2008. The Asian Development Bank (ADB) supported the reform through the First Education Sector Development Program (ESDP I),<sup>1</sup> which was implemented during 2002–2006, focusing on secondary and postsecondary education and training. The government recognized the need to expand education and training along with lifelong learning opportunities for the large and growing number of out-of-school, unemployed,

<sup>1</sup> ADB. 2001. *Report and Recommendation of the President to the Board of Directors: Proposed Loans to the Kingdom of Cambodia for the Education Sector Development Program*. Manila.

and underemployed youth aged 12–21 years. Other related development challenges to be addressed included increased participation and equitable access of the poorest families to both primary and secondary education, reduced cost burden on the poor, and a new financing mechanism, especially beyond the first 9 years of basic and secondary education.

2. To meet these challenges, the Second Education Sector Development Program (ESDP II)<sup>2</sup> was designed to build on the achievements of ESDP I and to support the broad strategic directions of ESP 2004–2008 and the revised ESSP 2004–2008. The ESDP II was to be pro-poor and to target gender parity, poverty reduction, and ethnic minority access to education. The ESDP II implementation involved the government, nongovernment organizations, and with the cooperation of other ADB development partners.

## **B. Expected Impact**

3. The impact of the ESDP II would be reflected in both the medium- and long-term results of the ESP. The long-term impacts will be an increase in the level of educational attainment among new entrants to the workforce and an increase in the average household income of skills training beneficiaries.

## **C. Objectives or Expected Outcome**

4. The expected outcomes of ESDP II were (i) increased access to basic, lower, and upper secondary education; and (ii) improved education quality and skills training standards for out-of-school youth (OSY), the underemployed, and the unemployed. Such gains in school access and in quality of education were expected to offer better employment opportunities for the OSY and to future graduates that will, in turn, contribute to poverty reduction.<sup>3</sup>

## **D. Outputs**

5. ESDP II consisted of a program and a project loan or component, both administered by the Ministry of Education, Youth and Sport (MOEYS). The program loan was to support four main sector challenges through realization of policy actions, which were detailed in the sector policy matrix of the report and recommendation of the President (RRP), Appendix 8. The four component outputs were (i) increased equitable access to education services, (ii) improved quality and internal efficiency of education, (iii) capacity building for decentralization, and (iv) increased resource mobilization for the education sector. The policy matrix also specified the phasing and sequencing of the planned policy actions.

6. The project loan was designed to complement initiatives of the program loan. Activities were in three areas. The first area was the expansion of lower secondary school (through 400 school buildings built and staff development conducted). The second area was the expansion of upper secondary education (through construction of 24 model school buildings and 25 new schools, refurbishment of 25 schools, and conduct of staff development). Support to upper secondary education was particularly in science, mathematics, and information and communication technology and this support was for seven provinces, in addition to the five provinces that produced the majority of university undergraduates and graduates. The project

<sup>2</sup> ADB. 2004. *Report and Recommendation of the President to the Board of Directors: Proposed Loans and Technical Assistance Grant to the Kingdom of Cambodia for the Second Education Sector Development Program (Loans 2121 and 2122)*. Manila.

<sup>3</sup> It was expected that the increased participation of girls in schooling will result in reduced risk of vulnerability to HIV/AIDS, reduced child labor and trafficking, and improved family health and nutrition.

liaised with the Japan International Cooperation Agency (JICA), which had already supported science, mathematics, and information and communication technology. The third area was demand-driven, community-based skills training. This comprised the capacity building of national and/or provincial training boards focusing on the poorest communes, the introduction of a sustainable skills training voucher system, and capacity building for the technical and vocational education and training (TVET) system.

## **E. Provision of Inputs**

7. Two loans supported ESDP II. These are (i) a program loan of \$20 million equivalent, with counterpart funds to be generated from the proceeds of the program loan to be allocated to the education sector and used to target service provision to the poor; (ii) a project loan of \$25 million equivalent (74% of the \$33.58 million total project component cost) for the lower and upper secondary education components, and for the community-based skills training component. The government was to provide \$8.58 million of counterpart funds.

8. An advisory technical assistance (TA) of \$500,000 was provided to strengthen the capacity of MOEYS to plan and implement regulatory reforms and governance for decentralized education.<sup>4</sup> The TA activities were conducted early in the ESDP II implementation period.

## **F. Implementation Arrangements**

9. MOEYS was the executing agency responsible for implementing the program loan and the investments in the lower and upper secondary education facilities under the project loan. The Ministry of Labor and Vocational Training (MOLVT) was the executing agency to oversee the TVET and community-based skills training component under the project loan.

10. As proposed, a steering committee was established by MOEYS to provide direction and oversee the implementation of both the program and project loans. MOLVT organized a sub-steering committee to oversee the implementation of the TVET component. MOLVT also established a provincial training board in each of the seven pilot provinces to oversee the subnational (provincial and communal) implementation of the TVET and community-based skills training.

11. The project completion report (PCR)<sup>5</sup> did not report any problems related to safeguards, governance, and anticorruption issues. The performance of consultants, contractors, and suppliers was satisfactory. Consultant inputs were programmed for the first 3 years of the project, and team leadership was intermittent, which hindered the effective implementation of some project activities. Some consultant inputs were increased after the midterm review by reallocating some contingency and unallocated funds. Contractors generally performed well but some of them delivered below-standard work, which needed to be redone and resulted in completion delays. The technical monitoring group lacked capacity to make decisive and clear judgments regarding acceptable outputs.

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<sup>4</sup> ADB. 2004. *Technical Assistance to the Kingdom of Cambodia for Education Regulatory Reform and Governance for Decentralization (TA 4468)*. Manila.

<sup>5</sup> ADB. 2012. *Completion Report: Second Education Sector Development Program in the Kingdom of Cambodia*. Manila.

12. The associated advisory TA work was done early in the ESDP II implementation period, as planned. Overall, during the time allowed, it could not complete the development of a monitoring system to assess the impact of new regulations, nor the design of a staff development program, and its budget was too small to hold all the necessary conferences and meetings.

## II. EVALUATION OF PERFORMANCE AND RATINGS

### A. Relevance of Design and Formulation

13. The PCR rated ESDP II *highly relevant* to the needs of the education sector. Both the program and project components supported Cambodia's Socio-Economic Development Plan, 2001–2005 and the National Poverty Reduction Strategy, 2003–2005, and were in line with the ADB country strategy and program update, 2004–2006. At appraisal, the program and project were relevant to the ESSP, 2001–2005 and the ESP, 2001–2005, and they continued to be relevant to the ESP, 2006–2010 during implementation. The design formulation involved stakeholder consultations.

14. Some design issues were noted. The linkages between project outputs and program conditions were not enough to bring about the intended outcomes under the ESDP II. Technical capacity challenges were encountered in the supervision of construction under the project component. Science equipment was not fully utilized due to a number of constraints that could have been foreseen at the start of the project, such as lack of budget for equipment maintenance, theoretical focus in science curricula, and instruction manuals that were not translated into the local language. The gender and ethnic minority action plan (GEMAP) was only partly complied with (PCR, para. 29) because there was insufficient reporting of achievements against the outputs. Considering these issues, this validation rates the PCR *relevant*.

### B. Effectiveness in Achieving Program and Project Outcomes and Outputs

15. The PCR rated the ESDP II *effective* in achieving the intended outcomes of both the program and project loans. The program loan outputs were summarized in Appendix 1 of the PCR and the project loan outputs were summarized in narrative form (PCR, paras. 7–13) with selected data summarized in a DMF provided as Appendix 6.

16. The project achieved most of the outputs related to increased equitable access, improved quality in lower and upper secondary education, and the provision of demand-driven, community-based skills training opportunities in underserved areas. The expansion of lower secondary education occurred with 329 new lower secondary schools built, which accommodated 10.2% of the total national lower secondary enrollment and 10.1% of the total female enrollment nationwide. These outputs exceeded the project expectations of 8%–9% of total lower secondary enrollment, and met the 9%–11% expectation of total lower secondary female enrollment. The target of building 25 new upper secondary schools was met, and 16 of the 25 existing upper secondary schools were refurbished. Of the originally planned 24 upper secondary school resource centers (SRCs), 18 were built and equipped with science and computer facilities. The shortfall in each instance was due to price escalation of building materials during project implementation. Community-based skills training resulted in 161,389 trainees (58% female) trained under the Voucher Skills Training Program. Priority targeting of unemployed and underemployed youth in the age range of 15–21 years was not achieved because they were not attracted to the training offered.

17. For the program loan, the three tranches under the loan were released only when specific triggers were reached. The first tranche was disbursed on September 2005. This was followed by the second tranche released on December 2006 with five policy actions fully complied with, two substantially met, and two waived. The third tranche was released on December 2007 with one condition partly met. The outputs, which were all at policy level, were reported in the PCR, Appendix 1 as having complied with expectations but were still ongoing at program completion.

18. The first intended outcome of ESDP II, which was to improve budget and/or resource allocation to the education sector, was largely not achieved. Of its four indicators, three (on budget allocation, outturn, and disbursements) were not achieved. Budget allocations increased in absolute amount but somewhat declined in terms of percentage of the total budget, which was disappointing. Disbursement percentage also fell against the baseline (2006) mainly due to a change in budget execution system. Only the fourth indicator (increased salary share) was achieved (PCR, Appendix 6). One resource indicator (increased capital spending) could not be monitored and reported. For outcome 2—which was increased access to education services—almost all seven indicators were achieved<sup>6</sup> (on access to schooling for the poor, female, and ethnic minorities; increased participation of the poor in skills training and TVET certificate program enrollment; and increased apprenticeship enrollment), while 1 indicator was not monitored. For outcome 3—which was improved quality and efficiency—4 of its 10 indicators were largely achieved, most notably in the reduction in percentage of incomplete primary schools and in the increased number of students passing grade 12 exam. However, there were concerns over quality at the primary level. Three quality indicators (net survival rate, repetition rate, and dropout rate at the primary level) showed no progress. Two efficiency ratios (nonteaching staff ratio and pupil-to-teacher ratio) were also not achieved. The tenth indicator (on trainee and employer level of satisfaction on community education) was partly achieved. Quality and efficiency were considered to have not adequately progressed during the program. For outcome 4—which was capacity building for the decentralization of education services—five of its nine indicators were achieved (on creation of budget management centers, school director certification, and preparation of training plans for communes). However, four other substantive indicators (on audit of schools and/or budget management centers, increased autonomy of postsecondary institutions, program implementation by provinces, and introduction of new legislative and/or regulations) were not progressing. Decentralization, therefore, was not considered sufficiently achieved. More work is still needed to achieve progress in sector resourcing, and in improving education quality, efficiency, and decentralization. This validation rates the ESDP II *less than effective*.

### **C. Efficiency of Resource Use in Achieving Outcome and Outputs**

19. ESDP II is rated *efficient* in achieving both the program and project loans. Both were completed on schedule with no extensions, but the PCR suggested that it is not possible to assess the specific efficiency of investment (PCR, para. 45).

20. For the project loan components managed by MOEYS, targets at appraisal for construction and refurbishment were reduced as a result of price escalations, which could not be controlled. School enrollment targets were all met. MOLVT managed the community-based training and TVET without substantive delays. The shift away from enterprise-based and

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<sup>6</sup> Three access indicators were not presented and assessed in the PCR, but these were reported in the government's PCR.

center-based training to more community-based targeting was more efficient as it offered a lower cost per trainee. This shift also allowed the participation of more women who would have been deterred by the residential programs required in enterprise- or center-based training. This validation agrees with the *efficient* rating of the PCR for both the program and project loans.

#### **D. Preliminary Assessment of Sustainability**

21. The PCR rated the program and project components *likely sustainable*. This validation is of the view that specific reform thrusts under the program component can be sustained although the prospect of sustainable improvement in sector outcomes (in education access, quality, and efficiency) will depend on sustained and sufficient budget growth commitment for education. Budget has increased at nominal level in the following years,<sup>7</sup> but still has to be increased as spending level per student started from a very low level.<sup>8</sup> A continuing robust increase in domestic resource mobilization for education remains a priority.

22. For the project component of the ESDP II, additional data provided by the department show that most components under the project (678 primary and lower secondary schools and 25 upper secondary schools built and/or rehabilitated) were considered sustainable and have a continuing operation. The PCR, however, raised some concerns (paras. 47–52). Facilities built or rehabilitated under the project component will require adequate national recurrent budget for maintenance. The upper secondary school resource centers (SRCs) had sustainability issues at completion with (i) a poorly planned and implemented science teaching component, (ii) inappropriate selection or poor quality science equipment, and (iii) inadequate training of teachers on both equipment use and inventory management, leading to doubts whether their recurrent cost (e.g., equipment replacement and teacher training) can be sustained. The ADB Cambodia Resident Mission reported that in May 2013, a joint ministerial decree was issued reaffirming resource allocations for SRCs. The community-based voucher skills training had focused on improving skills for increased food production, which required lower capital funding. However, as participants realize that they could earn more income with better-focused and more sophisticated technical skills training, the demand on the provincial training centers is expected to increase. In balance, due to the prospect of sustainability for most of the reform thrust and investments made under the ESDP II, this validation rates the benefits *likely sustainable*, at this point.

#### **E. Impact**

23. There was no rating for the impact of either the program or project loan in the PCR. Appendix 6 of the PCR presented some achievements and status of the development goal targets of ESDP II. In particular, adult literacy rate was shown as having increased from 67.3% (1998) to 77.6% (2008) and the economic activity rate of population aged 15–64 was at 79.9% in 2008, although no baseline data was presented. Despite these indications of improvements, some key outcomes have not been accomplished and could not have contributed much to the overall literacy and economic improvements in the country at the time of completion (PCR, para. 18). This validation, therefore, rates the overall impact *moderate*.

<sup>7</sup> The allocation has significantly increased from \$91.6 million in 2005 to \$185.6 million in 2009 and to \$335.5 million in 2014. <http://www.mef.gov.kh/documents/laws>

<sup>8</sup> UNESCO Institute of Statistics reported Cambodia's public expenditure at \$150 per student per year (constant purchasing power parity) for 2010. This is very low compared to the \$459 for Indonesia, \$1,739 for Thailand, and \$862 for Viet Nam.

### III. OTHER PERFORMANCE ASSESSMENTS

#### A. Performance of the Borrower and Executing Agency

24. The PCR rated the performance of the borrower and MOEYS and MOLVT *satisfactory*. There were a number of issues, such as the quality of construction and the materials used, and inadequate supervision by MOEYS, which resulted in delays, particularly in the provision of SRCs and in training for the use of science equipment. Despite some shortcomings, this validation considers the executing agency and borrower to have performed well and accomplished the targeted policy actions to further pursue sector reforms and improvements. This validation rates the performance of the borrower and executing agency *satisfactory*.

#### B. Performance of the Asian Development Bank

25. ADB performance was rated *satisfactory*. There were 12 review missions conducted by ADB, including the midterm review, final review, and completion report missions. No instances of substantial disagreements were reported between ADB and MOEYS and/or MOLVT. The review missions drew attention to issues on the quality of construction and the materials used, including measures for adequate supervision but these were not properly resolved. Delays caused by such issues meant that the full complement of SRCs had limited time to become operational before project completion. The PCR also noted that the GEMAP was not fully monitored by ADB review missions. This validation also rates ADB performance *satisfactory*.

### IV. OVERALL ASSESSMENT, LESSONS, AND RECOMMENDATIONS

#### A. Overall Assessment and Ratings

26. This validation rates the ESDP II *successful*. It considers ESDP II *relevant and efficient* in its implementation. However, it fell short in achieving its intended outcomes in key areas, such as education sector resourcing, quality and efficiency improvement, and decentralization. This validation recognizes that continuing efforts are being made to improve the sector. However, given the comparatively low starting point of budgetary resources for the sector, a more robust resource growth is required in the coming years. As such, the prospect of sustained improvement in sector outcomes is still uncertain. Further external assistance may still be required, even for recurrent expenses. Given the importance of this sector, this validation fully recommends a continuing ADB engagement in the education sector of Cambodia.

#### Overall Ratings

Criteria	PCR	IED Review	Reason for Disagreement and/or Comments
Relevance	Highly relevant	Relevant	The project had technical and capacity design issues (para.14).
Effectiveness in achieving program and project outcome and outputs	Effective	Less than effective	Envisaged outcomes were not sufficiently achieved (para. 18)
Efficiency in achieving outcome and outputs	Efficient	Efficient	

Preliminary assessment of sustainability	Likely sustainable	Likely sustainable	
<b>Overall assessment</b>	<b>Successful</b>	<b>Successful</b>	
Impact	Not rated	Moderate	
Borrower and executing agency	Satisfactory	Satisfactory	
Performance of ADB	Satisfactory	Satisfactory	
Quality of PCR		Satisfactory	Refer to para. 33.

ADB = Asian Development Bank, IED = Independent Evaluation Department, PCR = project completion report.

Note: From May 2012, IED views the PCR rating terminology of "partly" or "less" as equivalent to "less than" and uses this terminology for its own rating categories to improve clarity.

Source: ADB Independent Evaluation Department.

## B. Lessons

27. A number of important program- and project-related lessons were listed in the PCR (paras. 56–61), and this validation supports them. In particular, civil works education projects must have strong and informed supervisory and monitoring systems in place, staffed by trained and competent personnel to enforce quality standards. If community supervision is used, then there must be orientation and training for these members. There were no clear penalty clauses in the construction contracts and so sanctions for poor-quality work could not be imposed. Consultancy inputs, which were not mobilized concurrently as a team, created difficulties in providing cohesive support. One lesson that can be drawn here may be the need for greater support from consultants for similar projects in the future.

28. A clear GEMAP must be provided at inception, along with robust reporting systems and designated focal persons (international and local), for dealing with gender and ethnic minorities issues. In an annex, the PCR should have given a detailed report on this against the GEMAP targets, and gender-disaggregated data to appear in all project reports, including quarterly and annual progress reports.

29. To ensure sustainability, it is also important that policy initiatives are supported by ongoing policy and institutional reforms.

## C. Recommendations for Follow-Up

30. First, this validation supports the following PCR recommendation, which is to continue the regular monitoring of project schools (rate of dropout and/or retention) and to strengthen the baseline data. This is particularly relevant in locations where lower secondary schools are far from upper secondary schools, which could raise the risk of students in those locations dropping out before year 9 because of low prospect of continuing their education. Efforts should be continued to develop new upper secondary schools. Second, there is a need to further develop the school network concept that drove the original introduction of the school resource centers. The centers were reportedly underutilized. Third, enterprise- and center-based training modalities under the Voucher Skills Training Program need to be more widely available and redesigned to become more attractive to OSY and to women who want trade or business skills instead of food production training. The majority were community-based trainings, in response to the demand for training on improving food production. Unfortunately this did not attract the

OSY or underemployed youth. The MOLVT redesign should link on-the-job training with center-based learning, and utilize more flexible learning modalities such as self-paced modules and training materials based on competency standards. Such a redesign may attract more women since it will reduce the time required to be in formal classrooms, which are generally away from home, and may also offer more attractive options for younger persons.

31. Even if the impact and effectiveness of ESDP II were limited, this validation supports the continued long-term engagement of ADB in Cambodia's education sector to ensure that initiatives under this project, and in other education projects, are sustained to eventually achieve the intended outcomes.

## **V. OTHER CONSIDERATIONS AND FOLLOW-UP**

### **A. Monitoring and Evaluation Design, Implementation, and Utilization**

32. MOEYS, through its Education Management Information System, should continue monitoring the national baseline data and ensure that these are regularly updated at least annually to track the progress of interventions and policy issues in the future. School population data will also allow MOEYS to plan the locations of new upper secondary schools.

### **B. Comments on Project Completion Report Quality**

33. The PCR preparation followed the PCR and project performance evaluation report guidelines and pointed out shortcomings during project implementation. A program framework from the RRP (Appendix 6) was provided along with an assessment of progress in a policy matrix. However, some indicators presented in the RRP (Appendix 1) were not presented in the PCR but were later provided during the course of this validation. This validation, nonetheless, notes the candor of the PCR in discussing sustainability issues and sufficient information were provided in the document. This validation rates the PCR quality *satisfactory*.

### **C. Data Sources for Validation**

34. This validation made use of the RRP, PCR, the government's PCR, report for the midterm program implementation review mission dated 9 May 2008, report of the final implementation review mission dated 18 June 2010, and some previous PCR validation reports.

### **D. Recommendation for Independent Evaluation Department Follow-Up**

35. A program performance evaluation may be undertaken within the medium term (e.g., 3 years) to better assess domestic resource commitment to education and, thus, the trajectory of its outcome improvement.