

Kingdom of Cambodia

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Ministry of Education, Youth and Sport



Education Strategic Plan 2004-2008

September 2004



ROYAL GOVERNMENT OF CAMBODIA

Ministry of Education, Youth and Sport

Education Strategic Plan 2004/08

September, 2004

Foreword

The *Education Strategic Plan 2001-2005* represented a key milestone in the work of the Ministry of Education, Youth and Sport in enabling education reform in Cambodia. Over the past few years of ESP implementation, the Ministry and its development partners have enabled significant improvements in broadening equity in coverage of education opportunities and improving the quality, standards and management of education services. At the same time, we have learned many important lessons on how to improve education services even further.

Despite significant progress, the ministry recognizes that the education reform process must be accelerated in order to broaden access and raise the quality of education opportunities for Cambodia's children and young people. The *Education Strategic Plan 2004-2008* is a critical step in planning next phase of education reform policies, strategies and programs. This paper is a synthesis of a wide-range of strategy papers prepared by the Ministry's senior technical staff and advisors. We are confident that this ESP 2004-08 will provide key signposts and the necessary impetus for quickly and effectively moving education development forward for the benefit of the people of Cambodia.

This ESP 2004-08 is designed to set out a phased and rolling program of priority education policy and strategy reform for the next five years. In this phase of the reform process, the Ministry intends to continue to give highest priority to equitable access to high quality basic education services guided by the National EFA Plan strategies and targets, according to the Rectangular Strategy of the Royal Government of Cambodia. The ESP2004-08 also gives greater emphasis to the expansion of non-formal education skills training for young people, expanding upper secondary and post-secondary education opportunities through a well-regulated partnership between the Government, parents, communities and the private sector.

The next phase of the education reforms will extend and deepen current pro-poor education strategies to further reduce barriers to education opportunities for Cambodia's poorest families. Making sure that high quality education reaches the most remote, disadvantaged and border areas is a central theme. Another key reform objective will be to maximize the impact of education spending and put in place measures that assure value for money. Ensuring a highly motivated and well-trained education workforce is a central component of the ESP reforms. Strengthening education legislation, governance and accountability systems will also receive very high attention over the next five years. A key strategy is to completely integrate education, youth, physical education and sport promotion as part of the ESP and ESSP.

Finally, I would like to express my sincerest thanks to all Government and Ministry of Education, Youth and Sport officials and technical staff for their enormous contribution to this Strategic Plan.

Kol Pheng, Ph.D.
Senior Minister and Minister of Education, Youth and Sport

Acronyms

AIDS	Acquired Immune Deficiency syndrome
BMC	Budget Management Centre
CAR	Council for Administrative Reform
CBCG	Capacity Building Coordination Group
CAR	Council for Administrative Reform
CG	Consultative Group
CLLC	Community Lifelong Learning Centre
CDP	Cambodia Development Plan
DG	Director General
DGAF	Directorate General of Administration and Finance
DGE	Directorate General of Education
DGHE/TVET	Directorate General of Higher Education and TVET
ECCD	Early Childhood Care and Development
EFA	Education for All
EFMC	Education Finance Management Committee
EMIS	Education Management Information System
ESP	Education Strategic Plan
ESSP	Education Sector Support Program
ESWG	Education Sector Working Group
FTI	Fast-Track Initiative
HEI	Higher education institutions
HIV	Human immunodeficiency virus
HQ	Headquarters [of MoEYS]
ICT	Information Communication Technology
IEC	Information, Education, Communication
IFAPER	Integrated Fiduciary Assessment Public Expenditure Review
IG	Inspectorate General
INSET	In-service training
MDG	Millennium Development Goals
MoEF	Ministry of Economics and Finance
MoEYS	Ministry of Education, Youth and Sports
MoH	Ministry of Health
MoI	Ministry of the Interior
MoP	Ministry of Planning
MoWVA	Ministry of Women's and Veteran's Affairs
NIE	National Institute of Education
MTEF	Medium Term Expenditure Framework
MTEP	Medium Term Expenditure Plan [for education]
NCSC	National Council for Support for Communes
NFE	Non formal education
NEP	NGO Education Partnership
NGO	Non Government Organisation
NPAR	National Program for Administrative Reform
NPRS	National Poverty Reduction Strategy
NTB	National Training Board
NTF	National Training Fund
PAI	Public Administrative Institution
PAP	Priority Action Program
PEEC	Public enterprise with economic characteristics
PDH	Publishing and Distribution House
PFM	Public Financial Management
PNTR	Pupil/Non teaching staff ratio
PRESET	Pre-service teacher training
PTR	Pupil teacher ratio
PTC	Provincial Training Center
PTTC	Provincial teacher training College
RTTC	Regional Teacher Training College
SEDP	Socio-Economic Development Plan
TTD	Teacher training department [MoEYS]
TTC	Teacher Training College
TVET	Technical and Vocational Education and Training
US\$	United States Dollars
WTO	World Trade Organization

CONTENTS

1	<i>THE CONTEXT</i>	6
1.1	BROADER DEVELOPMENT PERSPECTIVES	6
1.2	EDUCATION STRATEGIC PLAN 2004/08 FORMULATION AND CONSULTATION PROCESS	7
1.3	RESPONDING TO EDUCATION SECTOR PERFORMANCE TRENDS 2001-2003	9
2	<i>POLICY PRIORITIES IN THE EDUCATION STRATEGIC PLAN 2004/08</i>	12
2.1	VISION AND MISSION OF THE MINISTRY OF EDUCATION YOUTH AND SPORT.....	12
2.2	POLICY PRIORITIES AND TARGETS: BASIC EDUCATION.....	12
2.3	POLICY PRIORITIES AND TARGETS: POST BASIC EDUCATION.....	13
2.4	POLICY PRIORITIES AND TARGETS: INSTITUTION AND CAPACITY BUILDING FOR DECENTRALIZATION	15
2.5	POLICY PRIORITIES AND TARGETS: SECTOR-WIDE FINANCING.....	16
3	<i>STRATEGIC FRAMEWORK AND PRIORITIES: 2004- 2008</i>	19
3.1	BROAD STRATEGIC DIRECTIONS	19
3.2	ASSURING EQUITABLE ACCESS TO EDUCATION SERVICES.....	21
3.3	IMPROVED QUALITY AND EFFICIENCY OF EDUCATION SERVICES	243
3.4	INSTITUTIONAL BUILDING FOR SUSTAINABLE EDUCATION DECENTRALIZATION	27
4	<i>IMPROVED FINANCIAL PLANNING AND MANAGEMENT STRATEGIES</i>	30
4.1	IMPLEMENTING PRO-POOR EDUCATION FINANCING STRATEGIES.....	30
4.2	PROJECTED TOTAL FINANCING NEEDS AND AVAILABLE RESOURCES	32
4.3	IMPROVED FINANCIAL MANAGEMENT AND MONITORING SYSTEMS.....	33
5	<i>INDICATIVE PRIORITY PROGRAM FRAMEWORK</i>	35
5.1	RECURRENT PROGRAM PRIORITIES	35
5.2	CAPITAL PROGRAM PRIORITIES.....	37
6	<i>RESULTS-ORIENTED SECTOR PERFORMANCE MONITORING/REVIEW</i>	40
6.1	IMPROVED RESULTS-FOCUS IN SECTOR MONITORING	40
6.2	STRENGTHENING JOINT ANNUAL SECTOR PERFORMANCE REVIEW PROCESSES	41
	<i>TABLE A: POLICY LED PROJECTIONS FOR ENROLMENT, TEACHING STAFF & CLASSROOMS</i>	44
	<i>TABLE B: TOTAL MOEYS FUNDING</i>	45
	<i>TABLE C: RECURRENT UNIT COSTS - MOEYS/NON-MOEYS SHARES BY SUB-SECTOR</i>	46
	<i>TABLE D: WAGE AND NON WAGE IN RECURRENT MOEYS FUNDING</i>	48
	<i>TABLE E: GOVERNMENT PLANS AS PER PRELIMINARY MTEF, SEPTEMBER 2003</i>	50
	<i>ANNEX 1: EQUITABLE ACCESS: SECTOR WIDE POLICY ACTION MATRIX 2004/08</i>	52
	<i>ANNEX 2: QUALITY AND EFFICIENCY: SECTOR WIDE POLICY ACTION MATRIX 2004/08</i>	54
	<i>ANNEX 3: INSTITUTION AND CAPACITY BUILDING: SECTOR WIDE POLICY ACTION MATRIX, 2004/0856</i>	
	<i>ANNEX 4: REVISED SECTOR PERFORMANCE MILESTONES AND TARGETS: 2002 - 2008</i>	58

1 THE CONTEXT

1.1 Broader Development Perspectives

1.1.1 *Responding to Broader National Development Policies and Priorities*

The Ministry of Education Youth and Sport is mandated to ensure development of an effective human resource base through providing and enabling education opportunities for all Cambodian people in order to increase economic growth, enhance living conditions and enable a well-trained and educated workforce. The National Poverty Reduction Strategy (NPRS) and Socio-Economic Development Plan II (SEDP) highlight that education development is a key enabling factor in income generation and job creation. These plans, alongside the longer term Cambodia Development Plan 2020 (CDP) reaffirm that a well-educated and trained workforce can assist in attracting foreign inward investment. This Education Strategic Plan (ESP) for the period 2004/08 is designed as a further step in putting in place the necessary human resources and infra-structure

The successful implementation of the "Triangular Strategy" of the Royal Government of Cambodia has enabled sustained security and social stability, through accelerated implementation of development and sector reforms, including education. In particular, The Royal Government has set itself the target of reducing the number of poor people in Cambodia by 50% by 2015. In addition, Cambodia is part of international and regional Government, donor and NGO alliances designed to achieve agreed Millennium Development Goals (MDG) for universal primary education and gender equity by 2015. The Government national Education for All (EFA) plan sets more ambitious targets of universal access to nine years of high quality basic education by 2015, consistent with the EFA Fast-Track Initiative (FTI). The policy and strategy measures propose in ESP 2004/08 are designed to accelerate movement towards achieving these MDG and EFA goals and targets.

It is recognized that a deepening and diversification of Cambodia's human resource base is a key factor in improving Cambodia's regional and international competitiveness in an increasingly global economy. Currently, a key challenge is to supply high quality and trainable graduates from secondary schools, universities and technical/vocational institutions. A second constraint is the limited capacity to offer further education and training opportunities for the large number of un-employed and under-educated young people. A growing consideration is the uncertainty and fluidity of labour market and job prospects as the economy adjusts to Cambodia's recent entry into the World Trade Organization (WTO).

This ESP 2004/08 proposes further policy and strategy measures to build on the successful growing partnership between the public and private sector in expanding higher education and technical/vocational training opportunities. Additional measures are proposed to improve the responsiveness of education and training institutions to social and labour market requirements, while assuring access to students from poorer families.

1.1.2 *Enabling Youth Development Opportunities*

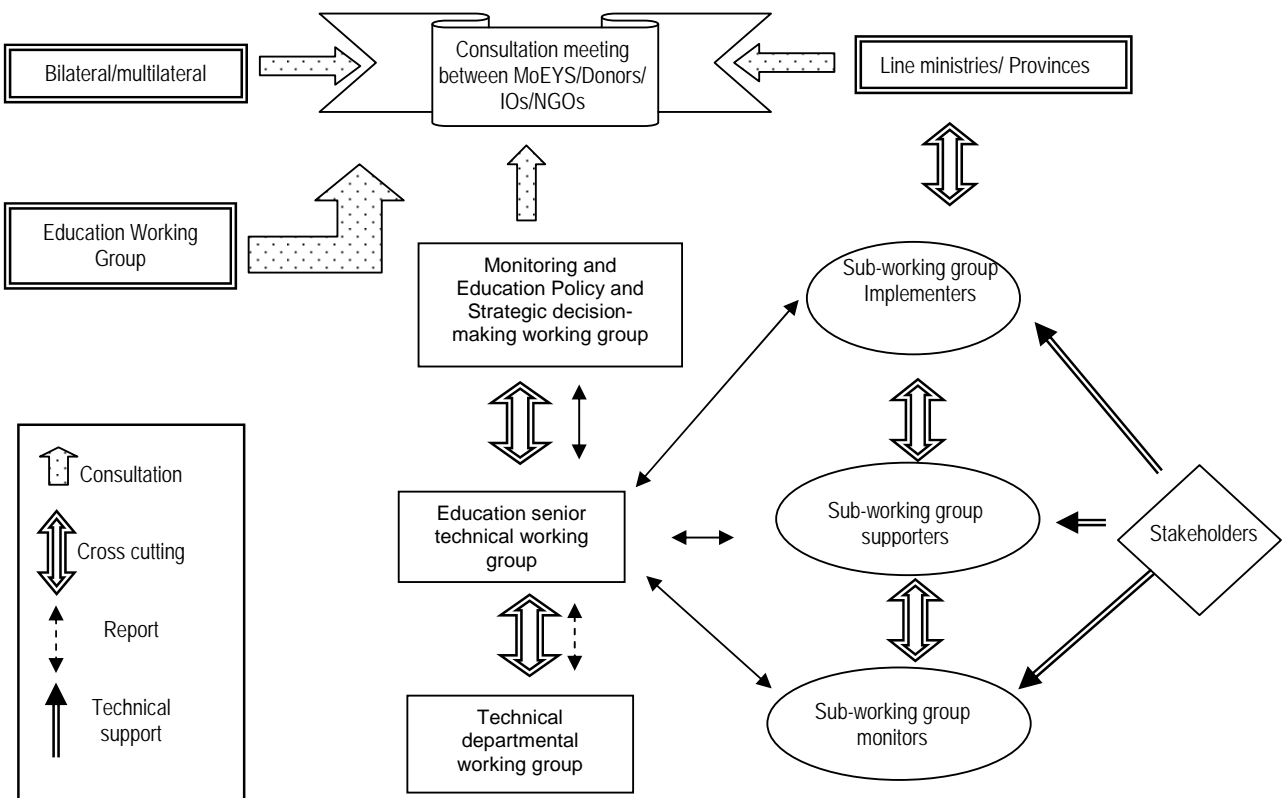
A central tenet of the ESP 2004/08 is to take early and urgent action to expand education and training opportunities for the significant and growing number of under-employed and under-productive young people aged between 12 and 24 years old. The current situation is a consequence of: a) high levels of school dropout; b) limited availability of post-primary education and training opportunities; and c) uncertain demand and expectation from young people and their families due to a shortage of civics/values education and life skills orientation in many current programs.

This next phase of the education reform program is designed to address these problems head-on and in an integrated way. Systemic interventions are proposed to improve the retention of young people in the formal education sector, alongside phased and targeted measures to facilitate re-entry of selected groups. The ESP policies and strategies also include additional measures for expanding non-formal and informal education and training equivalency programs at various levels for other groups. The ESP 2004/08 pays special attention to education and training provision in the border areas, including measures to address the vulnerability of out-of-school youth to cross-border social problems, including HIV/AIDS and child labour and trafficking.

1.2 Education Strategic Plan 2004/08 Formulation and Consultation Process

In order to secure broad ownership and understanding of the proposed ESP 2004/08 policies and strategies, MoEYS has led and managed an extensive consultative process. Prior to the ESP formulation process, MoEYS has held a number of public consultations with civil society related to the new draft education law and development of school/community governance principles and guidelines over 2003 and early 2004. The ESP 2004-2008 formulation process was based on guidelines from the Department of Planning which proposed the establishment of a high level working group, senior technical taskforce and a number of sub-taskforces. The consultative process also involved regional consultations with provincial and district education officials.

FIGURE 1: ESP 2004-2008 DEVELOPMENT PROCESS



ESP 2004-2008 will be disseminated nationally and through MoEYS website (www.moeys.gov.kh) in both Khmer and English.

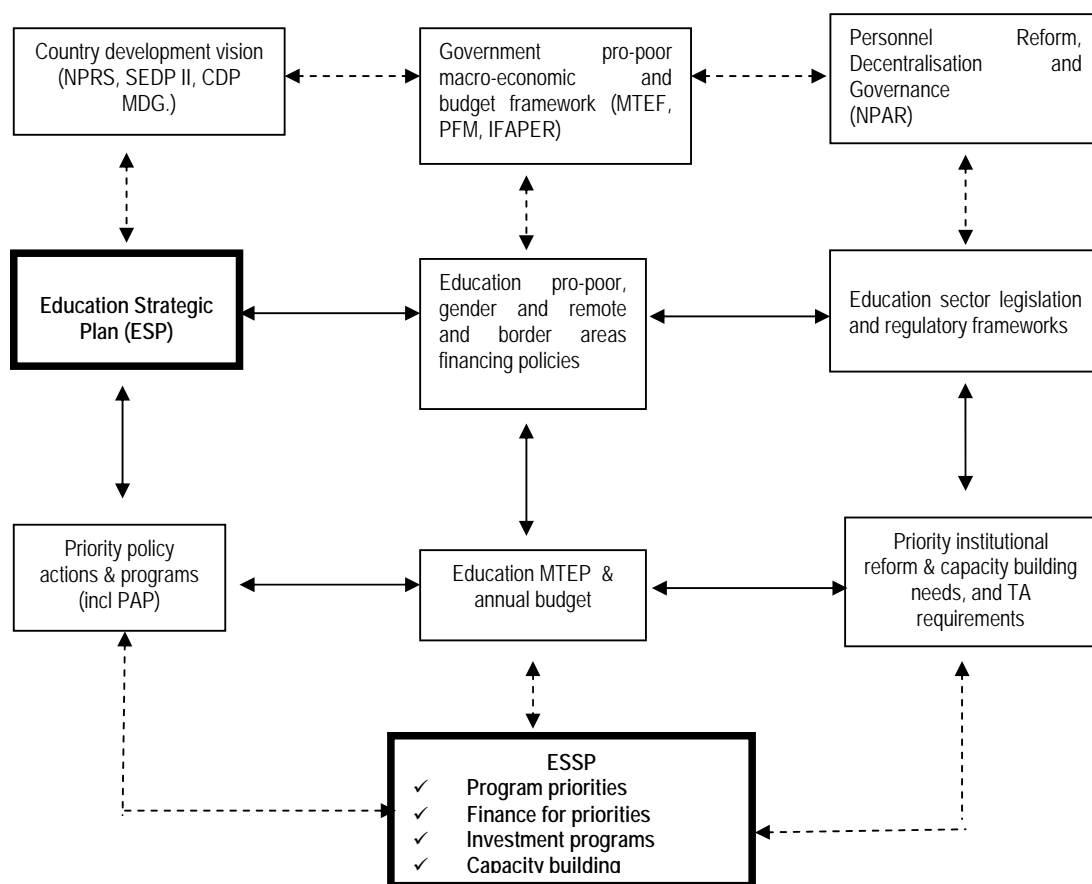
1.2.1 Strengthening inter-ministerial consultation

It is recognized that the formulation, design and implementation of ESP policies and strategies will require close collaboration with other broader Government reform initiatives. ESP phasing and sequencing will take account of broader NPRS initiatives in consultation with the Ministry of Planning taskforces and the ongoing Public Financial Management (PFM) reform program, led by the Ministry of Economy and Finance (MoEF).

Capacity building and personnel reform programs will have to be carefully integrated with the plans for broader public sector management reforms through consultation with the Ministry of Economy and Finance and Council for Administrative Reform (CAR). The extension and development of current capacity building for decentralization strategies will necessitate extensive consultation and joint planning with the National Council for Support for Communes (NCSC) and Ministry of Interior.

The design and implementation of specific programs, especially for HIV/AIDS and non-formal education and skills training, will also incorporate close collaboration with other stakeholder ministries, including Ministry of Health, Ministry of Women's and Veterans' Affairs and the Ministry of Labour and Vocational Training. The ESP/ESSP design and implementation process will also include extensive consultation with private providers (e.g., for higher education and TVET) and local/international NGOs (e.g., for non-formal education). These linkages are summarized in *Chart 2* below.

FIGURE 2: NETWORKS AND LINKAGES FOR ESP PLANNING AND MONITORING



1.3 Responding to Education Sector Performance Trends 2001-2003

1.3.1 Trends in Equitable Access to Education

The joint ESSP reviews in 2002/03 highlighted the improvements in equitable access to basic education since 2001, including: a) around 30% increase in primary and secondary school enrolments; b) greater participation of children from the poorest families; c) increased share of girls and ethnic minorities in basic education; d) decreases in repetition rates, especially in the lower primary grades; and e) construction of additional primary and lower secondary classrooms. These outcomes are a result of the reduction in cost barriers (e.g., abolition of the start-of-the-year registration fee), effective enrolment campaigns and introduction of school operating budgets and remedial classes. Key enabling factors include: a) substantial increases in Government recurrent spending on education; b) growing policy-led support from the international community; and c) improved effectiveness of education resource management.

The Ministry's comprehensive Education Management Information System (EMIS) has been to monitor these trends. For example, primary school enrolment has increased from 2,094,000 in 1998-99 to 2,750,000 in 2002-03. Enrolment in remote areas has increased by 15%, and 2% for rural areas. Lower secondary enrolment has increased from 226,057 in 1998-99 to 416,000 in 2002-03, an 84% increase. For the upper secondary education, the enrolment increased by 56% over the same period. These patterns are a result of an extensive classroom construction program, steps to provide free textbooks in grades 1-9 and in grade 10-12 in selected provinces, underpinned by a nationwide pre-service and in-service training program.

A key priority for MoEYS has been to take steps to improve student retention and progression rates at all levels. Through a number of program interventions there has been significant success as shown in the table below. Within the past 5 years, net enrolment rate (NER) in primary has increased by 10.6%, including 12.7% for girls. Net enrolment in primary in 2002-03 was 88.9% compared with 78.3% in 1998-99. Lower secondary education net enrolment rate was 19.1% in 2002-03 compared with 14.2% in 1998-99. For upper secondary education, NER has slightly increased to 6.7% in 2002-03 compared with 6.4% in 1998-99. The transition rate from primary to lower secondary education in 1998-99 was 74.3% compared to 83.2% in 2002-03, an 8.9% increase (11.2% for girls). The transition rate from lower to upper secondary education in 1998-99 was 39.4% compared to 59.2% in 2002-03, a 19.8% increase (22.8% for girls).

Table 1: General Education Student Flow Rates 1998/99 and 2002/03

Primary Education						
Year	Promotion		Repetition		Dropout	
	Total	Girl	Total	Girl	Total	Girl
1998-99	66.21%	66.1%	23.51%	22.48%	10.28%	11.42%
2002-03	78.42%	79.49%	10.54%	9.41%	11.04%	11.10%
Lower Secondary Education						
Year	Promotion		Repetition		Dropout	
	Total	Girl	Total	Girl	Total	Girl
1998-99	69.96%	68.09%	6.48%	4.14%	23.57%	27.77%
2002-03	74.96%	74.95%	4.67%	3.13%	20.37%	21.91%
Upper Secondary Education						
Year	Promotion		Repetition		Dropout	
	Total	Girl	Total	Girl	Total	Girl
1998-99	86.15%	85.48%	3.25%	1.97%	10.60%	12.55%
2002-03	72.63%	76.37%	6.33%	3.96%	21.04%	19.67%

1.3.2 Enabling Quality Improvement and Assurance

The sector performance reports 2002/03 highlight the substantial growth in Government and donor/NGO spending on quality related activities. During the last 3 to 4 years, quality improvement activities have included: a) increased spending on basic education supplies; b) growing recurrent spending on instructional materials linked to commercialisation of textbook publishing; c) introduction of operational budgets in post-secondary institutions, including teacher training; d) introduction of school management training; e) reform of grade 9 and grade 12 examination processes; and f) pilot testing of primary school standards. In addition, Government has set up higher education quality assurance procedures through new Accreditation Council for Cambodia and new TVET skill standards monitoring processes.

The Ministry has taken a number of steps to ensure inter-ministerial consultation, including a) with the Youth and Child Council management and organisation structure incorporating the “Three Good Points Contest” for youths and children, b) participation in a range of human rights, environmental, health and HIV/AIDS awareness programs in and out school and c) sports competitions in primary and secondary schools. The National Education For All Committee (NEFAC) has also provided an organisation framework for quality improvement reforms.

Capacity Building and Human Resources Development “Strengthening the Quality of Education ”

To enhance capacity of human resources with high technical and scientific skills that effectively responds to labour market needs in terms of entrepreneurship, high creativity, responsibility, discipline, morality, virtue, professional ethics, and honesty in an effort to promote development.

The Royal Government is committed to achieving the goal of “Education for All” by ensuring equity in the attainment of nine years of basic education for all children and ensuring access by the children of the poor households to education, especially by improving the quality and number of public education institutions and providing more scholarships to poor students. The Royal Government will continue to strengthen its partnerships with the private sector and the national and international community to enhance and improve the quality of education services, both in vocational and technical training and in higher education, consistent with international standards and the development needs of the nation.

The Royal Government will continue to increase budget expenditures, and mobilize increased international assistance to enable incentives for teachers, assure quality instruction; increase provision of education materials, equipments, libraries and laboratories; and build dormitories for students, especially female students; continue to reform curricula and training programs; provide scholarships to poor students; promote literacy and informal education programs; finance construction of schools in the rural areas and support school operating costs.

Source: Angle 1 of the Rectangle Strategy of the Royal Government of Cambodia, 2004

ESSP Review 2003 highlights the need to translate increased spending into improved education standards at all levels and stronger linkage with education governance. Key challenges identified included: a) measures to improve program relevance; b) strengthening national standards setting and monitoring procedures; c) improved dissemination of information on standards to stakeholders as part improved decision making and accountability; and d) measures to strengthen stakeholder participation in program planning and monitoring. The ESP 2004/08 includes a number of new strategies to address these issues.

1.3.3 Enabling Institutional and Financial Performance Improvement

The ESSP Review 2003 and the IFAPER focused on the Ministry's significant success in planning and implementing pro-poor education reforms through systemic and targeted program interventions over the past three years. These reviews also urged that education financing and budgeting strategy and allocations should continue to be a key instrument of pro-poor policy reform.

In line with ESSP review recommendations, the revised ESP 2004/08 proposes a range of institution and capacity building strategies focusing on: a) strengthening predictability for financial planning and budget execution; b) improving the equity and efficiency of staff deployment, including teaching and non-teaching staff; c) enhancing capacity for accelerating education decentralization, including technical, financial and monitoring aspects; and d) measures to improve the operational autonomy and sustainability of upper secondary and post-secondary institutions, including public and private providers. A key cross-cutting issue will be to rationalize MoEYS staff training institutions and their capacity in order to strengthen linkages between staff qualifications, performance and remuneration.

1.3.4 ESP Response to Cross-Cutting Issues

The ESP 2001/05 recognizes the importance of addressing crosscutting issues through an inclusive stakeholder consultative and planning process. It is a guiding principle of the revised ESP 2004/08 to extend and deepen this approach. The inter-ministerial EFA planning process has provided an initial vehicle incorporating consultation with donors, NGOs and community organizations with specific expertise.

Table 2: Cross Cutting Issues and ESP Strategy

Cross-Cutting Issues	ESP Strategy and Interventions
Gender	Specific gender policies and strategies, drawing on MoEYS gender mainstreaming committee recommendations, guided by MDG equity targets
Ethnic minorities	Targeted facilities programs and curriculum reform for ethnic minorities; special incentives for minority area staff deployment
Disabled learners	Formulation of national policy and strategies to assure equitable access to education opportunities including specific program interventions e.g. school buildings designs, specialized teaching/ learning materials
HIV/ AIDS	Specific HIV/ AIDS policy and strategy paper, incorporating targeted interventions for HIV/AIDS awareness raising for in-school and out-of-school youth and for vulnerable groups (e.g., cross-border areas)
Environment	Rigorous environmental impact assessment as part of facilities planning program; inclusion in Life Skills curriculum for schools and teacher training colleges
Information Communication Technology (ICT)	New MoEYS ICT policy and strategy framework, focusing on initial interventions in upper secondary schools and TTCs and partnership with private ICT providers
Border/Reconciliation Areas	Specific border areas education strategy being developed, including service expansion as means of reducing vulnerability (e.g., HIV/AIDS, child labour and trafficking)

In broad terms, the priority is to ensure that poor and marginalize groups are included in ESP and ESSP design and implementation. In addition, an inclusive ESP design will ensure that other vulnerable and under-served groups, including border and reconciliation areas, ethnic minorities, girls, female heads of household and disabled are key beneficiaries. Broad responses are summarized in the table above.

2 POLICY PRIORITIES IN THE EDUCATION STRATEGIC PLAN 2004/08

2.1 Vision and mission of the Ministry of Education Youth and Sport

The MoEYS vision is to establish and develop human resources of the very highest quality in order to develop a knowledge-based society within Cambodia.

The MoEYS mission: In order to achieve the above, the MoEYS has the mission of leading, managing and developing the MoEYS of Cambodia to respond to the socio-economic development plan.

An overarching objective is place the holistic development of Cambodia's young people at the center of the ESP implementation process. MoEYS recognizes that it is not sufficient to simply provide the new generations of Cambodians with better education and technical skills. In addition, the Ministry intends to engender a sense of national and civic pride, high standards of morals and ethics and a strong belief in being responsible for their own future. As part of the ESP/ESSP process, the Ministry will be developing and setting targets for youth and sport development and the associated implementation programs by end of November 2004.

In strategic terms, the Ministry's long term mission is to ensure that all Cambodia's children and youth have equal opportunity to quality education at all levels, irrespective of economic status, gender, geography, ethnicity and physical disability consistent with the Constitution and the Royal Government's commitment to the U.N. convention on the Rights of the Child. The Ministry envisages a time when graduates from all its institutions will meet international and regional standards and will be competitive in global and regional job markets and be the engine for social and economic development in Cambodia. The ESP 2004/08 constitutes another phase in implementing this vision for long-term education reform.

The policies and strategies set out in the revised ESP 2004/08 are designed to harmonize with longer-term EFA policies, strategies and targets. However, this revised ESP is based on the principle of a rolling program of reform, within which policies, strategies and targets will be adjusted to take account of the findings of annual and multi-annual impact and progress monitoring exercises and also reviews of projected resources available.

2.2 Policy Priorities and Targets: Basic Education

2.2.1 Revised Policies and Targets: Primary and Lower Secondary

In order to secure the basic education to all Cambodian people, the MoEYS revised policies, strategies and targets of enrolment and quality/efficiency as follow:

- ❑ Increased enrolment of students in grades 1–6 and in grades 7–9. *Target: 2.4 million and 1.0 million respectively; net enrolment rates 96% for primary and 50% for lower secondary education*
- ❑ Gender, socio-economic and urban/rural parity in primary education enrolment, alongside improved gender, socio-economic and geographical balance in grades 7–9. *Target: parity in grades 1–6. In grades 7-9: 45% girls, 80% from rural areas, 15% students from the poorest quintile.*
- ❑ Increased net intake rate of 6 year olds into grade 1, alongside abolition of under-age enrolment in grade 1. *Target: NIR of 95% and no under-age enrolment with gender parity*

- ❑ Expanded ECCD provision for 5 year olds only, through pre-school and community-based approaches. *Target: 88,000 in reception class and 20,000 in community programs with gender parity*
- ❑ Improved survival rates across grades 1–6 and grades 7–9 for new and current age cohorts. *Target: 60% for primary and 90% for lower secondary, with gender parity*
- ❑ Raising progression rates in grades 1–6 and transition rates from Grade 6 to 7. *Target: 95% with gender parity*

The targets of equity policy of ECCD enrolment may revise according to NGOs and Donors resources supports.

2.2.2 Revised Policies and Targets: Non-Formal Education and Adult Literacy

The new policies and targets for non-formal education, focusing on re-entry programs for grades 3-9 who have been out of school for less than 3 years, alongside equivalency programs for students out of school for more than 3 years. The main targets up to 2008 are:

- ❑ Increased re-entry programs into mainstream schooling at grades 3-6 and grades 7-9. *Target: 120,000 per annum from 2005 (grades 3-6 80,000, grades 7-9 40,000 p.a.) with 60% females and 60% from poor families*
- ❑ Expand equivalency programs for students out of school for more than 3 years. *Target: 150,000 per annum from 2005 (grades 3-6 25,000, grades 7-9 75,000, grades 10-12 50,000 p.a.) with 60% females and 60% from poor families*
- ❑ Expanded public/NGO/community partnership in adult literacy programs in border and remote areas. *Target: 120,000 per annum from 2005 with 60% females and 60% from poor families*

2.3 Policy Priorities and Targets: Post Basic Education

2.3.1 Revised Policies and Targets: Upper Secondary

MoEYS policy will be to maintain an affordable balance between expanding access and quality improvement and assurance through introduction of around 30 highly selective model Grade 10-12 schools and phased expansion of Grade 10-12 opportunities in under-served areas. The main targets up to 2008 are:

- ❑ Increased enrolment in grades 10-12, with improved female share of enrolment. *Target: total enrolment 300,000 by 2008, including 40% female: net enrolment rate 25%*
- ❑ Introduction of a network of financially sustainable model schools, with merit based selection. *Target: 30 model schools by 2006 (at least one per province), total enrolment 40,000 by 2008 with 40% females and 20% from poorest families*
- ❑ Introduction of higher stipend and merit driven scholarships for the poor based on grade 9 examinations and other selection criteria for model schools. *Target: 1,000 scholarships per annum with 40% female (3,000 beneficiaries after three years)*
- ❑ Introduction of lower stipend and merit driven scholarships for the poor based on only grade 9 examinations for other upper secondary schools. *Target: 3,500 scholarships per annum with 40% female (10,500 beneficiaries after three years)*

2.3.2 Revised Policies and Targets: TVET/Youth Skills Training

Government/MoEYS policy will be to enable and facilitate a strongly demand-side approach to TVET/youth skills training through a strong public/private partnership. MoEYS will effectively coordinate with the Ministry of Labour and Vocational Training in implementing policies and programs. Government/MoEYS policy will be to enable consolidation and extension of existing provision including from private enterprises paid-for apprenticeship, commercial/NGO providers and Government. The main objectives and targets up to 2008 are:

- ❑ Increased enrolment in enterprise-based, apprenticeship and commercial/NGO for youth skills training. *Target: 250,000 per annum from 2006 with 40% females and 50% from poor families*
- ❑ Increased enrolment in community-based informal education and skills training program in village centres associated with Community Lifelong Learning Centres (CLLC). *Target: 250,000 per annum from 2006 with 40% females and 50% from poor families*
- ❑ Maintain current enrolment of technician level programs in two public TVET institutions. *Target: 2,000 per annum from 2004 with 40% females and 30% from poor families*

2.3.3 Revised Policies and Targets: Higher Education

The policy objective is to ensure expanded provision of quality higher education in response to national priority needs, employment needs, and other market demands and to enable a stronger public/private partnership in higher education through the following: a) ensure support for the Government's pro-poor policy to advance provincial development and specifically support public interest HE programs, b) introduce institution and financial mechanisms and programs which increase the market responsiveness of both public and private HEIs, c) implement rigorous and transparent standards for the establishment and accreditation of all HE programs and HEIs and to transform all public HEIs to PAIs, d) ensure equitable access through various strategies for capable and highly motivated students from poor families, e) strengthen the capacity for monitoring, analysis and policy formulation at system and HEI level to improve access and equity, quality, and institutional management, f) strengthen human resources in HE at system and HEI level and specifically for academic staff, professional and specialist staff, and senior managers and g) upgrade curriculum and delivery modes in all HE programs, and teaching and learning resources in HEIs including library, computing and laboratory facilities.

The main targets by 2008 are:

- ❑ Increased overall enrolment in higher education institutions. *Target: 90,000 with 54,000 (60%) enrolment in private institutions with 40% female*
- ❑ Improved equity in access to higher education from all 24 provinces producing qualified grade 12 graduates. *Target: 30% of higher education enrolment from outside Phnom Penh by 2008*
- ❑ Expansion of science, technology and mathematics programs in all public and private HE institutions. *Target: enrolment of 15,000 at various levels with 30% females by 2008.*

In order to stimulate demand and create a climate of public confidence in higher education provision, MoEYS will enable strengthening of quality assurance mechanisms for public and private institutions and for specific programs, alongside improved financial governance, transparency and accountability in all institutions. MoEYS policy will be to: a) rigorous application by 2005 of Establishment of a University Sub Decree and issuance of Prakas for such matters as detailed criteria for HEI establishment, and conditions for PAI status to reduce numbers of HEIs and to increase quality, b) clarification of Foundation Year (FY) requirements by 2004 and timely

and effective implementation of FY to improve quality and acceptance of Cambodian HE nationally and regionally, c) progressive strengthening of ACC resources to inaugurate by 2005 accreditation standards and credit transfer according to best regional and international practice and d) strengthening of DHE resources through establishment by 2005 of a computer based data management and information network to link DHE, ACC and HEIs and to allow effective information exchange with employers, concerned ministries, and other market forces.

2.3.4 Revised Policies and Targets: Pre-Service Teacher Training and Staff Development

MoEYS policy is to strengthen the responsiveness of Regional and Provincial Teacher Training Colleges and the newly established National Institute for Education (NIE) to the staff development and deployment needs created by proposed system expansion and reform. The main targets by 2008 are:

- ❑ Phased and cost-effective rationalization of role and intake in NIE, RTTCs and PTTCs to maximize the use of existing teacher training facilities, staffs and other resources to ensure primary, lower secondary and upper secondary teacher demand needs are met. *Target: action plan by 2004, capacity building plans by 2005, phased and progressive implementation plans from 2006/07.*
- ❑ Increased deployment of newly qualified RTTC and PTTC graduates to under-served areas, alongside increased recruitment of TTC intake from under-served areas. *Target: 95% of TTC output posted to designate under-served/remote areas with gender parity by 2008.*
- ❑ Expansion of NIE professional development programs for school directors, deputy directors, planning staff, managing staff and key technical staff at all levels. *Target: total enrolment 1,500 per annum for long/short-term.*
- ❑ Expanded access to ECCD training programs for community organizers, within the existing Pre-School TTC and RTTCs and PTTCs. *Target: 5,000 organizers trained by 2008 with 25% males*

These targets are based on effective planning and implementation of related teaching and non-teaching staff deployment, re-deployment and staff utilization policies.

2.4 Policy Priorities and Targets: Institution and Capacity Building for Decentralization

2.4.1 Education Decentralization Policies

The Ministry's long-term policy priority is to enable greater delegation of authority and responsibilities to provincial, district, commune and school level. MoEYS policy is that central MoEYS departments will increasingly focus on policy and strategy development and sector and program performance monitoring. The main targets by 2008 are:

- ❑ Enabling passage of the new education law and drafting of key regulations associated with defined levels of authority and responsibility. *Target: education law passed by the National Assembly by end 2004, priority education decentralization regulations by mid-2005*
- ❑ Ensuring effective institutional governance and management arrangements for higher education institutions, including transparency of financial management, accounting and audit. *Target: selected institutions become Public Administration Institutions (PAI) by 2006*

- ❑ Enabling all designated Budget Management Centres (BMC) become fully operational and effective, especially for financial management and accounting. *Target: all BMCs receive internal audit clearance by 2006*
- ❑ Enabling Ministry-wide system of public accounting of Government funds for education, including access to accountancy training. *Target: appointment of MoEYS Public Accountants and sub-Accountants by 2005, 100% of designated staff trained by 2005.*

2.4.2 Revised Policies and Targets: Governance and Quality Assurance

Strengthening the institutional arrangements for improved education governance and quality assurance. The main targets by 2008 are:

- ❑ Developing new institutional arrangements for nationwide student performance monitoring and admission requirements to further levels of education and employment. *Target: establish new office of education standards by end-2004 and standard setting from 2005/06.*
- ❑ Introduction of new formal performance agreements and reporting arrangements at every level of the education system, including MoEYS, provinces, districts and schools with appropriate accountability to stakeholders/governors/communities. *Target: school/community agreements and report cards in place in 2005/06, other levels by 2006/07.*
- ❑ Introduction of staff performance appraisal systems at every level of the education system, including appropriate reporting procedures. *Target: school directors and teacher performance appraisal by 2005/06, other levels by 2006/07.*
- ❑ Expanding internal audit operations to cover selected departments, BMCs, provincial and district offices and schools and associated programs. *Target: all BMCs audited annually from 2005, action plan and proposed coverage for remainder from 2005*
- ❑ Broadening stakeholder participation in joint sector performance monitoring, including National Assembly, National Audit Authority, Government, MoEYS, governors, donors, NGOs/civil society and the private sector in order to show that, the MoEYS efforts which is accelerating the transparency and responsibility. After review of ESSP, the MoEYS prepares its annual reports and send to the National Assembly *Target: all these groups participate in ESSP Review 2004.*

As a demonstration of its commitment to improved transparency and accountability, the Ministry intends to adopt a policy of annual reporting on sector performance to the National Assembly after the annual ESSP Review.

2.5 Policy Priorities and Targets: Sector-Wide Financing

The long-term policy goal for education financing is that no potential students will be excluded from access to education and training opportunities due to inability to pay formal or informal charges or contributions. An associated goal is to put in place fair and equitable financing mechanism taking account of affordability by Government, parents and other potential contributors. A further policy goal is to ensure that sufficient information will be made available to all contributors to education costs in order that they can effective judgment on the value of current and future investment in the sector.

The medium term policy priority is to continue to increase overall spending volumes on education and gradually eliminate all informal contributions in basic education which are the primary cost barriers to access basic education for the poorest families. An associated objective is to forge an equitable partnership between Government, parents, the private sector and individual service users in the financing of early childhood education, basic education, upper secondary education,

formal and informal TVET and higher education. An associated financing policy is to maintain the share of public recurrent spending on basic education alongside a reduced share for parents at this level. Current financing projections are shown in the Tables A-E.

Another medium-term financing policy is to increase the personnel share of Government spending for education and to raise classroom teacher salary in order to create a more effective institutional framework for pro-poor access and quality improvement. The elimination of informal contributions, offset by improved performance-based teacher salaries and allowances is designed to create a climate within which Government and communities are prepared to hold school directors and teaching and non-teaching staff accountable.

Table 3: Proposed Financing Scenario: Personnel/Non-Personnel Costs

(billion Riels, current)	2003	2004	2005	2006	2007	2008
Total recurrent budget	323,000	355,100	500,420	549,916	606,507	667,158
Personnel Budget	189,239	200,311	312,074	353,275	401,027	453,667
Non-Personnel Budget	133,761	154,789	188,346	196,641	205,480	213,491
<i>non personnel costs</i>	<i>41%</i>	<i>44%</i>	<i>38%</i>	<i>36%</i>	<i>34%</i>	<i>32%</i>

Note: Teacher salary/allowances increases in response to Government policy

Ministry policy will be to promote an increased volume and share of external assistance for recurrent budget support to help cover the transitional costs of these financing reforms (see Table 3 above).

The main financing policy targets for recurrent spending by 2008 are:

- ❑ Increased Government spending share and volume on education including an increased share/volume on basic education. *Target: 23.4% share of discretionary recurrent spending with 70%-75% share for basic education*
- ❑ Reduction in parental contributions to basic education costs alongside increased public spending. *Target: Abolish all illegal parental contributions by 2008.*
- ❑ Adjusted personnel/non-personnel budget shares consistent with implementation of access, quality and governance improvement priorities. *Target: personnel costs share of 68% by 2008.*
- ❑ Increased transitional recurrent budget support from the international community to cover any projected shortfalls in Government and private and spending volumes. *Target: 50% of external assistance for education in budget support, ranged Riels 75-125 billion per annum*
- ❑ Increased non-Government/private spending share on TVET and higher education, alongside targeted Government scholarships and waivers for the poor. *Target: minimum 40% non-public spending shares by 2008, including Government contributions to salaries and scholarships/waivers, and introduction of corporate levy for skills training cost from 2006.*

Consistent with the draft education law, the Ministry will exercise its authority to abolish illegal parental contributions for basic education and regulate user charges for post-secondary education. The Ministry will also ensure transparency and accountability of all sources of financial support for education, including external assistance.

The Ministry's policy for capital spending on education will be to strengthen policy linkage through an increasingly demand side approach to investment, especially for post-basic education services. An associated policy will be to enable equitable access to capital development to both public and private providers, with eligibility criteria based on agreed policy priorities.

The main targets for capital development spending by 2008 are:

- Sustainable capital spending for education development, especially for new secondary and post-secondary education facilities and capacity building. *Target: around Riels 100 billion per annum, including basic education share of around 75%.*
- Increased volumes of capital spending for post-basic education through demand-led development facilities, equally accessible to both public and private providers. *Target: 25% of capital spending through such facilities.*

The Government and Ministry's target is to increase the level of grant financing for education, especially for basic education expansion.

3 STRATEGIC FRAMEWORK AND PRIORITIES: 2004- 2008

3.1 Broad Strategic Directions

3.1.1 Consolidating and Extending Strategies for 2004-08

The first phase of implementation of ESP 2001/05 focused on reducing cost barriers to basic education access. The priority strategy for ESP 2004/08 is to introduce further systemic cost reductions for families through abolition of illegal parental contributions across grades 1 to 9 and reduce repetition and dropout, which create additional burdens for parents. An associated strategy will be to introduce systemic and performance-based teacher remuneration reforms, extending the narrower targeted teacher allowances of the last three years. These strategies will be complemented by expansion of facilities development programs in currently underserved areas.

The ESP 2001/05 focused on only limited expansion of post-basic education opportunities through enabling incremental growth of public/private partnership. The ESP 2004/08 accords high priority to further stimulating demand-side interventions through further promoting and enabling of community and private sector involvement in upper secondary education, skills training, higher education and ECCD. A key target group for these interventions will be the growing number of under-skilled and under-employed young people who are the long-term engine of Cambodia's socio-economic development.

The key strategic priority for *ensuring more equitable access to basic education* will be to dramatically reduce informal payments by parents and the direct and indirect costs associated with high levels of repetition and dropout which most effect children from the poorest families. An associated strategy will be to significantly increase school operating budgets to offset informal demands on parents, increasingly managed at school and community levels. Increasingly locating schools facilities closer to home will further reduce direct and opportunity costs for families. Expanded re-entry programs for school dropouts and vulnerable groups are another component of the pro-poor strategy. Another strategy will be to take further steps to improve the efficiency of staff deployment and use of education facilities in order to optimize resource use.

These strategies will demand additional resources from Government. Accordingly, a growing priority within ESP 2004/08 is to *expand post-basic education opportunities* through measures that enable growing participation of parents, communities, private enterprises, small businesses and private education and training institutions in providing education services. A key strategy will be institutional and financial reforms that allow greater operational autonomy and income generating authority for TVET and higher education institutions. Proposed institutional reform strategies include greater authority for the National Training Board (NTB), establishing a network of Community Lifelong Learning Centres (CLLC) and more flexible and diverse demand-side financing modalities. These strategies will be implemented in close cooperation with the Ministry of Labour and Vocational Training.

Within this strategic framework, an increasing role for Government will be to ensure equitable access for those students and families unable to pay, alongside assuring service quality and value for money. As a result, a growing priority will be to expand subsidy/incentive programs for the children of poor families to ensure access to primary and secondary school and post school training. Building on lessons learned from ESP 2001/05 implementation, primary school feeding and grades 7-9 incentives program will be better poverty targeted and expanded alongside new merit-driven support programs for post-basic students from poor families, girls, ethnic minorities and other vulnerable groups.

A lesson learned from ESP 2001/05 is that increased resources are an insufficient condition for improving education quality and standards. Therefore a key strategic priority for *quality and efficiency improvement in education services* will be to ensure that an effective institutional and governance framework that guarantees standards improvement. ESP 2004/08 proposes increases in teacher remuneration and quality oriented priority programs (e.g., instructional materials, teacher development). These programs will be linked to a range of measures that demand stronger accountability (e.g., staff performance appraisal), improved transparency and a greater focus on achieving results.

Within schools, a key strategy will be to promote a culture of excellence through model schools, promotion on merit, linked to nationwide standards/testing. In post-secondary education and training institutions, one measure will be to put in place broadly representative governance structures, linked to new quality assurance and accreditation procedures. The new education law and anticipated education regulatory reform will provide the framework for the Ministry and other stakeholders to exercise new responsibilities and authorities in achieving high education and training standards.

A third pillar of the ESP 2001/05 was to enable preliminary and selective delegation of authority to central MoEYS departments, provinces, districts and schools. The primary mechanism was the deconcentration of financial management through the priority action programs. A priority for ESP 2004/08 will be to consolidate and extend measures that *build up capacity for decentralized education service management*. Proposals include steps to further strengthen financial planning and management at all levels, alongside enhancing sector and program performance monitoring systems.

During this next phase of reform, the primary strategy will be to further deepen and diversify levels of decentralization. A key strategy will be to strengthen the district education offices as the hub of information management and transfer. Another strategy will be to promote the role of commune councils and commune EFA committees in school performance monitoring and oversight. At a broader level, the ESP 2004/08 envisages further strengthening of consultative structure with other stakeholder ministries, through the National Committee for Support for the Communes (NCSC), Mol, MoEF, CAR and MoP.

3.1.2 Coordinating and Integrating ESP Reform Strategies

The Ministry's crosscutting strategy is to carefully integrate education, youth and physical education and sports strategies as part of ESP and ESSP. Key strategies will include: a) expansion of civics and morals education in the curriculum; b) extension of student volunteer contributions, such as peer tutoring, village literacy tutoring; c) student part-time assistance for village health care support, kindergarten class support, and helping the aged and infirmed; d) promotion of volunteers campaigns from the universities, teachers colleges and upper secondary schools to offer their skills to rural and remote areas, particularly in non-formal education and literacy; and e) expansion of physical education programs and community sports facilities nationwide. As part of this strategy, MoEYS intends to forge new partnership with the private sector, community groups and international community.

A cross-cutting strategy for enabling ESP policy implementation will be *increased use of Information Communication Technology (ICT)* guided by the Ministry new ICT policy approved in early 2004. A priority will be to strengthen ICT based information management at all levels as part of decentralization measures. Access and quality improvements will be supported by ICT-based distance learning opportunities (e.g. distance Masters, teacher development), selective introduction of computer awareness programs into upper secondary schools and post-secondary institutions. Where appropriate, the Ministry will draw on the capacity of the private sector for multi-media program planning and delivery, including for its expanded IEC program and for HIV/AIDS awareness raising.

The broad financing strategy will be to further extend the range of systemic interventions initiated during ESP 2001/05 (e.g., selectively reducing parental costs, reducing repetition). These measures are designed to contain and eliminate long-term costs to Government and parents and improve the prospects of long-term financial sustainability. Targeted interventions will be largely restricted to the poorest communes and families and other severely disadvantaged groups (e.g., scholarships for the poor) at all levels.

The Ministry recognizes that in order to accelerate achievement of EFA, additional resources from communities and development partners need to be mobilized. The proposed introduction of selective user charges for post-basic institutions is part of this resource mobilization strategy. Simultaneously, the significant transition costs of this ambitious but very necessary policy reform program will require additional support from Government, development agencies and international financial institutions.

The proposed strategy for use of external assistance is to continue and *extend a mix of modalities* including recurrent budget support, capital investment and technical assistance. Appropriate modalities will be negotiated on the basis of effectiveness in implementing ESP policies. The high transitional recurrent costs of the proposed reforms argue for a greater share of budget support within the external assistance program.

A related strategy will be to increasingly *focus capital budget spending on enabling policy reforms*. For basic education, the priority will be to eliminate incomplete primary schools and expand lower secondary school facilities in under-served areas as part of access improvement. At upper secondary level, the proposed focus on model schools accords high priority to improving quality and standards. The proposed demand-led development funds for TVET, higher education and MoEYS staff accommodation is designed to enable greater public/private partnership.

3.2 Assuring Equitable Access to Education Services

The ESP2004/08 consolidates and extends the four main strategies of ESP 2001/05 for ensuring equitable access to education services, summarized as:

- * *Reducing Cost Barriers for Basic Education*, alongside targeted cost sharing for post-basic education services
- * *Reducing Repetition and Dropout* at all levels, with the priority for improvements in grades 1–6
- * *Enabling Greater Private/Community Participation* in grade 10–12 schooling, higher education and TVET, through targeted and primarily demand-led recurrent and capital development financing
- * *Targeted Education Facilities Development* focusing on eliminating incomplete primary schools and expanding grades 7–12 provision in currently under-served areas
- * *Enabling Equitable Higher Education Access* through governance and efficiency reforms

For *Reducing Cost Barriers for Basic Education*, the main strategies and targets are as follows:

- Reduction in average parental contributions for basic education through abolition of illegal parental contributions in grades 1-9, offset by increased teacher salary and provision of school operating budgets by Government. *Target: abolition of illegal parental contribution in grades 1-9 nationwide by end 2008.*
- Establishing regulations for the transparent collection and accounting of parental contributions to education and training costs in all TVET and higher education institutions,

alongside scholarships, waivers and other measures. *Target: regulations and associated incentives/sanctions in place for end 2004.*

- ❑ Provision of poverty targeted subsidies/scholarships to children from the poorest families for school grades 7–12 and for grades 3-9 re-entry and equivalency programs. *Target: expanded grades 7-9 programs from 2004 and new programs from 2005.*
- ❑ Provision of poverty targeted incentives for out-of-school youth to access programs in new Community Lifelong Learning Centre (CLLC) network, incorporating selected use of micro-credit. *Target: new program designed by end 2004*
- ❑ Provision of merit driven subsidies/scholarships to students from the poorest families for upper secondary, higher education and TVET institutions, with eligibility based on increasing use of grade 9 and grade 12 examinations. *Target: program designed by end 2004.*
- ❑ Review of subsidies/scholarships to selected students for teacher training institutions, with eligibility based on acceptance of remote posting and need for accommodation. *Target: program review and targeting by end 2004.*

For *Reducing Repetition and Dropout*, the main strategies and targets are as follows:

- ❑ Increased promotion rate from grade 1-6, transition rate from grade 6-7 and promotion rate from grade 7-9, linked to expanded and more effective remedial classes, periodic and continuous student assessment and standards monitoring. *Target: regulated minimum grade promotion rate of 95% in grade 1-6 and 85% in grade 7-9. Transition rate grade 6-7 of 95% by 2008.*
- ❑ Reduced drop out rates across grades 1–12 through subsidies/scholarships for the poorest students and a range of complementary targeted incentive strategies (e.g. school feeding). *Target: maximum 5% drop out by 2008*
- ❑ Improved regulation of age 6 entry into grade 1 and increased ECCD opportunities for 5 year olds. *Targets: 95% of pupils enter at age 6 by 2008.*

For *Enabling Greater Private/Community Participation*, the main medium term strategic priorities and targets are as follows:

- ❑ Preparation of a cross-cutting policy and strategic plan for public private partnerships in various education sub-sectors and programs, including grades 10-12, higher education, ECCD and CLLC. *Target: detailed operation strategy and action plan by end 2004.*
- ❑ Provision of targeted incentive programs for private providers, especially in TVET, through reform of the National Training Board (NTB), expansion of the National Training Fund (NTF) and access to other development funds. *Target: expanded NTB and NTF from 2005 onwards*
- ❑ Enabling of expanded private provision at all levels through clearly defined legislative, regulatory and quality assurance arrangements. *Target: new regulations from end 2005 onwards.*
- ❑ Increased student transfer and progression between public institutions through new accreditation and credit transfer arrangements from one to another institution. *Target: new arrangements from end 2005*
- ❑ Introduction of broad-based representation on TVET, higher education and CLLC governing bodies. *Target: new governance and representation arrangements introduced by late 2004*

For *Targeted Education Facilities Development*, the main strategies and targets are as follows:

- ❑ Provision of new and additional classrooms, alongside selective multi-grade teaching in villages and communes without a complete grades 1–6 primary school. *Target: 95% coverage by 2008.*
- ❑ Introducing basic cycle schools grades 1-9 through provision of additional classrooms in all communes without a grade 7-9 school facility. *Target: 95% coverage by 2008*
- ❑ Provision of additional classrooms for grades 1–9 and grades 10 – 12 in currently or projected overcrowded schools. *Target: phased action plan and targeting criteria by end 2004*
- ❑ Establishment of a demand driven secondary school, TVET and higher education/TVET development fund, alongside Government tries to provide fund to school model, which will be responsive to untapped demand for upper and post-secondary education opportunities. *Target: fund and eligibility criteria established by early 2005 with priority to grade 10-12 Model Schools*
- ❑ Review the need for dormitories for girls for higher education and produce a plan by early 2005.
- ❑ Establishment of MoEYS staff accommodation fund, including teacher housing loan scheme with eligibility criteria related to staff deployment, re-deployment, transfer and retention policies. *Target: fund established by early 2005.*

For *Enabling Equitable Higher Education Access*, the main strategies and targets are as follows:

- ❑ Establish by 2005 the Cambodian Tertiary Education Admissions Centre to streamline HEI applications and scholarship awards, to create a statistical base for HEI admission criteria, student preference and enrolment acceptance, and to report analysed data in response to enrolment demand and other market forces. Implementation of orientation program for grade 12 students from 2005.
- ❑ Clarify FY requirements in 2004 and introduce FY certificate studies by 2005 in an approved number of HEIs in Phnom Penh and progressively in HEIs in the provinces using various teaching and learning delivery modes with a total provincial enrolment of 15,000 by 2008.
- ❑ Strengthen ACC resources and capacity progressively to develop by 2005 credit transfer provisions that include assessment of teacher education programs and qualifications offered by RTTCs.
- ❑ Introduction of a mixture of scholarships for the poor and student loan schemes with a total of 20,000 beneficiaries.

The main sector wide strategic actions for assuring equitable access to education services and key milestones over 2005-08 are summarised in Annex 1.

3.3 Improved Quality and Efficiency of Education Services

The ESP 2004-08 has six main strategies for ensuring improved quality and efficiency of education services that emphasis on achieving improved staffing efficiency and performance and greater accountability through school, staff and student performance monitoring. The main strategies for ESP 2004-08 are summarized below:

- * *Education Service Efficiency and Performance*
- * *Decentralized School/Institution Management*
- * *Sustainable Curriculum Reform and Instructional Materials Provision*
- * *Decentralised Teacher Development Planning and Management*
- * *Improved School/Institutional and Student Performance Monitoring*
- * *Improved Higher Education Quality and Efficiency*

For Education Service Efficiency and Performance, the main strategies and targets are:

- Improved efficiency in planning and deployment of teaching and non-teaching staff in primary and secondary schools, through: (i) revised, Government agreed PTR-based staff planning norms; (ii) related staffing guidelines for school; (iii) strengthening of norm enforcement mechanisms. *Target: primary PTR 50 and PNTR 390, secondary PTR range 40 – 45 and PNTR 275, post secondary PTR 25-30 and PNTR 200 by 2008.*
- Extensive deployment and redeployment of teaching and non-teaching staff into understaffed schools and classroom teaching positions, through differential incentives and restricting postings of new teachers to under-served schools. *Target: revised posting guidelines by end 2004 with minimum 3,500 per annum posted or redeployed from 2005.*
- Phased increases of remuneration for all education managers, teacher trainers and teaching staff, through merit and performance-based pay rises/allowances via the prime pedagogique with primary teachers as first priority. *Target: remuneration plan prepared by late 2004 in response to Government policy*
- Introduce nationwide staff performance appraisal system and regulation of minimum standards of staff performance and workloads as basis for promotion and increased remuneration. *Target: operational guidelines prepared by end 2004, primary school teachers appraised in 2005, nationwide by 2007*
- Introduction of National Institute of Education (NIE) staff development programs for selected groups of education planners, managers and other technical staff, linked to possible promotion and additional allowances with school directors as the first priority group. *Target: NIE organization and training plan by end 2004, implementation from 2005.*

For Decentralized School/Institution Management, the main strategies and targets are:

- Introduction of annual performance agreements, targets and report cards at all levels with agreed accountability mechanism with governors, commune councils and other stakeholders, beginning with primary and secondary schools. *Target: performance agreement guidelines by early 2005, introduce in schools in late 2005*
- Introduce new financial planning and accountability mechanisms for school operating budgets in primary and secondary schools, with guidelines for involvement of joint school,

parents and community management. *Target: revised guidelines prepared by end 2004 with all schools and district BMCs reporting on time in 2005.*

- ❑ Phased transformation of selected public TVET and higher education institutions into Public Administrative Institutions (PAI) with agreed guidelines from MoEF on revenue generation, retention and usage, alongside new public/private governance arrangements. *Target: all institutions transformed with governing bodies and public accountants appointed by 2005/06*
- ❑ Improved district level technical and financial operational planning and management, through district Budget Management Centres (BMC) assuming greater accountability for priority and other programming. *Target: district BMCs facilities upgraded and 100% BMCs fully operational by end 2005*
- ❑ Improved coverage of internal audit of BMCs, schools, other institutions and specific programs through strengthening central MoEYS audit operations and staffing. *Target: five-year audit plan by end 2004, all BMCs, schools, institutions and programs audited by end 2008*

For Sustainable Curriculum Reform and Instructional Materials Provision, the main strategies and targets are:

- ❑ Finalize a financially sustainable curriculum policy and strategy increase instructional hours through in-school and out-of-school program, including life skills program. *Target: curriculum framework finalized mid-2005, implemented by mid-2008.*
- ❑ Equitable access to core textbooks and selected complementary/supplementary materials for grades 1–12, including adequate annual and targeted Government budget support. *Target: Sustain textbook per student per subject for grades 1-9, one per two students for grades 10 to 12 and per student per subject for remote area from 2004*
- ❑ Adequate provision of instructional materials for Higher Education, TVET, NFE/Literacy and teacher training institutions, through revised financing mechanisms including targeted support for poor students. *Target: plan prepared by late 2004*
- ❑ Continued decentralization of the planning and management of instructional materials provision, through annual allocations to schools and transfer of responsibilities to Departments of Primary and Secondary Education. *Target: program continued in 2004.*
- ❑ Review of short-term sustainable financing and procurement systems for instructional materials, including review of the role and status of the Publishing and Distribution House (PDH). *Target: review and forward plan prepared by mid-2004, taking account of longer-term strategy.*
- ❑ Prepare medium/long-term strategy for greater commercialization of textbook publishing and procurement in Cambodia, designed to broaden textbook choice and diversity and promote competitive pricing. *Target: new strategy agreed by end 2005.*

For Decentralized Teacher Development Planning and Management, the main strategies and targets are:

- ❑ Strengthen teacher supply, taking account of enrolment expansion and revised staff deployment guidelines, with detailed operational planning delegated to provinces and districts. *Target: system and guidelines revised by end 2004.*

- ❑ Increased delegation of authority to teacher training institutions and provincial/district authorities to plan new teacher training intakes against agreed MoEYS guidelines. *Target: revised authority and guidelines in place by end 2004*
- ❑ Consolidate improved quality and relevance of all levels and types of pre-service teacher (PRESET) training programs, through teacher training curriculum reform and development (e.g. for multi subject, multi grade, ethnic minority teaching, life skills) and accredited staff development. *Target: revised PRESET programs continued in 2004.*
- ❑ Assuring an adequate supply of teachers from remote and ethnic minority areas taking account of expansion plans, through active recruitment from these areas, special incentives and flexibility in PRESET entry requirements and program duration. *Target: action plan revised by end 2004.*
- ❑ Improved responsiveness of teacher training institutions to in-service teacher (INSET) training requirements, through increased operational autonomy to run programs against agreed MoEYS guidelines. *Target: 6 mini-TTCs/teacher resource centers constructed by end 2005, each teacher training institution produces INSET action plan by end 2005.*
- ❑ Expansion of teacher training and development programs for PTTCs/RTTCs, higher education and TVET institutions through NIE and other programs. *Target: plan by end 2004.*
- ❑ Promote the strategy of selective teacher training upgrading through in-country and overseas post-graduate training. *Target: Increased share of NIE and TTC staff with PhD and Masters Qualifications, from 2005 onwards.*

For Improved School/Institutional and Student Performance Monitoring, the main strategies and targets are:

- ❑ Define minimum standards of student achievement for each grade 1 to 12 and assure a shared understanding of minimum standards amongst teachers, parents and other stakeholders, through a nationwide IEC program. *Target: standard setting by end 2004 with trials in 2005.*
- ❑ Consolidate TVET and higher education admissions policy, through increased and selective use of Grade 12 examination results for initial screening of potential entrants. *Target: review and forward plan from end 2004.*
- ❑ Improve efficiency in school performance monitoring planning and management; through redefined role of inspection services at central, provincial, district and cluster levels. *Target: revised staff planning and agreed responsibility by end 2004.*
- ❑ Greater efficiency in planning and management of school performance monitoring, through clear definition of the roles of the central, provincial and district inspectors. *Target: revised staffing plan and responsibilities agreed by end 2004.*
- ❑ Increased accountability and responsibilities for school directors and deputy directors in improving school and staff performance, alongside an increased role in providing in-school teacher development and teacher performance appraisal (used as a basis for retention of director performance allowances). *Target: revised guidelines agreed by end 2004.*
- ❑ Increased transparency and accountability for national, provincial and school and student performance, through annual public dissemination of results of standards test and examinations and annual report to National Assembly. *Target: annual publication and reports from end 2004.*

- ❑ Extension of the national standards and upgraded assessment/accreditation mechanisms using competence-based training (CBT) approaches for TVET programs, including selected labour market surveys. *Target: action plan by early 2005.*

For *Improved Higher Education Quality and Efficiency*, the main strategies and targets are:

- ❑ Issue by 2004 of a Prakas stating criteria and conditions to clarify establishment of quality HEIs based on University Establishment Sub Decree.
- ❑ Strengthen ACC resources and capacity progressively to develop by 2005 accreditation provisions for programs and HEIs as provided in the Royal Kret on Accreditation of HE.
- ❑ Publish annually as an individual HEI responsibility beginning in 2005 to the admission criteria for every program/scholarship offered by each HEI.
- ❑ Establish as an individual HEI responsibility beginning in 2005, a graduate employment service to facilitate employment of graduates, to foster links between HEIs and employers, and to demonstrate the quality of HEI awards with a cumulative tracer study of all graduates being maintained by each HEI.
- ❑ Require all HEIs to issue information publicly on: a) student pass rates; b) tuition costs; c) destination and income of new graduates; and d) any regional/international quality control and accreditation arrangements in place.
- ❑ Encourage introduction of institution twinning and academic program link arrangements between public and private HEIs and reputable regional/international institutions.

The main sector wide strategic actions for improved quality and efficiency of education services and key milestones over 2004-08 are summarised in Annex 2

3.4 Institutional Building for Sustainable Education Decentralization

During the first phase of implementation of ESP 2001/05, there has been significant progress in capacity building for selected components of decentralization, especially strengthening central and provincial financial management and monitoring and sector-wide program planning, management and monitoring. A key lesson learned has been that delegating authority and responsibility is an intrinsic part of capacity building and helps to focus both on-the-job and more formal training programs. Another lesson learned has been that to exercise delegated responsibility effectively, requires both confidence building and sustained operational support and financing.

This next phase of the reform program will consolidate these capabilities and extend institutional reform and capacity building in a number of ways. A key institutional reform strategy will be to examine the implications of decentralization for the roles and functions of central MoEYS directorates and departments, especially clearer definition of implementation, supporting and monitoring roles. A second strategy will be to strengthen institutions and capabilities at the grassroots level, especially review of the most effective roles and functions of the district and community levels in ensuring timely and efficient transfer of information related to policy and program implementation progress. A key objective of the new education legislation will be to assist institutionalisation of these responsibilities and authority.

The proposed broadening and deepening of public/private partnership will also necessitate systematic institution and capacity building. A third strategic priority will be to secure predictability of program financing from public, private, community and external sources. In order to re-assure these various stakeholders, the Ministry will give priority to strengthening governance, accounting

and performance audit systems in accordance with agreed competitive service procurement arrangements.

In order to ensure that strategies are developed within the emerging Government framework for decentralization and de-concentration, MoEYS will strengthen relationship with MoEF, MoI, CAR/NPAR and MoP through existing formal mechanisms. At the same time, the Ministry will use the annual sector performance review to broaden the range of stakeholders in the sector, including the National Assembly, governors, commune councils and school/parents committees.

In this context, the ESP includes four main medium term strategies for institutional development and improved capacity building for decentralization, summarized as:

- ✧ *Strengthening Central and Provincial Planning and Monitoring Systems*
- ✧ *Enhanced District and School/Institutional Management Systems*
- ✧ *Improved Governance and Regulatory Systems*
- ✧ *Improved Higher Education Institutional Development and Capacity*

For *Strengthening Central and Provincial Planning and Monitoring Systems*, the main strategies and targets are:

- Consolidate and extend mechanisms that assure better predictability for medium-term financial planning and decentralized financial management within the framework of the Government's public financial management reform and decentralization reforms. *Target: agreed medium-term expenditure plan for education within MTEF 2004/08, including policy-led program budget allocations by mid 2004.*
- Conduct organization audit as part of improved coordination and monitoring of education system capacity building strategies and programs, through MoEYS capacity building coordination groups. *Target: capacity building impact review by end 2004, forward action plan by early 2005.*
- Further strengthening of central, provincial and post-secondary institutions strategic and financial planning and monitoring. *Target: forward action plan prepared including operational provincial financial MIS by end 2004*
- Further strengthening education system performance and impact monitoring, through broadening participation to other stakeholders including more diverse information gathering. *Target: engage other stakeholder in ESSP 2004 and beyond and revised sector performance report*

For *Enhanced District and School/Institutional Management Systems*, the main strategies and targets are:

- Further strengthening of district and school program management systems, through additional capacity building for district BMCs, school clusters and schools, especially for improved information management and reporting. *Target: revised action plan and guidelines prepared by end 2004*
- Maximize current physical resources for expansion by more effective use of RTTCs and match with development of human resources, strengthening of curriculum, and upgrading of teaching and learning resources including library, computing and laboratory facilities.
- Further strengthening of higher education, TVET and teacher training institutions technical and financial management systems. *Target: plan and guidelines for post-secondary institutions from end 2004*

- ❑ Strengthening provincial and district level personnel management systems, through issue of new staffing guidelines and norms, increased delegated authority to districts for staff deployment against these norms and capacity building for provincial/district personnel planners. *Target: new staff guidelines and action plan by early 2005.*

For Improved Governance and Regulatory Systems, the main strategies and targets are:

- ❑ Enable approval of new education law and preparation of key regulations related to improved institution and financial governance. *Target: enabling legislation by end 2004.*
- ❑ Improved transparency in use of parental and private contributions to schools and other institutions, through new guidelines on accounting and management of these contributions. *Target: guidelines implemented from early 2005*
- ❑ Improved governance of schools and post secondary institutions, through the issue of guidelines that set out powers and responsibilities of education authorities, parents and community associations. *Target: guidelines issued by early 2005*

For Improved Higher Education Institutional Development and Capacity, the main strategies and targets are:

- ❑ Issue by 2004 a Prakas to facilitate by 2005 required PAI status for all public HEIs including establishment of a board of governors, issue of public accounts and appointment of public accountants and auditors
- ❑ Establish an incentive based program to upgrade human resources at system and HEI level to include academic staff, professional and specialist staff, and senior managers.
- ❑ Issue by 2005 a Prakas to establish the criteria in terms of qualifications, experience, capability and expected performance outputs for HE personnel including academic staff, professional and specialist staff, senior managers, directors, rectors, and presidents of HEIs.
- ❑ Strengthen by 2005 the DHE capacity for monitoring, analysis and policy formulation to improve access and equity, quality, and institutional management through the establishment of a comprehensive Higher Education Management Information System.
- ❑ Strengthen DHE resources through establishment by 2005 of a computer based data management and information network to link DHE, ACC and HEIs and to allow effective information exchange with employers, concerned ministries, and other market forces.
- ❑ Provide resources including physical space, office equipment, skilled personnel, and operating budget, to strengthen governance and professional capability of ACC to undertake its mandate.
- ❑ Upgrade resources including physical space, office equipment, skilled personnel, and operating budget, to strengthen the changing role and capability of the DHE.
- ❑ Upgrade progressively the curriculum, delivery modes, and teaching and learning resources including library, computing and laboratory facilities in all HEIs.
- ❑ Pursue appropriate human resource policy and employment conditions for staff of public HEIs, the DHE, and ACC to support transparent and accountable management and to minimise any corrupt practices in the HE system.

The main sector wide strategic actions for improved capacity building for decentralization and key milestones over 2001-05 are summarized in Annex 3.

4 IMPROVED FINANCIAL PLANNING AND MANAGEMENT STRATEGIES

4.1 Implementing Pro-Poor Education Financing Strategies

The ESP 2004/08 is underpinned by a comprehensive and detailed analysis of recurrent and capital unit costs and projections of total operational recurrent and capital costs designed to optimize the use of public and non-public education resources. An assessment of levels of spending in the poorest communes and for girls also informs the financing strategy and targeting. The ESP also takes account of projected macro-economic prospects over the planned period in order to undertake an assessment of financial sustainability. *Key financing tables are attached in Tables A-E.*

Table 4: Medium Term ESP Financing Plan, 2004-2008

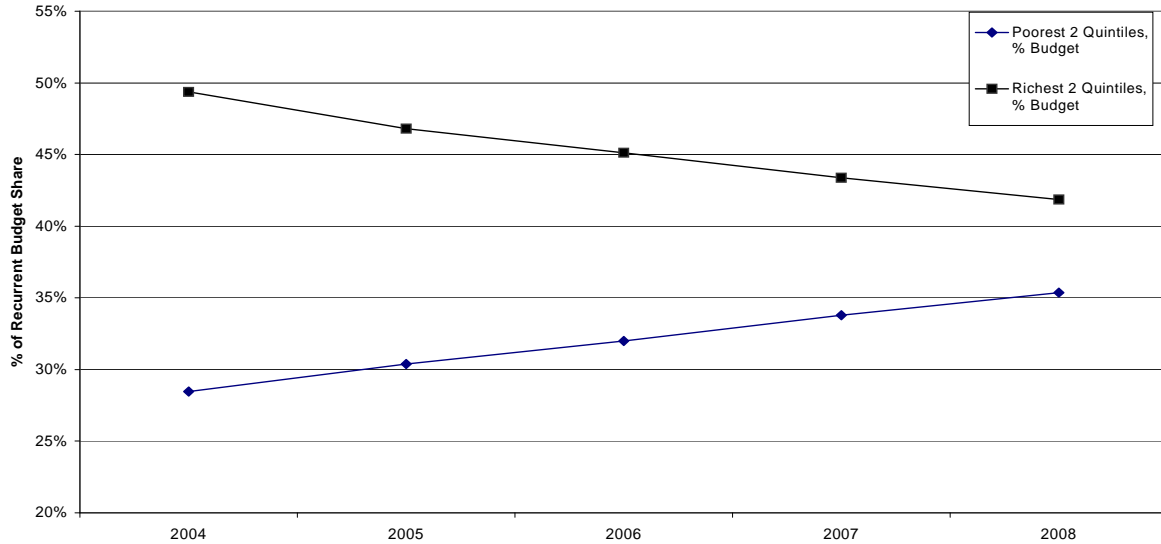
<i>(million riels, current)</i>	2004	2005	2006	2007	2008
Total Recurrent Expenditures	355,100	500,420	549,916	606,507	667,158
- Personnel costs	200,311	312,074	353,275	401,027	453,667
- Non peersonnel costs	154,789	188,346	196,641	205,480	213,491
Total Capital Expenditures	93,440	118,400	121,400	107,920	98,440
Grand Total	448,540	618,820	671,316	714,427	765,598

The overriding principle within the ESP is that education financing and budget strategy will be used as an instrument of pro-poor policy reform and implementation. The key pro-poor financing policy rationale and targets are outlined in section 2.6.1. The key features are a) increased Government spending on basic education, b) reduction in parental contributions to basic education costs, c) phased-performance based pay reform, d) increased non-Government/private spending on post-basic education alongside poverty targeted subsidies, e) increased funding agency transitional budget support, f) sustained capital spending on basic education facilities development and selective capital spending on post-basic facilities development alongside g) demand-led non-Government post-basic expansion including access to private sector loan financing capital. The overall projections in enrolment growth, which underpinned the financial analysis, are shown in *Table A*.

The fundamental thrust of the ESP financing plan is to not only reduce the cost barriers for poor families but also to target an increased share and volume of recurrent and capital expenditure on the poorest communes and for areas where there is under-enrolment of girls. A key feature is that the percentage of recurrent spending on basic education, where the participation of the poorest is the greatest, is projected to increase from 62% to 76% over the period. The recurrent spending for basic education is projected to increase from 220 billion riels per annum to around 500 billion riels by 2008, mainly for school operational budgets. Similarly, a very high proportion of capital expenditure mainly for school construction will also be targeted on the poorest communes which are currently under-served for secondary education, skills training and post-secondary education opportunities (*see Table B*).

The increased targeting of ESP financing on the poorest communes is shown in the chart below. For example, the share of projected spending in the poorest 40% of communes is projected to rise from 28% to 36% over the next five years, compared to a decrease in the richest 40% of communes from 50% to 42%. In other words, increased coverage of education services in poor rural areas will result in more equitable education spending through re-distribution of education resources. Similarly, the projected spending on girls will increase from 42% of projected total capital and recurrent spending to 46% of spending by 2008, through systemic and targeted support in areas of low female enrolment and participation.

Chart 1: ESP Financing: % Spending in Poorest and Richest Communes



The policy thrust to reduce education cost barriers for formal and non-formal basic education is also clearly reflected in the financing strategy and overall unit costs at different levels of education as set out in *Table C*. The share of spending by parents for basic education is projected to fall from the current estimated 17% (mainly for school uniform and transport) to 10.7% over the period. This will offset by significant increases in per student spending by Government on basic education with per student spending projected to almost double from around 80,000 riels per student per annum to 160,000 riels by 2008. This significant increase in overall per student spending will also help implement quality improvement strategies, despite the proposed enrolment expansion. In order to ensure the maximum impact of the projected increase in spending on basic education, the ESP accords high priority to putting in place effective governance and quality assurance framework.

Implementing these basic education strategies will include careful linkage between systemic financial interventions and carefully targeted capital spending on additional primary, secondary school, and skills training facilities unemployed young people in the poor rural areas, amounting to around two-thirds of school building and associated capacity building. Projected capital spending for these sub-sectors and programs is over 400 billion riels (roughly 80 billion riels per annum).

The ESP also recognizes that implementing these strategies will require a continued contribution from parents, communities and the private sector for skills training, TVET and higher education. The financing plan projects an increasing share of spending by parents at these levels, projected to increase from an estimated 40% in 2004 to around 65% by 2008. The spending by Government will be carefully targeted to ensure implementation of equitable access and quality improvement strategies through a focus on providing the salaries of trained staff, scholarships for the poor and operational support for quality assurance and audit. Capital spending on upper secondary and higher education facilities expansion is estimated riels 160 billion over the next five years.

The financing plan is also designed to implement key quality and efficiency strategy. To secure efficiency gains in the use of staff and facilities, including measures that increase pupil teacher and non-teacher ratios and selective double shifting. Increased promotion rate from grade 1-6, transition rate from grade 6-7 and promotion rate from grade 7-9, linked to expanded and more effective remedial classes, periodic and continuous student assessment and standards monitoring. These efficiency gains and financial savings will particularly benefit the poor families who tend to more frequently repeat primary grades due to late entry into schools and have less access to ECCD.

The financing plan is also designed to enable implementation of performance based pay reform policies, linked to access and quality improvements. The assumptions and targets for pay reform are shown in *Table D*. The priority is to substantially increase classroom teacher remuneration and allowances, including the expanded priority action program, guided by broader Government pay reform strategy. Personnel costs are projected to increase from Riels 200 billion in 2004 to around Riels 453 billion by 2008, alongside continuation of special incentives under a priority action program. The projected decrease in non-personnel cost share from 40% in 2004 to 32% by 2008 is designed to enable a more balanced and effective financing strategy. To assure optimum impact of the projected remuneration strategy, pay rises will be rigorously linked to more efficient deployment, introduction of annual staff performance appraisal as a basis for pay rises and promotion and strengthened teacher supervision at the school level.

The higher education financing strategies have yet to be finalised. The proposed recurrent and capital development financing strategy to 2008 would include the following: a) public HEIs having attained PAI status and all private HEIs be allowed to charge tuition fees for market oriented programs (e.g., accountancy) with annual publication of accounts from 2005, b) the Government, MoEYS and the Governing Boards of PAI status public HEIs to agree on guidelines for allocation/distribution of fee revenue and the associated publication of accounting/audit reports from 2005, c) establishment of new HE Development Financing Facility with agreed eligibility criteria for access by both public and private institutions by mid-2005, d) introduction by mid-2005 of a Government per capita block grant to public HEIs, based on a formula that assesses weighted student enrolments and costs in different programs, and is separate from identified funding for specific public interest programs and e) expansion of scholarships for poor and student loan program for around 20,000 students by end 2005.

4.2 Projected Total Financing Needs and Available Resources

The Ministry recognizes that effective implementation of ESP policy and strategy will require predictability of available resources. The Ministry will therefore continue to work closely with the Ministry of Economy and Finance and CAR to ensure that medium term expenditure planning for education is consistent with the broader MTEF process and ongoing public financial management reform. This will ensure that the education MTEP is carefully integrated within the annual MTEF review process.

The Ministry recognizes the need to further consolidate MTEF/MTEP sector-wide budget planning process through further strengthening of institutional arrangements for financial planning and predictability. Key measures will include strengthening both MoEYS and inter-ministerial collaborative mechanisms, in particular between MoEYS and MoEF through the Education Finance Management Committee (EFMC) at both policy and technical levels. Specific actions will be: a) to improve MoEYS/MoEF coordination and synchronisation of the budget preparation and planning cycle through an annual EFMC timetable including key milestones; b) strengthen pro-poor budget preparation and monitoring, including linkages with the NPRS process; and c) full integration of all expenditures in the budget process including non-priority programme budgets, in particular personnel expenditures, through intra and inter-sectoral planning strategic and financial planning.

The Ministry will make every effort to ensure that the projected recurrent budget requirements are derived from Government revenues. The Government commitment to increase spending on education is evidenced by the increased education share of recurrent expenditure, which is currently around 19.5% per annum in 2003/04. In order to assess the realism and sustainability of the ESP financing plan, the Ministry has drawn on broad macro-economic and MTEF projections shown in *Table E*.

It is projected that the education share of recurrent spending will need to be immediately increased and sustained at around 23% over the ESP 2004/08 period, primarily to facilitate front-loaded increases in performance based teacher remuneration. As part of the ESP design, the Ministry has prepared an alternative scenario, which is based on a more graduated increase in education budget share reaching 20% by 2008 (*see table below*).

Table 5: ESP Financing Scenarios

(Riels Billions)	2004	2005	2006	2007	2008
Projected Current Expenditures	1,867	2,166	2,382	2,637	2,873
ESP Projection % Education Share	19.02%	23.11%	23.09%	23.00%	23.22%
Alternative Scenario: %Education Share	19.00%	19.25%	19.50%	19.75%	20.00%
Alternative Scenario: Potential Shortfall	0.4	83.5	85.4	85.6	92.5

On this basis, the alternative scenario projects a potential recurrent budget shortfall of around Riels 350 billion over the next five years. The Ministry would therefore seek an increase in policy-led recurrent budget support from the international community in order to mitigate any risk of financing shortfalls in order to secure a predictable financial base for the sustained ESP reforms.

The projected overall capital budget requirements amount to around Riels 560 billion over the next five years. Once again, the Ministry will make every effort to secure increased capital expenditure from Government while recognizing the current fiscal constraints. The Ministry would anticipate significant support from the donor community to fill this potential shortfall with a broad target of 50% external assistance for budget support and 50% for facilities development and capacity building.

Overall, against the alternative Government financing scenario, the potential total financing gap could amount to around 900 billion Riels (US\$ 225 million) over the ESP 2004/08 implementation period. In other words, the total potential financing gap could amount to around Riels 180 billion per annum (US\$ 45 million). In order to ensure greater predictability of external assistance, the Ministry proposes a number of measures including: a) confirmation from donors and NGOs of the current programming pipeline; b) early negotiation on additional assistance as part of the ESP/ESSP review process; and c) negotiation on greater flexibility in the mix of external assistance modality to cover transitional costs of reform. As part of the process, the Ministry will seek the further cooperation and commitment from the ESWG and NEP for attaining EFA FTI status.

4.3 Improved Financial Management and Monitoring Systems

The ESP 2001/05 implementation has provided a vehicle for strengthening education sector financial management and monitoring systems, using existing Government systems. These financial systems will be further consolidated and extended as part of ESP 2004/08 implementation, with particular emphasis on further improvements in financial governance, accounting and audit procedures.

In broad terms, the Ministry proposes that the following recurrent financial planning and management mechanisms are used for the various priority programs, including:

- ❑ Education service pay reform programs and performance incentive schemes
- ❑ Provincial and district operations, including monitoring through revised guidelines for provincial education budget
- ❑ Central MoEYS department and post secondary institution operational budgets be managed through specific and delegated budget allocations
- ❑ Majority of priority action programs of sub-sectoral, institution and provincial budget allocations
- ❑ Incentives/scholarship programs for the poor of sub-sectoral and provincial budget allocations, alongside additional support under the capital budget framework.

The Ministry recognizes that the proposed financial management/monitoring system for ESP 2004/08 may have to be adjusted over the next five years and anticipates a gradual shift to broader program-based budgeting and management systems. As a designated priority ministry, MoEYS anticipates being a pilot ministry for any PFM reforms related to line ministries. The details of both recurrent and capital priority programs are outlined in Section 5.

During ESP 2001/05 implementation, the Ministry has gained significant experience and capability in managing capital programs, especially for school construction and capacity building technical assistance. It is anticipated that the management of these programs will be designed on a case-by-case basis, including greater decentralization of facilities development finance to the provinces. The Ministry will also investigate with potential donors the scope for developing pooled funding and management arrangements for facilities programs in order to optimise existing facilities management capacity within MoEYS.

The Ministry has gained significant experience in the last five years of managing selected budgets for capacity building operations within MoEYS, including accounting and audit procedures. Financial management of capacity building programs will continue to be designed on a case-by-case basis, depending on the scale and complexity of the programs, in negotiation with donors and NGOs. Once again, the Ministry's guiding principle will be to use Government financial planning and management systems, including increased use of dedicated accounts in the Government Treasury, MoEYS Finance Department and in some instances, individual MoEYS departments.

The Ministry proposes significant expansion of financial monitoring systems and procedures as part of ESP 2004/08 implementation. In particular, capacity building will focus on: a) strengthening provincial and district accounting and reporting systems through the new PFMS; b) improving coordination and consolidation of program financial reports within central MoEYS directorates and departments; and c) expanding internal audit operations for BMCs and programs, with a target of annual audit of over 200 BMCs.

As part of improved financial monitoring, the Ministry intends to broaden the scope of the financial performance report prepared as part of the ESSP review process. The target will be to provide up-to-date information on disbursement and spending for all recurrent/capital priority programs, including provincial disaggregating. In addition, the performance report will incorporate new features including: a) a summary of internal audit findings and recommendations; and b) an analysis of trends and impact related to pro-poor and pro-gender expenditures.

5 INDICATIVE PRIORITY PROGRAM FRAMEWORK

5.1 Recurrent Program Priorities

The ESP 2001/05 achieved significant success in directly linking policy and strategic priorities with a number of recurrent priority programs and budget allocations. These priority programs also set out results and performance indicators as a basis for policy and program monitoring. Previous plans and programs set out adjustments to strategic priorities, financing strategy and budget management. These are rationalized in proposed changes to recurrent program priorities and budget allocations. The main features are:

- ❑ Separation of ECCD component from the *primary education quality and efficiency program* and creation of new *early childhood care and development program*. This will enable greater strategic clarity and more effective program management.
- ❑ Splitting of *secondary education quality and efficiency program* into separate programs for lower and upper secondary. Separate programs have been created to enable Government to adopt appropriate financing strategies for both lower and upper secondary levels.
- ❑ Consolidation of *core instructional materials program* into primary and lower secondary programs. This program rationalisation will enable greater autonomy in program planning and management in the context of Governments decentralisation agenda.

In addition, the Ministry recognises that a number of medium term cross-cutting strategies need to be implemented and expanded depending on resources available. It is proposed that the important HIV/AIDS awareness program will be managed through the capital budget mechanism in collaboration with other stakeholder ministries. It is envisaged that the ECCD and scholarships for the poor program could be further expanded through parallel capital budget support. These programs coverage and targets may be adjusted during the plan period if additional donor/NGO resources can be mobilized.

The education service efficiency program outcome will be to ensure equitable access to education services through eliminating informal payments by parents in grades 1-9, offset by improved and performance based staff remuneration. Another outcome will be the improved equity and efficiency in the deployment of teaching and non-teaching staff, responding to targeted expansion of primary and secondary education opportunities. The main activities include performance based incentives to key groups, including school directors, staff working in remote and difficult circumstances and teachers providing specific efficiency gains (e.g. double shift and multi grade teachers). The MoEYS will review guidelines for targeting and allocation of these allowances. The program will be initially managed through provincial BMCs based on agreed staffing regulations with monitoring by HQ Personnel Department with phased delegation to district education offices. This program will be complemented by the proposed incentives for teacher accommodation.

The early childhood care and development (ECCD) program outcome will be to expand equitable access to ECCD programs for 5 year olds only, targeted on those communes with high rates of late entry and repetition in primary schools. The detailed medium-term strategy of this program will be finalized in the next two to three years, drawing on the pilot studies under this program. It is envisaged that the broad strategic direction will be towards a more community-based and child-centered approach, which offers better prospects of increased coverage and affordability than the current pre-school system. It is anticipated that this program will be complemented by other donor and NGO financed pilot innovations, including commune council managed ECCD initiatives and alternative parental home-based approaches. The Department of Early Childhood Education will have responsibility for strategic oversight and quality assurance.

The primary education quality and efficiency improvement program outcome will be to enhance quality and efficiency through continuing to increase Government support for school operational

costs, alongside budgets for remedial education and primary instruction materials procurement. The first component will be to gradually expand provision of school operating budgets for primary schools nation wide. The second component will be to continue remedial classes in grades 1-6 with periodic student assessment and standards monitoring. The third component will be to provide budget allocations to schools for instructional materials procurement as part of program decentralization to maintain a student/textbook ratio of 1:1. Program guidelines will be revised to ensure optimum flexibility and discretion to schools. Program funds will be managed and channelled to schools by over 180 district BMCs. The HQ Department of Primary Education will manage the monitoring of the program.

The lower secondary education access, quality and efficiency improvement program objectives will be to reduce access barriers for students, and improve quality and efficiency through increased grades 7-9 survival and grade 10 transition rates. The first component will be to further offset direct costs to families through increased school operating budgets for lower secondary schools nation-wide. The second component will be to provide budgets to lower secondary schools for instructional materials procurement, maintaining the 1:1 textbook per student ratio. This program will be linked to planned expansion of lower secondary facilities and teacher deployment and training reforms. Program funds will be managed and channelled to schools by over 180 district BMCs. The HQ Department of Secondary Education will manage the monitoring of the program.

The upper secondary access and equity program primary objective/outcome will be to assure equitable access to upper secondary education and ensure that proposed user charges are no barriers for academically promising grade 9 graduates from poor families. The first component of this program will be to provide poverty indexed block grant to upper secondary schools primarily for instructional materials and school maintenance against agreed guidelines. Funds will be managed through new school/community governing bodies, channelled through provincial BMCs. The HQ Department of Secondary Education will manage the monitoring of the program.

The TVET access and equity program main objective will be to ensure equitable access to relevant skills training for the poor through the use of targeted, merit driven scholarships. The priority target group will be un-employed and out-of-school youth. The detailed program strategy will be finalized in the next two to three months. It is envisaged that the funds will be managed through a component of the National Training Fund (NTF) under the authority of the re-structured National Training Board (NTB). Funding mechanisms may include direct stipends to students and waivers or vouchers to access training opportunities in private institutions, private enterprises or small apprenticeship schemes. This program will be implemented in close cooperation with the Ministry of labour and Vocational Training.

The higher education access and equity program objective will be to enable increased participation in higher education by highly motivated students from poor families through the use of merit driven scholarships. Priority target groups will be poor students graduating from the model and rural secondary schools qualifying for admission into Phnom Penh-based universities. Some priority will be given to students enrolling for less market oriented and socially beneficial programs, especially teacher, health and science and mathematics education. The detailed program strategy and financing modalities will be finalized in the next two to three months. This program will be linked to the proposed higher education capital development fund and possible introduction of a higher education student loan scheme. The funds will be directly managed through selected higher education institutions, against agreed annual scholarship allocations, channelled through the National Treasury. Eligibility criteria for institutions will include satisfactory progress with quality assurance and acquiring PAI status. Quality assurance and monitoring will be the responsibility of ACC and the Department of Higher Education.

The teacher development program objective will be to ensure an efficient supply of basic cycle and upper secondary school teachers for system expansion and upgrade TTC trainers, school directors and other key MoEYS personnel. A second objective will be ensuring that TTC intakes and subsequent trained teacher deployment respond to growing demands in rural/remote areas. A

third objective will be to recruit teacher trainees from remote and ethnic minority areas which pose posting difficulties. A fourth objective will be to expand in-service teacher training provision. The main component will be to provide annual operational budgets to the 18 PTTCs and 6 RTTCs. A second component will be to introduce operational budget support for the new National Institute of Education (NIE) and six new mini TTCs/resource centres in provinces without a PTTC. A third component will be for ongoing in-service teacher training costs, increasingly delegated to provinces. This program will be linked to the individual student stipend and accommodation allowances scheme and possibly consolidated. Operational budgets will be managed by individual institutions channelled appropriately through provincial and central TTD BMCs. The Department of Teacher Training will be responsible for quality assurance and monitoring.

The non-formal education expansion program outcome will be to provide cost efficient re-entry and targeted complementary schooling and programs and selected non-formal community skills programs. The primary target group will be students who have dropped out of school for less than three years, alongside severely vulnerable groups in remote, minority and border areas. The first component will be operational budget support for expansion of re-entry programs for school dropouts into Grades 3-9. The second component will be operational funding for expanded complementary education and community skills opportunities, alongside further curriculum development and linkages with non-formal skills training, vocational training and CLLC programs. Financial management arrangements have yet to be finalized. Options include a demand-driven NFE fund or use of provincial and district BMCs. A guiding principle will be to optimise flexibility and responsiveness to priority needs and diversify program delivery to community groups and NGOs. The Department of Non Formal Education will be responsible for program quality assurance and monitoring.

The youth and sport development program outcome/objective is to improve access to high quality sports and physical education programs in rural and poor areas. A key activity will be to continue training programs for specialist physical education staff and coaches/referees. Another key activity will be to continue identifying priorities for new and upgraded sports playing fields, especially in under-served rural areas. A further activity will be to facilitate cooperation with the private sector in funding international, regional and national sports competitions. The program will be managed through BMCs in the Youth and Sports Departments.

The strengthened monitoring systems program has the key outcome/objective of improving technical and financial monitoring at all levels for strengthened policy, strategy and program development, management and evaluation. A priority activity over the period will be to strengthen capacity for financial management, accounting and internal audit, alongside enhancing sector performance monitoring and operation research. The program will be managed through central BMCs in the Finance, Planning and Internal Audit departments/offices. Program monitoring and quality assurance will be a joint responsibility Directorate General of Administration and Finance and Inspectorate General.

The secondary schools scholarships program objectives will be to ensure increased participation of students with high academic merit and from the poorest and disadvantaged families especially girls and ethnic minorities through a gradual increase in the number of targeted scholarships for the poor. The first component will be to provide scholarships for disadvantaged poor groups for grades 7-9. The second component will be to provide merit driven scholarships for the poor in both urban and rural schools based on the grade 9 examinations with higher stipends for model schools admission. The third component will be to provide scholarships for grades 10-12 to those students with high academic merit entering model schools. Program management arrangements have yet to be finalised.

5.2 Capital Program Priorities

As outlined in previous sections, a key Ministry objective will be to strengthen policy linkage between recurrent and capital budget programs through revised program planning and management and monitoring arrangements.

The capital investment programs for 2004-08 are detailed in the table below, including facilities development and logistical support and technical assistance for capacity building. Although not included in the current capital budget priorities, it is envisaged that supplementary support from donors/NGOs for ECCD, HIV/AIDS and incentives/scholarships for the poor may be incorporated as funds are mobilized.

A key feature of this investment is the expansion and efficient use of basic-education facilities in order to meet growing demand and enable Education For All. Another key feature is to enable both expanded access and quality improvement in upper secondary education through demand led facilities investment. A further key feature is to enable demand led growth of TVET and HE opportunities within a growing public/private partnership.

Table 6: Projected Capital Investment Budget, 2004-2008

Component	Riels (Million)	US\$ (US Million)
01 Incomplete School Expansion	20,000	5.0
02 Lower Secondary Expansion	100,000	25.0
03 Upper Secondary Expansion	80,000	20.0
04 Science, Technology and ICT Facilities Expansion	31,600	7.9
05 Education Staff Development	38,000	9.5
06 Education Staff Accommodation	20,000	5.0
07 TVET Facilities Development Fund	40,000	10.0
08 HE Facilities Development Fund	60,000	15.0
09 Capacity Building Program	150,000	37.5
- Program Management and Monitoring	75,000	18.8
- Sector Wide Management	75,000	18.8
Total:	539,600	134.9

The incomplete school expansion program outcome will be to reduce drop out and to improve progression in incomplete primary schools, especially annex schools and those in remote areas. The main activities will be to construct 1, 2 or 3 classroom blocks and provide furniture. The program will be linked to strategies including staff deployment and incentives, targeted programs for poor students (e.g. school feeding), use of multi-grade or double-shift teaching and strategies for expanding equitable access throughout basic education. The indicative costs will be *Riels 20 billion* over the 5-year period.

The lower secondary school expansion program outcome will be to enable sufficient grade 7-9 capacity for projected demand increases over the 5-year period. The first component of this program will be to create basic education schools offering grades 1-9 in existing primary schools with under-utilized facilities. The second component will be to provide new grade 7-9 facilities in un-served communes at existing primary school sites. The third component of the program will be demand-based expansion of existing grade 7-9 facilities. The final component will be to provide dormitory and grade 7-9 facilities in areas with low or sparse populations (e.g. ethnic minority areas). The broad strategy of facilities provision will be to provide around 50% of the ministry's standard classroom designs in urban areas and around 50% of mini-school designs in rural and remote areas. The program will be linked to other strategies, including developing PTTCs into basic-education teacher training colleges to enable flexible use of teaching staff. The indicative costs will be *Riels 100 billion* over the 5-year period.

The upper secondary school expansion program outcome will be to expand access through public/private partnerships and in the context of both labour market demand and coherent post-basic education strategy. The first component will be to establish 30 model schools through upgrading existing upper secondary schools in urban areas, covering all 24 provinces. These model schools would provide high standard facilities and teaching staff. The second component will be to gradually expand the number of rural upper secondary facilities through a mix of

expanding existing schools and provision of additional schools in underserved areas with high potential demand. The indicative costs will be *Riels 80 billion* over the 5-year period.

The science, technology and ICT facilities expansion program has the main objective of enhancing quality education outcomes through provision of appropriate specialist teaching and learning facilities. The program will provide these facilities in upper secondary schools, TVET centres and higher education institutions. The indicative costs will be *Riels 32 billion* over the 5-year period.

The education staff development program will have the main outcomes of enabling increased quality of teaching, greater responsiveness to changing sub-sector teacher demand and improved education strategic and financial planning and management. The first component of this program will be the introduction of mini teacher training facilities in the six provinces without PTTCs in order to accommodate any re-training of basic cycle teachers needed. The second component will be to upgrade NIE, PTTCs and RTTCs to more flexibly respond to MoEYS staff development and teacher training needs, alongside addition of specialist facilities and classrooms (e.g. science, math's, technology/ICT and foreign languages). The indicative costs will be *Riels 38 billion* over the 5-year period.

The education staff accommodation program will have the outcome of facilitating increased deployment and retention of staff, particularly in remote or difficult areas, through the provision of incentives, including a housing loan scheme and highly selective MoEYS provided accommodation possibly focusing on housing for transferable provincial directors of education. The indicative costs will be *Riels 20 billion* over the 5-year period.

The TVET facilities development fund program will have the main outcome of stimulating and enabling demand for community and enterprise directed training opportunities. The main activity of this program will be to provide grants to communes/districts for developing Community Lifelong Learning Centres. A further activity will be to support private sector TVET initiatives through providing selective and targeted loans. This program will be implemented in close cooperation with the Ministry of Labour and Vocational Training. The indicative costs will be *Riels 40 billion* over the 5-year period.

The HE facilities development fund program will have the main outcome of expanding nationwide access to public and private higher education institutions. This program will be to create a HE development financing facility for access by both public and private institutions, alongside development of eligibility criteria. The indicative costs will be *Riels 60 billion* over the 5-year period.

The program management/monitoring capacity building program will have the main outcome of continuing to strengthen MoEYS capability at HQ and provincial levels to monitor and evaluate the progress and impact of education reforms. The main activities will be to continue improving processes, training and other capacities (e.g. increased use of ICT) of HQ and provincial level staff in monitoring and evaluation techniques. The monitoring programs will be managed through a number of departmental BMCs for various programs. The estimated cost is around *Riels 75 billion* over the 5-year period.

The sector wide management capacity building program will have the main outcome of continuing to strengthen planning, management and monitoring systems for the various priority programs. Capacity building will include organizational development, equipment, other logistical support, advisory services and training programs for MoEYS departments, provincial and district authorities and schools. The budget management center for the capacity building programs will be the Capacity Building Coordination Groups (CBCGs) within the respective directorates. The cost of the program is an estimated *Riels 75 billion* over the 5-year period.

6 RESULTS-ORIENTED SECTOR PERFORMANCE MONITORING/REVIEW

6.1 Improved Results-Focus in Sector Monitoring

The ESP 2004/08 monitoring and review process will build on the achievements and lessons learned from ESP 2001/05 implementation by focusing on the extent to which policy objectives and outcomes have been achieved as opposed to monitoring progress on individual activities and accounting inputs. Accordingly, the Ministry will strengthen its capacity for sector and program target setting and related monitoring.

A key lesson learned from ESP 2001/05 implementation is the need to prioritise and simplify the policy action matrix and targets in order to enhance the focus of the reform agenda. A second lesson learned is the lack of predictability of the time required for policy action to translate into policy outcomes, especially on a year-to-year basis. Policy and strategic targets setting therefore should be seen as an articulation of the spirit and ambition of education reform and should be used as benchmarks on trends in sector performance.

The ESP 2001/05 included a range of policy performance indicators related to measures of equitable access, quality and efficiency and institutional development/capacity building. The revised ESP 2004/08 performance monitoring framework includes a number of modifications related to strategic adjustments, including: a) access indicators for non-formal skills training; b) quality/efficiency indicators related to re-entry programs, teacher qualifications and deployment and aspects of institutional and student performance; and c) institutional development indicators related to BMC accounting and audit and MoEYS staff development. The revised policy monitoring matrix for ESP 2004/08 is shown in the table below:

Table 7: Revised ESP Policy Monitoring Matrix

Dimensions	Key Indicators
1. Equitable Access (with gender targets)	<ul style="list-style-type: none"> ➤ National, provincial and district enrolment trends ➤ Gender and urban/rural enrolment balance ➤ Representation of students from poorest families ➤ Basic education student progression rates ➤ Basic education student repetition rates ➤ Net intake of age 6 in primary grade 1 ➤ Skills training and higher education enrolment patterns ➤ Pre-service teacher training enrolment
2. Quality and Efficiency	<ul style="list-style-type: none"> ➤ Student performance standards in selected primary grades and grades 9 and 12 ➤ Availability of instructional materials and trained teachers ➤ Pupil Teacher Ratio ➤ Number of incomplete primary schools ➤ Remote difficult school teacher postings ➤ Number of students re-entering grades 3-9 ➤ Accredited public/private higher education institutions ➤ Number of teachers with grades 10-12 or above ➤ Coverage of science, technology and ICT facilities
3. Institutional Development and Capacity Building	<ul style="list-style-type: none"> ➤ Education budget volume and share ➤ Basic education spending share ➤ Priority programs spending patterns and disbursement ➤ Coverage of internal audit system ➤ Salary and non-salary allocations and spending ratios ➤ Teaching and non-teaching staff deployment rates ➤ Operational capacity of budget management centres ➤ MoEYS training output from accredited programs

Selected performance targets are defined in the sector performance matrix showing key milestones over the period 2004/08 (see Annex 2).

The ESP 2004/08 monitoring process will recognize that there is frequently a delay in policy actions being translated into evidence of improved sector performance. It is proposed that a mix of annual and multi-annual performance monitoring is adopted on a selective basis to take account of possible delays in sector response. This will be reflected in annual sector performance reports and EFA mid-decade reviews.

The ESP 2004/08 monitoring process is designed to strengthened linkages with broader governance and accountability strategy. Therefore MoEYS will provide a range of more specific reports to various stakeholders, including: a) an annual report to the National Assembly; b) provincial education performance reports; c) individual program progress reports; d) departmental activity reports; e) specially commissioned operational research; and f) annual internal audit reports on BMCs, schools and programs.

MoEYS recognizes that a limitation of the ESP 2001/05 monitoring process has been insufficient evidence of school and student performance standards. The proposed introduction of nationwide school report cards and nationwide student testing at selected grades will address this issue. As part of the ongoing and annual sector performance review process, the Ministry will publicly disseminate information on school/student standards in order to inform parents and other decision makers and deepen stakeholder participation.

The organization of the ESP monitoring system will be based on the following levels of responsibility:

- *Sector Performance Monitoring:* by the Inspectorate of Education, the Planning Department and the National EFA Committee
- *Program Impact Monitoring:* by Planning Department and individual central MoEYS departments for individual priority and other programs
- *Program Progress Monitoring:* by provincial education officers, especially Planning office and inspection staff, and Provincial Finance Office in MoEYS
- *Operational Monitoring:* by district officers, parents association, commune councils and EFA commune committees
- *System Performance Audit:* by the Inspectorate of Administration and Finance, Government National Audit Authority and the National Assembly

A lesson learned from the ESSP review 2002/03 is that limited capacity for performance information management and transfer restricts the timeliness and effectiveness of sector performance reporting, especially for financial performance. Therefore, a priority will be to strengthen ICT-based information systems at all levels, especially districts/schools and remote/border areas.

6.2 Strengthening Joint Annual Sector Performance Review Processes

The ESP 2004/08 reaffirms the Ministry commitment to leading a transparent joint sector performance monitoring and reporting through the annual ESSP review process. The Ministry considers that the prime objective of the ESSP review process will be to learn lessons for policy and strategic adjustment and provide a forum for forward collaborative work planning with donors, NGOs and other stakeholders. The ESP monitoring process will therefore continue to facilitate an iterative approach within a flexible rolling program of reform.

The Ministry accords high value to other opportunities for interim monitoring and consultation with stakeholders. In addition to the annual sector review exercise, the Ministry is also committed to continue strengthen ongoing consultative mechanisms with other stakeholders, including:

- ❑ Monthly consultations with donors and NGO representatives to provide progress monitoring reports on key issues and agree necessary actions
- ❑ Active engagement in high-level progress monitoring committees, through the NPAR technical committees and new MoEF/ sector ministry PAP monitoring groups.
- ❑ Strengthening coordination arrangements with high level Government and donor groups, through progress reports and meetings with the Social Sector Working Group and National Council for Social Development as part of Consultative Group preparation.

It is proposed that current planning and management arrangements for the ESSP review process are maintained, including the joint MoEYS/donors/NGOs ESSP Appraisal and Review Coordination Team supported by the ESSP Review Secretariat. Further capacity building of the Departments of Planning and Information/ASEAN Affairs is therefore critical. It is proposed that the current reporting arrangements are continued including: a) the annual MoEYS Sector Performance Report and compact disk of supplementary information; b) the annual Donor Report; and c) the annual NGO Report.

The establishment of the National EFA Secretariat in 2002 provides a further opportunity to enrich the education sector performance monitoring process. It is proposed that the EFA Secretariat produces an annual EFA report, focusing on inter-ministerial coordination for specific programs (e.g., ECCD) and the work and activities of the EFA committees at various levels. This report would feed directly into reporting on inter-ministerial planning and governance aspects of sector performance. The Ministry is also reviewing the scope for adjusting the timetable of the National and Provincial Education Congress in order to harmonize with the ESSP Review process.

A key lesson learned from the series of ESSP Reviews over the period 2001/03 is that the occasion provides an ideal opportunity for formal and informal discussion and negotiation with donors and NGOs on existing and future external assistance programs. The Ministry therefore proposes that the ESSP Review process be used to coordinate and harmonize individual donor/NGO programming and appraisal mission. This will help to reduce the significant transaction costs of separate individual donor/NGO programming activity.

TABLES

Table A: Policy Led Projections for Enrolment, Teaching Staff & Classrooms

Enrolment

	2003	2004	2005	2006	2007	2008
Pre-primary	72,164	79,331	86,498	93,666	100,833	108,000
Primary	2,747,288	2,666,198	2,634,267	2,579,844	2,506,241	2,442,269
Lower Secondary	459,775	567,820	675,865	783,910	891,955	1,000,000
Basic Education	3,207,063	3,234,018	3,310,132	3,363,754	3,398,196	3,442,269
Non-Formal Education		250,000	310,000	310,000	278,333	246,667
Teacher Training		10,000	10,000	10,000	10,000	10,000
Upper Secondary		183,006	212,255	241,503	270,752	300,000
TVET (Public Institutions)		9,867	12,150	14,433	16,717	19,000
TVET (Private Institutions)		89,667	112,500	135,333	158,167	181,000
Higher Education (Public Institutions)		20,000	24,000	28,000	32,000	36,000
Higher Education (Private Institutions)		48,733	50,050	51,367	52,683	54,000
Public Post Basic (Not Inc. NFE)		222,873	258,405	293,937	329,468	365,000
Public Post Secondary (Not Inc. NFE)		39,867	46,150	52,433	58,717	65,000

Number of Teaching Posts Required

	2003	2004	2005	2006	2007	2008
Primary	49,596	49,374	49,703	49,612	49,142	48,845
<i>PTR (Pupil Teacher Ratio)</i>	55	54	53	52	51	50
LS	18,762	19,851	20,667	21,301	21,808	22,222
<i>PTR</i>	25	29	33	37	41	45
US	5,453	6,020	6,471	6,861	7,201	7,500
<i>PTR</i>	28	30	33	35	38	40

Number of Classrooms Required

	2003	2004	2005	2006	2007	2008
Primary	39,156	39,112	39,514	39,535	39,207	38,972
<i>PCR (Average class size)</i>	45	45	46	46	47	47
<i>Double shift rate</i>	71%	67%	63%	58%	54%	50%
LS	7,484	8,758	9,989	11,039	11,886	12,500
<i>PCR</i>	49	47	45	44	42	40
<i>Double shift rate</i>	43%	54%	66%	77%	89%	100%
US	2,410	3,607	4,542	5,458	6,444	7,500
<i>PCR</i>	41	41	40	40	40	40
<i>Double shift rate</i>	48%	38%	29%	19%	10%	0%

Notes:

1. Enrolment projections: updated EFA Plan projections with 2002 baseline
2. 2003 Data from EMIS 2003-2004 Preliminary, unofficial data set
3. Primary PTR not-adjusted for double-shift/multi-grade teachers

Table B: Total MoEYS Funding

<i>(Riels Millions)</i>	2004	2005	2006	2007	2008
Total Recurrent	355,100	500,420	549,916	606,507	667,158
Administration	67,950	57,061	54,243	50,149	48,777
Centre	38,250	28,225	23,655	19,218	16,434
Provinces	29,699	28,836	30,588	30,931	32,342
Broad sub-sectors	281,711	437,033	488,639	549,006	609,667
Pre-primary	5,615	9,346	10,336	10,893	13,087
Basic Education	221,173	362,608	405,971	457,304	504,696
Non Formal Education	6,958	10,070	11,573	12,574	13,780
Teacher Training	10,438	11,530	11,072	11,735	13,654
Post Basic (US, TVET & HE)	37,527	43,478	49,687	56,500	64,449
Private Sector Scholarships Funding	5,439	6,326	7,033	7,352	8,715
TVET	3,885	4,465	5,115	5,347	6,319
HE	1,554	1,861	1,918	2,005	2,395
Recurrent Shares					
Pre-primary	2%	2%	2%	2%	2%
Basic Education	62%	72%	74%	75%	76%
Non Formal Education	2%	2%	2%	2%	2%
Teacher Training	3%	2%	2%	2%	2%
Post Basic (US, TVET & HE)	12%	10%	10%	11%	11%
Total admin	19%	11%	10%	8%	7%
Admin HQ	11%	6%	4%	3%	2%
Admin Provinces	8%	6%	6%	5%	5%

<i>(Riels Millions)</i>	2004	2005	2006	2007	2008
Total Capital	93,440	118,400	121,400	107,920	98,440
Administration	30,000	30,000	30,000	30,000	30,000
Centre	7,500	7,500	7,500	7,500	7,500
Provinces	22,500	22,500	22,500	22,500	22,500
Broad sub-sectors	63,440	88,400	91,400	77,920	68,440
Basic Education	18,000	26,000	30,000	24,000	22,000
Education Staff Development	8,700	14,500	13,500	11,600	9,700
Post Basic (US, TVET & HE)	36,740	47,900	47,900	42,320	36,740
Broad programmes	93,440	118,400	121,400	107,920	98,440
Expansion	63,440	88,400	91,400	77,920	68,440
Capacity building	30,000	30,000	30,000	30,000	30,000
Programme Shares					
Expansion	68%	75%	75%	72%	70%
Capacity building	32%	25%	25%	28%	30%

<i>(Riels Millions)</i>	2004	2005	2006	2007	2008
Total Recurrent and Capital MoEYS Funding					
Resource requirements					
Recurrent	355,100	500,420	549,916	606,507	667,158
Capital	93,440	118,400	121,400	107,920	98,440
Ratio capital/ recurrent	26%	24%	22%	18%	15%
Grand Total Public	448,540	618,820	671,316	714,427	765,598

Notes:

1. Gradual shift in administrative spending in favour of provincial spend
- from 56/44 centre/province split in 2004 to 34/66 split in 2008.
2. 40% of recurrent non-personnel HE funding allocated to scholarships in private sector institutions
3. 80% of recurrent non-personnel TVET funding allocated to scholarships in private sector institutions

Table C: Recurrent Unit Costs - MoEYS/Non-MoEYS Shares By Sub-Sector

Broad Sub-Sectors					
(Riels)	2004	2005	2006	2007	2008
Unit Cost Pre-primary					
<i>Enrolment</i>	79,331	86,498	93,666	100,833	108,000
MoEYS	70,779	108,052	110,345	108,026	121,178
Non MoEYS	26,266	35,243	46,564	57,549	80,241
Total	97,045	143,295	156,909	165,575	201,419
Share Non-MoEYS	27.1%	24.6%	29.7%	34.8%	39.8%
Unit Cost Basic Education					
<i>Enrolment</i>	3,234,018	3,310,132	3,363,754	3,398,196	3,442,269
MoEYS	68,389	109,545	120,690	134,573	146,617
Non MoEYS	14,135	14,950	15,805	16,706	17,626
Total	82,525	124,495	136,495	151,279	164,243
Share Non-MoEYS	17.1%	12.0%	11.6%	11.0%	10.7%
Unit Cost Non Formal Education					
<i>Enrolment</i>	250,000	310,000	310,000	278,333	246,667
MoEYS	27,831	32,485	37,333	45,177	55,866
Non MoEYS	41,747	32,485	30,545	30,118	30,082
Total	69,578	64,970	67,878	75,294	85,947
Share Non-MoEYS	60.0%	50.0%	45.0%	40.0%	35.0%
Unit Cost Teacher Training					
<i>Enrolment</i>	10,000	10,000	10,000	10,000	10,000
MoEYS	1,043,849	1,152,983	1,107,190	1,173,531	1,365,434
Non MoEYS	27,138	27,953	28,791	29,655	30,545
Total	1,070,987	1,180,935	1,135,981	1,203,186	1,395,978
Share Non-MoEYS	2.5%	2.4%	2.5%	2.5%	2.2%
Unit Cost Post Basic (Includes Upper Secondary, TVET and HE)					
<i>Enrolment</i>	212,873	248,405	283,937	319,468	355,000
MoEYS	176,289	175,028	174,995	176,855	181,546
Non MoEYS	153,340	181,726	209,213	240,736	282,366
Total	329,629	356,754	384,208	417,592	463,911
Share Non-MoEYS	46.5%	50.9%	54.5%	57.6%	60.9%

Detailed Sub-Sectors

<i>(Riels)</i>	2004	2005	2006	2007	2008
Unit Cost Pre-primary					
<i>Enrolment</i>	79,331	86,498	93,666	100,833	108,000
MoEYS	70,779	108,052	110,345	108,026	121,178
Non MoEYS	26,266	35,243	46,564	57,549	80,241
Total	97,045	143,295	156,909	165,575	201,419
Share Non-MoEYS	27.1%	24.6%	29.7%	34.8%	39.8%
Unit Cost Primary Education					
<i>Enrolment</i>	2,666,198	2,634,267	2,579,844	2,506,241	2,442,269
MoEYS	54,263	83,470	88,497	95,137	103,979
Non MoEYS	11,806	12,160	12,525	12,901	13,288
Total	66,069	95,630	101,022	108,038	117,266
Share Non-MoEYS	17.9%	12.7%	12.4%	11.9%	11.3%
Unit Cost Lower Secondary Education					
<i>Enrolment</i>	567,820	675,865	783,910	891,955	1,000,000
MoEYS	134,721	211,176	226,636	245,379	250,752
Non MoEYS	25,074	25,827	26,601	27,399	28,221
Total	159,795	237,003	253,237	272,778	278,973
Share Non-MoEYS	15.7%	10.9%	10.5%	10.0%	10.1%
Unit Cost Non Formal Education					
<i>Enrolment</i>	250,000	310,000	310,000	278,333	246,667
MoEYS	27,831	32,485	37,333	45,177	55,866
Non MoEYS	41,747	32,485	30,545	30,118	30,082
Total	69,578	64,970	67,878	75,294	85,947
Share Non-MoEYS	60.0%	50.0%	45.0%	40.0%	35.0%
Unit Cost Teacher Training					
<i>Enrolment</i>	10,000	10,000	10,000	10,000	10,000
MoEYS	1,043,849	1,152,983	1,107,190	1,173,531	1,365,434
Non MoEYS	27,138	27,953	28,791	29,655	30,545
Total	1,070,987	1,180,935	1,135,981	1,203,186	1,395,978
Share Non-MoEYS	2.5%	2.4%	2.5%	2.5%	2.2%
Unit Cost Upper Secondary Education					
<i>Enrolment</i>	183,006	212,255	241,503	270,752	300,000
MoEYS	177,034	167,417	165,798	165,452	166,007
Non MoEYS	156,908	176,378	197,003	216,355	234,806
Total	333,942	343,794	362,800	381,807	400,813
Share Non-MoEYS	47.0%	51.3%	54.3%	56.7%	58.6%
Unit Cost TVET					
<i>Enrolment</i>	9,867	12,150	14,433	16,717	19,000
MoEYS	171,031	221,561	236,678	250,943	276,493
Non MoEYS	95,576	159,696	217,812	294,138	414,739
Total	266,607	381,257	454,490	545,081	691,231
Share Non-MoEYS	35.8%	41.9%	47.9%	54.0%	60.0%
Unit Cost Higher Education					
<i>Enrolment</i>	20,000	24,000	28,000	32,000	36,000
MoEYS	172,060	218,787	222,528	234,637	260,928
Non MoEYS	149,189	240,177	310,092	419,131	608,831
Total	321,249	458,964	532,620	653,768	869,759
Share Non-MoEYS	46.4%	52.3%	58.2%	64.1%	70.0%

Notes:

1. Unit costs given for public sector institutions only

Table D: Wage and Non Wage in Recurrent MoEYS Funding

Administration

(Riels Millions)	2004	2005	2006	2007	2008
Central admin	38,250	28,225	23,655	19,218	16,434
Salary costs	4,700	4,823	5,226	5,785	6,404
Non wage	33,551	23,402	18,429	13,432	10,030
<i>Ratio non wage/ total</i>	88%	83%	78%	70%	61%
Provincial admin	29,699	28,836	30,588	30,931	32,342
Salary costs	7,049	7,235	7,838	8,678	9,606
Non wage	22,650	21,601	22,750	22,253	22,736
<i>Ratio non wage/ total</i>	76%	75%	74%	72%	70%

Broad Sub-Sectors

(Riels Millions)	2004	2005	2006	2007	2008
Pre-primary	5,615	9,346	10,336	10,893	13,087
Salary costs	4,770	7,699	8,514	9,126	11,189
Non wage	844	1,648	1,822	1,767	1,899
<i>Ratio non wage/ total</i>	15%	18%	18%	16%	15%
Basic Education	221,173	362,608	405,971	457,304	504,696
Salary costs	158,258	261,928	296,005	341,817	378,787
Non wage	62,914	100,681	109,966	115,487	125,909
<i>Ratio non wage/ total</i>	28%	28%	27%	25%	25%
Non Formal Education	6,958	10,070	11,573	12,574	13,780
Salary costs	3,691	6,153	6,988	8,186	9,370
Non wage	3,267	3,917	4,585	4,388	4,410
<i>Ratio non wage/ total</i>	47%	39%	40%	35%	32%
Teacher Training	10,438	11,530	11,072	11,735	13,654
Salary costs	677	1,129	1,282	1,501	1,719
Non wage	9,761	10,401	9,790	10,234	11,936
<i>Ratio non wage/ total</i>	94%	90%	88%	87%	87%
Post Basic (US, TVET and HE)	42,966	49,804	56,721	63,852	73,164
Salary costs	21,165	23,107	27,422	32,110	36,593
Non wage	21,801	26,696	29,299	31,742	36,571
<i>Ratio non wage/ total</i>	51%	54%	52%	50%	50%

Detailed Sub-Sectors

(Riels Millions)	2004	2005	2006	2007	2008
Pre-primary	5,615	9,346	10,336	10,893	13,087
Salary costs	4,770	7,699	8,514	9,126	11,189
Non wage	844	1,648	1,822	1,767	1,899
<i>Ratio non wage/ total</i>	15%	18%	18%	16%	15%
Primary Education	144,676	219,882	228,309	238,437	253,944
Salary costs	100,618	156,069	164,149	177,256	188,214
Non wage	44,058	63,812	64,160	61,181	65,731
<i>Ratio non wage/ total</i>	30%	29%	28%	26%	26%
Lower Secondary Education	76,497	142,727	177,662	218,867	250,752
Salary costs	57,640	105,858	131,856	164,560	190,573
Non wage	18,857	36,868	45,806	54,306	60,179
<i>Ratio non wage/ total</i>	25%	26%	26%	25%	24%
Non Formal Education	6,958	10,070	11,573	12,574	13,780
Salary costs	3,691	6,153	6,988	8,186	9,370
Non wage	3,267	3,917	4,585	4,388	4,410
<i>Ratio non wage/ total</i>	47%	39%	40%	35%	32%
Teacher Training	10,438	11,530	11,072	11,735	13,654
Salary costs	677	1,129	1,282	1,501	1,719
Non wage	9,761	10,401	9,790	10,234	11,936
<i>Ratio non wage/ total</i>	94%	90%	88%	87%	87%
Upper Secondary Education	32,398	35,535	40,041	44,796	49,802
Salary costs	19,462	19,595	22,669	25,648	28,172
Non wage	12,937	15,940	17,371	19,149	21,630
<i>Ratio non wage/ total</i>	40%	45%	43%	43%	43%
TVET	5,573	7,157	8,531	9,542	11,573
Salary costs	668	1,371	1,850	2,510	3,265
Non wage	4,905	5,786	6,681	7,032	8,308
<i>Ratio non wage/ total</i>	88%	81%	78%	74%	72%
Higher Education	4,995	7,111	8,149	9,513	11,789
Salary costs	1,035	2,141	2,903	3,952	5,156
Non wage	3,960	4,971	5,246	5,561	6,633
<i>Ratio non wage/ total</i>	79%	70%	64%	58%	56%

Overall Totals

(Riels Millions)	2004	2005	2006	2007	2008
Total sub-sectors	287,150	443,359	495,673	556,358	618,381
Salary costs	188,562	300,015	340,211	392,740	437,657
Non wage	98,588	143,343	155,462	163,618	180,725
<i>Ratio non wage/ total</i>	34%	32%	31%	29%	29%
Grand total	355,100	500,420	549,916	606,507	667,158
Salary costs	200,311	312,074	353,275	407,204	453,667
Non wage	154,789	188,346	196,641	199,303	213,491
<i>Ratio non wage/ total</i>	44%	38%	36%	33%	32%

Notes:

1. TVET and HE total recurrent funding includes scholarships for students in private sector institutions

Table E: Government Plans as Per Preliminary MTEF, September 2003

<i>(Riels Billions)</i>	2004	2005	2006	2007	2008
Nominal GDP	16,667	17,751	18,904	20,133	21,442
% Change	6.5%	6.5%	6.5%	6.5%	6.5%
Total Expenditures	3,183	3,444	3,724	4,067	4,369
% GDP	19.1%	19.4%	19.7%	20.2%	20.4%
<u>Current</u>	<u>1,867</u>	<u>2,166</u>	<u>2,382</u>	<u>2,637</u>	<u>2,873</u>
% GDP	11.2%	12.2%	12.6%	13.1%	13.4%
<i>Education</i>	355	500	550	607	667
% GDP	2.1%	2.8%	2.9%	3.0%	3.1%
% Total Current	19.0%	23.1%	23.1%	23.0%	23.2%
<u>Capital</u>	<u>1,217</u>	<u>1,260</u>	<u>1,342</u>	<u>1,429</u>	<u>1,512</u>
% GDP	7.3%	7.1%	7.1%	7.1%	7.1%
<i>Education</i>	93	118	121	108	98
% GDP	0.56%	0.67%	0.64%	0.54%	0.46%
% Total Capital	7.68%	9.39%	9.04%	7.55%	6.51%
Total Education	449	619	671	714	766
% Total Expenditures	14.09%	17.97%	18.03%	17.57%	17.52%

ANNEXES

Annex 1: Equitable Access: Sector Wide Policy Action Matrix 2004/08

POLICY AND STRATEGY DIMENSIONS	ACTIONS (BY END 2004)	ACTIONS (BY MID 2006)	ACTIONS (BY EARLY 2008)
a. Reduced parental costs for basic education	<ul style="list-style-type: none"> • Prakas abolishing all illegal parental contributions in grades 1-9 • Jointly agreed MoEYS/MoEF plan for priority action programs (PAP) for primary and secondary school operating budgets 	<ul style="list-style-type: none"> • Regulations and guidelines issued for the management and accounting of any formal contributions to parents • MoEF continues to make agreed PAP allocations for school operating budgets 	<ul style="list-style-type: none"> • Impact study of revised school financing decrees and regulations, including actions on lessons learned • Review of overall primary and secondary school budget outturns 2004/07
b. Improved student progression and transition rates in primary and secondary schools	<ul style="list-style-type: none"> • Introduction of minimum promotion rates of 95% in grade 1-6.. • Review of trends in transition rates and action plan for improved grade 6 to 7 transition 	<ul style="list-style-type: none"> • Phased introduction of minimum tests of standards in grades 2, 4 and 6 . • Revision of current grade 9 examinations to allow standards monitoring for grade 10 selection and progression 	<ul style="list-style-type: none"> • Impact study of program, including quality and gender equity dimensions across grades 1–12 • Review of pro-poor financing implications of revised progression and transition policies
c. Improved regulation of age 6 entry into primary school and re-entry into mainstream schooling for dropouts	<ul style="list-style-type: none"> • Decree and guidelines issued for 6 years as age of entry into primary school, linked to expanded ECCD for 5 year olds only • Guidelines and action plan issued for grades 3 to 9 school re-entry programs for school dropouts 	<ul style="list-style-type: none"> • Progress review of effectiveness of guidelines and ECCD classes • Progress review of grades 3 to 9 re-entry programs 	<ul style="list-style-type: none"> • Impact survey of new decree and implications for ECCD strategy • Impact study on re-entry program and implications for future expansion and targeting
d. Improved, expanded and targeting of subsidy programs for children from poor families for primary, secondary and post secondary programs	<ul style="list-style-type: none"> • Action plan for expansion of program across grades 1-12, including poverty targeting criteria and modalities • MoEYS/MoEF agreement on Government contribution for grades 1–12 • Action plan for post-secondary incentives, program size, and financing modalities 	<ul style="list-style-type: none"> • Progress review of expanded program including pro-poor and gender impact • Expansion of program for post secondary students, linked to revised admissions criteria • Progress review of incentives for youth skills training, including impact of Government support and micro-credit 	<ul style="list-style-type: none"> • Impact study on poverty/gender indexed enrolment patterns • Program revisions incorporated into forward plans and programs

POLICY AND STRATEGY DIMENSIONS	ACTIONS (BY END 2004)	ACTIONS (BY MID 2006)	ACTIONS (BY EARLY 2008)
e. Elimination of incomplete primary schools nationwide, including facilities development and staffing measures	<ul style="list-style-type: none"> • Facilities development plan for incomplete primary schools and associated staffing strategy • Action plan for introduction of multi-grade teaching and other strategies in border/reconciliation, remote, and ethnic minority areas 	<ul style="list-style-type: none"> • Progress review of facilities coverage to eliminate incomplete primary schools • Introduction of new teacher training, teacher supply and deployment strategies in these schools, including appropriate incentives 	<ul style="list-style-type: none"> • Impact study of the effectiveness of the facilities development and teacher deployment strategies
f. Improved provision of grades 7–12 schooling in both underserved and overcrowded areas	<ul style="list-style-type: none"> • Facilities development plan for basic cycle grades 1–9 school including implications for staff deployment • Facilities development for grades 10–12 expansion, including model schools and other targeted expansion 	<ul style="list-style-type: none"> • Progress review on basic cycle school development and staffing • Progress review on grades 10-12 expansion including review of targeting criteria 	<ul style="list-style-type: none"> • Impact study on basic cycle school development facilities provision and staff deployment practice • Impact review on model schools and related post-secondary admissions
g. Promoting effective public, private and community partnerships in TVET and youth skills training	<ul style="list-style-type: none"> • Action plan for expanded TVET and skills training provision, including clearly defined roles for public and private sectors, including phased introduction of Community Lifelong Learning Centres (CLLC) • Action plan for institutional and financial reform including greater authority for NTB and expanded National Training Fund • Guidelines agreed for revised TVET admission policies and accreditation, including pro-poor financing strategy 	<ul style="list-style-type: none"> • Progress of review of skills training and TVET programs, including next phase of CLLC expansion and credit transfer arrangements • Progress review of NTB and NTF operations, including any revisions and expansion • Review of pro-poor financing strategy and financial sustainability of programs 	<ul style="list-style-type: none"> • Impact study of skills training and TVET programs, including any revised strategy and targeting criteria • Impact study on the role of NTB and NTF in stimulating public/private partnerships • Review of impact of TVET credit transfer scheme and admission policies and pro-poor financing strategy
h. Promoting efficient public/private partnerships in higher education provision, including in underserved areas and groups	<ul style="list-style-type: none"> • Action plan for strengthening quality assurance and accreditation, including role of the ACC 	<ul style="list-style-type: none"> • Progress review of HE expansion plans, including effectiveness of proposed HE development fund • Progress review on quality assurance and accreditation including partnership arrangements 	<ul style="list-style-type: none"> • Impact study of HE expansion programs, including possible expansion of provincial HE institutions/community colleges

Note: TVET/skills training policy actions in close cooperation with the Ministry of Labour and Vocational Training

Annex 2: Quality and Efficiency: Sector Wide Policy Action Matrix 2004/08

POLICY AND STRATEGY DIMENSIONS	ACTIONS (BY END 2004)	ACTIONS (BY MID 2006)	ACTIONS (BY EARLY 2008)
a. Increased education service remuneration and incentives linked to performance	<ul style="list-style-type: none"> • Agreed plan with MoEF and NPAR for increases in classroom teacher salary/allowances against agreed performance criteria and responsibilities • Action plan for deployment and re-deployment of teaching and non-teaching classroom to under-staffed schools and areas 	<ul style="list-style-type: none"> • Joint MoEYS/NPAR/MoEF review of the effectiveness of remuneration reform and agreed follow up actions • Progress review on the staff deployment and re-deployment strategy including any revised guidelines and incentives 	<ul style="list-style-type: none"> • Impact study of the impact of education staff remuneration reform on service quality and effectiveness
b. Increased operational autonomy in use of school/institution operating budgets	<ul style="list-style-type: none"> • Review of lessons learned for quality-oriented priority action programs, especially operational budgets • Revised guidelines and performance indicators for use of operational budgets, including greater quality orientation 	<ul style="list-style-type: none"> • Progress reviews on the effect of increased budget allocations on school and institutional performance including new quality and efficiency measures • Evaluation study to assess effectiveness of allocation mechanism and possible incorporation into broader program budgeting mechanisms under PFM 	<ul style="list-style-type: none"> • Comprehensive impact study of the program on access, quality and efficiency of school and institutional performance
c. Ensure sustainable curriculum reform and instructional materials provision	<ul style="list-style-type: none"> • Finalize principles of new curriculum framework, including in-school and out-of-school instruction hours • Review of financing and procurement mechanisms for instructional materials, including any revision to PDH status • Agreement on interim measures for instructional materials financing including Government contribution 	<ul style="list-style-type: none"> • Finalize details of long-term curriculum framework designed to ensure implementation of broader ESP policies, including forward curriculum development plan • Progress review of textbook availability as part of long term strategy for commercialising the textbook publishing market and role of PDH 	<ul style="list-style-type: none"> • Impact review of textbook strategy on quality and standards in basic education • Implement long term strategy for increasing competition in publishing market, as part of enabling private providers in textbook development
d. Increased equity and efficiency in provision for pre-service and in-service teacher development	<ul style="list-style-type: none"> • Finalize revised teacher supply/demand strategy, including revised roles of TTCs and measures to improve TTC staff and facilities efficiency 	<ul style="list-style-type: none"> • Progress review of revised program, including staff deployment implications 	<ul style="list-style-type: none"> • Impact study on revised program, including staff deployment implications

POLICY AND STRATEGY DIMENSIONS	ACTIONS (BY END 2004)	ACTIONS (BY MID 2006)	ACTIONS (BY EARLY 2008)
	<ul style="list-style-type: none"> • Revised plan to train and re-deploy teachers to schools in difficult circumstances, border and minority areas, including posting strategy and incentives • Action plan for expanding INSET provision, including teacher resource centre facilities development and delegating greater authority to provinces for INSET planning 	<ul style="list-style-type: none"> • Progress review on teachers training and deployment to difficult/remote areas • Progress review on the INSET program including impact on teacher effectiveness and need for additional TTCs in currently under-served provinces 	<ul style="list-style-type: none"> • Impact study on teachers training and deployment to difficult/remote areas • Impact study on the INSET program including impact on teacher effectiveness
e. Strengthened school and staff performance appraisal and assessment systems	<ul style="list-style-type: none"> • Action plan for introducing performance agreement systems, school report cards and oversight responsibilities, with primary schools as first phase • Action plan for nationwide staff performance appraisal systems, with primary school directors and teachers in first phase 	<ul style="list-style-type: none"> • Progress review on first phase of performance agreement and lessons learned for future phasing • Progress review on first phase of staff performance appraisal systems and lessons learned for future phasing 	<ul style="list-style-type: none"> • Impact review on performance agreement system and lessons learned for future strategy • Impact review on staff performance appraisal systems and lessons learned for future strategy
f. Improved and expanded school and student performance assessment and examination systems for schools and post-secondary institutions	<ul style="list-style-type: none"> • Setting of minimum standards of student performance in grades 1–12 and action plan for trialling in selected primary grades • Action plan for revision of grade 9 and grade 12 examination and TVET/HE standards assessment • Reorganize MoEYS department responsibilities for standards and exams, possible Department of Education Standards 	<ul style="list-style-type: none"> • Nationwide implementation of tests of standards in selected primary grades and revised grade 9 and 12 exams, including public dissemination • Public dissemination of HE and TVET standards in public and private institutions, including graduate destination and job prospects 	<ul style="list-style-type: none"> • Review of trends in quality and standards and agreed forward action plan • Report to National Assembly on progress in improving education standards at all levels including MoEYS role in quality assurance • Progress review on MoEYS organizational reform for standards monitoring

Note: TVET/skills training policy actions in close cooperation with the Ministry of Labour and Vocational Training

Annex 3: Institution and Capacity Building: Sector Wide Policy Action Matrix, 2004/08

POLICY AND STRATEGY DIMENSIONS	ACTIONS (BY END 2004)	ACTIONS (BY MID 2006)	ACTIONS (BY EARLY 2008)
a. Improved predictability for medium term financial planning and decentralized management and monitoring	<ul style="list-style-type: none"> • Council of Ministers and MoEF approve a five-year recurrent and capital expenditure framework for education, within MTEF • Action plan for linking ESP reforms with Government/MoEF PFM strategy with MoEYS as a possible pilot ministry 	<ul style="list-style-type: none"> • Progress review on financial performance by Government/MoEYS • Progress review on extent that PFM is enabling ESP reforms, lessons and learned and follow up actions • Progress review on donor budget support to assist finance predictability 	<ul style="list-style-type: none"> • Financial performance review over period 2004/07 as a basis for preparing MTEP 2009/13 • Impact review of PFM reforms on enabling ESP reforms and lessons learned from MoEYS as pilot ministry
b. Improved coordination of education system institutional development and capacity building strategies and programs	<ul style="list-style-type: none"> • Organizational audit as basis for possible MoEYS institutional re-alignment and action plan • MoEYS CBCG prepares medium-term capacity building plan for ESP implementation based on review of previous CB effectiveness 	<ul style="list-style-type: none"> • Progress review of MoEYS institutional reform and development • Progress review of capacity building program and identification of new priorities 	<ul style="list-style-type: none"> • Impact study of MoEYS institutional reform and development • Impact study of capacity building program and identification of new priorities
c. Strengthening central and provincial strategic and financial planning and monitoring	<ul style="list-style-type: none"> • Revised operational guidelines and action plan for strengthening capacity • Central, provincial and district BMCs produce comprehensive financial reports as a basis for internal audit 	<ul style="list-style-type: none"> • Progress review on the implementation of capacity building programs for financial management and PFMIS operations 	<ul style="list-style-type: none"> • Evaluation study of the impact of capacity building strategies and future priorities
d. Strengthening district and school program management systems	<ul style="list-style-type: none"> • Preparation of revised guidelines for district BMC and school management and responsibilities, linked to training programs and support • Action plan for strengthening ICT based information management and transfer system and district BMC operational support 	<ul style="list-style-type: none"> • Progress review on effectiveness of management development programs, especially BMC and school operational efficiency 	<ul style="list-style-type: none"> • Evaluation study of the impact of capacity building strategies for district BMC and schools
e. Strengthened personnel management and monitoring systems	<ul style="list-style-type: none"> • Issue of new staffing guidelines for teaching and non-teaching staff in education institutions • Action plan for implementing ICT-based central and provincial personnel MIS 	<ul style="list-style-type: none"> • Monitoring reports on the effectiveness of implementation of new staffing guidelines and re-deployment program • Progress review on implementation of personnel MIS 	<ul style="list-style-type: none"> • Impact review of staffing guidelines and re-deployment programs, including amendment and follow-up action • Impact review on implementation of personnel MIS

POLICY AND STRATEGY DIMENSIONS	ACTIONS (BY END 2004)	ACTIONS (BY MID 2006)	ACTIONS (BY EARLY 2008)
	<ul style="list-style-type: none"> Action plan for delegating personnel management responsibilities to provinces and districts 	<ul style="list-style-type: none"> Status report on operational effectiveness of greater delegated authority, including capacity building needs 	<ul style="list-style-type: none"> Impact report on operational effectiveness of greater delegated authority, including capacity building needs
f. Enabling legislation and regulation for increased decentralization of education services	<ul style="list-style-type: none"> Presentation of education law for adoption by the National Assembly Preparation of action plan for key elements regulation related decentralized authority and responsibilities 	<ul style="list-style-type: none"> Progress review on the effectiveness of implementation of the legislation and early regulations Drafting of follow-up education regulations and operational guidelines 	<ul style="list-style-type: none"> Impact review on the effectiveness of legislation and regulatory guidelines, Review of institutional arrangements put in place to monitor implementation of regulations
g. Strengthening education system performance monitoring and impact systems, including ESSP and EFA review processes	<ul style="list-style-type: none"> Revision to ESSP review processes, including expanded stakeholder participation Action plan for EFA FTI progress review and action plan as part of ESSP review 2004 and preparation for EFA 2005 mid-term review Follow up joint MoEYS/donors appraisal and negotiation processes as part of ESP/ESSP financing 	<ul style="list-style-type: none"> Follow-up ESSP reviews as part of assessment of ESP 2004/08 progress and follow-up actions Publication of EFA mid-term review report as a basis for EFA FTI implementation and resource mobilization 	<ul style="list-style-type: none"> Review of system performance over 2001/7, including actions on lessons learned for forward strategy and programming Progress review of EFA FTI implementation, including future opportunities and constraints

Note: TVET/skills training policy actions in close cooperation with the Ministry of Labour and Vocational Training

Annex 4: Revised Sector Performance Milestones and Targets: 2002 - 2008

Table I: Equitable Access

Indicator	Target 2003-04		Target 2004-05		Target 2005-06		Target 2006-07		Target 2007-08		Target 2008-09	
	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female	Total	Female
Admission rate	86%	86%	90%	90%	92%	92%	93%	93%	94%	94%	95%	95%
Net enrolment ratio												
Primary: nationwide	90%	88%	92%	91%	93%	92%	94%	94%	95%	95%	96%	96%
Primary: urban area	93%	91%	95%	94%	97%	96%	98%	98%	99%	98%	100%	100%
Primary: rural area	90%	88%	92%	91%	93%	92%	94%	94%	95%	95%	96%	96%
Primary: remote area	72%	70%	76%	75%	80%	79%	85%	83%	90%	87%	92%	92%
Lower secondary: nationwide	30%	28%	40%	39%	43%	42%	46%	45%	48%	48%	50%	50%
Lower secondary: urban	40%	38%	50%	49%	53%	52%	56%	55%	58%	58%	60%	60%
Lower secondary: rural area	25%	23%	35%	34%	43%	42%	46%	45%	48%	48%	50%	50%
Lower secondary: remote area	10%	10%	15%	15%	25%	25%	30%	30%	35%	35%	40%	40%
Upper secondary	11%	9%	15%	14%	20%	19%	23%	21%	25%	23%	28%	25%
Promotion rate												
Grade 1	86%	86%	88%	88%	100%	100%	100%	100%	100%	100%	100%	100%
Grade 2	88%	88%	89%	89%	93%	93%	93%	93%	94%	94%	95%	95%
Grade 3	87%	88%	88%	89%	100%	100%	100%	100%	100%	100%	100%	100%
Repetition rate												
Grade 1	7%	6%	6%	6%	0%	0%	0%	0%	0%	0%	0%	0%
Grade 2	5%	4%	5%	4%	5%	5%	6%	6%	6%	6%	5%	5%
Grade 3	5%	5%	5%	5%	0%	0%	0%	0%	0%	0%	0%	0%
Transition rate												
To lower secondary	85%	82%	87%	85%	90%	88%	93%	90%	95%	93%	97%	95%
To upper secondary	63%	65%	64%	66%	65%	67%	71%	71%	75%	74%	78%	76%
Number of students in NFE/CLLC programs (full time equivalent)	160,000	100,000	220,000	132,000	250,000	150,000	310,000	186,000	279,000	167,000	246,000	148,000
Number of public supported students on accredited formal TVET programs	9,710	3,600	9,900	3,700	12,200	4,600	14,500	5,600	16,700	6,600	19,000	7,800
Number of students on enterprise-based and non-formal TVET programs	140,000	30,000	180,000	45,000	200,000	60,000	250,000	100,000	275,000	125,000	275,000	125,000
Number of students in public higher education institutions	20,000	5,000	20,000	6,000	24,000	7,500	28,000	9,000	32,000	10,500	36,000	12,000
- Number of scholarship students	7,400	2,500	8,500	3,000	9,000	3,500	10,000	4,000	12,000	6,000	15,000	7,500
Number of private supported students in higher education	28,000	9,200	49,000	10,800	50,000	14,000	51,400	21,000	52,700	24,000	54,000	36,000
Number of students in teacher training	12,000	4200	10,000	3,600	10,000	3,700	10,000	3,800	10,000	3,900	10,000	4,000

Table II: Quality and Efficiency

Indicator	Target 2003-04	Target 2004-05	Target 2005-06	Target 2006-07	Target 2007-08	Target 2008-09
Pupil teacher ratio						
- Primary	52.0	51.0	50.0	50.0	50.0	50.0
- Lower secondary	23.0	26.0	30.0	45.0	45.0	45.0
- Upper secondary	27.0	28.0	30.0	40.0	40.0	40.0
Expenditure on core instructional materials per pupil (Riels)	5,700	5,800	6,300	6,800	7,000	7,200
Number of incomplete primary schools	2,178	1,800	1,500	1,000	500	0
% of teachers attending grades 10-12 or above	48%	51%	54%	57%	60%	63%
Number of new remote/difficult teacher postings	4,000	4,500	5,000	5,000	5,000	5,000
Number of students passing grade 12 examination	19,000	25,000	35,000	50,000	60,000	70,000
% of students tested in selected grades	-	-	10%	20%	20%	100%
Number of students re-entering grades 3-9	-	30,000	50,000	60,000	80,000	100,000
% of accredited public/private HE institutions	-	15%	30%	45%	65%	80%
No. of schools/TTCs with new science and ICT facilities	-	10	25	50	75	100

Note: It is planned to establish education standards and related testing systems for implementation from September 2004. The first trial results for grades 3, 6, 9 and 12 will be used to establish a baseline and targets for 2005/06 and 2006/07 with nationwide testing from 2008.

Table III: Institutional Development and Capacity Building

Indicator	Target 2003	Target 2004	Target 2005	Target 2006	Target 2007	Target 2008
Education share of total government recurrent budget	18.5%	19.5%	23.1%	23.1%	23.0%	23.2%
Non personnel share of total recurrent spending	41%	40%	38%	36%	34%	32%
Priority Action Program share of total recurrent education spending	28%	29%	24%	23%	20%	22%
Expenditure on monitoring of PAP in billion Riels	6.5	6.8	7.0	7.0	7.0	7.0
Disbursement rate for recurrent priority programs	90%	93%	95%	100%	100%	100%
Number of operational BMCs	230	230	230	230	230	230
- % of BMCs with trained accountancy staff	5%	20%	40%	60%	80%	100%
- % of BMCs with ICT-based MIS	25%	40%	60%	80%	100%	100%
Number of BMCs subject to internal audit annually	47	60	100	150	190	230
- % of schools/institutions audited annually	2%	5%	10%	15%	20%	20%
Non teaching staff share of total education sector workforce	17%	16%	15%	15%	13%	12%
% of schools directors passing NIE course	-	-	25%	50%	75%	100%
No. of staff enrolled on other NIE courses	-	250	500	750	1,000	1,250
No. of remote teachers with housing assistance	-	1,000	2,000	3,000	4,000	5,000