



Independent Evaluation of EU Budget Support in Cambodia (2011 - 2016)

Final Evaluation Report – Volume 1 Main Report

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List of Acronyms

ADB	Asian Development Bank
AOP	Annual Operation Plan
BS	Budget support
BSF	Budget support financial flows
BSP	Budget support programme
CBI	Core Breakthrough Indicator
CD	Capacity Development
CDC	Council for Development of Cambodia
CDPF	Capacity Development Partnership Fund
CFS	Child Friendly Schools
D&D	Decentralisation and Deconcentration
DAC	Development Assistance Committee of the OECD
DGPP	Directorate General of Policy and Planning
DOE	District Office of Education
DP	Development Partner
DTMT	District Training and Monitoring Teams
EC	European Commission
ECE	Early Childhood Education
EEAS	European External Action Service
EMIS	Education Management Information System
EQ	Evaluation Question
EQAD	Education Quality Assurance Department
ESP	Education Strategic Plan
ESPSP	Education Sector Policy Support Programme
ESRP	Education Sector Reform Partnership
ESWG	Education Sector Working Group
EU	European Union
EUD	European Union Delegation
EUR	Euro
FMIS	Financial Management Information System
FTI	Fast Track Initiative
GDP	Gross Domestic Product
GNI	Gross National Income
GPE	Global Partnership for Education
HIV/AIDS	Human Immunodeficiency Virus/ Acquired Immuno-Deficiency Syndrome
HRMIS	Human Resource Management Information System
IMF	International Monetary Fund
INSET	In-service training
JICA	Japan International Cooperation Agency
JTWG	Joint Technical Working Group
KHR	Cambodian Riel
M&E	Monitoring and Evaluation
MDG	Millennium Development Goal
MIP	Multi-Annual Indicative Programmes
MLE	Multi-lingual education

MoEF	Ministry of Economy and Finance
MoEYS	Ministry of Education, Youth and Sport
MTEF	Medium-Term Expenditure Framework
MTR	Mid-Term Review
NA	Not Applicable
NEP	NGO Education Partnership
NFE	Non-Formal Education
NGO	Non-Governmental Organisation
NGS	New Generation Schools
NSDP	National Strategic Development Plan
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
PAF	Performance Assessment Framework
PB	Programme Budget
PBB	Programme-Based Budgeting
PCR	Primary Completion Rate
PED	Primary Education Department
PFM	Public Financial Management
PFMRP	Public Financial Management Reform Programme
POE	Provincial Office of Education
PRESET	Pre-service training
QEMIS	Quality Education Management Information System
RBM	Results-Based Management
RGoC	Royal Government of Cambodia
SED	Secondary Education Department
Sida	Swedish International Development Cooperation Agency
SIG	School Improvement Grant
SOB	School Operating Budget
SSC	School Support Committee
SWAp	Sector Wide Approach
TA	Technical Assistance / Assistant
TPAP	Teacher Policy Action Plan
UN	United Nations
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
USD	United States Dollar
WASH	Water, Sanitation and Hygiene
WB	World Bank

Executive Summary

This is the report of an independent evaluation of the European Union (EU) budget support operations in Cambodia between 2011 and 2016. The evaluation provides evidence on the contribution of two budget support operations (the Education Sector Policy Support Programme 2011-2013 (ESPSP) and the Education Sector Reform Partnership 2014-2016/17 (ESRP)) to the achievement of the education sector goals of the Royal Government of Cambodia.

The evaluation applies the OECD-DAC methodological approach to the evaluation of budget support. Data was collected during an inception mission in March 2017 and a main field mission in October 2017.

1. The Cambodia context

The two EU budget support programmes were implemented in a context in which fast economic growth over many years had helped reduce extreme poverty and in which almost two decades of government stability had restored basic service delivery. Even so, social challenges remain in Cambodia, including high spatial disparities with most people living in under-serviced rural areas.

The Cambodia education system expanded rapidly between 2000 and 2010. The abolition of school fees in 2001 helped to raise primary net enrolment from 86% in 1999 to over 95% by 2011, but secondary enrolment remained low at 62.65% in 2012. Though there has been considerable progress, there is still scope for efficiency improvements. It is estimated that only about 10% of children who enrol in primary school complete grade 12, and there are still disparities between regions, income groups and by gender in the supply of school opportunities and in results achieved. Quality outcomes are also poor: the public education system does not provide the skills and capabilities sought by a rapidly growing economy.

The EU budget support programmes supported two consecutive Education Strategic Plans of the Ministry of Education, Youth and Sport (MoEYS). The Ministry had set three strategic priorities in the plans: equitable access to education, quality and efficiency, and institutional capacity development. A new Minister of Education was appointed in 2013, who highlighted eight reform priorities, including measures to further expand early childhood education, teacher and human resource management reforms, examinations reform, and educational research.

The EU has been a lead donor in the education sector since 2000. Its support to the sector comprises about a third of its country programme, which was increased significantly between the 2011-2013 and the 2014-2020 Multi-Annual Indicative Programmes. During the evaluation period the EU was the only provider of budget support grants to Cambodia. In education it has provided programme-based support and budget support since 2003.

2. The budget support programmes

The EU committed EUR113.7 million to the education sector for disbursement between 2011 and 2017, of which EUR96.6 million was budget support. Over the period the commitment increased significantly. The first programme, the Education Sector Policy Support Programme (ESPSP), committed EUR30.8 million. The second programme, the Education Sector Reform Partnership (ESRP), initially committed EUR43.1 million for disbursement by 2016. In 2014 the budget for the second programme was expanded to EUR83 million, in line with budget growth for EU development assistance to Cambodia in the new Multi-Annual Indicative Programme. The duration of the programme was extended to 2017.

Both programmes included commitments for capacity development support. This was not managed directly by the EU Delegation as previously, but disbursed to the Capacity Development Partnership Fund. This pooled fund is managed by UNICEF and provides capacity development support for implementation of the education ministry's Capacity Development Master Plan.

The programmes aimed to support the Education Strategic Plan policies and strategies. Within this broader sector framework, the performance assessment framework of the first programme was oriented to support sector governance reforms, particularly in school-based management, results-based planning,

personnel management and public financial management. The second programme shifted its indicator focus to substantive educational issues. It included more indicators than the first programme, targeting sector outcomes such as enrolment, drop-out and completion rates. Many of the remaining indicators and targets were aimed at improvements in providing equitable access to education by gender and across disadvantaged groups, such as ethnic minorities.

3. Evaluation findings and conclusions

The evaluation has found that the EU budget support programmes were relevant and appropriate in the Cambodian context and with regard to EU objectives. The review found evidence that the programmes were effective in influencing the achievement of reforms targeted in the Education Strategic Plans, and that these reforms contributed to improving education outcomes. Though the inputs of the two programmes contributed to the implementation of the intended reforms, progress was not as rapid as contemplated in the ministry's Plans, in part because of the complexity of pivotal reforms, sector capacity constraints and insufficient scaling of some interventions. However, without the budget support programmes, progress would have been slower. Non-school factors, such as home circumstances and students' attitudes, also contributed to lower results than targeted for some access and quality goals in primary and lower secondary education.

Specific findings and conclusions are set out below.

Relevance of the EU budget support programmes

Budget support as a modality was both relevant and appropriate as it provided opportunities for on-budget financing of important sector initiatives in the context of a declining budget share at the time, it contributed to more effective aid delivery and partnership, and it improved accountability and governance in the education sector. The long-standing and strong sector-wide partnership based on the Education Strategic Plan, on country progress in PFM and on Cambodia's stable macro-economic framework was also in line with the EU eligibility criteria for the approval and disbursement of budget support programmes. The inclusion of a transparency-linked general condition in the Education Sector Reform Partnership complied further with EU eligibility criteria and also contributed to supporting Cambodian public sector accountability. The EU's choice to support the Capacity Development Partnership Fund was relevant and strategic as it supported a government-led capacity development plan.

The evaluation found that the input mix of the second programme (the ESRP) was not fully optimal in the context of Cambodia. The EU support for the Capacity Development Partnership Fund in this programme could have been higher, given the significant sector capacity constraints. However, the scaling up of overall programme resources and of the share of the variable tranche within the total resource envelope was appropriate and relevant to the programme's objectives.

While the limited choice of variable tranche indicators in the Education Sector Policy Support Programme was appropriate, a more carefully selected set of indicators could have improved the relevance of the Education Sector Reform Partnership, the second programme. The shift to education policy and delivery indicators was helpful and strategic, and several of the indicators and targets in the second programme supported the EU's gender and ethnic minority equity objectives. However, a sharper focus on education quality was required in the circumstances of Cambodia's education development challenges. The indicators in the second programme were also too thinly spread across issues and reform areas. Even where targets were achieved, they did not always reflect broader progress in key reforms. While greater use of outcome indicators in this programme was in line with the EU's budget support guidelines, many specific targets were not met and, in addition, it was often difficult for the Ministry of Education, Youth and Sport to relate specific actions to the achievement of these targets. As a consequence, the effectiveness of indicators and targets in aligning sector incentives to underlying reform objectives was compromised.

The delivery of budget support inputs and direct outputs

Budget support funds: scale, predictability and significance

By December 2016, 51.5% of the total commitment up to that point had been disbursed. A subsequent payment during 2017 brought the total to over 80%.

Budget support financial flows were unpredictable. The timeline for the annual assessments did not allow enough time for queries. Thus, from 2013, disbursements were not known prior to the start of the fiscal year. Delays were also caused by assessments in the second programme involving both the education and finance ministries. However, the evaluation found that low predictability did not affect the impact of budget support, as a high share of resources was eventually disbursed.

Budget support represented a significant discretionary resource for government. While the EU budget support was small relative to government resources, it was a significant share of external grant support to the government overall and to the education ministry specifically. Budget support disbursements declined as a share of non-earmarked, non-wage expenditure overall, as government increased this expenditure over and above the budget support received. This supports the argument that budget support was complementary to own resources. The EU was the only provider of budget support grants.

More harmonised aid and effective policy dialogue

Sector dialogue is effective. The evaluation found that sector dialogue was already active, mature and in-depth at the start of the evaluation period. Between 2011 and 2016, dialogue continued to occur through an effective mix of annual and in-year forums. Across these forums policy dialogue was stratified so that high-level strategic/decision-oriented discussions could take place, along with detailed technical work. Coordination of donor *and* government inputs through dialogue was continuous. Overall structures at provincial level were weaker than at the centre, however. While leadership by the education ministry is the main factor in ensuring harmonised and effective dialogue, the EU support, because of its size and nature, helped to crowd in donor and government partners. The quality of the EU's technical dialogue inputs also contributed to reform progress.

Budget support contributed to aid being delivered in more effective ways during the period than before, by signalling that country systems can be used and by anchoring the sector partnership and dialogue.

Aligned and responsive capacity development support

The EU is the anchoring partner in the Capacity Development Partnership Fund, which was instrumental in aligning capacity development support. The fund provides capacity development support against the Capacity Development Master Plan, which was developed to direct the Fund's resources initially, but evolved over the period to become more aligned to education sector priorities and was instrumental in harmonising capacity development support from all donors. Therefore, while no further donors joined the fund, its creation was important in aligning all capacity development inputs. The fund is managed so that it is responsive to the needs of the education ministry.

Progress in government education reforms

Growth in sector budget shares

During the evaluation period, the previous decline in the education ministry's funding as a share of the government budget was reversed, but ministry non-wage expenditure did not grow in real terms. Budget growth was associated mainly with growth in personnel expenditure, in turn due to government-wide wage increases, which were much needed in the education sector. As a result, ministry non-wage expenditure declined from a 26% share of budget in 2012 to 19% in 2016. In real terms expenditure on goods and services remained flat. This matters for sector outcomes, as the necessary expenditure on complementary inputs was underfunded. The Ministry of Economy and Finance, however, did agree to fund specific education interventions – such as scholarships to poor students and multi-lingual education

– and to increase the school operating budgets, thereby preventing a greater decline in the non-wage share.

Progress on sector planning, budgeting and financial management for results

The MoEYS made progress in sector planning, budget, financial management and results-based management reforms. There was steady improvement in the principal instruments for integrated results-based planning and budgeting. The Annual Operational Plans were rolled out to all provinces and to some districts, and the education ministry improved their coverage and structure. The plans are used to link the Education Strategic Plan priorities and Annual Education Sector Congress decisions to the annual budget submissions to the finance ministry, to coordinate government and donor resources, and to monitor results. The finance ministry's programme-based budget reform was implemented in education, providing greater opportunities to link policies and plans to budgets. While this initially affected budget execution, by 2016 new procedures were better understood and execution was improving again. The sector also took a major step forward to reduce leakage and increase internal transparency by introducing bank accounts to transfer salaries and school operating budgets. Sector information systems to support planning and results-based management were improved. Little progress was made, however, in establishing effective, risk-based internal audit systems.

Unequal abilities at different administrative levels

Despite this progress, the variable and often weak technical skills for planning, budgeting, monitoring and review at central, provincial, district and school levels raise concerns about whether targeted reforms will contribute satisfactorily to improved education outcomes. While new procedures have been rolled out in all provinces, not all provinces were able to make full use of the new approaches and instruments. This ability is critical to ensure that these planning, budgeting and monitoring instruments translate into effective education service delivery. The district level in particular appears to be under-capacitated. Existing capacity development programmes have made positive contributions, but coverage was partial, and it was not clear that the programmes were financed adequately or took the right approaches.

Progress made on education reforms, but slow for some reforms

The education ministry also moved forward on several key education reforms, although some reforms have progressed more slowly than expected. For example:

- Teacher reforms have been complex and slow. Staffing norms are in place but not yet implemented. Teacher qualifications and broader quality measures are now being addressed through a comprehensive and strategic Teacher Policy Action Plan. Teacher salaries are reported to be making a difference to teacher motivation and effort in rural areas.
- In school-level funding and management, school operating budgets have increased, and were released to schools as allocated, but often late. The formula has been improved to be more pro-poor, but overall levels are still considered too low. School management capacity improved including in schools, but there is agreement that this remains a bottleneck in delivering change.
- In relation to equitable access, the expansion of early childhood education since 2010/11 was an important achievement. The scholarship programme and the expansion of school water and sanitation infrastructure are now partly financed by government. Progress on non-formal education re-entry programmes, however, has been slower.
- Sector reforms to improve quality that had taken many years to establish were progressing by 2016. Examples include the national assessment tests – now undertaken regularly – and multi-lingual education for which a policy and action plan have been adopted. A lead reform in the period was the reform of the Grade 12 examinations, which served to send a signal on the government's intent to address quality in education.

Budget support as a contributing factor in education sector reform progress

EU budget support influenced the achievement of education sector reforms as targeted in the Education Strategic Plans through: (1) facilitating additional government resource allocations for specific education interventions (by providing additional discretionary resources to the finance ministry); (2) linking conditional tranche indicators to target reforms; (3) financing harmonised capacity development and technical support for reforms via the Capacity Development Partnership Fund; and (4) maintaining a strong sector partnership which offered a platform for effective, harmonised sector dialogue and more harmonised donor financial flows and technical support. In most of the cases examined, three to four of these ‘pathways’ of influence were relevant to progress being made. In many cases, however, one pathway or another dominated.

Budget support thus helped progress on reforms, but mostly only when reforms were also government priorities. Progress on many education reforms only occurred or accelerated after 2013, when the new minister was appointed, and education became an explicit government priority. Both factors were pivotal to progress. For example, while budget support funds facilitated the on-budget financing of specific, demarcated education policy and delivery interventions, these reforms also needed to be high government priorities. Budget support funds on their own were not sufficient, even when the EU indicators were in place. Similarly, the Capacity Development Partnership Fund was pivotal in moving governance reforms forward, but only if these were also driven by the government.

Evidence of effectiveness from existing pilots helped to secure government financing for the roll-out of interventions. Most of the specific interventions financed had previously been piloted with support from other donors.

However, that reforms are priority for the government is not a guarantee that progress will be fast or steady. Some reforms did not progress much, despite explicitly being high education ministry priorities.

Almost all the ‘stuck’ or slow reforms were either complex, multi-stakeholder reforms or had massive capacity development requirements. In the former group are the teacher supply and management reforms, and in the latter, budget execution progress and school-based management reforms.

Education outcomes and their determinants

Changes in education outcomes were variable and fluctuated over the period

At the results level, changes in education outcomes by the end of the evaluation period were variable, and had fluctuated over the period. Some results (such as improved completion rates) could not necessarily be expected to have occurred within the evaluation period even with successful reforms because such changes normally show up only after a longer time lapse following the introduction of reforms. Other results could be expected to be visible already, as they relate more closely to improvements in policies and delivery during the evaluation period. Some of these lead results (such as enrolment in lower secondary schools) remained stubbornly low, and others (such as repetition rates) deteriorated during some periods. There were, however, also some encouraging improvements: early childhood education enrolment improved significantly, and drop-out rates declined in both primary and secondary. Analysis of the standardised assessment tests showed improvement in learning outcomes, though this was limited and unequal across gender and locations. Whereas being female was a disadvantage in terms of access to primary and lower secondary education and in attainment fifteen years ago, by the end of the evaluation period this disadvantage had switched to males. Rural versus urban location remained a disadvantage, but less so by the end of the period.

School factors important in explaining differences between districts’ performance

Our quantitative and qualitative analysis has shown that non-school factors contribute to education outcomes, especially household socioeconomic circumstances, rural / urban location and learner characteristics such as gender and attitude.

However, school factors are also important in explaining differences in outcomes between learners and districts. These include school environment factors such as distance to and size of the school and the availability of water and sanitation facilities. Also, and importantly, teacher qualifications, school leadership, access to early childhood education, correct-age entry and classroom behaviour of teachers matter.

Influence of budget support on education outcomes and impacts

There are many examples of budget support influencing improvement in education outcomes, but the links from budget support to sector outcomes were moderate to weak. Our analysis revealed many positive chains of influence. For example, budget support inputs can be linked to the institutionalisation of scholarships, which assisted thousands of learners to stay in school; and sector governance reforms, also linked to budget support, are improving the machinery through which further educational progress can be made. In most cases where the evaluation could establish a result chain of influence, however, the links between budget support and reform success or between reform success and education outcomes were only moderate to weak. The observed changes are likely to have been influenced by a complex array of factors and might have occurred in the absence of budget support contributions, albeit in a different way.

Budget support helped maintain reforms with high potential to improve education outcomes

Progress on reforms that have a potential for strong contributions to outcomes was still disappointing by the end of 2016, and could not yet have contributed substantively to results. Even where implementation was under way, progress was often made only after 2013. While expected results at the induced outputs level were therefore not in place or not in place early enough to generate results by the end of the assessment period, this does not mean that budget support had no influence or that it had failed.

The two reforms that could have been expected to have had the most significant influence on results, given the contribution of school-based performance factors to learning outcomes, were the one ***focused on school funding and management*** (i.e. ensuring that school directors are sufficiently skilled and that schools themselves have resources and capacity to enrol and retain children, to help them progress through the system and to ensure they learn) and the one ***focused on teachers*** (ensuring that all schools have the teachers they need, with the required qualifications, capacity and support). The evaluation has found evidence of progress in both reforms, but also that it has taken longer than expected to implement these reforms and to make them effective. However, progress would have been even slower in the absence of the technical and training inputs of the Capacity Development Partnership Fund, and in the absence of the contribution of budget support indicators and sector dialogue in helping keep reform issues alive and encouraging progress. It is not clear that other support modalities would have had better results given the systemic nature of the reforms that the budget support programmes targeted. Even if better results might have been achieved in the short term, sustainability would be uncertain in the absence of ongoing support.

Furthermore, given that these reforms address pivotal school factors in improved access and learning, budget support influence in these areas may yet contribute in future to stronger education results.

4. Recommendations

The following recommendations (Rs) are made to the Ministry of Education, Youth and Sport and to the EU in their on-going partnership and for future support to the education sector. The recommendations here are kept to a limited and targeted list. The complete list of recommendations is provided in Chapter 9 of the full report.

Recommendations on the design of future budget support programmes

R1. Commit more resources to capacity development

The EU should adjust the input mix of future budget support programmes to commit more resources explicitly to capacity development. Addressing capacity constraints is critical to establishing the necessary conditions for government to adopt, fund and effectively deliver reforms. This will require committing more resources to capacity development, relative to the budget support financial flows. Capacity development should be broadly defined, and more innovation may be needed. Direct or more explicit complementarity of EU-funded capacity development with other donor funded projects should be considered as part of programme design.

R2. Select outcome indicators and targets with caution, and look at intermediate outcomes as targets

The EU should use outcomes with caution to set targets, particularly when they are lagged indicators that will only show change over a long period of time, or when these outcomes are dependent on many variables, some of which are outside the control of the education ministry. Lead indicators, such as drop out and repetition, can provide a focus for dialogue, but over the whole timeframe of the programme. Even then, target-setting should take into account that not all factors are under ministry control. Targets should not seek year-on-year improvements, but should focus on end-of-programme goals that take into account uneven patterns of development. More focus should be given to intermediate outcomes; that is, indicators or targets that demonstrate a change in behaviour or practice which it is expected will lead to the outcomes (e.g. demonstrated change in school management, in standards, and in qualifications of teachers). Where result-type targets have proved over-ambitious, the EU could consider setting targets such as minimum levels of progress, based on a realistic assessment of achievable trends, so that targets can still fulfil their functions of incentivising sector reforms.

Recommendations on the sector partnership and dialogue

R6. Develop more functional sub-national partnership structures

The partnership and dialogue structures and processes at the national level are comprehensive and functioning well. While dialogue forums are in place in principle at sub-national level, they are not always functional to support strong planning, partnership and coordination of inputs, and effective joint monitoring. As most of government resources are planned and spent at sub-national level, it is critical to ensure that the alignment of government and donor resources occurs at this level.

Recommendations and priority reform areas for future budget support programmes

Education policy and delivery priorities

R7. Focus more on learning outcomes

In agreeing objectives for future programmes and setting the associated performance assessment frameworks, the education ministry and the EU should focus more on learning as an outcome. Improving the quality of teaching and learning is a pervasive and persistent sector challenge. The next two recommendations offer suggestions on ways to sharpen the focus on learning outcomes in future programmes.

R7.1 Continue the focus on teacher reforms, by supporting the Teacher Policy Action Plan implementation

Changes in teacher quality and classroom practice will require a comprehensive approach to reform. The Plan, which was put in place during the second programme and was to some extent supported by the programme, represents a critical and strategic approach that should be given priority in future programme support.

R7.2. Support the use of learning assessment data for system reform and management

This builds on the current support to institutionalising assessment tests. In future programmes, the EU should consider supporting the education ministry's use of learning assessment data for system reform and for system management at provincial, district and school levels. This would require significant investment in capacity building.

Sector governance priorities

R8. EU support (and donor support overall) needs a stronger school and district focus for delivering reform

The Capacity Development Partnership Fund and other donor support provides lessons for decentralised support on which to build. It is likely that a more comprehensive and potentially radical approach is needed to accelerate change, to strengthen the capacity and role of school directors, the community / school support committee engagement beyond fund-raising, and the district ability to monitor and support schools to deliver.

R9. Support learning on alternative approaches to capacity development and institutional change, and support government to implement effective approaches

The EU should work with education and other ministries to develop effective approaches to institutional development and change that go beyond training, for example, by identifying early adopters and champions, analysing and understanding institutional resistance, and disseminating what works.

Aside from these specific recommendations, the evaluation has raised a broad range of issues which might be considered by the government, the EU and other development partners. In terms of policy issues, this includes: (1) the continued importance of early childhood education in driving quality and access improvements in primary and secondary levels; (2) the fundamental challenge of ensuring that teachers spend time in the classroom teaching; and (3) an emerging possible shift within government to address quality challenges through a twin track approach including a higher investment model applied to a limited proportion of schools / students combined with on-going cross-system interventions that apply to all schools and students. These and other policy issues need to be considered in on-going / future support and dialogue.

Chapter 1. Introduction

1. This Final Report of the independent evaluation of European Union (EU) budget support (BS) to the Royal Government of Cambodia (RGoC) between 2011 and 2016 is submitted on behalf of the DAI Consortium by a Mokoro Limited team. It draws on an extensive documentary review, detailed data analysis – including econometric analysis – and a wide range of interviews and focus group discussions during field work in Phnom Penh and four of Cambodia’s 25 provinces.

1.1 The evaluation objectives and scope

2. The Terms of Reference (TOR) (Annex 1) establish the evaluation purposes and scope. The main **purpose** of the evaluation was to provide evidence on the extent to which EU budget support operations contributed to progress towards education sector goals of the RGoC; to the achievement of the objectives set out in the Financing Agreements (FAs) of the two budget support programmes; and to the achievement of the general objectives of EU budget support, namely poverty eradication, sustainable and inclusive growth and the consolidation of democracies.¹

3. The **objectives** of the evaluation were to identify lessons learnt and to propose recommendations on: (1) the conditions under which budget support has an effect and the possible intensity and nature (positive or negative) of such effect in Cambodia; (2) the design and implementation of future budget support operations in Cambodia; (3) improvements to be set up by the European Union to maximize the impact of budget support in Cambodia; and (4) constraints in government policies, institutional structures and administrative arrangements in Cambodia which impede the overall effectiveness and impact on spending actions and targeted public policy, and therefore of budget support.

4. The main **users** of the evaluation findings, conclusions and recommendations are the RGoC – particularly the Ministry of Education, Youth and Sport (MoEYS) and the Ministry of Economy and Finance (MoEF) – the EU Delegation (EUD) in Cambodia, and the EU Directorate General for International Cooperation and Development in Brussels (DG DEVCO).²

5. The evaluation **scope** covered budget support operations between 2011 and 2016, comprising two budget support programmes. These are the Education Sector Policy Support Programme (ESPSP, 2011-2013) and the Education Sector Reform Partnership (ESRP, 2014-2016/2017). In 2014 the RGoC and the EU extended the ESRP to 2017 with an additional commitment of EUR39.82 million. Together these two programmes committed over EUR113 million in support to the education sector (see Table 1).

6. Each programme had three parts: a budget support component; a contribution to the Capacity Development Partnership Fund (CDPF, a multi-donor pooled fund supporting the MoEYS Capacity Development Master Plan); and a component administered by the EU Delegation which financed monitoring and evaluation and visibility actions. Of the budget support component, 32% of the ESPSP and 47% of the ESRP were committed to variable tranches. The programmes are described in detail in Annex 8.

Table 1. EU education sector programmes 2011 to 2017

Programme	Duration	Components (EUR thousand)			
		Budget Support	CDPF	Other	Total
ESPSP 2011-2013	2011-2013	23 100	7 450	250	30 800
ESRP 2014-2016(17)	2014-2016	37 000	5 520	580	43 100
	2014-2017	36 500	3 000	320	39 820
Total		96 600	15 970	1 150	113 720

¹ As set out in EC, 2012, Budget Support Guidelines, p13.

² Annex 6 in Volume 2 provides an overview of the stakeholders in the evaluation.

1.2 The evaluation methodology

7. The evaluation used the standard budget support evaluation methodology of the OECD DAC's evaluation network,³ summarised in this section. Annex 2 in Volume 2 sets it out in more detail. Budget support “involves *dialogue, financial transfers* to the national treasury account of the partner country, *performance assessment* and *capacity development*, based on partnership and mutual accountability”.⁴

The Intervention Logic and Three-Steps Approach

8. The budget support evaluation methodology proposes the use of a five-level Intervention Logic to structure the assumed causal relationships underlying the programmes. The five levels are:

- **Level One**, which investigates the **Inputs** of budget support, including policy dialogue, capacity-building inputs and fund flows.
- **Level Two**, which details the **Direct Outputs** generated by the interaction of budget support with other aid modalities and with government policies, namely increased, more aligned and harmonised support to the sector, and how this has created new opportunities for reform.
- **Level Three**, which documents the **Induced Outputs** produced by government as a consequence of the interaction of budget support (in complement with other modalities) with the national policy, budgetary and service delivery processes and institutions.
- **Level Four**, which records the **Outcomes** of government policies and spending actions, in terms of changes in the utilisation and quality of public services that impact on livelihoods.
- **Level Five**, which records the wider **Impacts** of these processes, such as economic growth, reduced income poverty, reduced social exclusion and improved health and welfare.

9. The methodology separates the analysis of causal links between the levels into three steps:

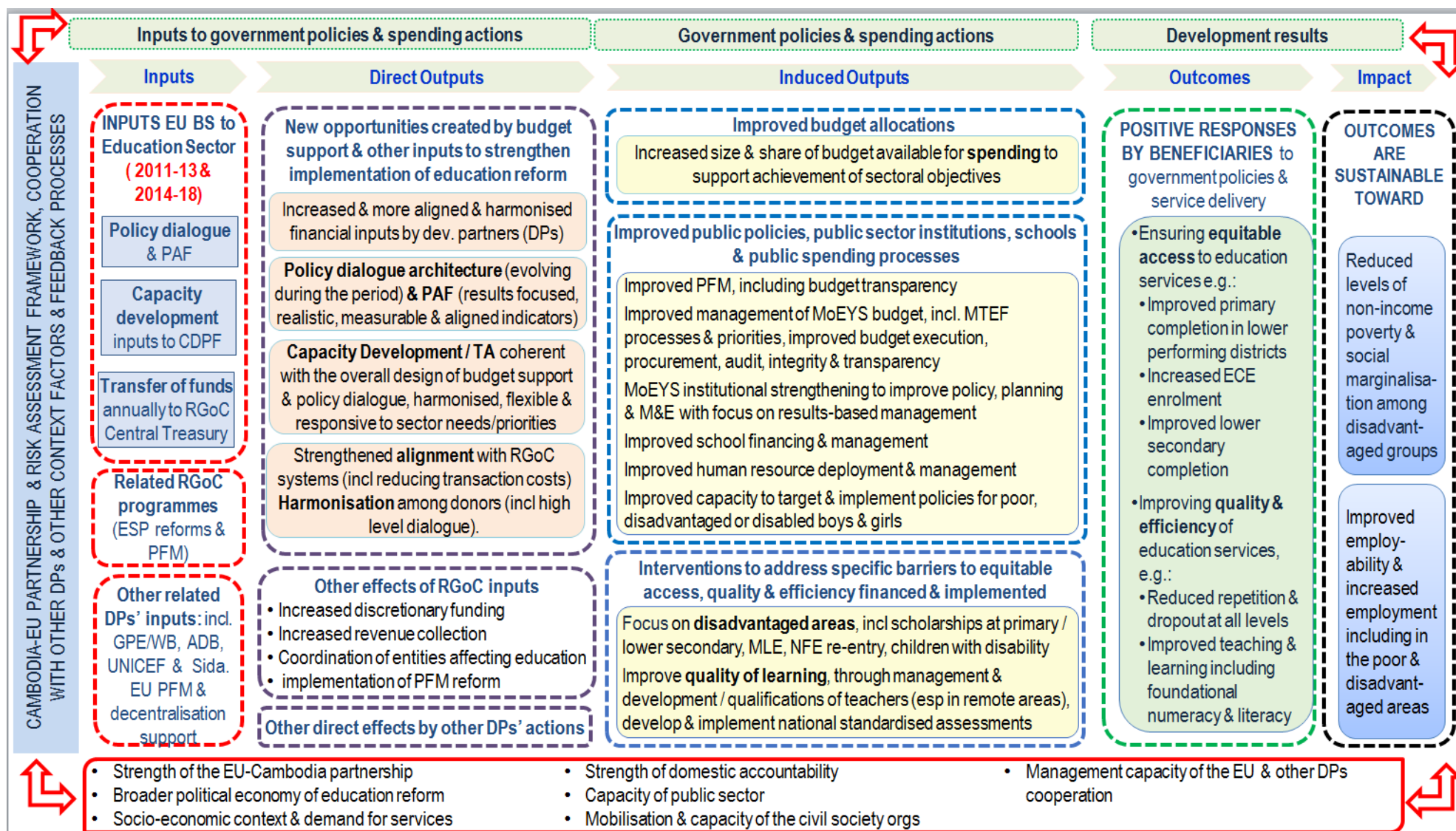
- **Step One** covers levels 1-3. It assesses how budget support inputs have been inserted into the public spending and policy making process and with what effects on policies, strategies, institutions and interventions, given the influence of other aid modalities, internal government processes and external factors working alongside budget support.
- **Step Two** begins from an identification of the most significant outcomes and impacts related to the implementation of the government's strategies and then examines what have been the primary determinants of those outcomes and impacts.
- **Step Three** brings together the findings from Steps One and Two, identifying which of the “induced outputs” of budget support identified in Step One also feature amongst the primary determinants of outcomes and impacts identified through Step Two. In this way, it permits an assessment of the contribution of budget support to final outcomes and impacts and an identification of the key points of weakness in the Intervention Logic.

10. Figure 1 below sets out how the five-level Intervention Logic has been adapted for the evaluation of the EU budget support to Cambodia, given the specifics of the context, the programmes' objectives and the policies, strategies and interventions of the MoEYS.

³ OECD DAC, 2012, *Evaluating Budget Support – Methodological Approach*, OECD DAC Network on Development Evaluation.

⁴ EC, *op cit*.

Figure 1. Intervention logic of EU budget support in Cambodia



The evaluation questions

11. The evaluation was structured around twelve evaluation questions (EQs) organised into five sets aligned to the Intervention Logic and to the three-steps methodology. The EQs were headed by a descriptive question about the facts of the budget support programme (BSP) inputs. The evaluation framework elaborated the EQs into sub-questions with associated judgement criteria. The main evaluation questions are presented in Table 2. Annex 4 in Volume 2 presents the full evaluation framework, including rationales, sub-questions and judgement criteria.

Table 2. Evaluation questions

Methodology levels / steps	Evaluation Question
Step 1 and LEVEL 1: Inputs and context for Budget Support	EQ 1.1: To what extent were the budget support inputs timely/predictable, and the programme implementation mechanisms functional, efficient and transparent?
	EQ 1.2: To what extent did the design and scale of the budget support programmes, and the choice of budget support as a modality, respond to the political, economic, and social context of education in Cambodia, to Government education policy, to the education sector aid context, and the evolution of the EU/RGoC partnership?
Step 1 and LEVEL 2: Direct Outputs	EQ 2.1: To what extent did the budget support programme inputs contribute to more and more predictable, aligned and harmonised external aid to the sector, including financial aid and technical assistance?
	EQ 2.2: To what extent did the budget support programme inputs contribute to improved processes, mechanisms and quality of policy dialogue between development partners and the RGoC in the education sector?
Step 1 and LEVEL 3: Induced Outputs	EQ 3.1: Did the budget support programmes contribute to an increased flow and to better distribution of government resources in the sector, including at decentralised levels?
	EQ 3.2: To what extent did the budget support programmes contribute to policy development, planning and monitoring & evaluation systems in the education sector in a decentralised context? Have they contributed to ensuring better results-based management of the sector?
	EQ 3.3: To what extent did the budget support programmes contribute to the overall improvement in the quality of PFM, both in the sector in general, and particularly related to fiscal transparency and revenue mobilisation?
	EQ 3.4: To what extent have the budget support programmes contributed to improved deployment and (results-based) management of human resources, specifically but not limited to teachers, in the sector for the delivery of equitable, quality education?
	EQ 3.5: To what extent did the budget support programmes contribute to improved formal school-based management in the early childhood education, primary and lower secondary sub-sectors?
	EQ 3.6: Have the budget support programmes contributed to the formulation and implementation of specific education delivery policies to address key aspects of poor sector outcomes in early childhood education, primary and lower secondary?
Step 2 and LEVEL 4: Outcomes LEVEL 5: Impacts	EQ 4: To what extent have sector outcomes (equitable access, quality, efficiency) improved and have the development outcomes targeted by budget support been achieved? Are improvements sustainable? What factors have been the main determinants of these achievements?
Step 3: Concluding inferential analysis on causal links between levels 1, 2 and 3, and levels 3 and 4.	EQ 5: To what extent have the direct or induced outputs of budget support contributed to the results identified at the outcome and impact levels?

Data collection and analysis methods

12. Data was collected from primary and secondary sources against the evaluation questions. The evaluation evidence draws from interviews and focus group discussions with key stakeholders and experts, and from primary documentation, primary data, and existing secondary literature. The evaluation combined qualitative analysis with quantitative methods and techniques to draw findings and conclusions against the evaluation questions.

Evaluation process

13. The evaluation was conducted between February and December 2017 by a team of four. The inception phase consisted of the inception field mission and a desk review. The inception report

presented the detailed methodology, evaluation questions and work plan, as well as hypotheses against the evaluation questions based on evidence from the desk review.

14. The main field mission occurred in October 2017, and was guided by the evaluation questions and associated hypotheses. At the central level the team conducted interviews with RGoC, development partners and civil society respondents, and collected further data. The team also conducted interviews and focus group discussions with provincial offices of education (POEs) in four provinces – Battambang, Bantey Meanchey, Kampong Cham and Mondulkiri – and with district offices of education (DOEs), school directors and members of school support committees in nine districts spread across the four provinces. Provinces and districts were selected through purposive sampling, based on their primary completion rates as the lead indicator, followed by budget execution, implementation of multi-lingual education and decentralisation and deconcentration reforms, presence of other donor-funded work and predictability of access in the rainy season.

15. The team presented preliminary findings, based on the fieldwork and further analysis, to the Management Group in November 2017, and the draft final report in December 2017. The evaluation concluded in March 2018 after presentation of a post-review draft to the RGoC, EUD and other stakeholders in Phnom Penh.

Evaluation management

16. The evaluation was led by a Management Group consisting of the Government of Cambodia (represented by the MoEYS and the MoEF), as well as the European Commission's Headquarters (consisting of representatives of DG DEVCO's Evaluation Unit, Geographical Directorate for Asia, Central Asia, Middle East/Gulf and Pacific), the European External Action Service (EEAS), and the EUD in Cambodia. The Management Group was chaired by DG DEVCO's Evaluation Unit.

Structure of the report

17. This report presents the findings, conclusions and recommendations of the evaluation. It is structured as follows:

- Chapter 2 discusses the context for budget support in Cambodia.
- Chapters 3 to 5 present findings and conclusions on *Step 1* of the evaluation methodology. Chapter 3 presents findings on intervention logic Level 1 (inputs, EQ1); Chapter 4 on Level 2 (direct outputs, EQ2); and Chapter 5 on Level 3 (induced outputs, EQ3).
- Chapter 6 sets out findings and conclusions on *Step 2* of the evaluation methodology, by setting out progress on target outcomes in pre-primary, primary and lower secondary education (Level 5 of the intervention framework and EQ4), and their contributing factors.
- Chapter 7 completes *Step 3* of the methodology (EQ5), by bringing together arguments on the degree to which budget support contributed to the observed changes in policies and actions, and the degree to which the observed sector outcomes can be explained in terms of these interventions, to present conclusions on the contribution of budget support to sector outcomes.
- Chapter 8 presents the conclusions and Chapter 9 the recommendations arising from the evaluation.

This main report is presented in this volume. Volume 2 of the report provides further information in a set of annexes, including a more complete discussion of the methodology, a matrix of EQ responses, a data annex, and supporting annexes for some of the chapters. It also includes the list of interview and focus group respondents, and the complete bibliography of works cited and documents consulted for the evaluation.

Chapter 2. Context for budget support in Cambodia

2.1 Evolution of the Cambodia socio-economic and political context

18. Cambodia's national social and economic development has been rebuilt over more than two decades after the end of civil war. Since 2004 the overarching policy and strategic framework for national development has been set out in the Rectangular Strategy⁵ (now in its fourth phase) and the National Strategic Development Plan (NSDP).⁶ These frameworks guide the government's actions to reach upper-middle-income status by 2030 and high-income status by 2050. Cambodia was classified as a lower-middle-income country in 2015.

19. The current population is 15.58 million, up from around 9 million in 1990. More recently the growth rate has slowed down. As a result, while the number of Cambodians of school-going age is still expected to increase between 2010 and 2030, it will decline as a share of the population from 42% to 36%.⁷ Population growth varies by province, affecting the demand for education. Growth is higher in the Thailand border provinces and in urbanised provinces, where more jobs are available.⁸

20. Cambodia has experienced rapid economic growth since the 1990s. In the decade before the 2008/09 global financial crisis, real gross domestic product (GDP) increased on average by 9% per year. After the crisis growth recovered quickly and has stabilised at about 7% since 2013.⁹ Economic growth is driven by tourism, construction, the garment sector, agriculture, and foreign direct investment. Growth has helped reduce the overall level of poverty. Despite high population growth, real GDP per capita jumped from USD427 in 2000 to USD1021 in 2015.¹⁰ The proportion of the population living on less than USD1.90 per day reduced from 17% in 2007 to 2% in 2012. Inequality also reduced, with the income share held by the lowest 20% shifting from 6.9% in 2007 to 9.1% in 2012. Cambodia has made good progress against the indicators for the Millennium Development Goals (MDGs). In 2011, it was placed fourth amongst 76 countries on the MDG Progress Index measuring progress on poverty, hunger, education, gender equality, child mortality, maternal mortality, HIV/AIDS prevalence, and safe drinking water.¹¹ Yet Cambodia still faces deep challenges. Many people are still either below the poverty line or near-poor and remain vulnerable, particularly in rural areas. The country has high spatial disparities with a predominantly rural population and unequal access to land and natural resources. While economic growth has been strong, it is off a narrow base. A top priority is to improve the quality of basic education and promote vocational and technical skills, to attract high-value-added manufacturing.¹²

21. After rapidly expanding in the two post-independence decades under Prince Norodom Sihanouk, the education sector in Cambodia was severely affected by the combined effects of the civil war that followed his overthrow and the Khmer Rouge rule between 1975 and 1979. When the Vietnamese-backed Kampuchean People's Revolutionary Party (KPRP) replaced the Khmer Rouge in 1979 education service delivery was practically non-existent.¹³ In 1991 a peace deal was brokered and in 1993, after a multi-party election, a coalition government was established led by the royalist Funcinpec party of Prince Norodom Ranariddh, and including the Cambodia People's Party (CPP), with Hun Sen as leader. The years after 1991 were marked by political deadlock and struggle between the parties, including the 1998 coup against Prince Ranariddh, which ended coalition government. The CPP has been governing Cambodia since then, led by Hun Sen, who became Prime Minister in 1995. Since this time, Cambodia has experienced a more stable context for economic growth and development than

⁵ Royal Government of Cambodia, 2013, *Rectangular Strategy for Growth, Employment, Equity and Efficiency Phase III*.

⁶ Royal Government of Cambodia, 2009, National Strategic Development Plan 2009-2014.

⁷ UN, 2015, *World Population Prospects: The 2015 Revision*, custom data acquired via website, United Nations, Department of Economic and Social Affairs, Population Division, Cf Volume 2, Annex 10 Figure 10.1.

⁸ UNESCO, 2016, *Cambodia Rapid Education Sector Analysis*, International Institute for Educational Planning, UNESCO.

⁹ World Bank, 2017, *Cambodia Economic Update*, World Bank.

¹⁰ World Bank, 2017, *World Bank Development Indicators data extract*.

¹¹ B Leo and J Bartheimer, 2010, *Who are the MDG Trailblazers?* Center for Global Development, Working Paper 222.

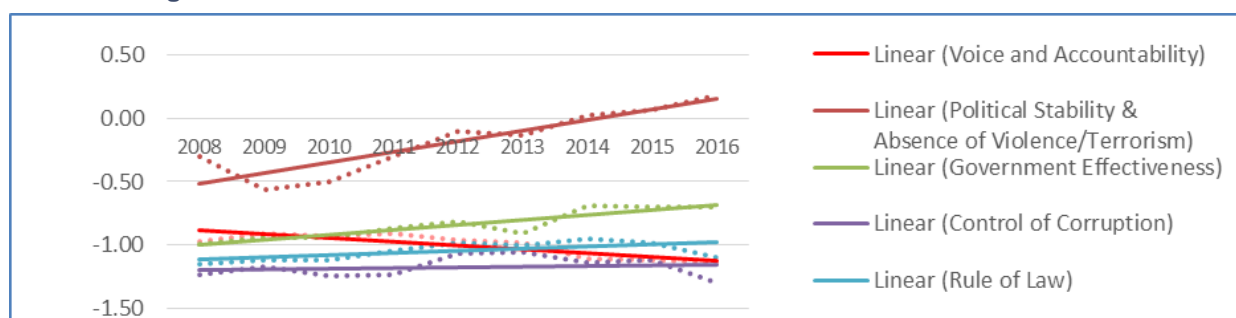
¹² World Bank 2017.

¹³ T Kelsall, Khieng Sothy, Chuong Chantha and Tieng Tek Muy, 2016, *The political economy of primary education reform in Cambodia*, ESID Working Paper No 58. Effective States and Inclusive Development.

existed in the three previous decades. The CPP's tenure, however, has not been without contestation. Fractious relationships with opposition parties have come to a head several times, including around the contested elections of 2008 and 2013, criticised by EU observers and the opposition with allegations of irregularities. The 2013 parliamentary election marked the largest seat loss by the CPP to date. In the wake of the election the opposition Cambodia National Rescue Party boycotted Parliament for a year and did so again from late 2016, alleging threats against its members. 2017 also saw opposition members prosecuted and the leader of the opposition charged with treason.

22. This history is reflected in Cambodia's performance in the World Governance Indicator assessments.¹⁴ As is reflected in Figure 2 below, between 2008 and 2016 Cambodia was perceived to be increasingly less likely to experience political instability and/or politically motivated violence. In three of the other four measures Cambodia has also performed better, including effectiveness of government. However, the extent to which its citizens are able to participate in elections, as well as enjoy freedom of expression and association and a free media, is perceived to have declined.

Figure 2. World Governance Indicators: Cambodia's scores 2008-2016



Source: World Development Indicators 2017

2.2 Government-wide reforms

23. Prior to and during the evaluation period, the institutional reforms in the education sector occurred within a context of the Strategic Framework for Decentralisation and Deconcentration and PFM reforms. The Decentralisation and Deconcentration framework (D&D) promotes the transfer of more responsibility to sub-national levels of government. The inter-ministerial National Committee for Sub-National Democratic Development oversees the implementation of the decentralisation reforms. The overall objective of the Public Financial Management Reform Programme (PFMRP), managed by the MoEF, is to strengthen the governance of public funds. The reform is sequenced in four platforms progressing reforms from achieving budget credibility, improved controls and better reporting, to improved linkages between policies and budgets and accountability. The EC has been a key donor to the multi-donor trust fund supporting the PFMRP.

2.3 Donor support in Cambodia¹⁵

Volume of aid

24. Development aid to Cambodia has been delivered by at least 35 official donors and hundreds of civil society organisations since the 1993 elections.¹⁶ In 1992 Cambodia received USD21 per person in official development assistance (ODA). By 2000 this had increased to USD33. It peaked at almost USD55 per capita in 2012 before declining to just under USD44 by 2015. ODA from all DAC reporting

¹⁴ World Governance Indicators, 2017, Complete dataset, <http://info.worldbank.org/governance/wgi/#home>, accessed 17 November 2014. These aggregate indicators combine the views of a large number of enterprise, citizen and expert survey respondents in industrial and developing countries. Scores vary between -2.5 and +2.5 with scores closer to 2.5 indicating better governance performance.

¹⁵ Cf Volume 2, Annex 7 for more detail and further graphs analyzing aid flows to Cambodia.

¹⁶ E Chanboreth, S Hach, 2008, *Aid Effectiveness in Cambodia*, Brookings Global Economy and Development Working Papers Series no 7, Wolfensohn Center for Development.

donors grew by 168% in real terms between 1995 and 2015.¹⁷ Yet, ODA flow per capita never quite reached the median¹⁸ per capita flow for other countries in the East Asia and Pacific (EAP) region, and from 2002 it has also been below the average for low-income countries (LICs). By 2015 net official aid was only 5% of gross national income (GNI), compared to 13% for the region and for LICs, signalling decreased aid dependence.

Sectors supported

25. Data sourced from the Council for the Development of Cambodia (CDC) aid database shows that development assistance to the social and economic infrastructure and services sectors has been in excess of 60% of total commitments throughout the period. These data include information on flows from China, a significant donor. However, from 2006 onwards the growth in social infrastructure and services flattened out, while economic infrastructure and services continued to grow.

Contributions by donor and flow types used

26. The dominant donor is China, followed by Japan and the Asian Development Bank (ADB). These three donors contributed altogether 54% of disbursements. China's contribution increased dramatically from 2010 to 2012, but declined almost as dramatically subsequently, driving Cambodia's overall aid receipts down by a fifth. Disbursements from other donors also declined, but less rapidly. In total other donors disbursed the equivalent of 92% of their 2012 disbursement in 2016, while China disbursed 58%.

27. Over time the composition of aid disbursements shifted from grants to loans. Between 2007 and 2011 almost 68% of disbursements were grants. Between 2012 and 2016 this shifted to below 55%. The shift was largely because of an increase in support from China, almost exclusively provided as loans. Other providers of loans are the ADB, Japan, Korea and the World Bank. The top five grant donors are Japan, the United States, Australia, the EU and the Global Fund.

Aid modalities and alignment

28. Aid in Cambodia is largely project support. Between 1997 and 2015, only 27% of aid was budget support, of which 41% was sector support. The EU provides most budget support, at just under 50% of total support.

29. The use of country financial management systems improved, with 47.8% of aid to the public sector considered to use country systems in 2016, compared to 21.6% in 2010.¹⁹ However, only 23% of aid was channelled using country procurement systems, compared to 54% and more that used country budget execution, financial reporting and auditing systems.

Aid predictability

30. According to the 2016 Monitoring Round of the Busan Global Partnership for Effective Development Cooperation²⁰ the medium-term predictability of development aid in Cambodia is higher than the predictability of aggregate aid for all developing countries. Medium-term predictability occurs when countries have reliable knowledge two to four years in advance of the amount and timing of the disbursements.²¹ In Cambodia the proportion of development cooperation funding covered by indicative forward spending plans (medium-term predictability) declined from 97.9% in 2010 to 95% in 2013. It was, however, still well above the aggregate score for all countries, at 71.3%.

¹⁷ Calculated from OECD DAC, 2017, Creditor Reporting System, <https://stats.oecd.org/Index.aspx?DataSetCode=CRS1>, accessed 15 November 2017.

¹⁸ The median rather than the average was calculated, as the number of small island states in the region distorts the average.

¹⁹ Global Partnership, 2017, Data by Country 2016 Monitoring Round, Global Partnership for Development Cooperation, <http://effectivecooperation.org/monitoring-country-progress/explore-monitoring-data/>, accessed 10 November 2017.

²⁰ Global Partnership, *Op cit*.

²¹ S. Lister, L. Bjørnstad, R. Carter, M. Chiche and D. Ross, 2011, *Aid Predictability – Synthesis of Lessons and Good Practices*, Volume 1 of a Study Prepared for the DAC Working Party on Aid Effectiveness – Task Team on Transparency and Predictability.

31. Short-term predictability of aid to Cambodia improved between 2010 and 2016. Short-term predictability relates to less than two years but still in advance of the fiscal year in question. According to the 2016 Monitoring Round of the Busan Global Partnership for Effective Development Cooperation²² the annual predictability of development aid improved from 68.6% in 2010 to 87.2% in 2016. Aid disbursements, however, often fell short of the original aid budgets. Until 2013, as aid budgets increased, increasingly more aid was disbursed. After 2013 disbursements relative to original commitments started declining. On average, between 2008 and 2009, 77.6% of original aid budgets were disbursed.

2.4 The EU in Cambodia²³

32. The EU has been an active development partner of Cambodia since the early 1990s. The EU cooperation in Cambodia is designed to support the RGoC's policies, as reflected in the Rectangular Strategy and the National Strategic Development Plan (NSDP). The budget support programmes aligned with two Multi-Annual Indicative Programmes (MIPs). The MIP for 2011-2013 was based on the EU Country Strategy Paper (CSP) 2007-2013, which had education as a priority sector besides overall support to the NSDP. The European Development Cooperation Strategy for Cambodia 2014-2018²⁴ provided the basis for the MIP 2014-2020. This MIP identifies three priority sectors: 1) Agriculture and natural resource management; 2) Basic education and skills development; and 3) Governance and administration.

33. As early as 2000 the European Commission began to focus on the education sector by building schools, training teachers and helping the MoEYS restructure. From 2003 the EU supported the Education Strategic Plans (ESPs) through the use of programmatic and budget support. Table 3 below reflects commitments made by the EU to the education sector in its multiannual budgets. It shows that although the EUR140 million committed in the MIP 2014-2020 represents a major increase in the volume of resource commitment per year of the plan period, it is similar to commitments to earlier programmes in terms of the volume of the total development cooperation.

Table 3. EU commitments to support programmes in the education sector 2003-20²⁵

Commitment period	EU Education Sector Support (A)	Education Support Per Year	EU Total Commitment (B)	% of commitment for Education (A / B)
	EUR millions (current prices)			
2003-2006	29 to 31	7.25 to 7.75	98	30%-32%
2007-2010	30.8	7.7	77	40%
2011-2013	22.5 to 30.8	7.5	76	30%-40%
2014-2020	140	20	410	34%

2.5 The Cambodia education sector context

34. After the end of Khmer Rouge rule in 1979, the education system in Cambodia was rapidly rebuilt. By the end of 1979 there were hundreds of thousands of students enrolled and almost 14,000 teachers, of whom only 4,000 were formally trained.²⁶ The signing of the Paris Peace Agreement in 1991 opened the door for donor support to develop the system. Over the following few years education development was mostly donor-driven. Initially projects mostly followed the intentions of the sponsoring organisation and until 1995, when a first five-year plan was drawn up, there was little coordination. In the late 1990s the MoEYS initiated reforms within a government-led sector-wide approach.²⁷ From 2001 a

²² Global Partnership, *op. cit.*

²³ This section draws on EEAS, 2016, Cambodia and the EU; EC, 2002, National Indicative Programme 2002-2004; EC 2005, National Indicative Programme 2005-2006; EC, 2010, Multiannual Indicative Programme 2011-2013; EC, 2014, Multiannual Indicative Programme 2014-2020

²⁴ EU donors currently active in Cambodia include the Czech Republic, Finland, France, Germany, Hungary, Ireland, Italy, Sweden, Spain, the United Kingdom and the EU Delegation.

²⁵ During the evaluation process the EU was preparing a next programme of support for Cambodia. The proposed amount was EUR113.8 million for 2018-2021.

²⁶ Kelsall et al., *op. cit.*

²⁷ C Sitha, D Brent Edwards, J Williams and Y Kitamura, Introduction in Y Kita Mura, D Brent Edwards, C Sitha and J Williams *The Political Economy of Schooling in Cambodia, Issues of Quality and Equity*, Palgrave Macmillan.

succession of government-owned five-year plans, the Education Strategic Plans (ESPs) have been in place.

35. The education system in Cambodia is underpinned by the 2007 Education Law,²⁸ which sets nine years of compulsory basic education free of charge in public schools. The school system comprises three years of pre-primary education for three- to five-year olds, six years of primary education starting from age six, and three years each of lower and upper secondary education. Basic education comprises the six years of primary and three years of lower secondary education. For those who have dropped out of school, there are opportunities to attend literacy and life-skill programmes as well as short-term vocational training programmes offered by the MoEYS, Ministry of Women Affairs and NGOs.²⁹

36. Between 2000 and 2010 the system expanded further.³⁰ Expansion was especially in primary education, in line with the goals of the *Global Education for All* and as a consequence of the abolition of school fees and the introduction of financial transfers to schools through school operating budgets (SOBs) in 2001/02. Education sector RGoC resources grew from 1% of Gross National Product in 1999 to 2.7% in 2012, and from 7% of government expenditure to over 13%.³¹ By 2010/2011 the net enrolment rate in primary education was 97.41%,³² up from 86% in 1998/99.³³ Between 2000 and 2014 the number of primary schools increased by 30% and teachers by 24%.³⁴ Lower secondary enrolment jumped from 22.3% in 2000/2001 to 62.6% in 2012/13. Pre-primary had also expanded in the decade prior to the start of the ESPs, although from a very low base. Gross enrolment in the system in 1999 was 5%, improving to 15% by 2012.³⁵ Cambodia also made great strides in improving gender parity over this period. In basic education, in 1999, for every 100 boys enrolled in school, 83 girls were enrolled. By 2012 there were 95.

37. However, similar improvements cannot be observed in the education system's efficiency and quality. According to Sitha et al: "education statistics since 1996 suggest that among the 700,000 children who enrol in grade 1 in a given academic year, only about 10% successfully complete grade 12".³⁶ By 2009/10 the primary completion rate (PCR) was at 83.6%, but the transition rate to lower secondary was low (at 78.4%) and drop-out rates in Grades 7, 8 and 9 were high (19%).³⁷ The 2012 Cambodia Socio-Economic Survey estimated that only 25% of Cambodians over the age of 18 had finished at least lower secondary education.³⁸ Furthermore, public schooling "does not deliver practical relevance linkages to further study, or a level of quality that can lead to market employment".³⁹ Many investors in Cambodia complain of a poorly educated workforce seriously deficient in generic employment skills.⁴⁰ An Early Grade Reading Assessment (EGRA) of grades 1-6 carried out in 2010 found that 33% of children could not read, and that 47% of those who could had difficulty understanding what they had read.⁴¹

38. The RGoC invested, before 2011, in education efficiency and quality by increasing the training teachers receive and increasing teacher salaries. Other efforts included the Education Quality Improvement Project; the Student-Centred Learning Initiative; Child Friendly Schools (CFS) and Cluster Schools; and text book and curriculum reforms. By 2011 there were some signs of progress in addressing drop-out and repetition in the basic education system. In 2006 the Grade 1 to 9 survival rate

²⁸ Royal Government of Cambodia, 2007, Law on Education.

²⁹ UNESCO, 2010, UNESCO National Education Support Strategy, Cambodia.

³⁰ Cf Annex 10 in Volume 2, for a table summarizing these shifts.

³¹ UNESCO Institute for Statistics, 2017, Cambodia Country Profile, online database accessed 18 May 2017.

³² Kelsall et al, *op cit*.

³³ UNESCO, 2017, Global Education Monitoring Report Statistical Tables, <http://en.unesco.org/gem-report/node/6>.

³⁴ UNESCO, 2016, *op. cit*.

³⁵ UNESCO Institute for Statistics, 2017, *op. cit*.

³⁶ Sitha et al, *op cit.*, p15.

³⁷ D Brent Edwards, T Zimmerman, C Sitha, J Williams, and Y Kitamura, 2016, The Complexity of Continuation, in Y Kita Mura, D Brent Edwards, C Sitha and J Williams The Political Economy of Schooling in Cambodia, Issues of Quality and Equity, Palgrave Macmillan.

³⁸ Cambodia National Institute of Statistics, 2014, 2012 Cambodia Socio Economic Survey.

³⁹ *Ibid*.

⁴⁰ Kelsall et al., *op cit.*, p8.

⁴¹ *Ibid*.

was 26.3%, whereas by 2009 it was 37.2%. For girls, the improvement was bigger, from 24.3% to 37.9%. Girls' net enrolment in lower secondary, however, remained low, at 32.6% in 2009 from 31.3% in 2006.⁴²

39. There are wide disparities by region and class in the Cambodian education system. In 2009/10 enrolment in the lowest income quintile was 77% in primary, 16.9% in lower secondary and 7.3% in upper secondary, compared to 85.6%, 30.8% and 17.6% respectively for all quintiles.⁴³ Regional disparities are also significant, with remote rural areas and schools performing worse on most statistics. For example, while the overall average transition rate from primary to lower secondary was 78.6%, in rural areas it was 60.5% and in urban areas 92.6%.⁴⁴

Education sector priorities

40. The ESPs have guided the sector since 2001. The ESP was appraised and endorsed by development partners in 2006 under the Fast Track Initiative (FTI) and the Global Partnership for Education (GPE) which followed it.⁴⁵ As such the ESPs have formed the basis for government-led coordinated support to the sector for over ten years. The ESPSP and ESRP have been underpinned by the ESP 2009-2013 and the ESP 2014-2018 respectively. The priorities and strategies set out in the ESPs support the aims of the NSDP for the same period, and the socio-economic policy agenda set out in the Rectangular Strategy Phase III. Within this framework, education is seen to play a central role in human resource development, contributing to economic growth, job creation and poverty reduction.

41. The ESP 2009-13 set out three strategic priorities: equitable access to education, quality and efficiency, and institutional capacity development for decentralisation. These priorities have broadly carried through to the current ESP under the three priorities of equitable access for all, quality and relevance of learning, and effective leadership and management of staff at all levels. The RGoC tracks progress through various indicators, including the core breakthrough indicators (CBIs), set out in Table 4 below. The ESPs have been organised around sub-sector plans, with further indicators.

Table 4. ESPs 2009-2013 and 2014-2018: core breakthrough indicators

ESP 2009 to 2013	ESP 2014 to 2018
Equitable access	
Percentage of 5-year old children in all aspects of ECE <i>Baseline: 39.8%; Target: 60%</i>	Percentage of 5-year old children in all aspects of ECE <i>Baseline: 56.5%; Target: 80%</i>
Number of districts achieving a PCR of at least 80% <i>Baseline: 106 districts; Target: 121 districts</i>	Number of districts (of 163) achieving a PCR of at least 80% <i>Baseline: 119 districts; Target: 144 districts</i>
-	Number of provinces (of 25) achieving a lower secondary completion rate of at least 40% <i>Baseline: 7 provinces; Target: 17 provinces</i>
Quality and efficiency	
Number of complete primary schools with repetition rates below 10 % <i>Baseline: 3,444 out of 5,462; Target: 4,464 out of 5,462</i>	Youth literacy rate (15-24) <i>Baseline: 91.5%; Target: 97.5%</i>
Standardized national assessment on student achievements <i>Baseline: NA; Target: Grade 3 at 70%, Grade 6 at 80%, and Grade 9 at 90%</i>	Adult Literacy rate (15-45) <i>Baseline: 87.5%; Target: 90.5%</i>
	National assessment of students learning achievement Grade 3, Grade 6 and Grade 8 in Khmer and Mathematics <i>Baseline: Grade 3; Target: Grade 3, 6 & Grade 8</i>

⁴² RGoC-MoEYS, 2009, Education Strategic Plan 2009-2013.

⁴³ RGoC-MoEYS, 2009, Education Strategic Plan 2009-2013 and Cambodia National Institute of Statistics, 2014, 2012 Cambodia Socio Economic Survey.

⁴⁴ Brent Edwards et al., *op. cit.*

⁴⁵ GPE is a multi-stakeholder partnership and funding platform of developing countries, donors, international organisations, civil society, the private sector and foundations that aims to strengthen education systems in developing countries. Formerly the GPE was the Education for All Fast Track Initiative.

ESP 2009 to 2013	ESP 2014 to 2018
	Number of higher education lecturers with MA/PhD degree Baseline: 6311 (MA), 808 (PhD); Target: 7311 (MA) 1058 (PhD)
Institutional Development	
Institutional and Capacity Development for Educational Staff for Decentralization	Ensuring effective leadership and management of education staff at all levels
Timely disbursement of programme budgets to schools Baseline: 95%; Target: 95%	Share of programme budget to total MoEYS budget Baseline: 13.69%; Target: 100%
Provincial operational plan produced Baseline: NA; Target: 24	Percentage of programme budget liquidation Baseline: 86.7%; Target: 95%

Source: RGoC MoEYS, 2010, RGoC MoEYS, 2014a

42. The ESPs have set out a number of strategies and reforms to achieve their priority objectives. Alongside the 2014-2018 ESP, the current Minister of Education, who took up his position in 2013, highlighted eight reform priorities, including measures to further expand ECE, teacher policy reform and personnel management, examinations reform, and educational research.

Chapter 3. Budget support inputs and their relevance to the Cambodia context

43. In this chapter we synthesise our responses to assess the relevance of budget support as a modality and the specific design features of the ESPSP and the ESRP to the programmes' context. The chapter addresses Level 1 of the evaluation framework, covering budget support programme inputs. It brings together the responses to EQs 1.1 and 1.2.

3.1 Scale, predictability and timeliness of budget support⁴⁶

This section provides main findings and responses to EQ 1.1: To what extent were the budget support inputs timely/predictable, and the programme implementation mechanisms functional, efficient and transparent?

Volume and scale of planned and actual budget support flows⁴⁷

44. **Planned EU support for the education sector accelerated in the last two years of the extended ESRP.** The ESPSP planned to disburse EUR30.8 million between 2011 and 2013, and the ESRP (as amended) EUR76.52 million between 2014 and 2016.⁴⁸ Annual planned disbursement for the budget support component increased more than threefold between 2011 and 2016, from EUR7.7 million to EUR23.5 million. However, as is evident in Figure 3a below, the more significant increase was only planned for 2016, after the ESRP was amended through a rider.

45. **Rates of growth over the last three budget support programmes have been exponential.** The 2008-2010 programme committed EUR7.5 million budget support funds,⁴⁹ the ESPSP EUR23.1 million and the ESRP EUR68.5 million.

46. **However, actual disbursements trended upwards far more slowly, and fluctuated.** Figure 3a also shows *by tranche year* whether the funds planned for that year were disbursed at any point prior to the end of the evaluation period on 31 December 2016. By December 2016 51.5% of the total support planned for up to end 2016 had been paid. Whereas 90% of ESPSP was disbursed, disbursements against the ESRP stood at only 31.2% (equal to 20% of the full ESRP commitment). Disbursements

⁴⁶ Please see Volume 2, Annex 5 EQ1.1 for more detail.

⁴⁷ Please see Volume 2, Annex 8 for detail on the planned and actual funding flows to the ESPSP and the ESRP.

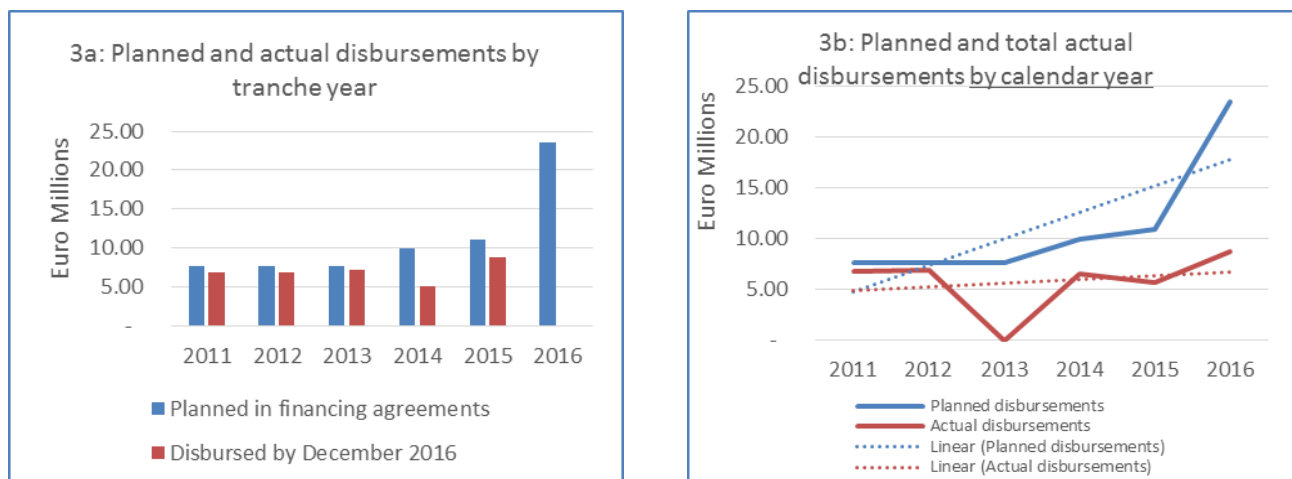
⁴⁸ Both the ESPSP and the ESRP were amended through riders. The ESRP amendment both added a year and increased the funding significantly. A further disbursement of EUR24 million is planned under the ESRP for 2017.

⁴⁹ D. Quinn, 2014, EC Sector Budget Support to Basic Education in Cambodia 2008-10, Final Programme Report.

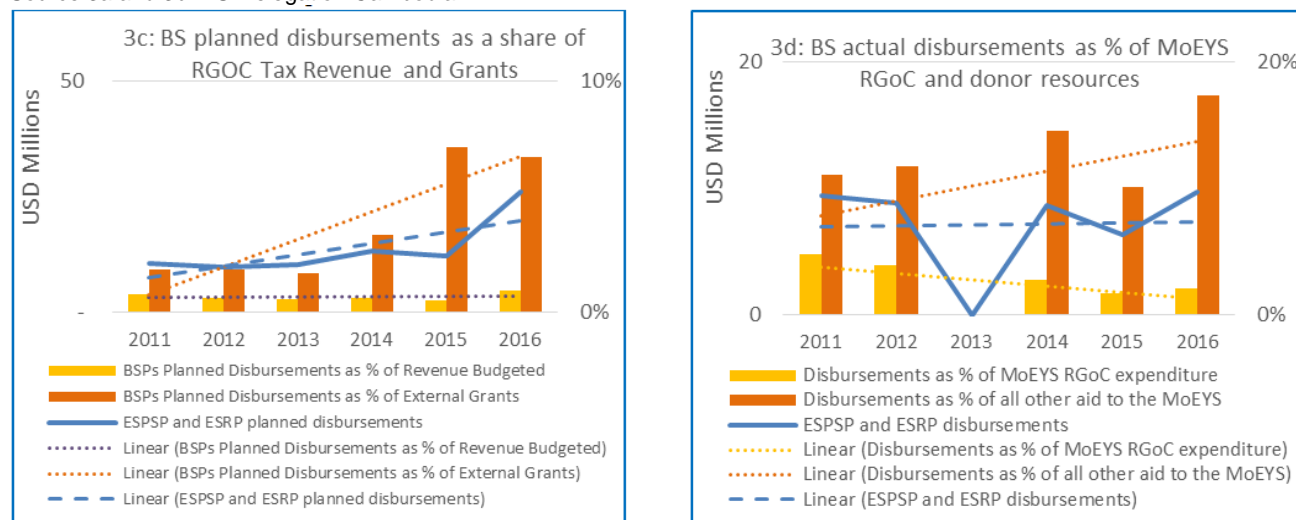
were steady against commitments for the ESPSP, but fluctuated for the ESRP. Whereas the EU was able to disburse only about half of the funds planned for 2014, it was able to disburse 80% for 2015. But by December 2016 no funds for 2016 had been disbursed, as the 2016 assessment was not complete. The assessment was completed in April 2017, disbursing EUR20.2 million.

47. **Across both programmes, however, actual fund flows by calendar year present a very different pattern.** Figure 3b below provides the EU budget support disbursements by calendar year against the planned disbursements according to the Financing Agreements for that year. Between 2011 and 2016 the amount disbursed fluctuated, even if the trend was upwards.

Figure 3. EU budget support disbursements



Source 3a and 3b: EU Delegation Cambodia



Source: EUD, IMF 2013, 2015, 2017, own calculations

Source: EU Delegation, MoEF, CDC 2017, own calculations

48. **Over the period, planned budget support disbursements increased relative to planned tax revenue, despite tax revenue more than doubling over the period in nominal terms.** Figure 3c above compares the planned disbursements with RGoC budgeted tax revenue and external grants.⁵⁰ It shows that the relative importance of budget support increased over the period, even if only slightly. The ESRP was a much higher proportion of RGoC external grants than the ESPSP. At MoEYS level budget support actual disbursements increased relative to aid earmarked for the Ministry from other donors, but decreased relative to MoEYS RGoC expenditure (Figure 3d).

⁵⁰ For RGoC budget data Figure 3c uses the Cambodia IMF Article IV Report data series as it makes a clear distinction between external grant and external loans in line with Government Finance Statistics classification standards.

Predictability of budget support flows⁵¹

49. **The EU budget support became increasingly unpredictable over the period, both in terms of medium- and of short-term predictability.** The assessment process for the ESPSP and the ESRP was designed to provide short-term predictability to the RGoC: the intent was that the final EU disbursement decision at least would be known by December, in time for the fiscal year start.

50. **Short-term predictability was high for the first two years of the ESPSP, but deteriorated thereafter, due to a combination of assessment processes taking longer and lower disbursement of the variable tranche.** The calculation of the difference between projected flows known in December of each tranche year for the subsequent three-year medium-term and actual disbursement shows that predictability for the first year was worse than for the second year, from 2013. A first factor was that disbursements against the ESRP variable tranche indicators were low, even if improving over time. There was a widening gap between planned and actual disbursements, as is visible in Figure 3b above. This was both a factor of the specific measures selected, and because in the first year the rules for disbursement were not fully understood (see paragraphs 74 and 75 below). A second factor is that disbursement decisions were taken after the end of the assessment year (and therefore later than planned) from 2013, as the EU requested additional documentation or clarification on indicators.

51. **Medium-term predictability – the reliability of the third year projections – also got worse from 2013.** This was because disbursements were either not known as agreements were not yet signed, or higher because agreements changed.

52. **That more than 80% of funds were actually disbursed, however, compensated for low predictability.** By the time of data collection for the evaluation, altogether EUR59 million of the planned EUR68 million up to the end of 2016 had been disbursed. This equals more than 80% of projected funds. The MoEF smooths out fluctuations in budget support payments over years. All budget support disbursements are put into a holding account, from where they go into the general revenue account as per budget estimations. This means that higher than estimated disbursements in any year can be used to smooth out lower disbursements in subsequent years. This is more possible in Cambodia than in some other budget support countries, as budget support is a relatively small share of RGoC resources.⁵²

Conclusion: the scale, predictability and timeliness of budget support flows

- Despite planned EU budget support increasing significantly from the ESPSP to the ESRP, the increase was not realised in practice as the gap between planned and actual disbursements grew. Only 31.2% of planned funds by end 2016 were disbursed by this time.
- Planned budget support, however, increased relative to RGoC budgeted tax revenue and external grant resources, raising its potential importance to the MoEF. But disbursed budget support declined relative to MoEYS expenditure and donor resources.
- While initially the RGoC could rely on disbursements as planned, predictability worsened over the period. Because the MoEF can manage unpredictability, this mattered less than that a high share of resources was disbursed eventually.
- The budget support assessment process design did not allow for sufficient time for queries to be raised, resulting in high short-term unpredictability when they were actually raised.

Timeliness of disbursements⁵³

53. **The assessment process timeline for both programmes did not allow time for queries to be raised resulting in a high risk of unpredictability.** Across both programmes, while assessment processes were seen as fair and transparent and no material disputes about assessment results arose, the associated tranche releases only occurred on time when the payment request by the MoEYS

⁵¹ Cf Annex 5, EQ1.1 for more detail.

⁵² Cf Figure 3c.

⁵³ Cf Annex 8 and Annex 5 EQ1.1 for more detail.

(ESPSP) or MoEF (ESRP) was complete, on time and no serious queries were raised during its processing by the Delegation or Brussels (i.e. in 2011 and 2012). RGoC respondents also noted that the ESRP indicators required internal assessment processes that were more time-consuming, and that the addition of the MoEF lengthened the processing chain. The 2012 shift to combining fixed and variable tranche assessments – to reduce transaction costs – also had the unintended consequence of holding up payments for both tranches if there was a query / issue in either, making the whole programme more unpredictable.

3.2 Relevance of budget support, and the design of the ESPSP and ESRP

This section provides findings and responses to EQ 1.2: To what extent did the design and scale of the budget support programmes, and the choice of budget support as a modality, respond to the political, economic, and social context of education in Cambodia, to Government education policy, to the education sector aid context, and the evolution of the EU/RGoC partnership?

Relevance of budget support to the context and the EU/RGoC Partnership⁵⁴

54. **Cambodia's progress on public financial management reforms and macro-economic context was appropriate for the use of budget support over the period**, and in line with EU development assistance strategies and policies. The World Bank Integrated Fiduciary Assessment and Public Expenditure Review of 2011⁵⁵ confirmed progress in improving internal controls and accountability reporting against the Public Financial Management Reform Programme. Education was one of the early adopters of public financial management reforms introduced prior to and during the period. This also created synergies between the EU's support to public financial management reforms and to education.

55. **The use of budget support was relevant to the education sector/the MoEYS in the context of a declining MoEYS budget share, because it could strengthen MoEYS's engagement with the MoEF.** At the time, the EU was the only provider of such resources: all other donor grants were earmarked.⁵⁶ Budget support, equal to 0.7% of tax resources, had the potential to encourage additional RGoC resources to the sector. This effect was increased in the ESRP, which tripled the budget support commitment. The MoEF was also the RGoC signatory and a participant in assessment processes.

56. **Budget support was also relevant as it was a more aid-effective modality for the MoEYS.** It recognised government ownership of sector priorities by maintaining the centrality of the ESP as the main reference point for support. It strengthened country systems by aiding higher use of these systems.

57. **This relevance was however not perceived consistently across the MoEYS.** Respondents from the central technical departments of the MoEYS pointed out that the use of budget support did not guarantee them additional resources, as would be the case with earmarked support. Yet they were still under pressure from the MoEYS leadership to deliver the performance targets of the Performance Assessment Framework (PAF),⁵⁷ while additional resources for the activities to achieve the targets were dependent on the MoEF agreeing to requests for these resources. A counter-argument is that it is more sustainable that RGoC resources finance and the technical departments manage activities than would be the case if activities were financed through temporary earmarked support overseen by a donor.

58. **Budget support is relevant to the EU/RGoC partnership as it built government ownership in a key sector for poverty reduction, and maintained a relationship of trust that evolved over time in recognition of sector governance improvements.** The EU has been using budget support to support the education Sector Wide Approach (SWAp) since its inception in 2003. Design of the EU's budget support programmes evolved in response to sector governance progress. In the first programme funds were released to the MoEF after the release of RGoC funds to the MoEYS for specific actions. The

⁵⁴ Cf Volume 2, Annex 5 EQ1.2 (i) for more detail.

⁵⁵ World Bank, 2011, *Cambodia: More Efficient Government Spending for Strong and Inclusive Growth, Integrated Fiduciary Assessment and Public Expenditure Review (IFAPER)*, World Bank Report No. 61694-KH, November 30, 2011.

⁵⁶ The ADB also provided non-earmarked resources, but as a policy loan.

⁵⁷ PAF in this report refers to the PAFs agreed between the RGoC and the EU to manage the ESPSP and the ESRP.

next programme no longer was on a reimbursement basis, but still made fixed tranche disbursements conditional on RGoC expenditure and deducted unliquidated MoEYS programme budget (PB)⁵⁸ funds from variable tranche releases. Also, the variable tranches were released against successful implementation of sector governance steps, such as revising the sector plan's Policy Action Matrix annually. The ESPSP, in contrast, had no specific fixed tranche conditions and no longer targeted high-level governance processes. Instead, it focused on transversal sector management systems. The ESRP continued this model, in line with the EU Budget Support Guidelines released in 2012, but moved from a system emphasis to education-oriented indicators.⁵⁹

59. Over the period, government actions affected the political opposition and civil society voice. Sector budget support nonetheless was a relevant delivery mechanism. The EU Budget Support Guidelines are clear that: "Sector Budget support remains a useful tool even where the conditions do not exist to permit the use of Good Governance and Development Contracts, because it often remains the best delivery mechanism, and can be used as a vector to improve governance."⁶⁰ The continued use of budget support over the evaluation period was aligned with the EU Budget Support Guidelines because:

- The increasing effectiveness of government⁶¹ and increased availability of overall RGoC budgetary resources make budget support a better delivery mechanism for the sector than other EU modalities. This is because of its effects on government financing for sector reforms, on strengthening of MoEYS ownership of policy priorities and own systems to further improve government effectiveness, and on aligning and harmonising all sector resources. The alternative modalities (i.e. providing support to a pooled fund or project support through European Commission (EC) procedures), would have been subject to parallel priority determination and implementation systems, with much reduced sustainability.
- Budget support is also arguably a vector for better governance by supporting horizontal and vertical accountability⁶² for the delivery of education services, through strengthened results-based management in the sector and the strengthening of school support committees.
- Being the largest budget support donor, and only provider of budget support grant funds, strengthens the EU's position as an RGoC development partner, potentially supporting its political relations.
- Finally, the use of budget support and the engagement of the MoEF in the education sector allow complementarity and mutual reinforcement between EU budget support and support for public financial management reform and decentralisation.

Relevance of scaling up and the input mix of the EU education support programme⁶³

60. **Scaling up the budget support and capacity building components from the 2008-2010 education sector support programme to the ESPSP was relevant to accelerate reforms in the sector.** Table 5 below shows that the ESPSP was worth more than three times the 2008-2010 programme. When the ESPSP programme was designed it was in a context where previously the sector-wide nature of budget support had been leveraged by the MoEYS leadership to align the MoEYS behind key reforms. In addition, the triggers associated with tranche releases enjoyed a high profile, attracting

⁵⁸ Programme Budget (PB) refers to the 2008/09 reform in which a part of the RGoC budget was moved onto a 'programme' basis, in other words financing through tightly specified line item categories, the activities of government entities. The PB was therefore in contrast to an 'overhead' budget, which paid for the ongoing cost of government staff and offices. PB contrasts with programme-based budgeting (PBB), which is a budget preparation reform introduced in 2015.

⁵⁹ See the section on the PAF below (from ¶166), as well as Annex 8, for more information.

⁶⁰ EC, 2012, p28.

⁶¹ Cf Figure 2.

⁶² Vertical and horizontal accountability are used in line with their common usage in public governance. Horizontal accountability involves state institutions engaging in mutual scrutiny to prevent abuses of office; and vertical accountability refers to engagement by individuals and groups with governments and service providers through participation, advocacy and oversight mechanisms (E Combaz and C Mcloughlin, 2014, *Voice, Empowerment and Accountability*, Birmingham, UK: GSDRC, University of Birmingham).

⁶³ Cf Volume 2 Annex 5 EQ1.2 (iii) for more detail.

attention across government and from the political level.⁶⁴ Furthermore, the increase to the capacity building component, which received more than twice the amount of funds in the ESPSP compared with the preceding programme, was also relevant in response to the 2009-2013 ESP, which had identified institutional capacity development as a strategic pillar for the sector.

Table 5. Evolution of EU budget support input mix

EUR million	2008-2010	2010-2013	2014-2016/17
Budget support	7.50	23.10	68.00
of which fixed	67%	68%	53%
of which variable	33%	32%	47%
Capacity building as a share of funds	2 21%	7.45 24%	8.52 11%

Source: EU Delegation Cambodia, Quinn 2011

61. **The scaling up of budget support was also relevant to the sector insofar as it was based on the RGoC’s commitment to reverse the decline in the budget share to education seen over the ESPSP programme.** The increase in the ESRP agreement was aimed at encouraging decisions to increase the MoEYS budget allocation. The argument was that budget support would increase the resources the RGoC had at its disposal until domestic revenue increases caught up.

62. **The scaling up of the budget support from the ESPSP to the ESRP programme was relevant to the EU, as it was reflective of a commensurate increase of development resources for the EU in Cambodia.** It allowed the use of these resources within the capacity limits of the EU Delegation, without additional transaction costs, against a credible, comprehensive plan in a priority sector for the RGoC which had a long history of successful partnership with the EU and other donors.

63. **A better mix should have been achieved between the capacity development support funds and budget support funds in the second programme.** A key barrier to faster progress on sector reforms during both programmes was technical reform capacity, and sector management and implementation capacity at all levels. Even a 5% shift from budget support funds to the CDPF component would have significantly increased the resources of the CDPF, the MoEYS’s main capacity development resource, without detracting from the contributions of budget support to the direct and induced outputs. A countervailing argument however is that at the time the issue was perhaps not so much about getting more money into the system, but rather about using additional funding wisely. The argument was made by respondents that even if additional funding were available, getting the right people into posts to be trained and developed would be slow, with the result that additional funding might not have been used well. Nevertheless, given that the depth and coverage of capacity development at sub-national level was already an issue at the time, additional funds would have contributed to addressing this problem.

64. **The shift to a higher share of funds for variable tranche indicators in the ESRP was however appropriate to the context, the programme and the EU’s budget support policies.** The ESPSP design structured the budget support funds very similarly to the 2008-2010 programme, with a 1/3–2/3 split. The ESRP, however, shifted this much closer to an even split, as is shown in Table 5 above. This was relevant to the leverage that variable tranche indicators gave to the EU and other development partners in dialogue, and to the MoEYS leadership in profiling and pushing through reforms. The same leverage did not attach to fixed tranche indicators, which are more general.

65. **In practice, however, the shift to a higher variable tranche share risked higher volatility in fund disbursement.** This was exacerbated by the RGoC not taking full cognisance of the change in rules, between the ESPSP and the ESRP, which meant that the reassessment and payment against progress on process indicators were no longer allowed. This meant that disbursement against the first variable tranche assessments was very low. The situation improved after the indicators and targets were reconsidered.

⁶⁴ Quinn, *op. cit.*

Relevance of the Performance Assessment Framework indicators to the changing context and the ESPSP and ESRP objectives⁶⁵

66. Table 6 below provides the main indicators used in the ESPSP and ESRP PAFs and sets out how often they were used in assessments and how often they were met.

Table 6. The ESPSP and ESRP indicators

ESPSP			
Indicator statement and maximum disbursement	Number of times		
	Used	Met	
1.1 % of annual government recurrent budget allocated to MoEYS (EUR1,500,000)	6	1	
1.2 Number of Districts out of 193 achieving Primary Completion Rate >= 80% (EUR1 500 000)	4	2	
1.3 Number of Complete Schools achieving a repetition rate of less than 10% (out of 5,462) (EUR1,500,000)	3	3	
2.1. The Praka for strengthening of school management and community's role and responsibilities in respect to school management is revised (EUR428,571)	5	2	
2.2. New SOB funding formulas to reverse recent falls in value and to specifically incentivise student progression and school completion is operationalised (EUR428,571)	5	3	
2.3. A costed operational and procedural plan for the provision of school improvement plans to be funded through the national recurrent budget and consistent with national PBB procedures within SOB is developed (EUR142,857)	1	1	
2.4. A procedural manual for decentralized financial management and reporting for education sector programme-based budgeting programme is developed (EUR428,571.00)	3	3	
2.5. The Internal Audit Manual and compliance audit procedures are revised in accordance with the newly developed PBB procedural manual (EUR428,571)	6	2	
2.6. Ministry of Education and Youth and Sport staffing norms for schools, DEOs and PEOs are rationalised and applied (EUR428,572)	5	1	
2.7. Result Based Management is improved and reflected in provincial plans (EUR285,714)	2	2	
2.8. Staff performance review system (SPRS), for mid-to high-level non-teaching management staff, including all school directors is operationalized (EUR428,573)	5	2	
ESRP			
Indicator statement and maximum disbursement	Used	Met	Partially met
2.1 Enrolment in Early Childhood Education (%) (EUR400,000) Dropped from 2016	2	0	1
2.2 Primary completion rate (EUR1,200,000)	2	0	0
2.3 Lower secondary completion rate (LSCR) (EUR1,200,000)	2	1	0
2.4 Lower secondary dropout (EUR1,500,000)	2	0	0
2.5 Scholarships in primary (EUR7,500,000)	3	2	0
2.6 Scholarships in lower secondary, (EUR5,400,000)	2	1	1
2.7 Multilingual education (MLE) (EUR1,200,000)	2	1	0
2.8 Non-formal education re-entry programme (EUR500,000) Added for 2017	0	0	0
2.9 Teacher qualifications (EUR3,000,000)	2	0	1
2.10 National assessments (EUR1,400,000)	3	1	0
2.11 MoEYS budget efficiency (EUR5,600,000)	3	0	0
2.12 MoEYS capital budget efficiency and predictability (EUR3,600,000) Added from 2016	1	1	0

67. **The ESPSP and ESRP PAFs were fully aligned with the MoEYS ESPs.** Document analysis shows that all the indicators and targets were either as stated in the ESPs, or clearly and strongly associated with an ESP objective, target or policy action.⁶⁶ Both programmes included ESP Core Breakthrough Indicators. For the ESRP, the final formulation of targets was only after the ESP had been finalised in order to ensure alignment between the ESPs and the ESRP.

68. **The MoEYS had ownership of most of the indicators and targets.** They were (i) from the ESP and (ii) selected as priority areas jointly, through dialogue and with the participation of Sida and UNICEF (as CDPF partners). While consultants supported the process, proposals and decisions were

⁶⁵ Cf Volume 2 Annex 5 EQ1.2 (iv) and Annex 8 for more detail.

⁶⁶ Please see Table 8.7 and 8.8 in Annex 8 for the indicators and analysis.

discussed in budget support programme meetings. That the PAFs evolved with the education sector context and in a responsive way to the MoEYS needs, further assisted ownership. For example, the introduction of a capital budget indicator in the second ERSP rider was in response to the education minister wanting leverage to ensure the allocation and effective use of capital funds from the MoEF.

69. **Indicator targets were specific, measurable and timebound.** According to EU Delegation and MoEYS respondents, target statements were clear and no material disputes arose on the meaning of indicators or targets.

70. **The ESPSP and ESRP PAFs’ mix of indicator types was for the most part relevant and strategic, and in line with programme objectives, but more so for the ESPSP than for the ESRP.** In an evolution from the 2008-2010 programme, in which sector planning and review processes were the focus of the variable tranche, the ESPSP PAF shifted its focus from high-level planning and review processes to lower-level institutional strengthening (such as strengthening school-based planning and decentralised financial management), as discussed in paragraph 58 above. Document analysis shows this was in line with the ESP pillar, but also reflected donor concerns with sector policy and financial management.

71. While the ESPSP PAF may be seen to be too heavily oriented towards processes to prepare for reforms (studies and development of policies) rather than to the implementation of reforms, it reflected the context at the time. For example, in relation to the school operating budgets, while the MoEYS and development partners had long acknowledged that the format was too rigid, it required many years of donors piloting more flexible school grants to address this with the MoEF. Also, respondents argued that the ESPSP was implemented in a different political context – prior to the 2013 election and before the appointment of the current education minister, His Excellency (H.E.) Dr. Hang Choun Naron, who has a reform mandate – and that a PAF supporting processes to negotiate difficult reforms was appropriate.

72. As reflected in Table 7 below, the ESRP shifted from institutional reform / process type indicators to more quantitative indicators associated with the implementation and results of policies to improve equitable access to education and the quality of education, the other two ESP pillars. This was fully in line with the ESRP objectives and reflected a sector context in which there was renewed reform impetus in the MoEYS. The number of outcome-level indicators doubled, in line with EU Budget Support Guidelines of 2012 and the Mid-Term Review of the ESPSP.⁶⁷

73. The second rider, however, shifted the PAF structure back to more process-oriented indicators and fewer policy implementation and sector result indicators. This was after most of the outcome / policy implementation targets were not met, and the trade-off between disbursement and a more outcome / more policy-implementation-oriented structure became too stark. This suggests that the increased focus on more outcome / implementation targets may have been premature, or at the wrong outcome level.

Table 7. Evolution of the EU Budget Support PAFs

Indicator types	ESPSP		ESRP	
	Initial	Rider	Initial	Rider
Nature of the indicator				
Quantitative indicators	3	2	7	5
<i>of which outcome</i>	2	2	4	3
<i>of which output/inputs</i>	1	0	3	2
Qualitative process and output indicators	8	9	3	6

⁶⁷ G. Poyck, 2012, Mid-Term review of the EU-Cambodia Education Sector Policy Support Programme 2011-2013. Final Report.

Indicator types	ESPSP		ESRP	
	Initial	Rider	Initial	Rider
Purpose of the targeted policy action / result				
Financing of the education sector	2	2	1	1
Institutional strengthening	6	6		
Educational interventions and outcomes	3	3	9	10
<i>Contributing to equitable access</i>	1	1	4	5
<i>Contributing to quality improvements</i>	0	0	2	2
<i>Contributing to both</i>	2	2	3	3

74. **The indicator targets were not always achievable.** Variable tranche targets were achieved 48% of the time in the ESPSP and 41% of the time in the ESRP.⁶⁸ The MoEYS respondents argued that more easily achievable indicators should have been set across both programmes. Indicators and targets would have been considered more appropriate if they had (i) been more in the control of the MoEYS, i.e. not involving other RGoC institutions, and (ii) not been outcome indicators. The MoEYS argued that it was not in a position to ensure that targets that involved other RGoC entities were met (this was the case, for example, for the RGoC budget share target of the ESPSP), and that processes that involved other entities were slow and unpredictable. Outcome indicators were also seen as not suitable because they were dependent on factors beyond the MoEYS's control, and because they were not clearly associated with specific actions that would ensure the target had been achieved within the period. While there can be sympathy with this view, the counter argument is that the non-use of outcome indicators would not be aligned with EU budget support guidelines, that outcome indicators are appropriate for the budget support modality as they require sector-wide progress, and that getting broader RGoC support for education sector reforms is a strong rationale for using budget support as a modality. A stronger argument can be made that the targets may have been too ambitious (also in the ESP), rather than that the indicators were not suitable (for example, while teacher deployment is a strategic intervention, rethinking policies, designing regulatory aspects and implementing change within three years is ambitious given that it would involve multiple stakeholders and RGoC institutions in Cambodia).

75. **The change in rules from the ESPSP to the ESRP contributed to indicators not being met in the early ESRP assessments.** RGoC respondents felt that the new rule under the second programme, that process indicators had to be met fully, as stated, without option for reassessment, did not take into account the high probability of process delays. However, respondents also noted that once this had been understood clearly, it provided better incentives to work towards the target.

76. **The spread and depth of policy areas covered by the indicators were not fully relevant to the Cambodia context.**

- *Not enough attention was paid to quality in the ESRP.* The ESRP Performance Assessment Framework (PAF) policy actions and results were aimed at addressing access, particularly for marginalised groups, and quality. This reflected the first two pillars of the ESP2014-2018. Yet, the education sector context analysis shows that while access to education was expanded successfully in the decade prior to the evaluation period, the key challenge by 2011 was the quality of education.
- *The ESRP spread the PAF across too many areas, blunting budget support as an instrument.* The non-outcome-oriented indicators in the ESPSP focused largely on institutional strengthening, and within that on school-based management (3 indicators); human resource management (2 indicators) and results-based and financial management (3 indicators). The ESRP indicators were linked to many specific interventions, namely to scholarships (2 indicators), multi-lingual education (1 indicator), non-formal education (1 indicator), teacher qualifications (1 indicator), national assessments (1 indicator), and the capital budget (1 indicator). This distributed responsibility for achieving targets across the MoEYS, reducing leverage in any one policy area.

⁶⁸ Targets were achieved 22 times out of 45 times assessed for the ESPSP, and 10 out of 24 times for the ESRP.

77. **The design of the programmes was, however, very relevant to the EU development assistance and specific programme objectives**, particularly relating to marginalised groups. The ESPSP PAF included indicators that were intended to address inequality in access and outcomes across the sector. Examples are the specification of the primary completion rate indicator by number of districts, which would address the wide disparities between districts in achieving primary completion rates; and targeting the redesign of the school operating budgets indicator to favour disadvantaged and smaller schools. Moreover, addressing gender and other drivers of inequality, such as poverty, geographical location, social exclusion, vulnerability and disability, was a cross-cutting objective of the ESRP.

Relevance of the ESPSP and ESRP capacity development inputs⁶⁹

78. **Both with the ESPSP and with the ESRP, the EU's capacity development inputs were no longer delivered as EU-procured goods and services, but became a financial contribution to the CDPF supporting MoEYS capacity development priorities.** EU capacity development inputs therefore were no longer directly linked to the EU-determined objectives of the budget support programmes or contracted by the EU. They were neither led by technical assistance, nor managed through EU procedures. Instead, they sought to provide programmatic and aligned support to the MoEYS's capacity development priorities. The CDPF is aligned to sector capacity building strategies and needs, as is explained in Box 1 below. It derives its work plan fully from the Capacity Development Master Plan, drafted and updated by the MoEYS. By committing all capacity development funds to the CDPF, the ESPSP and ESRP thereby sought to support sector-wide, aligned capacity development objectives.

Box 1 Overview of the CDPF design and financing

The Capacity Development Partnership Fund was established in 2011 as a multi-donor fund, managed by UNICEF, to support MoEYS to develop and implement its own Capacity Development Master Plan. The development of the Master Plan was in response to the Fund. The Fund's objectives during Phase I fitted closely with the ESP priority on institutional capacity development for decentralisation. The design of the CDPF under Phase 2 also was aligned with sector priorities. It focused on capacity development for planning, monitoring, PFM, policy implementation, and management of education reforms at central, provincial, district and school levels. The EU is the largest contributor to the Fund. For the first time in the ESPSP the EU no longer used the capacity building funds of a programme linked to its own objectives but channelled all its contributions to sector-wide capacity objectives. The EU's share of the CDPF budget was 69% in Phase 1 (EUR7.45 million) and 63% in Phase II (EUR8.52 million). Other partners are Sida and UNICEF, which made financial contributions of SEK66 million and USD2.25 million respectively to the CDPF. A Steering Committee provides strategic oversight of the CDPF, co-chaired by the Secretary of State and an EU representative, with high level representation from MoEYS, Sida and UNICEF. From the MoEYS side, the Directorate General of Policy and Planning plays a key role in driving the development of the MoEYS's Master Plan for Capacity Development.

79. **This shift was relevant and strategic in the context of a sector embarking on further major reforms and facing both institutional and human resource capacity constraints at all levels of government.**⁷⁰ The volume of EU CDPF support, 64% of the CDPF budget over the period, facilitated the creation of the Fund and contributed to its importance for the MoEYS. The size of the CDPF created an opportunity for the Capacity Development Master Plan to become the central sector instrument to harmonise capacity development inputs.

⁶⁹ Cf Volume 2 Annex 5 EQ1.2 (v) for more detail.

⁷⁰ RGoC MoEYS 2010 and RGoC MoEYS 2014a.

Conclusion: Relevance of budget support as a modality, and the design of the ESPSP and the ESRP

- **It was relevant for the EU to use budget support in the education sector in Cambodia.**
 - It was a relevant instrument to the education sector as it had the potential to provide opportunities for on-budget financing of important sector initiatives in the context of a declining budget share, and increased the leverage available to actors in the sector to push for sector reforms
 - It was relevant to the EU, despite concerns about the political context, as it was also more likely to deliver sustainable results in the education sector than other support modalities. The history of strategy development and implementation in the education sector, a credible government-wide PFM programme (and the complementary EU support to PFM), and a stable macro-economic framework, meant that the use of budget support was in line with EU budget support guidelines.
- **Scaling up budget support was relevant to the sector and to the EU.**
 - It was relevant to the sector as it created a higher likelihood of increased RGoC financing for the sector, and increased the leverage available to actors in the sector.
 - It was relevant to the EU as it facilitated the absorption of an increased EU allocation to Cambodia through support to an RGoC priority sector.
- **The input mix of the ESPSP and the ESRP was not fully relevant to the sector context.**
 - A larger reprioritisation towards the capacity development component would have allowed increased capacity development efforts without reducing the benefits of providing budget support.
 - The higher variable tranche share in total commitment of the ESRP compared to the ESPSP was relevant to increase the education sector-specific results from budget support.
- **The choice of variable tranche measures in the ESPSP was more relevant to the context than in the ESRP. The considerations paid to gender and equity issues in both frameworks were relevant to the EU's programme objectives and policies.**
 - The ESPSP PAF was relevant and strategic in the context in terms of the type of indicators. The ESRP, however, switched prematurely to more outcome-level measures with ambitious targets.
 - How indicators were spread in the ESRP PAF across policy concerns was not fully relevant to the context, even if they were fully aligned with the ESP. More focus and more attention to quality interventions would have been more appropriate.
 - The focus on equitable access for the poor and marginalised groups and on gender was in line with the EU programme objectives and development assistance priorities.
- **The choice to channel ESPSP and ESRP capacity development funds to a pooled fund supporting MoEYS-driven capacity development priorities was strategic and relevant.**
 - The fund and its approach to capacity development are relevant to the MoEYS and the sector as the fund provides more coordinated support towards MoEYS priorities and can help coordinate support from non-CDPF donors through the Master Plan.
 - The CDPF was catalytic in the development of the Master Plan. Capacity development coordination structures have been established linked to the CDPF. As the largest donor, the EU was instrumental in establishing the CDPF.
 - The shift from delivering capacity development inputs as EU-contracted goods and services to financing a pooled fund linked to the MoEYS's Capacity Development Master Plan was therefore relevant and strategic in the context.

Chapter 4. Providing new opportunities for the education sector in Cambodia: budget support direct outputs

80. This chapter addresses Level 2 of the evaluation framework, covering the direct outputs of the EU budget support programmes. It brings together the responses to EQs 2.1 and 2.2. Volume 2 Annex 5 presents the questions, judgement criteria, indicators, responses and details of data sources in the EQ Response Matrix. Annex 9 presents more detail on the evolution of sector dialogue and external support for the sector. In this chapter we synthesise our responses in order to assess how successful the budget support financial flows and other inputs have been in triggering more harmonised opportunities for sector progress.

4.1 Budget support contribution to scaling up, aligning and harmonising aid⁷¹

This section brings together findings and responses to EQ 2.1: To what extent did the budget support programme inputs contribute to more and more predictable, aligned and harmonised external aid to the sector, including financial aid and technical assistance?

Complementarity of aid flows

81. **Aid flows to the education sector were concentrated in primary/basic education and nutrition / school feeding programmes.** This is shown in Figure 4a below, in which each bar shows the total volume of aid for the period on the horizontal axis, broken down by education sub-sector. Food security, the bottom block, and primary and basic education, the second block from the bottom on all three bars, received the most aid. When the EU budget support programmes (the largest portion of the top block on all three bars), which targeted the basic education sector, are taken into account, primary and basic education attracted the most aid.

82. **Outside of this concentration, a mapping of donor support to sub-sectors and policy areas showed that donors partnered in different sub-sectors, with larger donors taking the lead in each** (see Volume 2, Annex 5, EQ2.1 (iii) for the donors' mapping). While the EU's budget support programme PAF targeted the support to the primary and basic education sector, the ADB's policy lending programme was targeted to secondary education. These were the only budget support programmes in the sector. The World Bank (as the implementing agent of the GPE grant) and UNICEF channelled support to the early childhood education sector. Japan provided the significant financing in the tertiary sector, supported by the World Bank (in the early part of the period). The EU, Sida and UNICEF, the three supporting partners of the CDPF, took the lead on capacity development, while Japan, Sida and the ADB all made significant contributions to physical school and other infrastructure.

83. Complementarity between programmes was also achieved over time. For example, the ADB's policy lending programme piloted scholarships for girls and poor learners in lower secondary, an intervention which then became an ESRP variable tranche measure.

Size, alignment and harmonisation of aid flows to the MoEYS

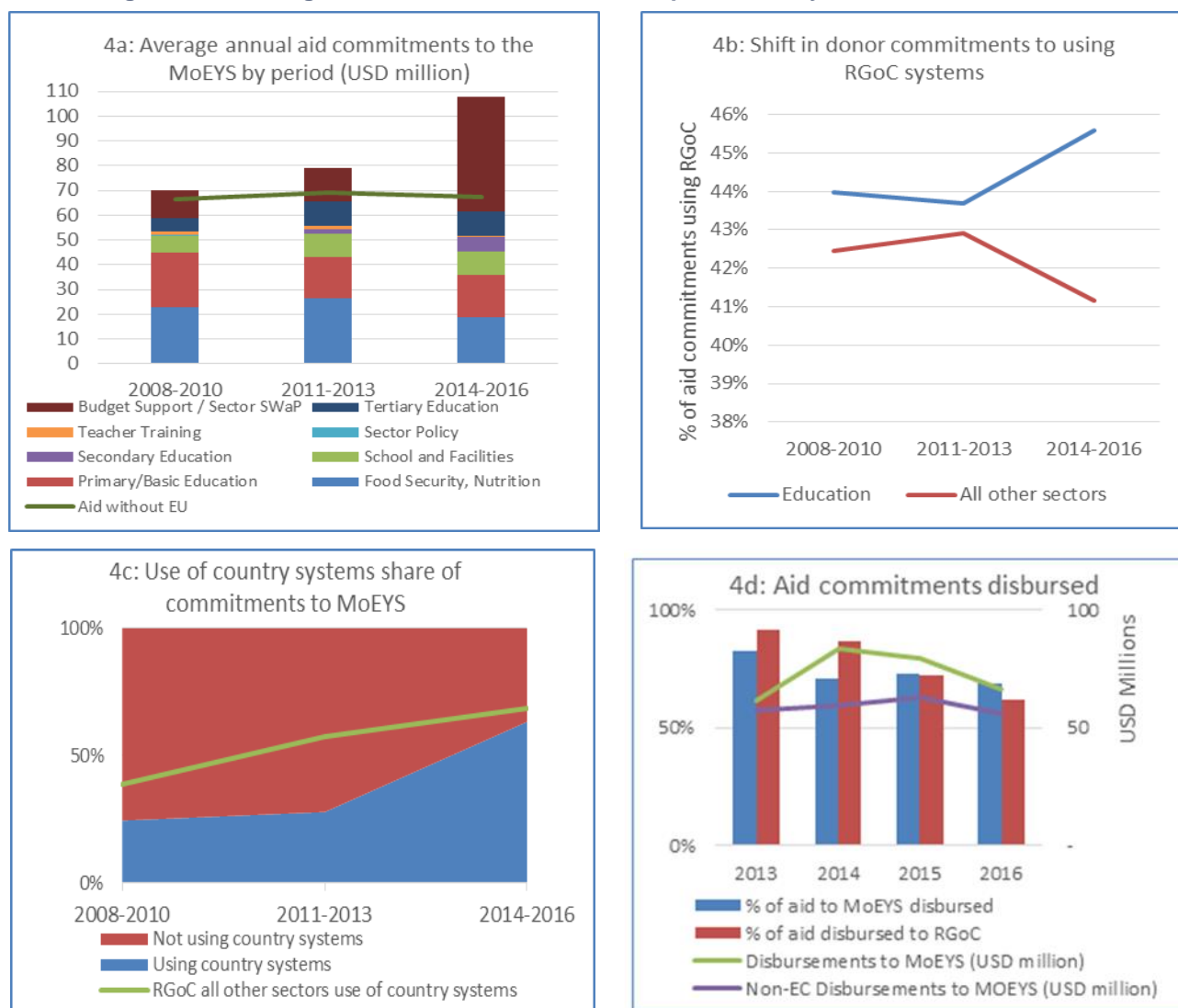
84. **While the EU budget support programmes increased aid commitments to the MoEYS significantly, they did not trigger a significant increase in commitments by other donors.** More aid was committed to the MoEYS between 2011 and 2016 on average per year than between 2007 and 2010. This growth was also faster than the growth for aid committed to all other government entities. Between 2014 and 2016 on average the annual aid planned for the MoEYS was 54% more than aid planned for 2007 and 2010. For all other RGoC entities, the increase was 50%. The MoEYS increase was driven, however, by the increase in the EU's commitments for education. Non-EU commitments to the MoEYS increased by only 1%. This is demonstrated in Figure 4a below, which shows average

⁷¹ Cf Volume 2 Annex 5 EQ2.2 (i, ii and iii) and Annex 9 for more detail

annual education aid commitments to the MoEYS including the EU commitments, and the contribution of different sub-sectors to the commitment. The key increase between the 2008-2010 and the 2014-2016 periods has been in budget support and SWAp contributions, and tertiary education. The line on the figure represents total commitments excluding the EU ESPSP and ESRP contributions.

85. **There is evidence that aid to the MoEYS was more aligned to the RGoC policies and systems by the end of the period than before.** Firstly, in the education sector overall, much more aid used the RGoC as a channel, in an opposite trend to aid to all other sectors (see Figure 4b below). Secondly, of the aid that was channelled to the MoEYS as the implementing agent, more was delivered using country systems by the end of the evaluation period than before it. Figure 4c shows that the use of country systems⁷² increased, and increased faster for aid commitments to the MoEYS than for commitments to the RGoC for all other sectors. This is partly driven by the increase in budget support, not only because of the EU support but also on account of an increase in policy lending by the ADB.

Figure 4. Changes in volume, distribution and predictability of aid to the MoEYS



Source: CDC 2017, own calculations

86. **Aid flows to the MoEYS are more aligned and more often coordinated through government-run or led systems than before.** MoEYS respondents noted that even if development

⁷² The CDC database records whether aid programmes and projects use government’s accounting and financial reporting, procurement and/or auditing systems. For the purposes of the analysis here all commitments that used country systems in any one of these dimensions were counted.

cooperation does not use the RGoC downstream financial management, procurement and audit systems, much more aid is planned as programme aid and is coordinated through the MoEYS planning systems⁷³ and through the MoEYS-run dialogue forums. Compared to prior to 2011, the MoEYS now has no project implementation units managing discrete projects. Furthermore, technical assistance is largely through the CDPF, and any technical assistance provided by donors outside of the CDPF is managed under the Capacity Development Master Plan developed by the Ministry linked to the CDPF.

87. The OECD DAC aid statistics confirm that education sector aid became more aligned over the period⁷⁴ under evaluation. In 2010, 55% of public sector ODA in education was via project aid; in 2015 it was 37%, while aid disbursed as sector budget support and as pooled and basket funding increased to 39%. Technical assistance also reduced from 22% of public sector ODA in 2010 to 15% in 2015.

88. **However, education aid flows to the MoEYS fell increasingly short of budget over the period.** As is shown in Figure 4d above, the gap between aid disbursements and education budget widened, but less rapidly than for the RGoC as a whole, between 2013 and 2016.⁷⁵ Figure 4d also shows reported actual disbursements to the sector, including and excluding the EU support (mapped to the right axis). These increased initially but then declined again.

Evidence of ESPSP and ESRP contribution to scaling up, harmonising and aligning aid to the education sector

89. The ESPSP and ESRP contributed to the improved profile of external financing to the MoEYS through several mechanisms:

- *The EU's use of budget support was credited by MoEYS respondents with more donors being willing to use country systems.* The EU providing budget support sends a signal on using country systems that the MoEYS can use with donors, and that donor country-staff can use with their headquarters to argue for higher use of country systems.
- *The EU is the anchor donor for the CDPF, thus contributing to more harmonised technical assistance.* The ESPSP shifted the capacity development inputs of budget support from EU management to a contribution to the CDPF. The CDPF has been key to aligning sector capacity development inputs. Section 4.3 below discusses this further.
- *The EU's participation in sector dialogue processes was seen as making a contribution to maintaining these processes as the main, if not only, access point for policy influence.* Section 4.2 discusses these processes and the contribution of the ESPSP and ESRP to their effectiveness.
- *The EU's contribution to sector public financial management reforms, through the budget support programmes and the CDPF, contributed to MoEYS PFM improvements, which in turn supported more use of country systems.*

90. **However, other factors also contributed to more harmonised and aligned aid to the education sector.** The MoEYS actively resources and manages sector planning and budgeting processes inclusive of its donors, as well as the sector partnership engagements. The ESP, which is also the reference document for the Global Partnership for Education (GPE) grants, is generally considered to be a clear and credible mechanism to guide both government and donors in the sector. Respondents noted that MoEYS ownership of the ESP increased from when it was first introduced, resulting in it being the reference point for the sector's planning and monitoring processes. While the EU support contributed to sector PFM progress, this progress was enabled through the MoEYS's own commitment to improvement and was also supported by other donors.

⁷³ See paragraph 135 below on the preparation of Annual Operational Plans.

⁷⁴ OECD DAC 2017.

⁷⁵ The figure shows the three-year rolling average of disbursements against programme and project budgets, spread across the period of the commitment.

Conclusion: Budget support contribution to scaling up, aligning and harmonising aid

- The ESPSP and ESRP did not lead to significantly increased aid commitments or disbursements to the education sector from other donors.
- However, the aid that was disbursed was against commitments that were more aid-effective (i.e. more aligned to sector plans, more harmonised, and increasingly subject to government planning, budgeting and financial management systems).
- The ESPSP and ESRP contributed to this through signalling that country systems could be used, through anchoring of the CDPF, through contributing to PFM reforms and through the EU's contribution to maintaining central sector dialogue processes as key points for policy influence, and harmonising and coordinating aid.

4.2 Budget support contribution to effective policy dialogue⁷⁶

This section brings together findings and responses to EQ 2.1: To what extent did the budget support programme inputs contribute to improved processes, mechanisms and quality of policy dialogue between development partners and the RGoC in the education sector?

Effectiveness of sector policy dialogue

91. **Regular in-year dialogue structures exist, are active and are well attended**, under the leadership of the MoEYS leadership, by other key RGoC Ministries and entities such as the MoEF, by key sector donors and by representatives of civil society. Regular in-year dialogue structures in the education sector are the multi-stakeholder Joint Technical Working Group (JTWG, chaired by the Minister and UNICEF) and the donor-only Education Sector Working Group (ESWG, chaired by UNESCO). They meet quarterly and monthly respectively. The JTWG and ESWG were initiated prior to the start of the ESPSP.

92. The ESWG is the forum in which donors reach agreement on joint analyses of sector performance, on priorities for support and on priorities for the formal dialogue with the MoEYS and the MoEF. Donor respondents noted that the ESWG is key to coordinating support and to reaching a shared understanding of the gaps in support and the required actions to remedy these gaps. The Chair of the ESWG presents the joint donor view on issues at the quarterly JTWG meetings.

93. The JTWG is the formal discussion and decision-making forum. Discussions include regular items (such as a review of budget implementation and upcoming donor missions) and a rolling set of issue-specific reviews and discussions, linked to key reforms. During the period of the implementation of the ESPSP, the Secretary of State responsible for donor coordination chaired the JTWG on behalf of the then Minister of Education. From the end of 2013, the new Minister, H.E. Dr. Hang Choun Naron, has chaired all discussions. Document analysis of the JTWG minutes show that over the evaluation period the JTWG had frequent discussion of a wide range of topics relevant to the EU programme, including expenditure management, completion, repetition and drop-out rates, teacher policy and redeployment, scholarships, early childhood education and early-grade learning, non-formal education, performance appraisal, quality assurance and inspection.

94. The JTWG has several sub-groups, which are the engine rooms of sector technical work and dialogue as they offer more opportunity for technical exchange than the more formal JTWG itself. Sub-working groups include Public Financial Management, Decentralisation and Devolution, and Teacher Training and Capacity Development. Sub-working groups are often instructed by the JTWG to undertake further technical work on an issue. There are also provincial JTWGs, established in 2010/11, which coordinate at provincial level and feed into provincial annual operational plans. The ESP Mid-Term

⁷⁶ Cf Volume 2 Annex 5 EQ2.1 (i, ii and iii) for more detail. Please refer to Annex 9 for a description of the sector dialogues structures, and a reflection of sector dialogue topics.

Review (MTR)⁷⁷ found that the provincial JTWGs had improved their performance year-on-year, but interviews suggested that the performance was still uneven.

95. **Regular MoEYS-led annual forums are also taking place. These are critical to sector management and coordination. The most relevant are the Education Sector Congress, the Joint Sector Review and the JTWG Annual Retreat.** The Education Sector Congress, held every year in March, is a critical sector-wide forum to coordinate reforms and planning. The first Congress, however, was held prior to the ESPSP. The Congress has over a thousand participants from all the MoEYS technical departments⁷⁸ and Provincial Offices of Education, relevant government ministries/ institutions, higher education institutions, donors, civil society organisations active in the sector, and other stakeholders. It reviews the current school year, identifying issues, and discusses the objectives for the coming year, within the ESP framework. A Congress report is prepared, which provides details against the objectives and indicators of the Strategic Plan and documents agreed actions.

96. Since 2015, a **Joint Sector Review** has been reinstated. The Review provides an opportunity for the RGoC and its partners to review progress against the ESP by sub-sector and conduct dialogues. Field visits are also undertaken. The Review was reinstated to complement the Education Sector Congress, which did not offer much opportunity for dialogue between the RGoC and development partners, and to avoid multiple bilateral review processes. Recommendations from the Joint Sector Review are merged with Education Congress recommendations.

97. The **JTWG Annual Retreat** comprises in-depth thematic discussions on past performance and the priorities going forward. For example, in 2016 the Teacher Policy Action Plan was discussed in depth. The annual retreat is chaired by the Minister. Technical papers for the annual retreat are prepared by the JTWG sub-working groups.

98. **From 2015, the MoEF-led education sector consultation has become a much appreciated additional sector dialogue opportunity.** This is because discussion in this forum – part of annual budget preparation under programme-based budgeting (PBB) – takes place in preparation for the MoEF education sector budget hearings and is influential in determining the size and distribution of the MoEYS budget. Topics discussed so far have included scholarships and the school operating budgets, both central dialogue concerns.

99. **The dialogue structures are essential for the alignment and harmonisation of aid.** This is done both through regular reporting of programmes at the high level and through specific technical work on division of labour across sub-sectors and geographically, and through the harmonisation of policy advice in the sub-working groups and in the ESWG. The forums just mentioned, together with the CDPF Steering Committee, also helped to facilitate coherence of capacity development with the Master Plan.

100. **Joint, informed decisions are made through dialogue.** Donor respondents found sector dialogue strategic and key to encouraging sector reforms. Forums such as the JTWG, the Education Sector Congress and the Annual Retreat are structured around the presentation of technical papers – sometimes prepared by donors, but also by technical departments or jointly through the sub-working groups – that lead to decisions on strategic interventions. The Congress, the Annual Retreat and the Joint Sector Review also result in agreed mutual action plans regarding the ESP. It is possible to trace links from analysis emanating from the ESWG meetings to minuted discussion in the JTWG, to real change. For example, the reversal of the decline in the education sector budget share was linked to sector dialogue and joint analysis of funding for the sector done by the sector development partners.

⁷⁷ RGoC MoEYS, 2016, *Mid-Term Review Report in 2016 of the Education Strategic Plan 2014-2018 and Projection to 2020*, Cambodia Ministry of Education, Youth and Sport, November 2016.

⁷⁸ In this report MoEYS technical departments refer to sub-sector departments of the MoEYS (e.g. the primary education department, the secondary education department) as well as the central planning, budgeting and administrative departments such as the Policy Department, the Planning Department and the Finance Department.

101. **Dialogue processes also enable mutual accountability**, insofar as not only policies and processes are discussed but also implementation and results. The MoEYS and donors report back on implementation of initiatives and programmes.

102. **Education sector dialogue is mature, relative to other sectors in Cambodia and to the education sector in other countries.** JTWGs are common to all sectors in Cambodia. The education JTWG, however, is more active and effective than other sector JTWGs, according to the Council for Development of Cambodia. The other sector that is similar is the health sector, which also has an active SWAp. Donor respondents reported that compared to other countries in which they had participated in sector dialogue, the Cambodia education dialogue was more mature and in-depth and led more regularly to joint decision-making.

ESPSP and ESRP contribution to effective dialogue

103. Interview respondents from the RGoC, the EUD and other partners reported that **budget support is important to effective sector dialogue because it anchors joint dialogue as the central engagement mechanism; focuses attention on the PAF indicators; and facilitates MoEF engagement in sector dialogue.** Ongoing priorities for dialogue were the financing of the sector through the RGoC budget; the financing of schools through the school operating budgets; teacher remuneration; and PFM reforms. All of these require the MoEF to be engaged in the issues. Over the period, the sector has been successful in securing MoEF support on each of them.

104. The EU's use of the joint sector mechanisms to influence MoEYS and other stakeholders' decisions played an anchoring role for dialogue processes, as the EU is a significant donor to the MoEYS. At the same time the Global Partnership for Education (with the World Bank as implementing agent), the ADB, UNICEF, Sida and UNESCO played similar roles. Analysis of the EU's dialogue focuses show that they are aligned with the ESP's priority results and identified sector issues, including on sector financing, interventions that target disadvantaged groups and locations, quality interventions, sector transparency, and teacher pay, deployment and development.

105. **Technical capacity in the EU Delegation in Phnom Penh was important in enabling engagement with donors in dialogue and in providing important technical resources for the MoEYS**, together with the specialist capacity of the education officers from UNICEF, Sida, the World Bank, the ADB and UNESCO. A review of the JTWG minutes showed that on several occasions donor representatives made technical presentations that resulted in instructions to the MoEYS technical departments. The in-depth discussions of the Joint Sector Review and the Annual Retreat offer similar opportunities. The EU's simultaneous support for PFM reform enables complementarity between the sectors and cross-sharing of expertise for inputs in the education sector dialogue.

106. **The ESPSP and ESRP support for the CDPF contributed to effective dialogue to harmonise capacity development in the sector.** The ESPSP and ESRP support to the CDPF was pivotal in its creation, which in turn was important for the creation of the Capacity Development Master Plan (now the mechanism that harmonises other capacity development). Interviewees reported that dialogue linked to EU support for the CDPF (which it co-chairs) supported the use of CDPF funds for priority sector targets. This finding is also supported by internal EU reports.

Other factors contributing to effective dialogue

107. **The active leadership of the MoEYS in sector dialogue is however a central contributing factor to its effectiveness.** The education sector in Cambodia has a 25-year history of joint effort to its rebuilding. Initially much of the funding came from donors, and the first sector plans were seen as mostly donor-driven. From ESP 2009-2013, however, the MoEYS has seen itself as increasingly in the lead on strategic planning and coordinating sector inputs and actions. Over the evaluation period the ESPs were considered to be fully government-owned. This is evident from the ESP being a living document which is constantly reviewed and revised through MoEYS-led forums. While the existence of sector budget support and EU contributions to dialogue are important to support the dialogue, they are not the leading factor.

108. The engagement of the MoEF in sector dialogue is also on account of the political priority afforded to education after the 2013 elections and the presence of the new Minister, H.E. Dr. Hang Choun Naron, who is reform-minded and value-for-money-oriented. H.E. Dr. Naron was previously part of the MoEF leadership and is focused on value for money and results, and therefore can engage the MoEF more easily. He was also deployed to the MoEYS with a reform mandate.

109. Respondents saw these factors (MoEYS leadership, MoEYS technical improvements and education as a political priority) as the most important factors in the MoEF engagement in the education sector dialogue. At the same time, however, donor respondents said that the nature of the EU programmes as large budget support programmes also contributed to the willingness of the MoEF to engage.

Conclusion: EU budget support contribution to the education sector's effective policy dialogue

- Sector dialogue is effective because:
 - It is active, in-depth and mature. The Minister and senior officials in the MoEYS leadership participate actively in sector dialogue.
 - Periodic in-year and annual forums are in place to trigger and present analysis, discuss issues, make decisions, agree action plans and jointly review performance. The dialogue is structured so that high-level strategic discussions can occur as well as detailed technical-level work.
 - Coordination and harmonisation of government and donor inputs through dialogue are ongoing.
- The contribution of the ESPSP and the ESRP to this effective sector dialogue is inherited from earlier EU support and centres on facilitating better engagement from the MoEF and maintaining the joint dialogue as the key entry point for engagement for all actors. Other and stronger factors towards the effectiveness of budget support include the ongoing leadership of the MoEYS and of the new Minister, H.E. Dr. Hang Choun Naron.

4.3 ESPSP and ESRP contribution to aligned and responsive capacity development⁷⁹

110. **The CDPF has not succeeded directly in being the channel for the capacity development support to the MoEYS of more donors.** The three founding donors to the CDPF were still the only partners by the end of the evaluation period.⁸⁰ Interviews with donors in the education sector point to two reasons for this: (i) there are institutional barriers to channelling funds through UNICEF as a UN agency; (ii) donors preferred to stay in control of their capacity building funds and technical assistance.

111. **The creation of the Master Plan, however, was crucial to coordinate and align single-donor capacity development interventions.** Technical assistance is discussed in the sector dialogue forums and aligned with the Plan, according to the MoEYS and donors. The ESP Mid-Term Review reported that the number of technical advisors working with the MoEYS reduced as support became more programmatic, which is also reflected in the OECD DAC statistics.⁸¹ The CDPF Steering Committee also discusses capacity development more broadly, and donors are steered to support the Master Plan.

112. **The Master Plan has evolved over the two phases of the CDPF, to become more strategic.** MoEYS and donor respondents noted that the initial Master Plan was a compiled wish list of training needs from the technical departments. This limited its effectiveness in coordination support to key priorities. The Plan, however, evolved to be more strategic, and more effective as a guiding document for

⁷⁹ Cf Volume 2 Annex 5 EQ2.2 (iv).

⁸⁰ During the evaluation process, however, it became clear that the next GPE grant would contribute to a next phase of the CDPF.

⁸¹ Cf paragraph 87.

capacity development interventions, according to the CDPF Phase I evaluation report and to respondents.

113. **The Fund is flexible and responsive to the needs of the MoEYS**, within the framework set by its objectives, according to MoEYS and donor respondents. The CDPF faces a continuous tension between using its resources against the existing Master Plan and responding to emerging needs. MoEYS respondents said that the fund can more easily be responsive to emerging needs than the government budget, as UNICEF procedures are less time-consuming than MoEYS procedures and more able to recruit appropriate technical assistance or set up other activities (such as twinning, mentoring, or policy research). Flexibility therefore appeared to be relevant in the context, also because it was managed through the Steering Committee and within the framework of the CDPF objectives and the Master Plan. The preliminary findings from the CDPF II evaluation, however, query whether the use of the fund should be less flexible and more strategically focused on addressing pivotal capacity gaps.

114. In the CDPF Phase I some activities, however, appear to be linked more to the ESPSP PAF indicators than to MoEYS's own capacity development priorities. During the first phase of CDPF, analysis of CDPF reports show that there was fairly close alignment with the ESPSP, to the extent that PAF indicators / targets in some cases were being met through CDPF-funded activities (e.g. development of guidelines for staffing norms / appraisal systems). Where the PAF indicators were also those of MoEYS priorities, this was justifiable. Where this was less the case, for example interventions to make progress on internal audit reforms, activities were not as well aligned to MoEYS's own capacity development priorities. This was less of an issue in the second phase.

Conclusion: Budget support contribution to aligned capacity development support

- While the creation of the CDPF has not yet resulted in more donors joining the pooled fund, indirectly it has contributed to improved alignment of capacity development support as it was pivotal in the creation of a Capacity Development Master Plan. The Plan is the anchoring point for the MoEYS to discuss capacity development in bilateral and joint dialogue structures.
- While the initial Plan was not seen as fully strategic, it has evolved over the two phases of the CDPF and is now seen to be more closely aligned to the ESP.
- The CDPF has high ownership in the MoEYS and is responsive to MoEYS needs and priorities.

Chapter 5. The influence of budget support in education sector financing, policies and service delivery

115. This chapter completes Step One of the analysis by considering how far budget support has facilitated improvements in education sector policies and practices in basic and early childhood education. It thus considers progress and the contributing factors to progress on the “induced outputs” of budget support, comprising Level 3 of the intervention logic. It brings together the responses to EQs 3.1 to 3.6. It looks at progress in three dimensions: (i) government financing of the sector; (ii) sector governance institutions; (iii) and specific education interventions, before (iv) drawing synthesis conclusions on the degree to which and how budget support influenced sector progress. Volume 2 Annex 5 presents the questions, responses and details of data sources in the EQ Response Matrix.

5.1 The influence of budget support on progress in government financing of the education sector⁸²

This section brings together findings and responses to EQ 3.1: Did the budget support programmes contribute to an increased flow and a better distribution of government resources in the sector, including at decentralised levels?

Change in budget size, distribution and execution

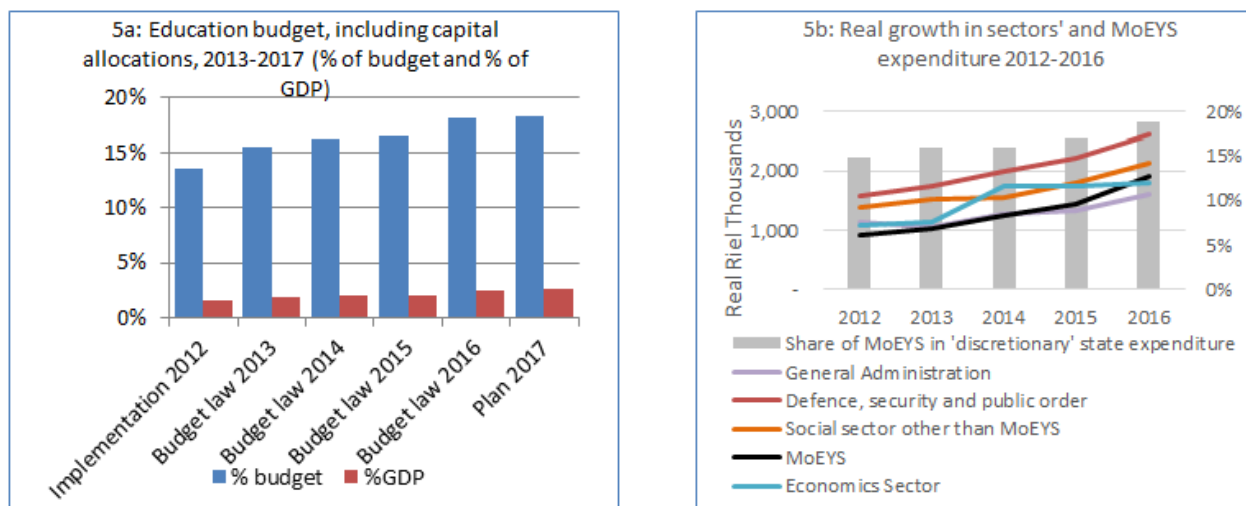
Increase in the RGoC budget and the MoEYS budget share

116. **RGoC expenditure grew by 57% in real terms between 2012 and 2016.** This represents an increase from 15 to 18% of the RGoC budget, and from 1.6 to 2.68% of GDP.

117. **Discretionary expenditure also grew.** Even though unearmarked (or discretionary) components of expenditure grew slightly more slowly, at 51% in real terms,⁸³ year-on-year growth is considerably larger than the EU budget support disbursements. In fact, apart from 2013 when no disbursements were made, the disbursements represent between 4% and 5% of this growth. Similarly, the disbursements are an increasingly smaller share of overall RGoC non-wage expenditure growth, suggesting that budget support is complementary to the RGoC's own resources.

118. **During the evaluation period, the previous decline in MoEYS funding as a share of the government budget was reversed.** The share of the RGoC budget allocated to the education sector increased from 13.6% in 2012 to 18.3% in both 2016 and 2017, and also increased as a share of GDP from 1.82% to 2.68% as shown in Figure 5a below. Overall, the MoEYS budget has more than doubled since 2012. The increased share was primarily due to the growth in the wage bill from 2014 and to the increase in capital budget provision from 2015 onwards. Actual expenditure also grew fast, even in real terms. Between 2012 and 2016 real actual expenditure by the MoEYS grew by 110%. This is faster than the rest of the social sector and overall non-earmarked expenditure.

Figure 5. Growth of the MoEYS budget



Source: MoEF

119. As the growth in the education budget was driven by a cross-government increase in wages, the education wage share did not increase as a share of overall government wages in 2014 and 2015. It was only in 2016 that it increased (by 1 percentage point to 26%), when additional increases for the

⁸² Cf Volume 2 Annex 5 EQ3.1 (I, ii and iii) for more detail on the budget and other analysis, and Annex 10 for the underlying data.

⁸³ Discretionary expenditure is defined for the purposes of the report as expenditure over which the RGoC has choice, i.e. expenditure that is not required by being a statutory obligation or a first call on the budget. In the RGoC fiscal tables, this non-discretionary expenditure is reflected as 'earmarked' expenditure.

education sector were implemented. In contrast to wages, MoEYS non-wage expenditure declined slightly as a share of RGoC financed non-wage expenditure (2012 to 2016), from 4.84% to 4.33%.

Change in distribution of MoEYS budget

120. **Non-wage expenditure declined as a share of the budget.** Non-wage expenditure in the MoEYS declined from a 26% share of budget in 2012 to 19% in 2016. The goods budget, including RGoC funding for the purchase of complementary inputs such as teacher and learner support materials, declined in real terms by 12% between 2012 and 2016. The services budget, however, increased three-fold in real terms, but from a very low base. It covers expenditure on items such as transport, training and maintenance, and was roughly equal to the goods budget by 2016.

121. **This matters for progress towards sector outcomes, as the necessary complementary inputs to salaries were underfunded.** The examples are numerous. Provincial and District Offices of Education reported that they were unable to fully implement key sector reforms because they could not travel to schools, pay for workshops, or enrol candidates in various programmes. Provincial offices' training budgets were limited, and they depended on a cascade model to reach more schools. Enrolments in equivalency programmes were reportedly unable to meet demand because resources were lacking. While RGoC, development partners and civil society respondents at all levels agreed with the importance of improving teachers' and officials' remuneration for sector outcomes, ensuring that non-salary expenditure keeps track is equally important.

122. **Non-budget support donor contributions almost doubled RGoC non-salary expenditure** over the period however, assisting in closing the gap between personnel and non-personnel expenditure.

123. **The sub-sector distribution of expenditure is broadly in line with ESP priorities.** It has not been possible to gather clear information on the allocation of the MoEYS budget between the education sub-sectors because data is difficult to compare due to the move to Programme Based Budgeting (PBB) in 2015, as the direct alignment between the ESP sub-sectors and the budget structure was lost. Evidence from document review, however, suggests that expenditure is broadly in line with changing ESP priorities.⁸⁴ While overall expenditures have shifted to be more pro-poor, per student expenditures vary notably across provinces and do not favour the poorer provinces.

124. **From 2014, the budget share of Provincial Offices of Education (POE) increased slightly relative to the central Ministry.** Whereas the split was roughly 83:17 previously, by 2016 the budgeted split was 87:13. This is on account of deconcentration of functions from headquarters to POEs. The shift was small, as provincial budget shares, which include teacher salaries, have always been higher.

Budget execution

125. The MoEYS, as the rest of the social sector, spent less than its allocated budget over the evaluation period, except in 2016 when actual expenditure was 2% higher. Other sectors, particularly the general administration and economic sector, routinely overspent. For example, the average variance for the economics sector between 2013 and 2016 was 15%.

126. **Improving budget execution in the MoEYS has been difficult, in recent years mainly due to the move to full programme-based budgeting (PBB).** Budget execution initially improved from 88% in 2010-2011 to 95% in 2013-2015 due to the introduction of bank accounts for salaries, but fell to 90.4% in 2014 and 2015 as a result of PBB, before increasing again in 2016. MoEYS respondents noted unfamiliarity with the new PBB procedures and the bureaucratic controls on shifting funds between budget lines, which in full PBB apply to the whole budget, as causes for the initial decline in execution. POE budget execution was better, as it had managed programme budgets before the PBB shift. However, POEs face continued difficulties in calculating the wage bill accurately, which leads to variance between budget allocation and liquidation.

⁸⁴ UNESCO, 2016 and World Bank, forthcoming.

Factors contributing to change in MoEYS financial resources and expenditure

Contribution to growth in the budget share

127. **Cross-government decisions, rather than education-specific factors, contributed largely to the increased MoEYS budget share.** Documentary sources and respondents were clear that the growth in the wage bill in 2014 was due to a cross-government policy to increase salaries for all public employees, not as a result of an education-specific allocation. The growth in the wage bill in education, however, was faster than for government as a whole or in the other social sectors, due to higher increases and additional allowances awarded. This included increases in allowances for remote areas in 2015 and in the functional allowances of school directors in 2016.

128. **Budget support funds and joint donor dialogue provide leverage to the MoEYS in its budget discussions with the MoEF.** There is evidence that analysis by donors, and sector dialogue had contributed to the MoEYS's discussions with the MoEF and the pre-2014 change in the MoEYS budget share. The JTWG meeting minutes show that analysis presented to the forum in late 2011 by the EU on the declining share of the MoEYS budget in the RGoC budget resulted in discussion within the RGoC. This was confirmed by EU and other donor respondents. By August 2012, the MoEYS told the JTWG that the MoEF had agreed to increase the MoEYS budget share. The increased share was reported as financing the implementation of the Prakas⁸⁵ on scholarships for an additional 5000 students and adjusting school operating budget formulas to take into account disadvantage, and for early childhood education expansion. The latter two areas were indicators in the ESPSP PAF.

129. This is one example of how the MoEYS's engagement with the MoEF is shaped through joint sector technical work. There was, however, little indication from the RGoC that budget support funding itself provided direct leverage to donors to have more substantive discussions with the MoEF on the education budget. There was a clear view that 'donors do not influence budget allocations'. The direct interlocutor with the MoEF, is the MoEYS. However, MoEYS respondents and donors reported that budget support did provide the fiscal space to the MoEF to finance the dialogued sector priorities – such as increases in school operating budgets. MoEYS respondents also reported that specific activities to achieve PAF process indicators that are put forward by technical departments in the MoEYS budget strategy plan are usually funded.

130. However, these factors should not be overplayed. **Budget increases from 2014 onwards were seen largely to be on account of the RGoC seeing education as a priority sector, and changes in sector management.** The prevailing view within the RGoC and among donors was that the MoEYS received more funding because education was a key priority; the Minister for Education was respected as a reformer and was willing to implement new education initiatives; and the MoEYS was spending its budget relatively efficiently (in a reversal of pre-2013 patterns) and was a good performer relative to other ministries.

Changes in the distribution of the MoEYS budget

131. **The availability of budget support funds and the EU variable tranche indicators have both supported both budget growth and prevented a bigger decline in the share of non-wage expenditure in the MoEYS budget.** Specific interventions, such as the change in school operating budget formulas, increasing funds for school budgets and scholarships, and a new capital allocation have all led to increases in non-wage expenditure, and might not have occurred without budget support flows and dialogue anchored in PAF indicators. The capital budget was previously funded by donors, but in 2015 this was taken over by the RGoC, a positive development. The revised ESRP PAF included a 2016 tranche indicator (achieved) on adopting a basic education capital investment plan and in 2017 an indicator on primary school reconstruction and rehabilitation and water supply.

⁸⁵ A Prakas is a lower-level legal instrument akin to regulations.

132. **Other donor inputs contributed to these specific interventions being funded by the RGoC budget.** Over the evaluation period a pattern has been repeated in which donors finance the piloting of an education sector reform, and once evidence is available on its efficacy, budget support provides the backdrop against which the pilot is then scaled up and incorporated into the national budget. There are several examples: the Fast Track Initiative and later GPE supported scholarships in selected provinces; UNICEF and CARE piloted multi-lingual education; first the Fast Track Initiative and then Sida supported the school improvement grants, which topped up the school operating budgets to make them more flexible and equitable; and GPE provided financing for early childhood education. The respective roles of earmarked financing for pilots and budget support were backed by continuous dialogue and advocacy.

Changes in budget execution

133. **The EU programmes contributed to the improvement in MoEYS budget execution towards the end of the period, through capacity development via the CDPF throughout, and dialogue linked to the ESRP PAF indicator.** A variable tranche indicator focused on improving budget efficiency was included in the ESRP. By 2016 this target was narrowly missed: the target was 95%, and 94% was achieved. However, MoEYS respondents noted that there had been pressure from the MoEYS leadership to achieve the target, linked to the PAF indicator. Furthermore, budget execution was discussed in every JTWG meeting. MoEYS respondents also noted that work done via the CDPF to develop PBB Guidelines and train officials contributed to budget execution.

Conclusion: budget support influence on change in the volume and distribution of RGoC MoEYS resources

- During the evaluation period the previous decline in MoEYS resources as a share of government budget was reversed, with most additional expenditure linked to an increase in teacher salaries, part of a cross-government reform.
- There is some evidence that EU budget support contributed to the growth in the sector share, through support to the MoEYS in its negotiations with the MoEF, particularly before fiscal year 2014, after which the growth in sector share was significantly on account of the cross-government salary increases.
- However, highly significant factors after 2013/14 were that the sector became a MoEF priority, and had a reforming minister. Improvements in MoEYS budget efficiency, in themselves linked to budget support inputs through the CDP, also contributed to greater willingness of the MoEF to increase financing to the MoEYS.
- There is more significant evidence that the availability of budget support funds has aided increases in non-salary budget expenditure, particularly for priority sector interventions. Most of these interventions were the subject of PAF indicators, and of contributions by the EU and other donors to sector dialogue.
- CDPF capacity development and the PAF budget execution indicator contributed to improved budget execution.

5.2 The influence of budget support on improved sector governance

134. The Education Sector Strategic Plans target the improvement of sector governance institutions. Improved planning, budgeting and financial and human resource management of the education sector are indispensable to more efficient and effective use of the sector's resources for better and more equitable results. This section presents the relevant changes observed in these systems over the period, structured in accordance with the relevant evaluation questions, before considering how the budget support programmes influenced the progress.

Progress in policy development, planning and monitoring and evaluation systems⁸⁶

This section brings together findings on sector progress in relation to EQ 3.2: To what extent did the budget support programmes contribute to policy development, planning and monitoring & evaluation systems in the education sector in a decentralised context? Have they contributed to better sector results-based management?

Progress in results-based planning and monitoring

135. **MoEYS has made significant progress in strengthening Annual Operational Plans (AOPs) at the national level and introducing provincial AOPs as a results-based planning reform over the evaluation period.** The Education Strategic Plan 2014-2018 prioritised a results-based management (RBM) system and reforms aimed at strengthening budgeting and monitoring at national and sub-national levels. The introduction of sector-wide AOPs at the provincial level in 2011, with full roll-out to all 24 provinces by 2011, was a key milestone in the context of a larger provincial role in resource allocation and budget management. The AOP format has also been rolled out to the district level, although more gradually. By 2014, one fifth of districts had AOPs.⁸⁷

136. The MoEYS central-level AOP predates the ESPSP. According to the MoEYS, it has since developed the AOP as the principal instrument (i) to link Education Sector Congress decisions to activities and operational plans, and from there to the budget strategy paper (the key budget submission document required by the MoEF from government entities) for the MoEYS; (ii) to incorporate all development partner activities; and (iii) to anchor joint monitoring and reporting. The provincial AOPs play a similar role at the provincial level, based on provincial Congresses and JTWGs. Provincial budget strategy papers are submitted to the MoEYS headquarters for incorporation into the consolidated MoEYS budget strategy paper.

137. **The introduction of AOPs was backed by strengthened institutional structures to support RBM.** The creation of the Directorate General of Policy and Planning (DGPP), within MoEYS was a positive institutional development to lead and drive RBM processes, according to the MoEYS and donors. The JTWG, provincial JTWGs and the Annual Education Congress (national and provincial) are also key processes to integrate planning in the sector across the central, provincial and district levels.

138. **The ESP 2014-2018 mid-term review, published in 2016, led by the DGPP and another RBM milestone, undertook a comprehensive review of progress against the ESP.** Discussion meetings were widely held at national and sub-national levels. The review scrutinised all levels of the ESP, from reform priorities through policies and strategies to programmes and activities. The review resulted in a revised ESP with new targets.⁸⁸

139. **Overall, although RBM has been implemented well, there are still critical capacity gaps that were noted by MoEYS, donors and civil society respondents alike.** Firstly, the effectiveness of provincial AOPs to incorporate provincial level donor activities is weakened by uneven JTWG capacity. Secondly, the capacity to plan, report and monitor at school and district level remains weak. As district plans – which need information from the school level – form the basis of AOPs, this also weakens the provincial AOPs. And thirdly, at provincial level capacity to use the AOP and AOP processes effectively to manage by results is also variable.

Progress in evidence-based planning and policy development

140. **In 2014 the MoEYS developed the Master Plan on the Education Management Information System (EMIS) 2014-2018 to reform the system, including the strengthening of data collection, data quality and data accessibility.** The EMIS is a vital resource for evidence-based policy development and results-based planning and management in the education sector. The EMIS Master Plan was developed with assistance of the CDPF after concerns were raised in 2013 by donors on the

⁸⁶ Cf Volume 2, Annex 5 EQs 3.2 for more detail.

⁸⁷ UNICEF, 2015, *CDPF Final Phase One Progress Report*, UNICEF Cambodia.

⁸⁸ These were incorporated into the ESRP PAF, but in 2017 for the final tranche, and are therefore not reflected in this report.

reliability of EMIS data. The delay of the disbursement of the third variable tranche of the ESPSP lasted until the MoEYS could provide assurance on the reliability of the data used for indicator assessment.

141. **The CDPF has trained POE and DOE officials and school directors to use EMIS data in planning and management.** However, this has not been with full success. CDPF's Phase 1 Final Progress Report⁸⁹ noted that despite the training, actual use of data lagged. The fieldwork for this evaluation found variable use of EMIS data at sub-national level and central level.

142. **The Education Research Council, a think tank comprising academics and managers, was established in 2014** on the initiative of the new Minister, to promote innovation in the education sector and add to the MoEYS's research and policy development capacity. In the evaluation period the Council was pivotal in developing the Teacher Policy Action Plan.

Progress in deconcentration and decentralisation

143. **Over the period progress on decentralisation has been extremely slow.** Progress on decentralisation is a protracted process that is not fully in MoEYS's control, as it is led by the inter-ministerial National Committee for Sub-National Democratic Development, which oversees the implementation of the decentralisation reforms. Document analysis and interviews, however, confirmed that over the period the MoEYS did technical work on the assignment education functions resulting in a Mapping Report (2012 and 2013), developed the Deconcentration and Decentralisation Policy (2013), submitted a Functional Review Report to the National Committee (2014), drafted and agreed legal texts (2014 and ongoing), developed a Policy Action Plan (2015), and built capacity for decentralisation (2016) in Battambang, the province selected to pilot the reform. The approved functions being prepared for transfer are early childhood, primary and non-formal education. By the end of 2016, however, little actual transfer of functions had occurred.

Progress in public financial management⁹⁰

This section brings together findings on sector progress in relation to EQ 3.3: To what extent did the budget support programmes contribute to overall improvement in the quality of PFM, in the sector, and overall in Government particularly related to fiscal transparency and revenue mobilisation?

Progress in expenditure planning

144. **The full introduction of programme based budgeting (PBB) occurred in 2015, following MoEYS being designated as one of 15 pilot ministries for PBB as part of the Public Financial Management Reform Programme (PFMRP).** Strengthening budget and public financial management in education has been a key priority for the MoEF, MoEYS, and the budget support programmes. The full PBB expanded the programme approach to expenditure planning and management taken in the pre-2014 PB portion of the budget, to the full budget amount.⁹¹ Interviews with MoEYS staff at central, provincial and district level and with development partners confirmed budget support assessments' finding that the reform brought about improvements in expenditure planning by linking plans, budgets and results.

145. **Concerns about the reform include the difficulty at first of executing PBBs and the mismatch between the PBB and the ESP 2014-2018 structures.** Budget execution difficulty due to new PBB procedures is discussed above in paragraph 126. The PBB structure developed by the MoEYS and the MoEF does not align with the ESP, separating strategic planning and budgeting, and creating complications for monitoring ESP implementation. The AOPs, through using the PBB structure and identifying links to the ESP at the detailed activity level, partially fill this gap, but not for large overhead items such as salaries and not in a way that facilitates continuous monitoring. Both these concerns may

⁸⁹ UNICEF, *op cit*.

⁹⁰ Cf Volume 2, Annex 5 EQs 3.3 for more detail.

⁹¹ Shifting to PBB entailed the creation of 39 national and 25 provincial budgeting entities, unified by a common programme structure comprising 6 main and 42 sub-programmes.

be temporary, with budget execution at provincial level improving and with the possibility of aligning a next ESP with the PBB structure.

146. **Capacity issues, however, more generally slow down improvements in the functionality of budgeting, despite compliance with new PBB forms of budgeting.** Provincial PBB submissions have never been formulated from a strategic, policy perspective and tend to be wish lists using incremental budgeting, although they have improved over time, according to MoEYS respondents. Capacity gaps are not only related to people and skills; for example, the lack of an effective human resource management system means calculation of the number of staff at provincial and district level is not accurate, leading to lower budget execution.

Progress in budget execution and financial management

147. **The introduction of the use of bank accounts to pay salaries and the school operating budgets (SOBs) is a positive achievement and in the case of teachers' salaries has led to salaries being disbursed on time.** Teachers' salaries and school operating budgets have been paid through bank accounts since the first half of 2015, and this is credited with on-time payment of salaries and reduced leakage in the system. The 2016 Public Expenditure Tracking Survey⁹² found that schools received, and school accountants knew, the full amount they were entitled to. Schools, however, still receive disbursements late, causing cost escalations and poor implementation of school plans.

148. **Since 2013 the MoEYS has put in place an education financial management information system, but it has not met with full success.** The purpose of the system was to overcome difficulties with manual accounting and reporting procedures that delay financial reporting and monitoring within the MoEYS. While it has addressed some problems, the system is not yet fully operational. It is also not linked to or automatically compatible with the MoEF Financial Management Information System, which will roll out in education from 2018. Even so, the intent to standardise reporting and information flows is a key reform and should be recognised as such.

149. **For most of the evaluation period there was little progress in strengthening risk-based internal audit, despite its being on the donor dialogue agenda and an ESPSP PAF indicator.** Progress on internal audit has also been slow with mostly preparatory work done to date. While a manual has been developed and the internal audit unit has been revamped, it was on a much slower timeline than expected in the ESPSP.

Progress on transparency and revenue mobilisation⁹³

150. **Progress was made on transparency.** Cambodia's score in the Open Budget Index 2017, a bi-annual independent survey of countries' fiscal transparency practices, was slightly higher in 2017 (a score of 20, based on data from 2016) than in 2012 (11, based on data from 2011)⁹⁴. A key reason for the low score in 2017 was that the executive budget proposal was not published in time to qualify for assessment in the Open Budget Index. If the proposal were published in time, the score would likely be even more improved

151. **Revenue mobilisation by the RGoC improved** from 12.94% of GDP in 2010 to 17.42% in 2016. Within the framework of the public financial management reform, the RGoC has had a Revenue Mobilisation Strategy in place since 2014, focusing on promotion of taxpaying culture, strengthening civil service delivery to taxpayers, strengthening tax registration and information updates, strengthening auditing of firms, anti-smuggling efforts, and modernising tax and customs administration.

⁹² World Bank, 2017, *Cambodia Education Sector: Public Expenditure Tracking and Quality of Service Delivery Survey*, World Bank.

⁹³ Cf Volume 2, Annex 5 EQs 3.4 (iv) for more detail.

⁹⁴ See the Open Budget Index, 2018, Cambodia results, <https://www.internationalbudget.org/open-budget-survey/results-by-country/country-info/?country=kh>

Progress in improved deployment and management of sector human resources⁹⁵

This section brings together findings on sector progress in relation to EQ3.4: To what extent have the budget support programmes contributed to improved deployment and (results-based) management of human resources, specifically but not limited to teachers, in the sector for delivery of equitable, quality education? The section focuses on EQ3.4(i): non-teaching staff.

152. **Over the period the MoEYS has undertaken numerous capacity development initiatives, many of them supported through the CDPF.** Examples include collaboration with the International Institute for Education Planning at UNESCO to build the capacity of individual Directorate General Policy and Planning staff; capacity development of Provincial Offices of Education (POEs) and District Offices of Education (DOEs) for planning, budgeting and decentralised financial management; and capacity development for school-based management.

153. Despite these interventions, MoEYS, MoEF, donor and civil society respondents agreed that **low availability of technical skills across all levels remains a significant barrier to significantly improved institutional capacity for reform delivery.** The issue is manifested differently at different levels, but relates to the skills to achieve functionality in planning, budgeting, reporting, controlling and monitoring, beyond mere compliance with the new systems and instruments that have been introduced. At headquarters level, the gap relates to having a large enough cadre of officials with managerial skills who can systematically translate high-level policy documents and action plans – which are often developed with technical assistance – into implementation. At POE level, the gap manifests itself in limited skills for targeting results and putting in place resource-effective plans. At DOE level, the issue is a lack of enough skilled people to support schools in planning, budgeting, school support committee functions, and monitoring and reporting throughout the year. And at school level, secondary sources such as the recently completed Public Expenditure Tracking Study (PETS)⁹⁶ and the ESP MTR confirm the view of respondents that school directors and/or school support committees are still poorly equipped to plan for school improvement, to manage and report on their budgets and to oversee school activities.

154. **The gap between skills needed and available skills is, however, particularly relevant to sector progress at the sub-national level.** A functioning DOE is necessary for the link between sector reforms and education results. Many sector reform initiatives pass through the DOEs: for example, school based management requires functioning District Training and Monitoring Teams to support and monitor the effective use of school budgets and functioning of school support committees. They are vital in EMIS data collection and implementation of the quality EMIS. They are the first stop for school directors and teachers for support. Yet, they appear to be under-resourced and do not consistently have access to good quality staff. Differentials with teacher pay also mean that they have difficulty in attracting the best teachers to district offices to support other teachers in schools. The preliminary findings from the CDPF Phase II review were similar to this evaluation's interview evidence in this regard.

155. **The MoEYS, however, does not control appointments at sub-national levels,** beyond the criteria for candidate evaluations, as appointments are decentralised to provincial governments. This makes improving capacity difficult, as specific education requirements may not be understood.

156. **A staff performance review system was developed as part of broader RBM focus, and while systems have been developed, their implementation has remained limited.** The MoEYS Manager's Guide to Staff Performance Review was endorsed by the Minister in January 2014 and the Staff Performance Appraisal System Implementation Guide was developed and endorsed. The tool was piloted in 2014 in selected technical departments and POEs. The CDPF provided technical support to the process. However, field mission interviews indicate that this appraisal system is not being well implemented as there is no clear link to promotion, pay or other incentives, and most staff do not have

⁹⁵ Cf Volume 2, Annex 5 EQs 3.4 (i) for more detail.

⁹⁶ World Bank 2017, *Cambodia Education Sector: Public Expenditure Tracking and Quality of Service Delivery Survey*, World Bank.

clear job descriptions / responsibilities. Some recent changes in how Directors are recruited may give opportunities to include appraisal results. The technical work on staff appraisal has been taken up by the Ministry of Civil Service as part of broader public sector reforms; so in this regard MoEYS was ahead of and influencing government reforms. However, despite this progress, the challenges are institutional and systemic, and it may be that MoEYS was not ready to deliver on performance management reforms of this kind.

157. **A Human Resource Management Information System has been developed**, but qualitative evidence suggests that it is not yet fully functional to support the deployment of staff.

Contribution of the ESPSP and the ESRP to sector progress on governance

This section provides a summary set of findings on the influence of budget support on progress in sector policies as assessed in EQ 3.1, 3.2, 3.3 and 3.4(i).

158. The main contribution pathways from the EU budget support programmes to progress in sector governance are through policy dialogue; through the leverage provided by the budget support programmes' PAF indicators to keep issues on the RGoC agenda; and through capacity development support delivered through the CDPF. We briefly consider the salient mechanisms.

159. **Joint Policy dialogue.** The implementation of sector governance reforms has been discussed in sector dialogue forums consistently through the period. The JTWG minutes, for example, record frequent discussion and presentations by the MoEYS on decentralisation, PBB implementation, the AOPs, EMIS, decentralisation and the ESP finalisation and mid-term review.

160. **The EU is reported to have been a strong voice in the dialogue on PFM reforms.** Document analysis and interview evidence show that during the first programme the focus of the EU's dialogue and engagement was on the MoEYS's budget share, low budget execution, and the revision of school operating budget. In the second programme, after the implementation of PBB, extensive technical work was done on the link between policy, budget and monitoring progress and the mismatch between PBB and ESP structures.

161. **The EU's contributions to the education sector dialogue on PFM were supported by the EU also being a main donor to the PFMRP** via the World Bank Trust Fund, and being co-donor chair of the steering committee for the Fund. The EU's inputs into each sector benefited from its engagement in the other, simply because the attachés were able to exchange information and ask questions of one another, and because as a member of both groups the EU was in a position to facilitate coordination of PFM reform implementation in the education sector.

162. **EU conditions and variable tranche indicators.** The ESRP general conditions included a transparency condition, which was welcomed by PFM donors as it enabled dialogue with the MoEF on transparency which was not an explicit focus of the PFM support programme. The EU Delegation was of the view that having budget transparency as a fourth condition for the fixed tranche did facilitate observed progress on budget transparency. This was not confirmed by interviewees at MoEF who perceived that budget transparency improved as a result of internal initiatives. This condition appears, however, to support accountability for budget transparency, which in turn has the potential to strengthen overall public sector accountability. For example, in 2014 and 2015 the EU asked for additional reports on budget transparency in the assessment process.

163. The ESPSP variable tranche indicators were largely about institutional strengthening for improved sector governance, while the ESRP included two directly relevant indicators. An analysis of when targets were met/not met⁹⁷ suggests that there is strong positive association with the MoEYS's own motivation to achieve a target being high, independent of whether it is a PAF indicator. An analysis of when milestones occurred (see Annex 5 EQ3.2) illustrates the degree to which interventions occurred after the appointment of the Minister in 2013. When indicators were not achieved, e.g. the internal audit

⁹⁷ Cf Table 6 and Annex 8.

ESPSP indicator, they were not MoEYS priorities at the time. For the MoEYS, PAF indicators are most likely to contribute to change when they provide an instrument for Ministry leadership to push through reform they would do in any case. The best function served by other indicators is that they keep an issue on the dialogue agenda.

164. **CDPF.** The capacity development support provided through the CDPF is a central contribution pathway for the ESPSP and the ESRP to governance change. Most of the sector reforms listed above had CDPF support of one kind or another. POE and DOE officials saw the CDPF as a vital resource for much-needed capacity development. For example, it supported the development of the staff appraisal and human resource management information systems, contributed to training of Provincial Offices of Education to implement the PBB reform, and supported the training of Ministry-level staff on education management. The technical departments at central level confirmed this. The Department of Finance of the MoEYS, for example, was clear that the training provided by the CDPF to implement budget reforms had been pivotal. Box 2 provides a summary of findings on the CDPF's contribution to capacity development overall.

Box 2 CDPF contribution to human resource capacity development

Overall, the CDPF has been most effective in supporting central-level policy and systems development, and has played a critical role in the design of sector reforms. There are numerous examples of the CDPF financing the research, policy development, and central and sub-national capacity building workshops and training underpinning progress against ESPs, as well as the PAFs.

Coverage of training at sub-national level, however, appear to be partial. Over its two phases the fund has become more sub-nationally focused, but has had less impact on district and school-level delivery of reforms. The focus on district and school management has been strategic relative to MoEYS reforms, but the fund was not an effective mechanism for this, partly because it is under-resourced to meet the demand at scale and make a critical difference in the efficacy of reforms. Preliminary findings from the CDPF evaluation suggest that at district level there may be a problem in absorption capacity, as DOEs' functions are overloaded compared to staff and resource capacity. However, while the CDPF has reached all districts, the depth of this investment may not have been sufficient to impact on change in delivery. Support to School Support Committee training has achieved some gains, but to significantly affect SSC capacity required longer-term, sustained and systemic approaches, including but going beyond training. Partnerships with international and local civil society organisations, however, delivered better results at lower levels of the system. In those provinces where a more in-depth approach was supported in partnership with CARE and VSO, it appears more gains have been made; in part because these partners are more present on the ground on a day-to-day basis and have established local relationships. However, preliminary findings from the CDPF evaluation have not been able to show increased results (e.g. in terms of quality of AOPs) across the different models used.

165. **Reform progress, however, was held back by significant barriers**, as noted elsewhere in this report, including the lack of budget to undertake work; lack of technical infrastructure such as human resource and financial management systems; the institutional culture and established practices; and the political economy of the education sector. Effective institutional capability⁹⁸ is very much dependent on these factors as well. However, having the right human capacity in place is a first necessary step to institutional performance.

Conclusion: Budget support influence on improved sector governance

166. The evaluation found that the budget support programmes contributed to steady improvements in sector governance over the evaluation period, including the implementation of MoEYS planning reforms at sub-national level; of the use of bank accounts to transfer salaries and school operating budgets; and of the MoEF government-wide budget reforms for the sector as a whole.

⁹⁸ Cf B. Dressel, B. & J. Brumby, 2009, *Enhancing capabilities of central finance agencies: From diagnosis to action*. World Bank.

167. The ESPSP and ESRP have contributed to sector progress primarily through their contributions to the CDPF, which has been important in supporting reform design and framework policies and in developing capacity for implementation. There is also evidence that donor and specific EU dialogue processes have contributed to change. The ESPSP and ESRP PAF conditions and indicators contributed to progress largely when a reform was an RGoC priority, by supporting sector reformers.

168. A key concern, though, about whether these reform implementation successes will result in improved education results relates to the variable and often weak technical skills at central, provincial, district and school levels. The district level in particular appears to be under-capacitated; this does not receive enough attention in reform plans. Current capacity development programmes make positive contributions, but coverage is still partial.

5.3 Influence of budget support on progress in education policies and delivery

169. The two EU budget support programmes – through their PAFs, policy dialogue and CDPF – focused on specific areas of education policy and implementation, including on teacher policies, school management and funding and specific interventions to address equity and quality. This section and its sub-sections look at sector progress against these policies, following the sequence of the evaluation questions before considering the contribution of the EU budget support programmes to this progress.

Progress on the supply and management of teachers⁹⁹

This section provides findings on sector progress in relation to EQ3.4: To what extent have the budget support programmes contributed to improved deployment and (results-based) management of human resources, specifically but not limited to teachers, in the sector for delivery of equitable, quality education? The section focuses on the EQ3.4 (ii): the deployment, development and management of teachers.

170. **Cambodia has faced some long-term challenges in human resource management, particularly in the supply and management of good quality teachers.** There are challenges across all areas of teacher policy, including recruitment/deployment, remuneration, motivation, professional development and performance management.

171. **Despite strong technical effort, the process to develop and approve staffing norms took many years, and implementation remains limited.** In 2011 new teacher staffing norms were submitted after a long and often delayed development process. These were not approved until 2014 and are still being piloted in four provinces (Kandal, Svay Rieng, Phnom Penh and Mondulkiri). Feedback during the evaluation mission indicated that it was very hard to enforce norms as teacher redeployment is voluntary and incentives to work in rural/remote schools are insufficient. Contract teachers are being used in pilot and non-pilot provinces to offset shortages / demand in some areas, though this is a short-term response, does not address over-supply in urban areas, and raises questions of quality. Double shift teaching has also long been used by schools to manage demand with too few teachers.

172. The recent Public Expenditure Review¹⁰⁰ confirmed this shortage and misallocation of teachers, noting that a good proportion of schools with a shortage of teachers (i.e. 43% primary, 28% secondary) are within 5km of schools with a surplus. Further revision of norms is planned in 2018, to include provisions for administration staff in schools, districts and provinces; this requires a new sub-decree from the Ministry of Civil Service (MoCS), outlining functions / structure for each unit. Teacher recruitment is managed by MoCS, with MoEYS making annual requests. Currently MoCS allows around 4000 to 5000 new teachers, but this has to offset attrition of more than 2000 (retirees, etc.). This is increasingly bringing in better qualified candidates, and the focus is on deploying to rural areas where possible.

⁹⁹ Cf Volume 2 Annex 5 EQ3.4(ii) for more detail.

¹⁰⁰ World Bank, forthcoming. *Increasing Education Expenditure while expanding government stewardship*, Public Expenditure Review Discussion Paper, World Bank

173. **The new Teacher Policy in 2013 and associated pay increases have created some momentum for change.** The policy gave a broad framework for attracting and motivating competent and qualified candidates, providing good quality pre-service training and regular professional development, and putting in place conditions for effective teaching. In the same year the first teacher salary increase was announced along with payment via bank transfer. The anecdotal evidence from the field mission suggests that these reforms have made a difference to teacher motivation and practice at least in rural areas. In urban areas, where costs of living are higher and there are more opportunities for earning alternative income, the impact was less.

174. **The approval of the Teacher Policy Action Plan (TPAP) in 2015 represents a significant opportunity for a more strategic and comprehensive approach to drive quality improvements.** Much of the policy groundwork has been done, but the TPAP only recently started implementation. The TPAP is being led by a Technical Committee/Task Force (led by Deputy DG General Education). The Task Force does not have its own budget, and much of this work is not funded under any current departmental budgets.

175. Central to TPAP is the increase in the minimum qualifications for teachers at all levels (notably the move from 12+2 to 12+4 as minimum entry qualification by 2020). It also aims to upgrade Teacher Training Colleges to Teacher Education Colleges which would provide these higher-level qualifications, and proposes the diversification of teacher education provision and entry to the profession (to include other Higher Education institutions). There has been some progress in TPAP implementation, including master's courses for teacher trainers, fast track BA for lower secondary teachers, and drafting of the Teacher Career Pathway.

176. **Teacher reforms are complex, take time to agree, and implementation is strongly influenced by the political economy at different levels of the system.** One cause for the slow implementation has been the need for inter-ministerial agreement on key reforms. The field work indicated that another reason is the established practices of teachers (e.g. limited teaching hours, fees for tuition, and second jobs). Some report that, despite the salary increase, motivation is still low in many cases and that stronger school director capacity is needed to lead and support teachers. Indeed, there is no direct link yet between teacher salary increases and accountability for performance against standards. Teacher professional standards have been developed but have not yet been well disseminated, though dissemination is starting under the TPAP. A related issue raised in discussions was the lack of instructional time, in part due to the short teaching day and use of shifts, as well as teacher absenteeism. A 2015 study¹⁰¹ found that 27% of the school year is lost through school closures, teacher absenteeism, and shortened teaching sessions.

Progress in School-based Management¹⁰²

This section provides findings on sector progress related to EQ 3.5: To what extent did the budget support programmes contribute to improved formal school-based management in the early childhood education, primary and lower secondary sub-sectors?

177. **Progress on school-based management in the evaluation period builds on long-term reforms to deconcentrate major responsibility for school management to schools.** The introduction of school operating budgets (SOB) was a key MoEYS reform in 2000, linked to the abolition of informal fees, which contributed to a significant increase in primary school enrolment and established government funding directly to schools. Deconcentration of responsibilities to school level and building school management capacity was a central reform to drive sector outcomes. MoEYS developed guidelines requiring all schools to establish a School Support Committee (SSC), which would ensure local engagement in school management and improvement planning, raising additional contributions, and monitoring the quality of teaching and learning and the broader school environment. At the start of the

¹⁰¹ Ang Sopha, 2015, *Teaching hours in primary schools in Cambodia*, NEP, 2015.

¹⁰² Cf Volume 2 Annex 5 EQ3.5 for more detail.

period under evaluation it was recognised that while the reform had made a significant contribution to the sector, limited progress had been made in building capacity within schools and communities to perform these functions effectively.

178. **Overall progress in the design and implementation of school funding reforms has been mixed.** There have been increases in the budget ceiling, revisions of the funding formula, extension of the SOB to pre-primary and a change in rules to allow a broader range of expenditure items. However, the increase in funding was at levels lower than anticipated by the EU and other development partners, and while the formula for funding became more pro-poor, the concern is that this did not sufficiently favour disadvantaged schools, particularly small rural schools.

179. Sida funded the School Improvement Grants – first piloted by the Fast Track Initiative – from 2013 in parallel to SOBs, with the aim of increasing funds available at schools and enabling them to spend more flexibly, particularly with a focus on quality. MoEYS was committed to integrating SOB and SIG funding to schools from around 2011, but this has not yet happened, though planning was taking place during this evaluation and there is a stated commitment to creating a new School Improvement Fund combining the two mechanisms.

180. **An important gain is that all funds now reach schools.** A PETS study¹⁰³ conducted in 2017 indicates that all schools have received their full SOB allocation, confirming the 2005 PETS finding that leakage has been minimal. However, the report highlights that funds are often disbursed late to schools, delaying purchase of supplies and/or adding cost when schools buy on credit.

181. **School-based funding, however, may still be insufficient to improve the school environment, particularly for small, rural schools.** The ESP mid-term review highlighted this lack of funding to meet schools' needs, particularly in disadvantaged schools. A key finding from the PETS is the link between total operational funds available to a school and scores on a quality index (based on survey data). Small rural schools appear disadvantaged in this context, and have insufficient operational funding for improving the school environment. These findings were confirmed by the evaluation field work interviews at sub-national level.

182. **The capacity of school directors and the engagement and support from communities have been the focus of training and other support, but progress has been slow.** Since 2011 there has been some effort and progress from MoEYS and various partners to develop this capacity, largely through revising guidelines and implementing training programmes. The revised guidelines set out an ambitious and broad role for SSCs, including in monitoring teaching and learning. From 2013 the CDPF started to provide training for SSC members and school leadership, delivered both through NGO partners and through the MoEYS Primary Education Department (PED). However, interviews and the desk review show a broad consensus that SSCs often lack the capacity they need to engage effectively. Field interviews in Mondulhiri, for example, reveal positive reports about the impact of CDPF-funded training (delivered by CARE), but also show that prior to 2016 SSCs had received no such help. Interviews elsewhere and preliminary findings from the on-going CDPF evaluation indicate that training and support have had limited effectiveness elsewhere.

183. The role of school directors is central to developing more effective school management and delivering many of the reform results set out in the ESP. GPE supported the piloting of school-based management approaches from 2015 with training for directors delivered by the teacher training department (TTD) over two eight-day sessions and further roll-out supported by the CDPF as well as through PB funding. Field interviews highlighted that this has helped many school directors to understand and perform their role better. However, results in this area require a more comprehensive approach to reform, including recruitment, incentives, systems for in-school management, pedagogical leadership of teachers and accountability of school directors.

¹⁰³ World Bank 2017, *Cambodia Education Sector: Public Expenditure Tracking and Quality of Service Delivery Survey*, World Bank.

184. The role of school directors is recognised under TPAP, which sets out a more comprehensive approach to school-based management. In 2016 School Director Standards were approved and will form the basis for training, and the TPAP Task Force developed a School Director Handbook. The Staff Performance Review System, developed and approved during the ESPSP support, included appraisal of school directors, though interviews during the evaluation indicate that this has not been effectively implemented.

185. **Giving more autonomy and responsibility to schools in planning and spending funds for school improvement requires more effective support and oversight by district authorities.** Work has been on-going throughout this period to build inspection capacity at district, provincial and central levels, to ensure districts can support schools, mainly through the District Training and Monitoring Teams (DTMT). The consensus, confirmed through field interviews, is that while DTMTs can play an important role, this is not happening in most districts, in part due to lack of funding/resources, regular training and support, and the fact that the DTMT is not a full-time post for members. The Primary Education Department plays a role in supporting / training DTMTs, funded through both programme budget and CDPF. The cluster system, in place since the mid-1990s, also continues to play a role in support to teaching and learning processes in schools, developing resources and holding weekly meetings. Field interviews suggest that while there has been support to this level, systematic support to districts as a key entry point to deliver reforms is lacking.

Progress in interventions supporting more equitable access and education quality¹⁰⁴

This section provides findings on sector progress in relation to EQ3.6: Have the budget support programmes contributed to the formulation and implementation of specific education delivery policies to address key aspects of poor sector outcomes in early childhood education, primary and lower secondary?

Early childhood education provision

186. **Early childhood education (ECE) provision has expanded during the evaluation period, though targets have not been met and equity remains a concern.** The number of children aged 3-5 years enrolled in ECE has expanded by 2.5 times from 2007/8, though still a relatively low proportion of the population has access to it (66.5% of 5-year-olds). There is significant disparity in provision between provinces, income quintiles, and rural and urban areas. Expansion has been mostly in formal pre-schools and was supported by the Fast Track Initiative¹⁰⁵ and the Global Partnership for Education (2009-12), building 424 pre-school classrooms, and launching and supporting 450 community-based pre-schools and 45 new home-based pre-schools.

187. Field interviews confirmed the expansion of and growing demand for ECE and the recognition of its value, but also highlighted limitations in funding and the need to use primary school teachers who are not qualified for ECE. MoEYS is limited in the number of ECE teachers it can recruit each year (200) and has focused on introducing pre-school to primary schools. ECE provision falls under several ministries, with Ministry of Interior and Commune Councils responsible for community pre-schools; a Praka currently in draft is expected in 2018 to formalise the arrangement.

Scholarships

188. **Scholarships, first for lower secondary and then for primary students, tested over a number of years by development partners, have been adopted and expanded by MoEYS.** Scholarships have been supported by donors since 2002. MoEYS first supported lower secondary scholarships under the Priority Action Programme (PAP) in 2003. In 2014/15 GPE initiated a one-year pilot, which MoEYS co-financed, for primary and secondary schools. This was then expanded and fully funded by Programme Based Budgeting (PBB), with 21 billion riels allocated in 2015/16, providing over 77,000 scholarships for students in G4-6 and over 86,000 the following year. Lower secondary

¹⁰⁴ Cf Volume 2 Annex 5 EQ3.6 for more detail.

¹⁰⁵ Cf footnote 45 for an explanation of the Fast Track Initiative.

scholarships expanded from just less than 60,000 to over 71,607 students over the same period. Over 7,000 upper secondary scholarships are also now being provided under the PBB. Government programmes at primary and lower secondary levels increased the value of each scholarship from \$30 under GPE to \$60.

189. The Primary Education Department reported that in 2014/15 only 2% of students receiving scholarships dropped out, reducing further since then. The Secondary Education Department provided preliminary results which are also positive: over the last two years about 5% of scholarship students dropped out, compared to 17% of all students. Secondary education data also suggests scholarship students outperform the national average on national examination results. Interviews however, suggest that it is likely that scholarships will be given a stronger focus on merit in future, with MoEF looking for a stronger link to improved opportunities for growth from this investment.

190. The Provincial Offices of Education (POEs) allocate scholarships to schools based on the number of students classified as poor, so not all schools receive these government scholarships. Currently primary and secondary scholarships are not linked (i.e. a primary scholarship student may move to a secondary school with no scholarships), but departmental discussions are on-going to resolve this. Field interviews provided some anecdotal evidence to support the contribution of scholarships to keeping children in school, and that the process is fair and transparent. The EU's tranche assessments note some delays in the disbursement of scholarships funds to schools, caused by provincial treasury processes, and this was confirmed during the fieldwork.

Improving water and sanitation (WASH) facilities

191. **Progress has been made with WASH facilities, but primary/lower secondary school needs remain significant.** Expanding pre-school, primary and lower secondary facilities is a major ESP strategy to improve equitable access. Important progress was made in establishing a capital investment plan for basic education; however, implementation remains short of expectations, in part due to a focus on spending on higher education facilities. Spending on school facilities has been supported since the 1990s almost entirely by development partners' projects, so the allocation of MoEYS's first capital budget partly for water and sanitation was a significant step.

Non-formal education programmes

192. **There has been progress in implementing reforms in non-formal education (NFE), including equivalency, and re-entry programmes.** Salary increases were made for NFE contract teachers as a key strategy to increase recruitment of teachers and expand programme coverage. The ESP MTR notes that the percentage of children who dropped out of primary school and then completed the Re-entry Programme and continued learning in the formal system increased from 86.2% in 2013-2014 to 94.9% in 2014-2015. While re-entry programmes can be an important safety net and a strategy for addressing drop-out, it is not clear from this evaluation that this strategy is currently seen as a priority for MoEYS and the extent of planned expansion of provision is also not yet clear. National- and sub-national-level interviews suggested that funding for it was limited.

Quality assurance systems, including national learning assessments

193. **Systems for setting standards and quality assurance are being put in place, though they have not yet transformed school management and classroom teaching and learning.** Teacher development and human resource management reforms are central to enhancing teaching and learning. Alongside this, progress has been made in establishing national learning assessments (Grades 3, 6 and 8), school inspection systems, curriculum review, and examination reform.

194. **National learning assessments have been established over the past 11 years, but are not yet being used by departments and sub-national levels** to inform policy, or programme decision-making or the management of teaching and learning in schools. There has been good technical work to establish this function within the Education Quality Assurance Department (EQAD), largely supported by GPE, World Bank and USAID projects. EQAD has disseminated findings from past assessments, particularly the analysis of 2013/15 results; however, the results do not appear to be well understood or

used by technical departments, and sub-national field interviews indicated limited knowledge or use of the results. The 2017 Joint Sector Review highlighted the need for assessment data to feed into the management of classroom teaching and learning.

195. **The Grade 12 examination reform has been a clear public signal of the importance of quality throughout the system;** this is broadly seen as a significant and impressive reform that has been sustained since its introduction in 2014. Field interviews have confirmed the broad consensus that this has motivated improved effort among teachers and students.

196. **Reforms to school inspection and standards, and monitoring learning in each school, have made progress, but need more substantial support for district supervisors/ inspectors and school management.** School inspection was most directly supported by Sida, through technical linkages with the Swedish Inspectorate, to help establish a Quality Assurance Framework, building on work undertaken through the Child Friendly Schools programme. Internal inspection systems mean schools conduct self-evaluations, and District Training and Monitoring Teams use these as a basis to assess and support schools. The CDPF has supplemented the work of other donors to provide support and training to these teams. However, field interviews along with preliminary findings from the CDPF Evaluation suggest that this function is not yet operational. A Quality Education Management Information System (QEMIS) has been set up with CDPF assistance, as a way to capture school-level assessments set by teachers / clusters; these are not standardised so cannot be used to measure and compare progress across schools, but are used as part of the school inspection process. At present there seems to be little work on developing the model and school capacity for classroom formative assessment. Interviews suggested that overall there has been positive support from Sweden, but with that support at an end, it is not clear how quality assurance and inspection systems will become fully operational.

New models of school-based management

197. **New models for school-based management are being planned and tested as approaches to improve school quality.** New Generation Schools (NGS) represent a high investment / high quality model, while broader school-based management reforms and Child Friendly Schools seek to drive up quality across all schools. NGS is a partnership funded by MoEYS and delivered by an NGO, KAPE. The model represents an innovation based on US charter schools or similar models worldwide, and seeks to set a standard for school leadership, accountability for performance and results in learning, high quality facilities, and strong teacher professional development. The NGS model is however not designed for broader application, but rather aims to create a gold standard and ensure talented students can excel.

Multi-lingual education

198. **The adoption of the multi-lingual education policy and action plan has been supported by development partners in ethnic minority provinces, and budget support has provided an incentive for its further mainstreaming and expansion.** Multi-lingual education reform started in the 1990s, with CARE playing a leading role in developing the approach. Its expansion has more recently been supported by UNICEF. MoEYS has taken on the mainstreaming of multi-lingual education, adopting this in policy in 2013, with plans for expansion included in the current ESP and a National Action Plan agreed in 2015. The focus is in five provinces with significant ethnic minority populations. MoEYS's focus is on converting schools initially owned by communities to being state-owned and funded, with provision of teachers and school operating budgets. Field interviews in Mondulkiri confirmed progress made by bringing community schools into the government system. But many government schools are not yet offering multi-lingual education, so the model still needs application in these schools.

199. **Government adoption of multi-lingual education as an official policy is believed to have been facilitated by budget support making additional discretionary financing available to the MoEF.** While the EU has not been closely engaged in the policy development or implementation of multi-lingual education, key stakeholders have highlighted the positive effect of budget support in progress on the institutionalisation of multi-lingual education.

Common pathways for budget support influence on progress in education policies and delivery

This section provides a summary set of findings on the influence of the budget support programmes on sector progress noted against EQs 3.4(i), 3.5 and 3.6.

200. The evaluation found that the ESPSP and the ESRP made a contribution to progress in education policies and delivery in four inter-dependent ways: (i) the availability of budget support funds to the MoEF facilitated the absorption by the RGoC budget of reforms/interventions; (ii) this was supported by reforms/interventions being the subject of PAF indicators; (iii) joint sector dialogue, technical donor inputs and piloting of reform options helped to move reforms forward; and (iv) almost all the reforms were initiated, accelerated or rolled out with CDPF support. There were significant other factors, however, which either co-contributed or held back progress on reforms.

201. **Budget support funds facilitated additional budget allocations for education sector reforms.** Respondents noted that for several instances of progress in education policies and service delivery the most important contribution of budget support was that it enabled the absorption of the cost of interventions on the RGoC budget, thus mainstreaming what was previously a successful but donor-financed pilot intervention. Examples are (i) the scholarship programme, which was supported previously on a limited basis by the FTI and the GPE, and was rolled out and taken up on budget from 2013; (ii) the multi-lingual education programme, which was adopted as RGoC policy in 2013, with an Action Plan following in 2015, for implementation in five provinces with RGoC funding; (iii) the change in rules for an increase in school operating budgets in 2014 and 2015, after experience with the school improvement grants; (iv) the introduction of an MoEYS capital budget share, and (v) to some extent, the expansion of ECE. The latter, though, was seen not to be as influenced by budget support, as the other four cases.

202. **In almost all these instances, the demonstration of success and lessons learnt from other donor programmes that piloted the intervention also contributed to their adoption by the RGoC.** Respondents noted that this, plus the priority of the education sector for the RGoC, its improvements in budget management, and an improved relationship with the MoEF after the appointment of the current Minister in 2013, contributed to the MoEF providing RGoC financing.

203. **It appears that having an intervention anchored in the PAF contributes to its adoption on budget/respondents thinking that budget support influenced progress.** In all the cases above, either the ESPSP or ESRP PAFs contained a relevant indicator, except for ECE, a key milestone for more equitable access. There is record of it being a dialogue topic for the EU earlier in the period, and it was an indicator in the original ESRP PAF. However, the indicator was dropped for 2016 and 2017 in favour of including an indicator on non-formal education/the capital budget. The argument was that ECE was already well covered by other donors, including the GPE.

204. **Technical inputs by the EU and other donors in the context of joint sector dialogue were commonly seen as influencing reforms.** The EU played a role both through anchoring the dialogue with its large budget support programme and through the technical inputs of the EU education officer. When interventions are also in the PAF, this can help progress further. An example is the redesign of the school operation budget formula and arrangements, for which donors provided technical inputs over the period. It is likely that this dialogue and the demonstration effects of FTI/GPE and then the Sida school improvement grants have contributed to pro-poor changes in the school operating budget (SOB) system, even if there are concerns that the changes are not pro-poor enough.

205. **Inputs from the CDPF are a common factor in progress on education policy and service delivery reforms.** Examples are (i) support for the development of the TPAP in teacher supply and development; (ii) the development of guidelines and support for the training of directors, school support committees and districts on school-based management; (iii) analytical work relating to the scholarships, and training and capacity building for scholarship committees and MoEYS departments; and (iv) technical work around introducing the national assessments. All four cases were also PAF indicators.

206. **For some reforms, budget support influence may help keep an issue on the agenda until conditions are more favourable.** Not all reforms, however, progressed as fast as expected when first

formulated for PAF purposes. The evaluation also found that there were common factors that worked against faster progress. These include the complexity of the reform, the breadth of actors involved, and the capacity requirements. In teacher supply and development for example, progress was very slow in the ESPSP, despite it being associated with a PAF indicator and donor technical work and dialogue. While the CDPF supported the development of the TPAP subsequently, further significant progress was only made at the end of the evaluation period after clear signals from the new Minister that teacher reform was a central priority for the Ministry. MoEYS respondents noted the complexity of the reform area, which not only spans several units within the Ministry but also extends across Ministries. Agreeing new approaches and rules required lengthy discussion, and implementation will require engagement with and overcoming resistance to change from teachers, as a stakeholder group and individually.

207. Adopting and implementing adjustments to the school operating budgets was also slower than expected in the original ESPSP PAF design. The reform process was made more complex by the need for negotiations between MoEYS and MoEF, and involvement even by the Council of Ministers, around funding levels and formulas. Increasing school funding and some degree of school autonomy has been closely linked to the broader decentralisation and deconcentration (D&D) process, a reform that has progressed slowly itself.

208. Interview evidence suggests that progress on non-formal education may also be stalled. It was, however, added late in the evaluation period as a reform focus in the ESRP PAF, so it may be too early to tell what the influence of the EU programme might be.

209. Complexity and low priority for government are not the only factors limiting progress. In school management, budget support, via support for the CDPF and the inclusion of a related PAF indicator in the ESPSP, contributed to the level of capacity that is in place, jointly with other donor programmes. The magnitude of the task, and the institutional/budgetary barriers, such as low capacity at district level, training that is too thinly spread and fast turnover, have held back progress.

Conclusion: budget support influence on progress in targeted education policies and delivery

210. The evaluation looked at several important education-specific initiatives, in addition to the general sector governance interventions discussed in section 5.2, to improve equitable access to and the quality of education in the basic education sector. The selected initiatives were highlighted by the ESPSP and the ESRP programmes as focus areas to achieve programme objectives, albeit through specific inclusion in the PAF or through dialogue. In summary:

- **Teacher reforms** have been complex and slow, with staffing norms in place but not yet implemented, and teacher qualifications and broader quality measures now being addressed through a comprehensive and strategic Teacher Policy Action Plan. It is likely that slow implementation of these reforms over the evaluation period is due largely to the complexity of working across and gaining consensus between different MoEYS units and RGoC ministries. The EU made some contribution to teacher reforms, with PAF indicators focusing on key processes, and CDPF contributing with research and to the development of policies and guidelines / regulations. Joint sector dialogue on teacher reforms supported processes.
- **School-level funding and management** has made progress over the period. All funds reach schools. However, disbursement is often late, lowering efficiency in the use of funds. Concerns remain that funds in many schools do not meet needs, and may not be sufficient to drive improved outcomes. Equally, school management capacity, including the role of the School Support Committees (SSCs), is improving slowly, but there is general agreement it remains a key bottleneck in delivering change. Training has started to help, but a more comprehensive approach to school-based management is needed, with effective support from clusters and DTMTs. The budget support programmes contributed to progress on school-based management through their support to the CDPF, which in turn has supported the training of school support committees. The PAF indicator on school-based management guidelines meant that these

guidelines were developed, leading to training. Donor dialogue and technical input on school operating budgets contributed to increased resources and formulas becoming more equitable.

- **Specific reforms to improve equitable access** have made good progress. The expansion of early childhood education is an important achievement. The scholarship programme has expanded, and improving water and sanitation infrastructure in schools is now partly financed by the government budget. Progress on non-formal education and re-entry programmes, however, have been slower. There is agreement that budget support facilitated government adoption and expansion of interventions previously supported by development partners. Inclusion also as a PAF indicator appears to assist in this process.
- **Sector reforms to improve quality** have taken many years to become established. Over the period frequent national assessments were carried out, but more slowly than anticipated in the ESRP PAF, and their use to drive school and classroom improvement is very limited. Multi-lingual education was adopted as government policy, and government will take over its funding. The important budget support programme contribution to these reforms is through: the availability of funds to support government budget allocations to leading sector interventions; consistent dialogue associated with PAF indicators on the reforms; and technical inputs via joint donor interventions and the CDPF.
- While the EU programmes have influenced results in education policy and delivery changes, other donor programmes were co-contributors, together with MoEYS actors. Not all contributing forces were positive: reform complexity and capacity weaknesses were key factors hampering reforms. There are also some key interventions in which EU influence could not be deduced; these include in particular some quality assurance reforms, such as the examination and inspection services reforms.

5.4 Synthesis conclusions on the influence of budget support on education sector financing, governance and service delivery

This section provides a synthesis conclusion on whether the budget reform programmes contributed to the induced outputs in the sector.

211. The sections above show that progress was made in many areas of focus for the MoEYS, the EU and other donors during the evaluation period. All instances of progress, however, are not equal. Nor are all instances of influence at the same level. In some instances, e.g. teacher development and reform, the progress was slow and mostly just that policies had been adopted and structures formed by the end of 2016, and implementation for the most part still needed to occur. Nonetheless, medium influence can be argued. In other cases, progress was swift and interventions were implemented, e.g. PBB, though it mostly occurred because of momentum from the RGoC.

212. In this section we have adapted a typology of policy influence success set out by Jones in 2011¹⁰⁶ to categorize observed changes into five types. Jones's categories are:

- *Attitudinal change* – framing debates and getting issues onto the political agenda;
- *Discursive commitments* – changed rhetoric from states / policy actors;
- *Procedural change* – changes in the process whereby policy decisions are made, such as including stakeholders in decision-making if this is the objective of the policy dialogue;
- *Changed policy content* – such as legislative change, changes in formally adopted policies or changed budgetary commitments; and
- *Behavioural change* – changes in actual expenditure and the actual implementation of policies.

213. It is useful that there is an obvious hierarchy between these types of results, as it allows the ranking of the induced outputs observed. Figure 6 below presents the observed induced outputs in the

¹⁰⁶ H. Jones, 2011. *A guide to monitoring and evaluating policy influence*. London, ODI.

sector against a simplified version of this hierarchy, adapted to the context. The analysis synthesises findings across all instances of influence and progress and helps to draw conclusions on the influence of budget support on sector progress.

214. The diagram – a quadrant matrix – shows four levels of progress on policies and actions on the horizontal axis, reflecting the shallowness or depth of the progress, enabling conclusions on the extent to which policy change and action have been induced, and the likelihood that the reform could have had or will have an effect on the observed sector outcomes. These four levels are:

- *Willingness to reform* – attitudinal change and discursive commitments;
- *Preparing to reform* – policy commitments, piloting and capacity building for the reform;
- *Financing reform* – budget allocations by the RGoC; and
- *Reforming* – actual financing *and* implementation of reform actions and evidence of changed practices. Of course, the final column does not mean that the reforms are implemented effectively, just that they are being implemented.

215. On the horizontal axis, the diagram places a reform area or action on where it had got to by end 2016, and indicates whether this point was first reached before end 2013, when reforms started accelerating, or post. It also organises the reforms on the vertical axis on whether progress was steady, even if slow, over the period, or stagnated for long periods of time; and by whether the reform was to improve sector management or education policies and service delivery, on the assumption that the latter are more likely to have a direct effect on sector outcomes.

216. At the same time, the diagram reflects the evaluative judgement on whether the budget support programmes contributed to the level of change observed and through which mechanism.

217. Across the reform areas above, five main pathways or vectors of contribution to sector outcomes emerged for the budget support programmes in Cambodia:

- the budget support funds that facilitated the movement of interventions from the preparing for reform through the financing reform columns to the reforming column because they provided the fiscal space for the MoEF to finance the reform;
- a PAF indicator associated with the reform, which either provided leverage to reformers to push for reforms, or facilitated an issue staying on the agenda for dialogue;
- joint dialogue, including bringing expertise / research / analysis to sector policy discussions;
- capacity development (CD), or contributions through the EU's role in the CDPF; and
- piloting, or complementary funding within the partnership framework of the sector, in which other donors may have financed pilots or interventions, but for which the EU budget support programmes could claim contribution, insofar as it helped maintain the sector partnership within which these reforms became catalysts for change.

218. Figure 6 also indicates whether other factors, including RGoC factors such as the reform area being on the Minister's high priority list, were significant co-contributors to change; this is indicated by a tick (✓). Being an ESP priority/strategy was not deemed sufficient to merit classification as an RGoC priority: RGoC priority is only indicated for reforms, policies and actions which were also found to be significantly RGoC-driven. Figure 6 does not show the degree of implementation for reforms that have reached the final column, nor their scale. Even so, it provides a map of induced output status and contributing factors.

Figure 6. Status of Induced Outputs end 2016

	WILLINGNESS TO REFORM <i>Discursive commitments and attitudinal change</i>	PREPARING FOR REFORM <i>Procedural change; Formal policy commitments; Capacity building for change</i>	FINANCING REFORM <i>Funds Committed on government budget</i>	REFORMING <i>Behavioural change, indicated by changed practices of involved actors</i>
Change progressed steadily even if slow	<p>Education policies and delivery Non-formal education re-entry programme roll-out (PAF,pre)</p> <p>Improving teacher qualification and recruitment by upgrading teacher training colleges and improving INSET (PAF,✓, pre)</p>	<p>Education policies and delivery Multi-lingual education (PAF, pilot, Budget Support Financial Flows (BSF), pre) Multi-lingual Education National Action Plan adopted</p> <p>Quality assurance framework adopted for pre-schools (post)</p> <p>School-based management (CD, ✓,post) School director standards approved</p>	<p>Governance Capital budget share (BSF,PAF,✓,post) Implementation of a capital budget share from the RGoC</p> <p>Increase in the MoEYS budget share due to salary increases (Dialogue,✓,post)</p> <p>Increase in salaries of NFE teachers (PAF, post)</p>	<p>Governance Education Research Council established (CD ✓ post) EMIS master plan developed and implemented (CD, dialogue, pre) Provincial AOP roll-out and Congresses (PAF, dialogue, CD, ✓, pre) ESP finalised & MTR done (dialogue, CD, ✓,post) Full PBB implementation (PAF, CD, ✓,post) Use of bank accounts for SOBs and teachers (pilot, dialogue) ✓</p> <p>Education policies and delivery Expansion of ECE (PAF, pilot, dialogue,✓,pre) Scholarship programme (BSF,PAF, pilot, dialogue, ✓,Pre) Implementation of scholarship programmes on government budget and increasing financing Equitable access (BSF, PAF, dialogue, ✓, post) Improving WASH facilities in schools National Assessments and QEMIS (PAF, dialogue,✓,pre) Implementation of assessments & inspection systems Grade 12 examinations reform (✓,post)</p>
Change stuck for long periods of time	<p>Governance Internal Audit reforms Documentation developed but pilot did not occur (PAF, Dialogue, CDPF,pre)</p>	<p>Governance Decentralisation (CD, pre) Functions to be decentralised approved & capacity building for decentralisation</p> <p>Staff performance management policies, guide to staff performance review and tools (PAF, dialogue, CD, pre) Education policies and delivery Supply and management of teachers TPAP approved; Task Force established; Staffing norms approved and piloted (PAF, dialogue, CD,✓,pre)</p>	<p>Governance School-based management (BSF, pilot, dialogue, PAF,CD, pre) Change in school operating budgets, change in formula and merging with SIGs</p>	<p>Governance Improvements in budget execution (PAF, CD,✓,post)</p> <p>Education policies and delivery School-based management (PAF, CD, Dialogue,pre) Improved management in selected cases – implementation of policy predates period</p>
	PROGRESS MORE SHALLOW <-----			-----> DEEPER PROGRESS

219. The analysis drives the following evaluation conclusions on the contribution of budget support inputs and the direct budget support outputs to the desired induced outputs:

- **Over the period many of the reform areas targeted under the ESPSP and ESRP progressed to implementation on the ground**, even if progress on some reform areas was slower than envisaged in the ESPs 2009-2013 and 2014-18 (original). The areas noted in the 'reforming' column include interventions aimed at improving sector institutional capacity, as well as directly aimed at improving equitable access and quality results.
- In most cases, **the shift to the reforming stage happened post-2013** when sector reforms got new impetus with the arrival of a reformist minister of education. For many of the reforms it would be premature to assume that they would already affect outcomes, particularly those related to lagged indicators such as promotion rates.
- **The budget support programmes made some contribution to many of the assessed reforms that reached implementation stage, but mostly as a co-contributor with government factors.** Budget support funds are important for progress on specific, demarcated education policy and delivery interventions, but usually not sufficient. Reforms also need to be driven by RGoC factors. Budget support funds (and the PAFs) feature as the contribution mechanism in many of the education policies and delivery reforms that reached implementation, but then almost always in tandem with RGoC factors. They also feature in policies and actions that have not yet progressed to actual budgetary commitments, but in contrast, these were found not to be driven also by RGoC factors.
- **RGoC factors, however, are not a guarantee that progress will be steady.** Some reform areas, policies and actions that are mapped to the 'slow' lane have been at their current stage since before late 2013. Interestingly, budget support financial flows have not contributed to any of these reforms, but some were not necessarily suited to this kind of mechanism.
- **Almost all the 'stuck' reforms were either complex, multi-stakeholder reforms that required other ministries' or interest groups' cooperation, or they had massive capacity development requirements.** In the former group are the teacher supply and management reforms, and in the latter, budget execution progress and school-based management reforms.
- A contribution through capacity development features in almost all the governance reforms, suggesting that the **contribution through the CDPF has been important for progress on governance.**

Chapter 6. Evolution of sector outcomes and impacts and contributing factors

This chapter provides findings and conclusions on EQ 4: To what extent have sector outcomes (equitable access, quality, efficiency) improved and the development outcomes targeted by budget support been achieved? Are improvements sustainable? What factors have been the main determinants of these achievements?

220. This chapter reports on Step 2 of the analysis. It examines the main outcomes and impacts which have been generated during the evaluation period. The evaluation sought to identify the key determinants of change over the period. In particular, it assessed the relative significance, amongst other factors, of the changes in government's allocative and policy decisions, which were identified in Step 1 as having been induced by budget support processes. This chapter first sets out what results and impacts were observed and then discusses what the contributing factors were. The findings presented are based on the quantitative analysis of the descriptive statistics of the Cambodia education system, and qualitative and econometric analysis of the factors contributing to results. Data supporting the chapter are provided in Volume 2, Annex 10. Volume 2, Annex 11 provides the full econometric analysis.

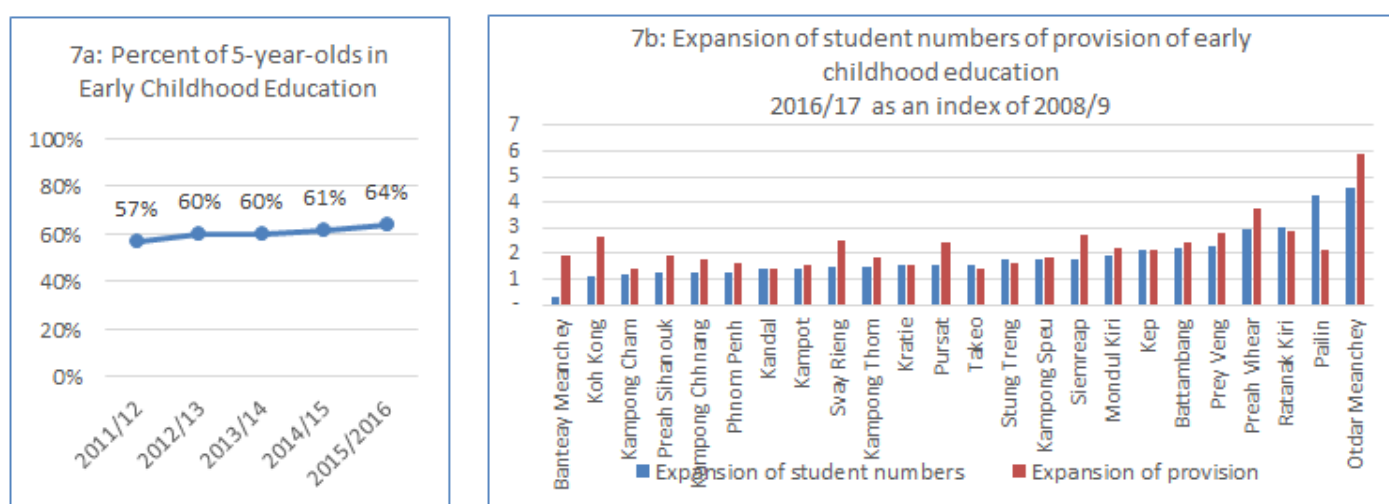
6.1 Change in equitable access

Enrolment outcomes

221. **Enrolment in pre-primary expanded over the evaluation period (2011-2016).** Early childhood education is expanding, but at too slow a rate to meet the original ESP ambition of 80% enrolment of 5-year-olds by 2018, but it is likely to be able to meet the revised target of 72% in 2019/20. By 2015/16 altogether 64.1% per cent of 5-year-olds were enrolled. The ESP 2009-2013 target (set at 60%) was missed, with enrolment of 52.7% by 2013. Two out of three children attending early childhood services were enrolled in public pre-schools. Other parts of the system, however, grew slightly faster between 2009/10 and 2014/15. Children participating in community pre-schools comprised 22.5% of all children enrolled in 2009/10, and 25% in 2014/15. The share of enrolled children in home-based programmes remained around 10%.¹⁰⁷

222. **However, the expansion was uneven across provinces.** The expansion of facilities and teachers in many provinces was faster than the take-up of places, as is illustrated in Figure 7b below which compares the 2016/17 number of students relative to 2008/9 with the provision of teachers and facilities relative to 2008/9.¹⁰⁸

Figure 7. Expansion of the pre-primary system



Source: RGoC MoEYS 2017a

223. **Between 2012 and 2016 on all measures enrolment in public primary education declined.** After reaching a peak in 2012, net enrolment in public primary education has declined. Gross enrolment has declined faster, and overall enrolment is down. The net enrolment rate for girls very closely tracks the rate for all children between 6 and 14, as is shown in Figure 8a below. Disparities in net enrolment between provinces were narrowing up to 2012/13, but have since increased again.¹⁰⁹ The provinces of Kep, Koh Kong and Pailin, situated on the coast and on the western border with Thailand, showed a significant decline in enrolment between 2014/15 and 2015/16.

224. **Public lower secondary enrolment rates declined in the early years of the period, but have improved since 2013/14.** Figure 8b below shows that while gross enrolment in lower secondary was declining between 2008/9 and 2012/13, it increased again from 2014/15. The lower secondary gross enrolment rate was 56.5% in 2015/16, below the ESP target of 81%. The rate for girls is higher, and the gap between the rate for girls and the overall rate increased over the period, implying that sex has become significant again as a driver of unequal access, but now for boys. The gross enrolment rate for

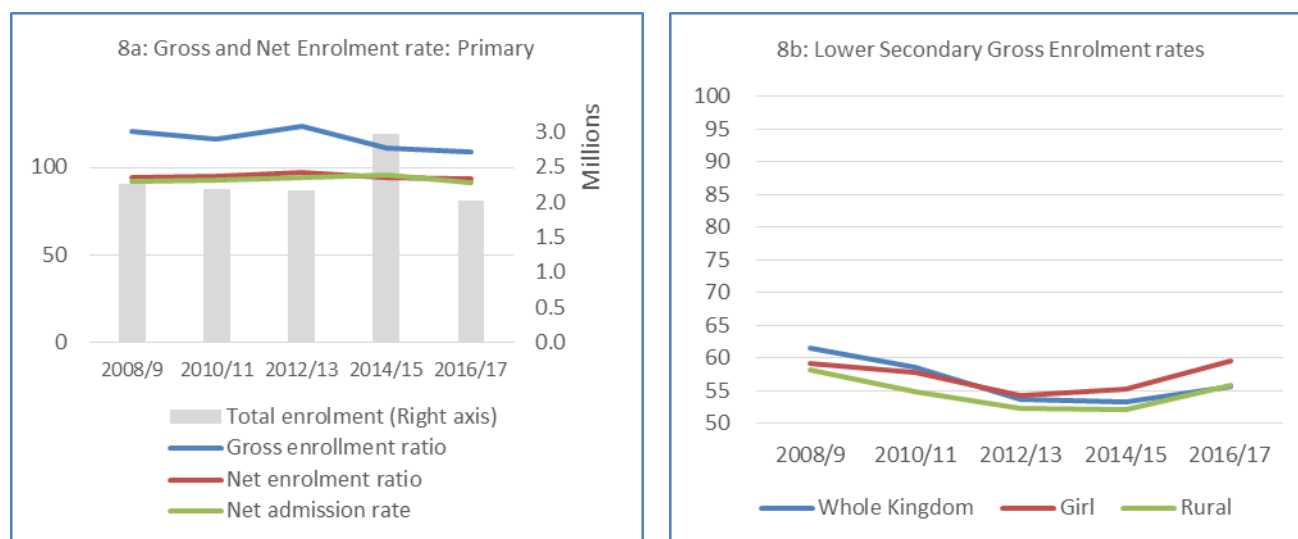
¹⁰⁷ RGoC MoEYS 2016

¹⁰⁸ Expansion of provision represents a composite index of both teachers and facilities, calculated by first comparing each to their value in 2008/9 and then combining them, with equal weighting.

¹⁰⁹ Cf Volume 2 Annex 10 Figure 10.2 for the provincial distribution of enrolment rates.

the rural population was still lower than the overall rate by 2016/17, but the gap had closed considerably. The disparity between provinces, however, while declining up to 2012/13, increased again subsequently. This is similar to the pattern in primary, although the rate at which the gap narrowed was slower for secondary, as was the rate at which it opened again.

Figure 8. Enrolment in basic education

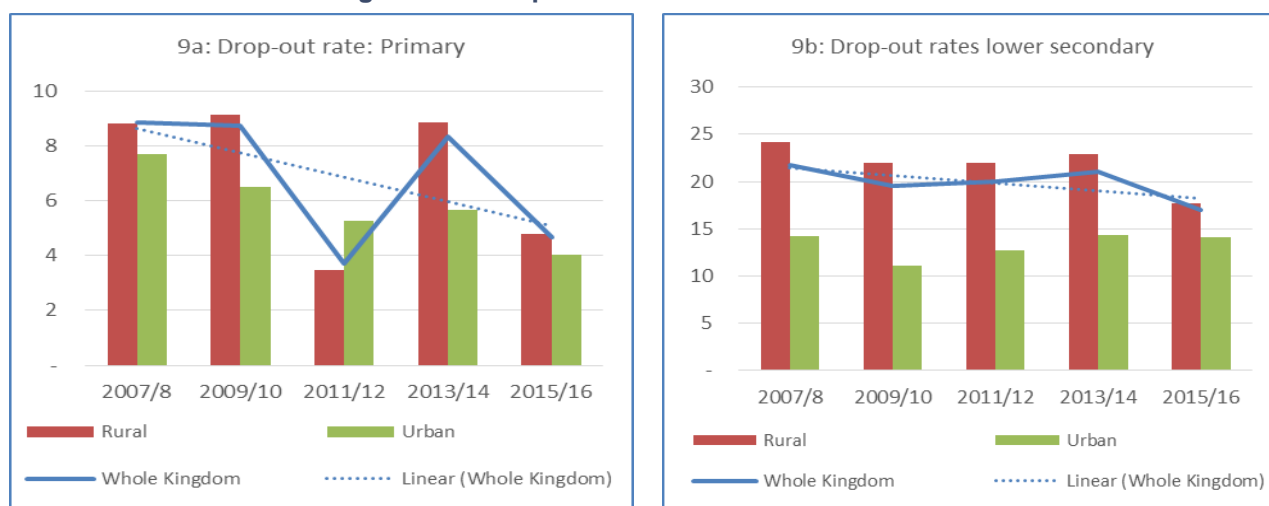


Source: RGoC MoEYS 2017a

Drop-out rates

225. **Drop-out rates declined between 2009/10 and 2015/16**, despite showing slow increases for lower secondary initially and fluctuating for primary. Drop-out rates are higher in rural compared to urban areas. This gap has not narrowed by much in primary as shown by the trendlines on Figure 9a. There was considerable variation in the distribution of provincial drop-out rates. By 2015/16, however, the worst performing province was closer to the mean.¹¹⁰

Figure 9. Drop-out rates in basic education



Source: RGoC MoEYS 2017a

226. **In lower secondary, however, the gap has narrowed both because rural drop-out has come down and urban drop-out has increased.** Drop-out rates at lower secondary have been stuck at around 20% for a number of years, but improved between 2013/14 and 2015/16 as is shown in Figure 9b. Some provinces improved lower secondary drop-out rates by as much as 4-5 percentage points (e.g.

¹¹⁰ Cf Volume 2 Annex 10 Figure 10.3 for the provincial distribution of drop-out rates.

Mondulkiri, Koh Kong), while other provinces have remained stagnant or even continued to worsen (e.g. Pailin, Kratie). The variation between provinces has reduced in lower secondary over the evaluation period, however.

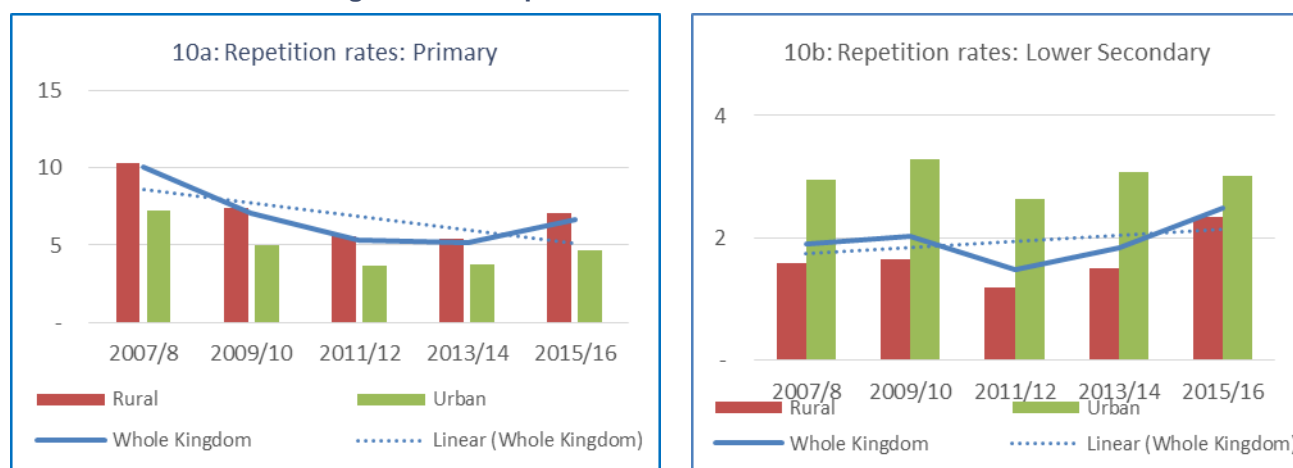
6.2 Change in internal efficiency of the education system

Repetition rates

227. The repetition rate in primary education came down from 7.2% in 2009/10 to 5.1% in 2013/14. In 2015/16, however, repetition increased again, as shown in Figure 10a. Both urban and rural repetition rates have declined over the evaluation period, with a small narrowing of the gap. Between 2009/10 and 2015/16 the long tail of poor performing provinces shortened.¹¹¹ A look at individual performance by province shows that most provinces tracked the overall trend, suggesting the national policy on progression had a higher influence on repetition than differential factors by province.

228. In lower secondary similarly, while drop-out rates reduced in 2015/16, repetition rates increased according to EMIS data, reversing the improvement in internal efficiency since 2009/10 (Figure 10b). The variation between provinces also widened in 2015/16, with the top half of provincial rates spread out more than the bottom half. The repetition rate was higher for girls than for boys in 2015/16, although it was lower or equal in earlier years.¹¹²

Figure 10. Repetition rates in basic education



Source: RGoC MoEYS 2017a

6.3 Change in education quality outcomes

229. Performance in terms of the quality of provision is harder to track, as MoEYS is only starting to gather learning data from ongoing qualitative assessments and standardised national assessments that will be able to show trends over time in coming years. In this section we review change in education system performance over the last fifteen years, using attainment of primary education as a benchmark. We then consider early results from the initial rounds of the standard assessments, and primary and lower secondary completion rates as a proxy indicator (even if weak) for learning improvement.

Completion rates 2000-2014

230. Over the long term, educational attainment in Cambodia has improved. The Cambodia education system has made considerable gains in the proportion of people with primary education over the last 15 years. The evaluation analysed the change in reported educational attainment by the respondents to the Cambodia Demographic and Health Surveys between 2000 and 2014. The test was whether they had completed primary school. A direct comparison between surveys was undertaken, as

¹¹¹ Cf Volume 2, Annex 10 Figure 10.4 for the provincial distribution of repetition rates in primary and lower secondary.

¹¹² Cf the discussion on the gender parity index below.

well as a pseudo-cohort analysis. The pseudo-cohort analysis constructed groups of children broken down by sex, location (rural/urban), and relative deprivation (access to an improved water source: not improved/improved).¹¹³ This analysis was undertaken to be able to frame change in the period since 2010 against the longer-term trends in the system.

231. The pseudo-cohort analysis indicates **a considerable improvement in primary completion rates over the period reviewed**. The cohort born in the years 1981-1985 achieved a completion rate of 37% by age 15-19, whereas the next five-year cohort, born in 1986-1990, achieved a completion rate of 59% by age 15-19, and those born in 1991-1995 achieved a 72% completion rate by this age.

232. The cohort born in 1986-1990 achieved a primary completion rate of just 5.4% by age 10-14, whereas those born in 1991-1995 achieved a completion rate of 18% by this age. Thus, although their initial progress was slow, the analysis shows that the education system enabled many of those born in the earlier years to complete primary schooling after the normal completion ages. Larger increases were achieved between the 10-14 and 15-19 age levels than in earlier years.

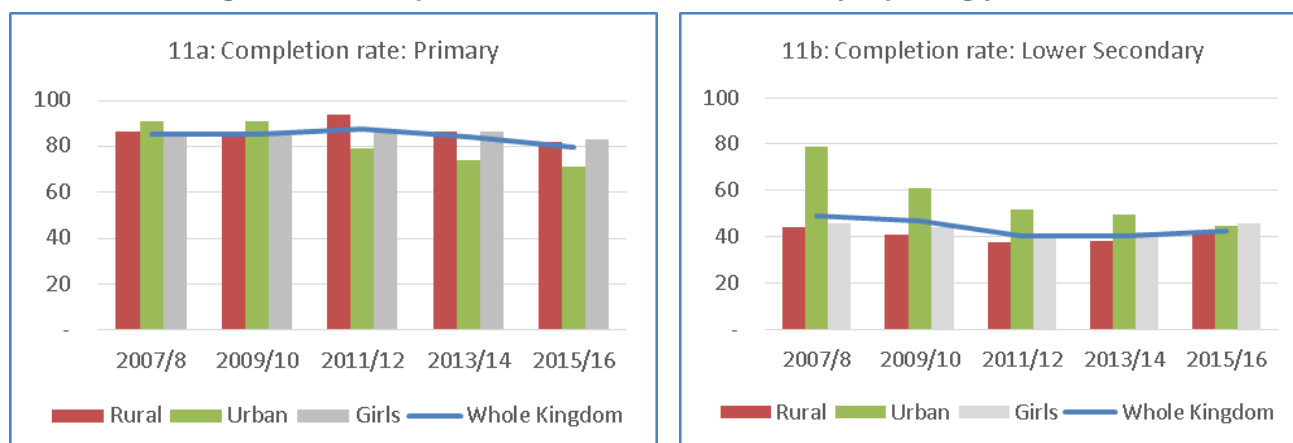
233. **Most gains for the population as a whole, however, occurred before 2010**. Comparisons between the surveys show that between 2000 and 2010 a rising proportion of 10-14 and 15-19 year olds (at the time of the survey) had completed primary school. The rise in the proportion who completed primary by age 19 was reversed during the 2010-2014 period, associated with lower enrolment trends.

234. **Improvements were faster for girls**. The pseudo-cohort analysis shows that more males than females completed primary school in the cohort born in the 1985-1989 period, whereas in the youngest cohort born in 1990-1994 the female completion rate by age 15-19 was higher.

235. **But differences between rural and urban and household deprivation persist**. The overall rate of primary completion by age 15-19 for urban areas was consistently higher than in rural areas for all cohorts. Similarly, the gap between households with improved water sources and those without remains large. However, over time the gap narrowed, indicating that system inequality was reducing.

Completion rates 2011-2016

Figure 11. Completion rates in basic education by reporting year



Source: RGoC MoEYS 2017

236. **Over the evaluation period EMIS data also shows improvement in completion rates, although the rates in primary dipped at the end of the period**. The primary completion rate showed steady improvement in the early years of the budget support programmes, but reversed these gains in 2015/16. This was driven particularly by a decline in urban completion rates, as is shown in Figure 11a. Even so, the distribution of provincial primary completion rates had narrowed over the period, suggesting that the decline overall is driven by the location of districts and schools rather than provincial factors.¹¹⁴

¹¹³ Cf Annex 11 for more information on the analysis.

¹¹⁴ Cf Volume 2 Annex 10 Figure 10.5 for the provincial distribution of completion rates in primary and lower secondary.

MoEYS reporting against the ESP shows that by 2015/16 the number of districts with a primary education completion rate of at least 80% was 95.¹¹⁵ Up to 2012/13 it appeared that the MoEYS was making progress against this indicator (exceeding ESP targets), but in 2014/15 and 2015/16 the number of districts declined again. It looks unlikely that the target of 144 districts by 2017/18 will be met.

237. According to EMIS data lower secondary completion rates worsened from 46.8% in 2009/10 to 42.6% in 2015/16 (Figure 11b). However, the performance by 2015/16 was actually an improvement over a low recorded for 2012/3, reported in 2013/14. This coincides with lowering gross enrolment rates, suggesting that fewer candidates were completing lower secondary in 2015/16 than in 2009/10. It also looks unlikely that the ESP 2014-2018 target of 17 provinces with a lower secondary education completion rate of at least 40% will be reached by 2017/18. The performance gap between provinces has narrowed over the evaluation period. The province that declined the most between 2008/09 and 2015/16 was Phnom Penh, while Ratanak Kiri improved the most.

Quality of learning

238. The Grade 3 and 6 Khmer and mathematics assessments, originally done in 2006, were repeated in 2015 and 2016 respectively, **with encouraging findings on improvements in learning quality**. These are set out in Table 8 below.¹¹⁶ Overall, however, the results of early grade reading (Khmer) and maths assessments have highlighted the low levels of learning in early grades that provide the foundational skills for children’s progression through primary and into secondary. These results show worse performance in rural areas, reflecting the differences in access and efficiency indicators noted above. Results also show lower performance for those in lower socio-economic groups (e.g., in the Grade 6 Khmer language assessment, children from the highest / richest quintile scored 14.5% higher than those in the lowest quintile).¹¹⁷

Table 8. Standardised test results over period

GRADE 3	Whole sample	Rural	Urban
Grade 3 Reading (2014/15)	42.7	40	53.9
Grade 3 Writing (2014/15)	30.4	26.1	47.9
Grade 3 Mathematics (2014/15)	41	38.4	51.5
Improvement Khmer (on common items between tests)	From 40.8 % correct in 2006 to 41.5% in 2015.		
Improvement mathematics (on common items between tests)	From 38% correct in 2006 to 39.6% in 2015.		
GRADE 6	Whole sample	Rural	Urban
Grade 6 Reading (2015/16)	61.7	60.1	69.7
Grade 6 Writing (2015/16)	45.3	42.9	57
Grade 6 Mathematics (2015/16)	48.3	46.1	58.4
Improvement Khmer (equated scale scores) ¹¹⁸	From 500 (baseline) to 504		
Improvement in mathematics (equated scale scores)	From 500 (baseline) to 5019		
GRADE 8	Whole sample	Rural	Urban
Grade 8 Reading	73.8	72.7	77.9
Grade 8 Writing Activities	28.3	26.5	34.5
Grade 8 Mathematics	44	42.6	49

Source: RGoC 2016d, 2016e, and 2017c

¹¹⁵ RGoC MoEYS 2016b, The 2016 Education Congress Report.

¹¹⁶ RGoC MoEYS 2016c, Results of Grade Eight Student Achievement from the National Assessment in 2014; RGoC MoEYS 2016d, Results of Grade Three Student Achievement from the National Assessment in 2015; and RGoC MoEYS 2017, Results of Grade Six Student Achievement from the National Assessment in 2016.

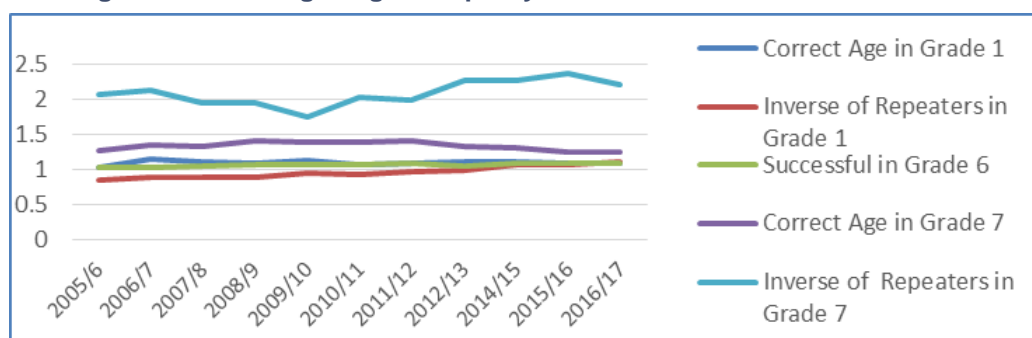
¹¹⁷ RGoC MoEYS 2017

¹¹⁸ The test scores cannot be compared directly across tests. First, the national curriculum is changing, which means that each test must be updated to reflect changes in learning goals; second, the MoEYS is developing capacity with item writers who develop the test questions, which means that new questions are being created and improvements made in existing questions; and third, the population of students in each grade is changing, due in part to new school construction but also because children are staying in school longer and completing more grades. The comparison reflected here, however, is a more robust comparison that uses common link items across surveys to make comparisons. The first year is the base year and scores at 500.

6.4 Change in gender parity in education

239. Longer-term analysis of gender parity shows that girls for the most part have been outperforming boys since the 2000s, confirming qualitative evidence that being male is increasingly a driver of inequality in education in Cambodia. The analysis of girls' performance on the selected outcome variables above is complemented with the gender parity indexes of the variables selected for the econometric analysis of education results using EMIS data since 2005/6.¹¹⁹ Figure 12 below shows that the remaining index of negative parity for girls (a value below 1) – repeaters in Grade 1 – turned positive in 2012/13. The only significant narrowing of the gap was in the correct-age entry for Grade 7, from average 1.32 in the first three reporting years (2005-06, 2006-07 and 2007-08) to average 1.27 in the last three reporting years (2014-15, 2015-16 and 2016-1017), indicating that boys were faring slightly better relative to girls in the second period. The gap in terms of repetition in Grade 7, however, increased significantly over the period.

Figure 12. Change in gender parity for selected education results



Source: RGoC MoEYS 2017a

6.5 Change in economic growth, poverty, employment and deprivation¹²⁰

240. At the impact level, many indicators of socioeconomic development and poverty improved over the period, on the back of strong economic growth.

241. **Rising economic growth contributed to reducing poverty.** Economic growth recovered over the period, after crashing during the 2008 financial crisis, and regained its earlier high levels. This meant that Cambodia entered lower middle income country status in 2014 and drastically reduced poverty.

242. **Unemployment also came down for the first years of the period, but increased again in the last two years.** The overall unemployment rate as reported by the World Bank Development Indicators declined from 35 to 26% between 2010 and 2016. Youth unemployment (16-19-year-olds) tracked overall unemployment, but at a higher level, although the gap narrowed in 2014. Youth employment is estimated to be more unstable and higher amongst urban youth.¹²¹

243. **Linked to growth and employment, household income per capita increased.** As measured by the Cambodia Socio-Economic Survey household income increased from KHR198,000 in 2011 to KHR370,000 in 2015, an 87% increase. While rural incomes lagged, the increase kept pace, from KHR162,000 in 2011 to KHR306,000 in 2015, an 89% increase. Income distribution as reported by the surveys improved between 2011 and 2015, with the lowest two quintiles earning 13.1% of income per capita in 2011, increasing to 14.7% in 2015.

244. **Non-income poverty also eased.** Cambodia's Human Development Index Score improved from 0.533 in 2010 to 0.563 in 2015. The under-five infant mortality rate per 1000 live births dropped from 36.7 to 24.6 between 2010 and 2015. Access to water, sanitation and energy also improved.

¹¹⁹ Cf Annex 10.

¹²⁰ Cf Annex 10 Figures 10.6 to 10.10 for supporting graphs for this section.

¹²¹ ADB and ILO, 2015, *Cambodia, addressing the skills gap, employment diagnostics study*, Asian Development Bank. Estimates of unemployment differ between surveys, with other surveys reporting similar trends but with lower unemployment.

245. The result chain from education sector reform to improvements in economic growth and reductions in poverty is via employment. However, lower secondary (and higher) school enrolment and quality have led to a mismatch between the skills of young workers and those that employers seek. In one survey, more than 4 out of every 10 young workers lacked the education to perform well at their jobs.¹²² Much of the improvement in socio-economic outcomes has been as the workforce moved out of agriculture into low-skill manufacturing jobs. Sustaining a growth and development path will depend on the workforce being able to take another step up, but this will in turn depend on improving educational attainment. For this, retaining youth in school longer and improving the quality of instruction and learning will be critical.

6.6 Analysis of contributing factors to change

Change in equitable access

Environmental factors

246. **Differences in household wealth explain urban and rural differences in enrolment in basic education.** Analysis undertaken for the Education Public Expenditure Review¹²³ sheds light on the disparity between rural and urban areas in basic education. It finds that more wealthy households are more likely to enrol at all levels. For example, at the lowest quintile, 77% and 53% of households are enrolled in primary and secondary education respectively, while in the highest quintile 88% and 72% are enrolled. Furthermore, a child at the same income level is as likely to enrol living in a rural area as in an urban area.¹²⁴ Data from the Socio Economic Surveys on why children are not enrolled in school supports this analysis.¹²⁵ The need to contribute to household income, poverty, and unwillingness to attend school are the leading reasons given why children aged 6-14 are not enrolled in school. These three reasons accounted for almost 80% of school-age children not in school, from about 50% in 2007. The main shift over the period is that more children had to contribute to household income rather than do household chores. Supply side factors – no schools, teachers or supplies – feature rarely in responses.

247. **Drop-out is not the only lead factor for children being out of school: many families delay accessing schools.** While interview evidence was that drop-out remains a significant factor in school enrolment, the emerging evidence from a current study on out-of-school children is that of the 13.2% of children of school-going age who were not in school in 2012, 10.6% (or roughly 8 out of every 10 out-of-school children) were still expecting to enter. Only 0.6% had been in school but dropped out. And a further 2.1% were unlikely ever to go to school. Slightly more girls than boys were unlikely to enter (2.3% of girls versus 1.5% for boys). Correct-age Grade 1 entry and correct-age Grade 7 entry are therefore pivotal to increasing equitable access. Sub-national qualitative data gathered for this evaluation suggests that localised interventions such as by the school support committee can be successful in raising awareness on education, ensuring correct-age entry, and recovering children who have dropped out.

248. Qualitative evidence collected at sub-national level suggests, however, that drop-out is often associated with non-school factors when it occurs, as is reflected in the survey data. Many district level respondents said that internal migration was a key reason why children leave school, which is supported by the high level of migration reported for the Cambodia labour market.¹²⁶

School factors

249. **The increase in access to early childhood education is explained largely by an increase in the number of schools and classes.** Interview respondents believed that this increase stimulated increased demand for early childhood education, resulting in an increased share of 5-year-olds in pre-

¹²² Ibid.

¹²³ World Bank, forthcoming, p21.

¹²⁴ Ibid, also supported by UNESCO 2016.

¹²⁵ National Institute of Statistics (NIS), 2017, Cambodia Socio-Economic Surveys Data, received on 10 October 2017. Cf Volume 2 Annex 10, Figure 10.10 for more information on the reasons provided by respondents.

¹²⁶ ADB 2016.

primary programmes. Analysis of EMIS data supports this: it shows that enrolment of children in formal early childhood programmes at government schools grew faster than the supply of teachers or classrooms.¹²⁷ A 2013 study has found, however, that take-up rates in earlier programmes were low, particularly in home-based and community-based programmes.¹²⁸ However, even if demand were high, increased enrolment is dependent on higher availability of places in the system. These places were provided in formal early childhood education programmes, community-based programmes and home programmes.

250. Reduced net primary enrolment in the public education coincided with increases in the proportion of primary school-age children in private education. MoEYS data sources put private enrolment in primary education at 2.6% in 2012/13, growing to 4.5% in 2015/16.¹²⁹ If the available data are added to the public enrolment, total net enrolment is stable, but begins to fall after 2014/15.¹³⁰ The shift to private schools therefore does not account for the overall reduction in net enrolment since then.

251. In certain provinces distance to schools was also a determining factor. According to the Public Expenditure Review analysis, provinces in which households reported distance as a factor in non-enrolment are also the provinces in which villages are further away from schools. This includes Stung Trang and Rotana Kiri.¹³¹ The Review also noted that low awareness on early childhood education contributes to “don’t want to” and “too young” being more prevalent as reasons in some provinces.

252. After 2013/14 fewer school-related factors were associated with difference in performance between districts on Grade 1 correct-age entry than before. In order to investigate the role environmental school factors play in differences in Grade 1 and Grade 7 correct-age entry, and whether the acceleration of reforms after 2013/14 made a difference to these factors, the evaluation undertook time-break discontinuity and multivariate regression analysis of district performance on selected EMIS indicators. The exercise divided indicators between those indicating the type of environment the school was in, school infrastructure, and school teaching and learning factors. Annex 11 discusses the data, the reasons for selecting indicators and the methods used.

253. Of the 21 variables examined fewer were associated with the variance in performance across districts after 2013/14 than before. This suggests that there were fewer school-linked drivers of unequal performance after 2013/14. School infrastructure, and teaching and learning factors on the whole, were no more significant in Grade 1 correct-age entry than environmental factors. Addressing socio-economic barriers to correct-age entry and enrolment, such as through the scholarship programme, as well as awareness of the importance of early learning, are therefore important interventions to improve access, particularly for poor children.

254. At the individual variable level, access to drinking water at school became an even more prominent explanatory factor for variance between districts in Grade 1 correct-age entry performance after 2013/14, and while the school director’s age was no longer prominent, factors relating to supply of schools and teachers became so. This can be explained by the improvements in water and sanitation discussed in section 5.3 above, which are as yet unevenly distributed across the system and provinces. As would be expected, the presence of pre-primary classes was also shown to be statistically significant in each of the years after 2013/14, but the association is not strong and the statistical significance is low.

255. Correct-age entry in Grade 7, however, remained associated with the location of schools and supply of school places. Districts with more schools in rural areas were associated with lower

¹²⁷ Cf Volume 2 Annex 10 Figure 10.11.

¹²⁸ A Bouguen, D Filmer, K Macours, S Naudeau, 2013, *Impact Evaluation of Three Types of Early Childhood Development Interventions in Cambodia*. World Bank Policy Research Working Paper 6540, World Bank.

¹²⁹ MoEYS 2013-2017, Annual Education Congress Reports, 2013, 2014, 2015, 2016, 2017, and MoEYS, 2016e, Education Statistics and Indicators Private Schools 2015-2016.

¹³⁰ UNESCO, 2016.

¹³¹ World Bank *op. cit.*, p23.

correct-age entry in most of the 12 years tested, while districts with higher total enrolment were associated with higher correct-age entry.

Improved internal efficiency

256. **The decline in repetition rates in primary was linked by respondents and studies to strategic interventions by the MoEYS.** These include expansion in early childhood education, scholarships, early grade reading interventions by the MoEYS and its partners, changing pedagogical approaches to focus more on the individual learner, peer-to-peer learner support and additional testing.¹³²

257. Repetition rates decline by grade in primary education and the highest repetition occurs in Grade 1.¹³³ The evaluation therefore included assessment of the impact of environmental, school infrastructure and school teaching and learning factors on repetition in Grade 1.

258. **School factors had more explanatory significance in Grade 1 repetition after 2013/14 than before.** The discontinuity analysis¹³⁴ showed that whereas environmental factors were more significantly associated with variance between districts in performance on Grade 1 repetition between 2008/9 and 2012/13, between 2014/15 and 2016/17 school factors were far more significant, indicating that the interventions described above were delivering results.

259. **Early childhood education emerged as a lead explanatory factor for reduction in Grade 1 repetition rates.** The individual variable that was significant most often in explaining better Grade 1 repetition performance between districts was the percentage of schools with early childhood education classes attached to the school. This was followed by correct-age entry at Grade 1.¹³⁵

260. Repetition rates in lower secondary are low, and the discontinuity analysis of school and environmental factors does not show much change in whether the tested factors are associated with variance between districts, between 2008/9 to 2012/13 and 2014/15 to 2016/17. Nor did the multivariate analysis across the twelve years undertaken by the evaluation show any school factors that were consistently significant in explaining variance between districts.

Improved quality

Environmental factors

261. **Provincial performance on primary and lower secondary completion is correlated with provincial poverty rates.** When the 2009 multidimensional poverty index by province¹³⁶ is plotted against provincial performance on primary and lower secondary completion rates, it shows correlation.¹³⁷ While provinces cluster in a middle range on both the poverty index and lower secondary completion, the regression analysis shows that about 44% of the variation in primary completion can be explained by the variation in poverty rates, at the highest level of statistical significance. The statistics for lower secondary education are similar, with about 38% of completion rates being explained by variation in poverty rates.

262. This is supported by analysis of the Grade 6 Assessment in 2016 which showed that family socio-economic status and size mattered for performance on the tests as well as the student's age and sex, although not as much as whether they were often absent from school.¹³⁸ Older children, boys, and children with more siblings and from poorer households performed worse in the Khmer tests. For mathematics, family size and the student's sex were more weakly associated or not significant.

¹³² UNESCO 2015, *Education for All 2015 National Review Report: Cambodia*; and UNESCO 2016.

¹³³ Ibid.

¹³⁴ Cf Annex 10.

¹³⁵ Cf Annex 10.

¹³⁶ Oxford Poverty and Human Development Initiative (OPHI), 2013, Country Briefing: Cambodia. Multidimensional Poverty Index Data Bank. University of Oxford: OPHI.

¹³⁷ Cf Volume 2 Annex 10 Figure 10.12.

¹³⁸ RGoC MoEYS 2017, p544.

263. **Student's attitudes and behaviours, such as reading books and absenteeism, are strongly associated with performance.** A regression analysis done for the Grade 6 Assessment tests, for example, showed increasingly lower test scores the more often students were absent.¹³⁹ Student spending on extra classes, teacher support and food was positively correlated with better performance for both Khmer and mathematics scores in the tests. This reflects analysis done of the Grade 8 and Grade 3 test results.¹⁴⁰

264. However, this does not mean that school factors are not important, precisely because school factors too vary by whether schools are in poorer or wealthier areas. School inputs are significant for student outcomes, in addition to the students' socio-economic background and attitudes.

School factors

265. **School director and teacher qualifications matter.** Regressions reported in the World Bank Public Expenditure Review¹⁴¹ of students' test scores in the 2014 Grade 8 and 2015 Grade 3 tests show that school size, teacher education and teaching style matter, besides the socio-economic status of the child. At Grade 8 level, children taught by more highly educated teachers answered an additional 13 questions out of every 100 correctly compared to their peers, but at Grade 3 level this effect was not seen. The variation in teachers' education at Grade 3 level was, however, much less than at Grade 8 level, which partly explains this result.

266. This is supported by the regressions done on 12 years of EMIS data for the evaluation, which found that at district level the share of directors with limited educational qualifications was associated with lower performance regarding successful Grade 6 candidates in about half of the years.¹⁴² This statistical evidence is further supported by fieldwork qualitative evidence, also from the sub-national level, including that school performance is linked to the school director, and that teacher training matters.

267. **However, teacher behaviour matters too.** For the top 20% of learners in the Grade 3 and Grade 8 tests, teachers always corrected homework. For the bottom 20% only 2% of teachers did the same.¹⁴³ A regression analysis done for the Grade 6 Assessment in 2016 found, however, that, controlling for all other factors, homework correction was not statistically a significant factor.¹⁴⁴ Other teaching style and behaviour factors were found to be significant, such as the frequency of student participation in class, for both maths and Khmer. This correlates with the Public Expenditure Review findings that teachers who called students to the blackboard more often had better performing students. Qualitative data collected sub-nationally noted that the 2013-2015 salary and allowance increases have had a positive effect on teacher motivation.

268. **The size of schools matters.** The Public Expenditure Review's analysis of both Grade 3 and Grade 8 test scores found that larger schools obtained higher scores. This is the case even when controlling for whether schools were in urban or rural areas. This evaluation's regression analysis of EMIS factors over twelve years found that the variation between district performance on Grade 6 success was associated with whether blackboards were available (in two of the years), and in the post-2013/14 years positively with whether a toilet facility was available.

269. **District performance on repetition is a lead factor in explaining the variance in district grade 6 success,** linked to the proportion of children who enter Grade 1 at the correct age. Both these factors were significant in more than one year of the cross-sectional analysis done for this evaluation, with consistent directionality.¹⁴⁵

¹³⁹ RGoC MoEYS 2017, p544.

¹⁴⁰ RGoC MoEYS 2016c and 2016d.

¹⁴¹ World Bank forthcoming.

¹⁴² Cf Annex 10

¹⁴³ World Bank, op cit.

¹⁴⁴ RGoC MoEYS 2017

¹⁴⁵ Cf Annex 10, Table 10.13. Other factors were also significant in some years, but with opposing directionality.

6.7 Conclusion on the evolution of sector outcomes/impacts and contributing factors

Evolution of outcomes

- Education outcomes for the evaluation period, should be viewed against the gains made over the last 15 years, to understand better the base off which improvements occurred/did not occur.
- *Equitable access*: Access to pre-primary education increased significantly over the period, but unevenly across provinces and below the targets set in the (original) ESP 2014-2018. Enrolment in public primary schools declined, after reaching a peak in 2012, but drop-out rates were also significantly lower. In lower secondary gross enrolment remained stubbornly low, but both enrolment and drop-out had improved by 2015/16 relative to the start of the period.
- *Internal efficiency and quality*: Repetition in primary education reduced over the period, but worsened in lower secondary. Indicative measures of quality improvements in education suggest improvement in primary, but less so in lower secondary education.
- *Equity*: There are significant differences in performance between rural and urban locations, provinces and genders. Generally, by 2015/16, girls performed better on most measures than boys, and urban locations better than rural.

Contributing factors to education outcomes

- **School factors, such as increases in capacity, water and sanitation improvements, scholarship programmes, multi-lingual education and schools' efforts to engage parents, contribute to improvements in equitable access and quality outcomes.**
 - Increases in **net enrolment and reductions in gross enrolment and drop-out** are explained by increases in **schools and classrooms, the expansion of pre-primary, the introduction of school feeding programmes** and improvements in promotion and reduction in repetition. Localised **efforts to encourage correct-age entry and recover children** who had dropped out contributed. The **scholarship programmes** were also credited with reduced drop-out rates amongst recipients, while **the multi-lingual education initiative** encouraged enrolment of children belonging to minority population groups.
 - The analysis of education statistics indicates that **school water and sanitation infrastructure** has become more significant in explaining **variance in Grade 1 correct-age entry** between districts, together with access to pre-primary.
 - After 2013/14, school factors became more significant in variations in repetition between districts. Interventions such as the **expansion of primary, early grade reading interventions** and **teaching method changes** are credited with **lowering repetition rates**.
 - **Bigger and better provisioned schools** fare better on **standardised assessment tests** of learning achievement; students taught by **more qualified teachers** with more **interactive teaching styles** achieve better scores. Districts with lower repetition rates and with more experienced school directors are associated with higher Grade 6 success.
- **Survey evidence suggests, however, that non-school factors are also significant in access, education attainment and learning achievement outcomes.**
 - In basic education **household socio-economic status** explains much of the variance in **access to schooling** observed in population survey data between rural and urban locations and provinces. In some provinces, however, access to schools is also important.
 - In **pre-primary education, low take-up of places** is associated with **low awareness** of early childhood learning and development, emphasising the value of localised responses that can address demand-side barriers effectively.
 - Improvements in students' **learning achievement** on standardised tests are linked to **socio-economic status** and other household characteristics such as **family size**. Poverty rates can

explain a lot of the variation in Grade 6 completion rates between provinces. Learning achievement is also associated with **student characteristics**: students who are absent less often and who read achieve higher scores.

Chapter 7. Analysis of contribution of budget support to outcomes

This chapter provides the conclusions against EQ5: To what extent have the direct or induced outputs of budget support contributed to the results identified at the outcome and impact levels?

270. This chapter compares the conclusions from Chapter 5 with the conclusions from Chapter 6 to answer EQ5. This comparison allows identifying the transitive relationships between the budget support and development results through the assessment of the significance of each chain of influence (budget support → Government policies; Government policies → Outcomes & Impacts).

271. The results are presented below in Table 9 (a text analysis). Table 9 column 1 is a summary of whether the ESPSP and the ESRP inputs contributed to the induced output, in column 3. Column 2 considers factors that also affected achievement of the induced output in column 3. Column 5 lists the associated outcomes, based on the relationships identified in Chapter 6. In Columns 4 and 6 we list other government policies/actions and factors that affect the associated outcomes for the listed induced output. The table focuses on the reforms targeted by the ESPSP and ESRP. Where, based on our analysis in Chapter 5, the reform is in early stages of actual implementation or still in preparation, the potential expected outcomes are listed along with other factors that may influence the relationship, but in grey.

272. The degree of influence of the budget support inputs on the RGoC policies and of the RGoC policies on the development results is assessed on a scale of three ratings, as follows:

- *weak*: when the factor considered contributed negligibly to the observed change and this would have occurred in any case, albeit in slightly different forms;
- *moderate*: when the contributing factor considered has had a significant role – along with other factors – in supporting the observed change. And the latter – in the absence of the factor considered – would have occurred in a reduced and / or more expensive form; and
- *strong*: when the observed change might not have occurred without the factor considered.

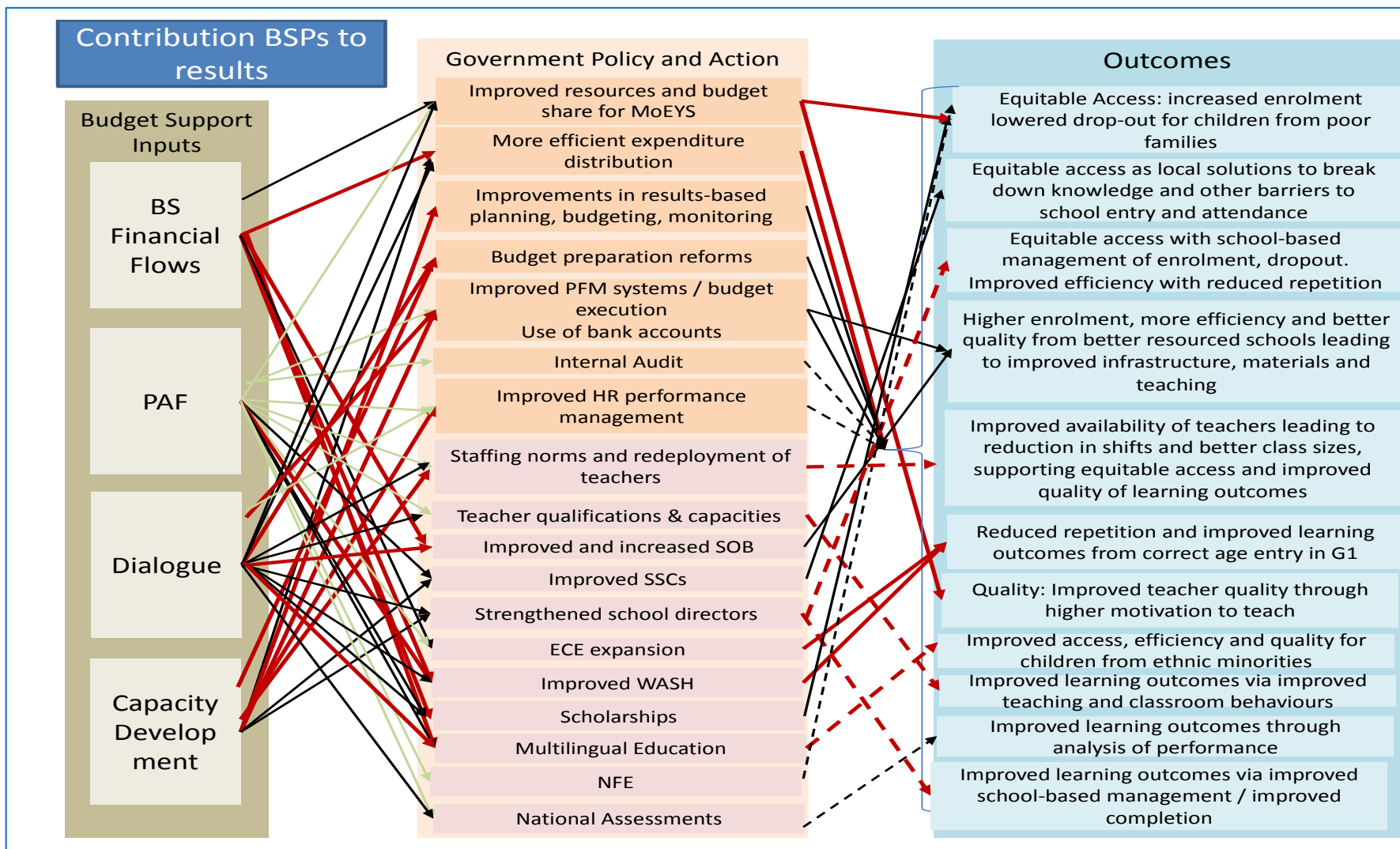
Figure 13 (page 67) presents the relationships between columns 1, 3 and 5 graphically. A weak relationship is depicted by a green arrow, a moderate relationship by a black arrow, and a strong relationship by a red arrow. A dashed arrow indicates a relationship that could have been in place, had the induced output progressed further. Figures 10.13 and 10.14 in Volume 2, Annex 10 break the diagram down into its component parts, showing the contribution from each input to the induced outputs, and from the induced outputs to each set of outcomes (equitable access and quality).

Table 9. Summary analysis Step 4: Contribution from budget support programmes to development outcomes

1. BS Inputs and strength of linkage → → →	2. Other factors influencing government policy and action (+ / -) → → →	3. Key education policies supported by BS → → → (and strength)	4. Other government policies and factors → → →	5. Outcomes	6. Non-school factors ← ← ← ← (+ / -)
GOVERNANCE REFORMS					
Financing (strong, but for relatively small increases) PAF (weak) Dialogue (moderate, in early years) Capacity development (moderate)	RGoC priority given to education sector (+ strong) New minister, with focus on improving budget efficiency (+ Strong) Piloting / project delivery by other donor programmes (+)	Improved resources and budget share for MoEYS for salary increases (Strong) Improved budget efficiency (Strong)	Cross-government salary increases	Equitable access, through reducing demand for additional payments Quality improvements: teacher quality	Socio-economic status and demand for education (-) Existing practices and culture (-)
Dialogue (Moderate) Capacity development (strong)	Support from other donors (+)	Improvements in Results-based planning, AOPs, ESPs and Sector Congresses (Moderate)	Increased focus by MoEF on results in budget negotiations Capacity constraints to effectively use AOP and other formats and processes	Improved access, equity and quality in education Indirect via enabling of improved education policies and service delivery	
Dialogue (Strong) Capacity development (strong)	New minister, with focus on improving budget efficiency (+)	Budget Preparation Reforms, including implementation of PBB (Moderate)	MoEF drives reforms as part of PFMRP (although complementarity through EU support) (Moderate)	Improved access, equity and quality in education Indirect via enabling of improved education policies and service delivery	
PAF (weak) Dialogue (strong) Capacity development (strong)	New minister, with focus on improving budget efficiency (+)	Improved public financial management and budget execution (Moderate)	MoEF drives reforms as part of PFMRP (although complementarity through EU support) Capacity requirements (-)	Improved access, equity and quality in education Indirect via enabling of improved education policies and service delivery	
PAF (weak) Dialogue (moderate)	Piloting by other donor programmes (+)	Use of bank accounts to pay teachers and SOB (Moderate)	SOB payments late, reduces efficiency of resource-use	Equitable access, through reducing demand for additional payments to teachers Improved resource flows to schools lead to improved infrastructure, materials and teaching	Socio-economic status and demand for education (-)
PAF (weak) Dialogue (Weak)	Not yet a government priority (-)	Internal audit reform	Little progress	Improved access, equity and quality in education: Indirect via enabling better education policies & service delivery	
PAF (weak) Dialogue (weak) Capacity Development (strong)	Reform priority of new minister (+) But automatic progression approach set by MCS (-)	Improved performance management of human resources	Progress in developing systems, but little change in practice	Improved access, equity and quality in education; Indirect via enabling better education policies, service delivery	
EDUCATION POLICIES AND DELIVERY					
PAF (Weak) Dialogue (Moderate) Capacity development (Strong)	Priority of new minister (+strong) Complex reform with powerful existing interest groups (-strong) Complex reform needing cooperation across MoEYS/other units (-strong)	Supply and management of teachers Staffing norms and redeployment of teachers (Strong)	Not yet implemented MoCS manages establishment	Improved equitable access, and improved learning outcomes via improved availability of teachers, reducing shifts and large class sizes	SES and demand-side factors for enrolment Student characteristics and attitudes Teacher incentives
PAF (Weak) Dialogue (Moderate) Capacity development (Strong)	Priority of new minister (+) Complex reform with powerful existing interest groups (-) Complex reform requiring cooperation	Supply and management of teachers Teacher qualifications and capacities, PRESET and INSET, career-pathing (Strong)	Implementation just starting in 2017	Improved learning outcomes via improved teaching and classroom behaviours	SES and demand-side factors for enrolment Student characteristics and attitudes; Teacher incentives

1. BS Inputs and strength of linkage → → →	2. Other factors influencing government policy and action (+ / -) → → →	3. Key education policies supported by BS → → → (and strength)	4. Other government policies and factors → → →	5. Outcomes	6. Non-school factors ← ← ← ← (+ / -)
	within MoEYS (-)				and culture
Financing (Strong) PAF (Moderate) Dialogue (Strong)	Piloting by other donor programmes (+) Complex reform requiring cooperation across entities (-)	School-based management Increases in SOB and improvement in equity components of formula (Strong)	Capacity to manage SOBs at district and school level (-) Late payment of SOBs	Equitable access and quality of learning: Improved resource flows to schools lead to improved infrastructure, materials & teaching	
PAF (Moderate) Capacity Development (moderate)	Support from other donors (+)	School-based management Improvement of SSC role in school-based management (Strong)	Capacity constraints across thousands of schools: difficult to achieve coverage of capacity development (-) Weak capacity at district level to undertake monitoring	Equitable access Improved local solution to increasing enrolment and reducing drop-out	Socio-economic status and demand for education (-)
Capacity Development (Moderate) Dialogue (Moderate)	Piloting / project delivery by other donor programmes (+)	School-based management Strengthening of school directors through change in recruitment and development of capacity (Strong)	Implementation still under way	Improved access: school management of enrolment and dropout; Improved efficiency: reduction of repetition; Improved quality: School management of primary completion	Socio-economic status and demand for education (-) Teacher incentives and attitudes
Financing (moderate) PAF (Weak)	Priority of new minister, with focus on improving efficiency, access and quality (+); Other donor support (+)	ECE expansion (Strong)	Construction of classes at schools, community pre-schools and home-based programmes (+) Not a priority for the MoEF (-)	Improved Access to ECE Increased correct-age Grade 1 entry; reduced repetition in Grade 1 and improved learning outcomes	Demand side factors for enrolment
Financing (Strong) PAF (Strong) Dialogue (moderate)	Priority of new minister, with focus on improving efficiency, access and quality (+); Other donor support (+)	Improving water and sanitation school infrastructure (Strong)	Political priorities for infrastructure (-) Policy on procurement for WASH to ease implementation (+)	Equitable access: Improved correct-age Grade 1 entry; Reduced lower secondary repetition	SES and demand-side factors for enrolment; Student characteristics and attitudes
Financing (Strong) PAF (Moderate) Dialogue (Moderate) Capacity dev. (moderate)	Piloting and delivery by other donor programmes (+)	Scholarships in primary and secondary education (Moderate)	Size of programme relative to total enrolment / dropout (neutral) Access to schools in some provinces in secondary programme (-)	Equitable access: Increased enrolment and reduced dropout for children from poor families	SES and non-cost demand-side factors for enrolment Student characteristics and attitudes
Financing (Strong) PAF (Moderate) Dialogue (Moderate)	Piloting by other donor programmes (+)	Multilingual Education (Strong)	Government adoption making good progress but not yet complete	Equitable access: increased enrolment by children from ethnic minorities Improved internal efficiency: reduced repetition by ethnic minorities Quality: better attainment by minorities	SES and non-cost demand-side factors for enrolment Student characteristics and attitudes
PAF (Weak)	Piloting by other donor programmes (+)	Non-formal education re-entry programmes (Not clear)	Limited implementation with limited financing available	Equitable access: reversal of dropouts	SES and non-cost demand-side factors for enrolment Student characteristics and attitudes
PAF (Weak) Dialogue (Moderate)	Priority of new minister, with focus on improving efficiency, access and quality (+) Technical support by other donor programmes (+) Capacity of MoEYS (-)	Introduction and use of National Assessments to manage quality of teaching and learning (Not clear)	Limited use of results Examination reforms QEMIS and school inspection Curriculum and text book reforms Early Grade Reading Teacher qualifications & other reforms	Improved quality of teaching and learning	Teacher incentives and culture Student SES, other characteristics and attitudes

Figure 13. Analysing the contribution of budget support to sector outcomes



LEGEND

Strength of relationship (indicated by the colour of the arrow)

→ Weak relationship → Moderate relationship → Strong relationship

Status of relationship (indicated by the format of the arrow)

————→ (all colours) Existing relationship - - - -> (all colours) Potential relationship had the outputs occurred

Conclusions: influence of budget support on sector outcomes and impacts

- **Several chains of influence exist, from the direct inputs of budget support to the education sector outcomes observed.** For example, the budget support financial flows, the PAF indicator, dialogue, and support through the CDPF have all contributed to increases in scholarships. This in turn is argued to have contributed to increased access to education, in primary and lower secondary, for children from poor families, addressing one of the objectives of the ESRP.
- **A key feature of the chart is the strong influence on sector governance reforms,** which in themselves are the intermediate outcomes necessary to make sustainable and systemic improvements in education policies and delivery towards better education outcomes.
- **However, the evaluation could not find clear examples of strong chains of influence between budget support inputs and educational sector reforms, and from these reforms to outcomes that were already in place by the end of 2016.** Many strong chains of influence exist from sector reforms to outcomes, in areas of potentially high impact. But it is not clear that there is still a link in place between the MoEYS action supported by budget support and the outcomes. For example, in WASH, while budget support strongly influenced the establishment of a MoEYS WASH capital budget allocation, the allocation was not spent fully and the link between WASH and the outcomes was largely on account of spending in other donor programmes.

273. Furthermore, in order to sustain (and progress further) the improvements in sector outcomes, the MoEYS reform momentum since 2013 would need to be maintained to continue to address the school factors central to results. A risk for this momentum and for the sustainability of reforms, is whether RGoC priorities will shift away from education and whether the MoEYS leadership will change.

274. **Slow implementation of complex reforms, institutional and human resource capacity barriers, and sometimes the scale of progress achieved, reduce the impacts of budget support on outcomes.** As is the case with WASH, the analysis shows that implementation of reforms in areas that have a potential for high contribution was often slow or hampered. Further examples are the teacher reforms and the sustainable implementation of multi-lingual education through government budget. As noted before, teacher management and deployment is a very complex reform, involving many interest groups and government agencies. Some time is needed before the full results chain will deliver. In yet other reforms where a similar strong relationship could exist throughout the result chain from the budget support programmes to reforms and from reforms to outcomes (such as the school operating budget reforms) institutional or capacity gaps and other barriers weaken the contribution from the reform to outcomes. Another example is the implementation of the WASH budget allocation: institutional weaknesses in the management of capital funding have weakened the possible link from budget support to results in this case. In other areas the contribution is less than it could be because of the scale. This is true for interventions around school management, but also on scholarships.

7.1 Sustainability of resources, institutions and results

275. A remaining question is whether the induced outputs and the positive contribution from these outputs to sector outcomes are sustainable so that, over time, positive development impacts can ensue, and what the contribution of the ESPSP and the ESRP was to this sustainability.

276. **The evaluation analysis found positive contribution to sustainability:**

- Budget support has contributed significantly to the sustainability of key reforms through facilitating increased resources to the MoEYS for key interventions and for sector-wide improvement in teacher salaries. This has facilitated reforms to move from 'being in preparation' to being financed by RGoC resources and implemented. Key examples are the scholarships and commitment to finance multi-lingual education. Reforms in the right hand column of Figure 6, in other words reforms that are being implemented with government resources, are more likely to be sustained.

- Budget support has also contributed by facilitating more harmonised and programmatic aid delivery by other donors, using country systems more often. This has built the planning, budgeting and monitoring and evaluation capacity of key staff in the MoEYS headquarters. The use of the Annual Operation Plans to integrate and coordinate donor and government financing is key to facilitating government ownership of remaining off-budget investment.
- The choice to shift to pooled funding for capacity development support rather than doing it through a technical assistance-led, EU-managed project has also increased the likelihood of capacity development results being more sustainable. For example, the support of the MoEYS to sending staff to the International Institute for Education Planning contributes to shifting responsibility for technical work from technical assistance resources to MoEYS staff.

277. **The use of budget support as a modality has therefore been important for sustainability.** Arguably, concerns about the challenges in Cambodia of inducing effective change in government policies and actions so that development impacts can be achieved should be weighed up against potential reductions in sustainability associated with other modalities. The fact that budget support is being implemented within a functioning sector partnership, in which the MoEYS and donors can jointly address implementation challenges systemically, is also relevant to this calculation.

278. **For reform outputs to be sustained, however, renewed effort to address capacity challenges is needed.** Shifting approaches to capacity development, which is still significantly training- and workshop-oriented, to more mentoring and on-the-job training approaches and scaling up capacity development to have wider and deeper coverage at the sub-national level would be key to ensuring more sustained capacities, more effective reforms and improved results.

Chapter 8. Evaluation conclusions

279. This chapter presents the evaluation conclusions against the evaluation questions. Overall, the evaluation has found that the EU budget support programmes evaluated (i.e. the ESPSP and the ESRP) were broadly relevant in the context and to the EU. It is possible to show that the programmes were effective in influencing the achievement of education sector reforms as targeted in Cambodia's Education Strategic Plan (ESP), and in establishing linkages between these reforms and sector outcomes. The complexity of some pivotal reforms, however, as well as sector capacity constraints and insufficient scaling of some interventions, meant that the impacts of budget support were less than they would have been if reform progress had been as fast as expected in the ESPs. Even so, it is likely that if the ESPSP and ESRP inputs had not been delivered, progress would have been slower. Non-school factors also contributed to lower results than targeted for some access and quality outcomes in primary and lower secondary education.

EQ 1.1: To what extent were the budget support inputs timely/predictable, and the programme implementation mechanisms functional, efficient and transparent?

280. **Conclusion 1: Budget support financial flows were increasingly unpredictable over the evaluation period, but this did not affect the influence of budget support, as a high share of resources was eventually disbursed.** Implementation mechanisms generally worked well. However, the timeline for the annual assessments did not allow enough time for queries, so from 2012 disbursements were not known prior to the start of the fiscal year, affecting short-term predictability.

EQ 1.2: To what extent did the design and scale of the budget support programmes, and the choice of budget support as a modality, respond to the political, economic, and social context of education in Cambodia, to government education policy, to the education sector aid context, and to the evolution of the EU/RGoC partnership?

281. **Conclusion 2: Budget support as a modality was relevant to the MoEYS and the EU, and significantly scaling up the support was relevant to the sector context.** The total value of the

ESPSP was EUR30.8 million and of the ESRP, EUR82.9 million. While the EU budget support was small relative to the RGoC and MoEYS government resources, it was an important share of external grant support. For the MoEYS, scaled-up budget support had greater potential to induce opportunities for on-budget financing of important sector initiatives in the context of a declining budget share and for more effective aid delivery and partnership. For the EU, budget support was relevant as it occurred within a long-standing, strong sector-wide partnership with the potential to act as a vector strengthening public sector accountability in Cambodia. That budget support disbursements declined as a share of non-earmarked, non-wage expenditure, suggests that budget support was complementary to RGoC own resources.

282. **Conclusion 3: While the EU's choice to support the CDPF was relevant and strategic, the CDPF share of the ESRP could have been higher, given sector capacity constraints.** For the first time in the ESPSP, the EU budget capacity development funds were not directly linked to achieving PAF targets or directly managed by the EU, but used more broadly to support the MoEYS Capacity Development Master Plan, linked to ESP implementation, and disbursed into a pooled fund. This was a relevant shift, as it enabled addressing the critical sector capacity constraints more holistically. However, despite the growth in the overall programme budget from the ESPSP and the ESRP, the CDPF component increased at a comparatively low rate. More CDPF funding could have contributed to expanding capacity faster at sub-national levels.

283. **Conclusion 4: The choice of variable tranche indicators in the ESPSP was more relevant to the context than the choice of variable tranche indicators in the ESRP.** While the ESRP's shift to education policy and delivery indicators was strategic, a higher focus on quality issues would have been required in the context of Cambodia. Instead, many of the indicators and the targets in the programme supported the EU's gender and ethnic minority equity objectives. In addition, the indicators were also too thinly spread across issues/reform areas. As a consequence, even if targets had been achieved, they would have not necessarily have moved reforms forward more broadly. While greater use of outcome indicators in this programme was in line with EU budget support guidelines, the targets were mostly not met and it was more difficult for the MoEYS to relate specific actions to their achievement, and thus its effectiveness in aligning sector incentives and target reforms was reduced.

EQ 2.1: To what extent did the budget support programme inputs contribute to more, and more predictable, aligned and harmonised external aid to the sector, including financial aid and technical assistance?

284. **Conclusion 5: The EU budget support programmes contributed to aid – including financial aid and technical assistance – being delivered in more aid-effective ways.** Budget support signalled that country systems could be used. As a large sector partner, the EU by its participation in sector dialogue helped to maintain sector dialogue as a key aid coordination and harmonisation mechanism. The CDPF, with the EU as the most significant financial contributor, was instrumental in aligning capacity development support through its support for the MoEYS Capacity Development Master Plan.

EQ 2.2: To what extent did the budget support programme inputs contribute to improved processes, mechanisms and quality of policy dialogue between development partners and the RGoC in the education sector?

285. **Conclusion 6: EU support contributed to effective education sector dialogue, but the leadership of the MoEYS was the most important contributing factor.** The evaluation found that sector dialogue was already active, mature and in-depth when ESPSP started in 2011. Between 2011 and 2016, dialogue continued to occur through an effective mix of annual and in-year forums. National dialogue forums were more effective than provincial forums, leading to coordination gaps on the ground. Nonetheless, coordination of donor *and* government inputs through dialogue was continuous and effective overall. While the leadership by the MoEYS was the main factor in ensuring harmonised and effective dialogue, the EU support helped to crowd in donor and RGoC partners because of its size and nature. The quality of the EU's technical inputs into dialogue processes also contributed.

EQ 3.1 Did the budget support programmes contribute to an increased flow to and better distribution of government resources in the sector, including at decentralised levels?

286. **Conclusion 7: The EU support contributed to maintaining non-salary items in the MoEYS budget, but not significantly to the growth in the Ministry's RGoC share.** During the evaluation period the previous decline in MoEYS funding as a share of the government budget was reversed because of much needed but largely government-wide wage increases. As a result, non-wage expenditure in the MoEYS declined as a share of the MoEYS budget between 2012 and 2016, even if not in absolute terms. The MoEF, however, did agree to fund specific education interventions – such as scholarships and multi-lingual education – and increase the school operating budgets, preventing a bigger decline in the non-wage share. This was partly on account of the budget support financial flows providing fiscal space to increase these expenditures. Other factors were that these interventions were piloted by other donors, providing evidence of their effectiveness.

EQ 3.2 and EQ 3.3: To what extent did the budget support programmes contribute to policy development, planning and monitoring & evaluation systems in the education sector in a decentralised context? Have they contributed to ensuring better results-based management? To what extent did the programmes contribute to overall improvement in the quality of PFM, in the sector, and overall in Government particularly related to fiscal transparency and revenue mobilisation?

287. **Conclusion 8: Even although the budget support programmes contributed to the implementation of sector governance reforms, the variable and often weak technical skills for planning, budgeting, monitoring and review at central, provincial, district and school levels limited the potential effect of these reforms on sector outcomes.** There was steady improvement in the principal instruments for integrated results-based planning and budgeting. The Annual Operational Plans were rolled out to all provinces and some districts, and the MoEYS improved their coverage and structure. Sector information systems to support planning and results-based management also progressed. Over the evaluation period the MoEF programme-based budget reform was implemented in the sector, and progress was made in strengthening public financial management. The budget support programmes contributed to this progress through policy dialogue linked to the PAFs and through the CDPF, which supported technical reform development and capacity development to implement the reforms. It is however not clear that the budget support programmes contributed directly to progress on RGoC-wide fiscal transparency and revenue collection.

288. Despite the progress in the implementation of governance reforms in the education sector, the variable and often weak technical skills for planning, budgeting, monitoring and review at central, provincial, district and school levels are a concern relating to whether these reforms could optimally contribute to improved education outcomes. The district level in particular appears to be under-capacitated. Existing capacity development programmes were making positive contributions, but coverage was partial, and it was not clear that they were financed adequately or took the right approaches.

EQ 3.4: To what extent have the budget support programmes contributed to improved deployment and (results-based) management of human resources, specifically but not limited to teachers, in the sector for delivery of equitable, quality education?

289. **Conclusion 9: The budget support programmes made a contribution to progress on teacher reforms and staff appraisal systems, but the progress itself was largely limited to the development of policies, frameworks and action plans.** Staff performance appraisal systems were developed, but not implemented in any significant way. Teacher reforms were complex and slow: staffing norms were in place at the end of the evaluation period, but not yet implemented; a comprehensive Teacher Policy Action Plan had been developed, also addressing teacher qualifications and broader quality measures, but implementation had not started. The CDPF made an important contribution, however, to the development of the appraisal system, staffing norms and the Action Plan, and the presence of related PAF indicators in the ESPSP and ESRP contributed to sustaining these reforms.

EQ 3.5 and EQ 3.6: To what extent did the budget support programmes contribute to improved formal school-based management in the early childhood education, primary and lower secondary sub-sectors? Have the budget support programmes contributed to the formulation and implementation of specific education delivery policies to address key aspects of poor sector outcomes in early childhood education, primary and lower secondary?

290. **Conclusion 10: The budget support programmes contributed, especially through the budget support financial flows, to important progress in technical education reforms supporting equitable access and quality.** In relation to equitable access, the expansion of early childhood education since 2010/11 was an important achievement. The scholarship programme and the expansion of school water and sanitation infrastructure are now partly financed by the RGoC. Sector reforms to improve quality had taken many years to establish, but were progressing by 2016. Lead reforms were the reform of the Grade 12 examinations, more regular national assessment tests and multi-lingual education. Over the period school operating budgets also increased, and became more pro-poor. Issues however remain: school management capacity is still very uneven and a significant constraint on making progress in terms of education sector results, despite some progress; progress on non-formal education re-entry programmes was still slow; and the evaluation found low take-up of the assessment test data and analysis by key education managers at provincial and district level.

The evaluation found that progress in education policies and delivery was influenced positively by the budget support programmes. The availability of budget support financial flows enabled the RGoC budget to take on the financing of specific interventions in the education sector aimed at improving equitable access and education quality. This was backed by policy dialogue and PAF indicators. It was also supported by the evidence provided from other donor programmes, and by improving budget performance by the MoEYS. The CDPF contributed through technical and capacity building inputs.

EQ 4: To what extent have sector outcomes (equitable access, quality, efficiency) improved and have the development outcomes targeted by the budget support programmes been achieved? Are improvements sustainable? What factors have been the main determinants of these achievements?

291. **Conclusion 11: Change in education outcomes by the end of the evaluation period was variable, and partly influenced by school factors – including early childhood education provision, correct-age entry, water and sanitation facilities, school leadership and teacher qualifications and classroom behaviour.** Differences between the performance of districts, schools and learners, however, could also be explained by household socio-economic status, urban/rural location and learner characteristics such as attitude and gender. While some results lag reforms (such as completion rates), others are lead indicators and relate more closely to improvements in policies and delivery during the evaluation period. Some of these lead results remained stubbornly low, such as enrolment in lower secondary schools, and others deteriorated, such as repetition rates. There were, however, also some encouraging improvements: early childhood education enrolment improved significantly, and drop-out rates declined in both primary and secondary education. Analysis of the standardised assessment tests showed improvement in learning outcomes, albeit very small and unequal across gender and locations. Whereas being female used to be a disadvantage in terms of access to primary and lower secondary education and attainment fifteen years ago, by the end of the period this switched to being male. Rural versus urban location remained a disadvantage, but less so by the end of the period.

292. Our quantitative and qualitative analysis showed that non-school factors contributed to education outcomes, especially household socioeconomic circumstances, rural / urban location and learner characteristics such as gender and attitude. However, school factors were also important in explaining differences in outcomes between learners and districts. These include school environment factors such as distance to and size of the school and the availability of water and sanitation facilities. But in addition, and importantly, teacher qualifications, school leadership, access to early childhood education, correct-age entry and classroom behaviour of teachers also matter.

EQ 5: To what extent have the direct or induced outputs of budget support contributed to the results identified at the outcome and impact levels?

293. **Conclusion 12: The EU budget support programmes were effective in supporting the MoEYS to implement its priority reforms, by facilitating RGoC resource allocations for specific education interventions (often piloted first by other donors), by linking conditional tranche indicators to target reforms, by helping to maintain a strong sector partnership, and through technical CDPF and dialogue inputs.**

294. The evaluation found progress in many of the reforms examined. However, this progress occurred or accelerated only after 2013, when the new minister was appointed and education became an explicit priority for the RGoC, implying that these RGoC factors were pivotal to progress. For example, while budget support funds facilitated the on-budget financing of specific, demarcated education policy and delivery interventions, the RGoC financing was made available only when these reforms were also high RGoC priorities. Budget support funds on their own were not sufficient, even when PAF indicators were in place. Similarly, the CDPF was pivotal in moving governance reforms forward, but only if these were also driven by the RGoC.

295. **Conclusion 13: While the evaluation found no instance in which a strong chain of influence could be argued from budget support programme inputs to already improved sector outcomes by the end of the evaluation period, it did find that the budget support programmes – because they were systemic interventions – were important in sustaining the complex teacher and school management reforms that were taking much longer to implement than expected, but which are crucial for improved education outcomes.** For some of the MoEYS priority reforms supported it is possible to demonstrate that they had already led to improved education outcomes, but not strongly so. This was either because reform progress was more strongly influenced by other factors (such as the need for multi-stakeholder or multi-institution coordination and agreement) or because the reforms were not at a scale that would influence overall sector results strongly (such as the scholarships or school support committee capacity development).

296. Progress in reform areas that have a potential for strong contribution was still disappointing by the end of 2016 and could not have contributed to results. Even where implementation was under way, progress was often made only after 2013. While expected results at the induced outputs level were therefore not in place or not in place early enough to generate results by the end of the assessment period, this does not mean that budget support had no influence or had failed.

297. In two crucial reforms, school management reform and teacher reform, the evaluation can point to progress, though it has taken much longer than expected to implement these reforms effectively. However, progress would most likely have been even less in the absence of the technical and training inputs of the Capacity Development Partnership Fund, or of the contribution of budget support indicators and sector dialogue to government reform champions being able to encourage progress.

298. Because these reforms address problems that are systemic, the more sustainable results from budget support compared to other modalities mean that the contribution from budget support may yet lead to sector results. It is not clear that other support modalities would have had better results given the systemic nature of the barriers to success in these reforms, including poor multi-stakeholder coordination across the sector and significant sector human resource and system capacity gaps. Even if better results had been achieved through other modalities in the short term, their sustainability would have been weaker. Furthermore, given that these reforms address pivotal school factors in improved access and learning, budget support influence in these areas may yet contribute in future to stronger education results.

Chapter 9. Recommendations

299. The following recommendations are made for RGoC/MoEYS and the EU in its on-going partnership with and future support to the education sector.

9.1 Recommendations on the design of future budget support programmes

Recommendation 1 (derived from conclusions 3 and 8)

Commit more resources to capacity development

300. The EU should adjust the input mix of future budget support programmes to commit more resources explicitly to capacity development. Addressing capacity constraints is critical to establishing the necessary conditions for government to adopt, fund and deliver reforms effectively. This will require committing more resources to capacity development relative to the budget support financial flows. Capacity development should be broadly defined, and more innovation may be needed. Direct / more explicit complementarity on capacity development with other development partner-funded projects should be considered in programme design.

Recommendation 2 (derived from conclusion 4)

Select outcome indicators and targets with caution, and look at intermediate outcomes as targets

301. The EU should use outcomes with caution to set targets, particularly when they are lagged indicators that will only show change over a longer period of time, and are dependent on many variables, some of which are outside of MoEYS's control. It is more likely that lead indicators, such as drop-out and repetition, can provide a focus for dialogue over the timeframe of the programme. Even then, target-setting should take into account that not all factors are under MoEYS's control. Outcome targets should not seek year-on-year improvements but should only be considered as end-of-programme targets. Rather, year-on-year, more focus should be given to intermediate outcomes; that is, indicators or targets that demonstrate a change in behaviour / practice which it is expected will lead to the outcomes (e.g. demonstrated change in school management / standards, qualifications of teachers).

302. Outcome targets should also be set with caution. Where there are over-ambitious targets, the EU could consider setting lower targets, which are seen as minimum levels of progress and based on a realistic assessment. While this would be at the cost of alignment between budget support and sector targets, it would support the function of budget support programme targets providing leverage for sector progress better than unachievable targets.

Recommendation 3 (derived from conclusion 4)

Focus future programmes and PAF more

303. The MoEYS and the EU should take care not to fragment the PAF. When PAF indicators are spread too thinly over many reform areas, the PAF may not succeed in progressing any one area significantly further, even when all targets are met. Future PAFs should select few areas, and ensure that the mix of indicators will progress those areas.

Recommendation 4 (derived from conclusion 1)

Consider shifting planned tranche decision and disbursements to the new year, to increase predictability

304. The MoEF, MoEYS and EU should consider planning for a tranche decision and disbursement only in the year after the assessment year, to allow more time for RGoC processes and for resolving queries. This will provide certainty to the MoEF to plan and budget.

Recommendation 5

Consider continuous evaluation

305. The EU should consider setting up the basis for evaluations of future programmes at the design stage, including some qualitative and quantitative baseline work and more regular data collection and analysis during implementation phases. This will ensure especially that information collected from respondents is relevant to the evaluation period and assist in interpreting historical documentary evidence, and will allow for appropriate adjustments in a dynamic environment.

9.2 Recommendations on the sector partnership and dialogue

Recommendation 6 (derived from conclusion 6)

Develop functional sub-national partnership structures

306. The partnership and dialogue structures and processes at the national level are comprehensive and functioning well. While JTWGs are in place in principle at sub-national level, they are not always functional to support strong AOPs, partnership and coordination of inputs, and effective joint monitoring. As most of the MoEYS RGoC resources are planned and spent at sub-national level, ensuring that partnership and the alignment of government and donor resources are functioning at this level is critical. That most donors are based in Phnom Penh, even if their resources are spent sub-nationally, makes functional sub-national structures a challenge. The MoEYS should look at how to make the provincial JTWGs function better and link better to donors and national technical sub-working groups. This may involve reviewing the education provincial JTWGs to understand information and access barriers, engaging with donors on how to ensure that they function better, and implementing the recommendations that arise.

9.3 Recommendations and priority reform areas for future budget support programmes

Education policy and delivery priorities

Recommendation 7 (derived from conclusions 4 and 10)

Focus more on learning outcomes

307. In agreeing objectives for future programmes and setting the associated PAFs, the MoEYS and the EU should focus more on learning as an outcome. Improving the quality of teaching and learning is a persistent sector challenge. The evaluation team acknowledges that equitable access also remains a concern, but noted that over the ESPSP and ESRP progress was made in imbedding reforms that will in future contribute to improving equitable access outcomes, e.g. the scholarships and multilingual education. A central issue for the sector is the quality of education, and this should be supported as a priority. The next two recommendations offer ways for the MoEYS and the EU to implement a higher focus on learning outcomes in future programmes.

Recommendation 7.1 (derived from conclusions 9 and 13)

Continue the focus on teacher reforms by supporting TPAP implementation

308. Changes in teacher quality and classroom practice will require a comprehensive approach to reform. The TPAP, which was put in place during the ESRP and was to some extent supported by the programme, represents a critical and strategic approach that should be given priority in future programme support. A next programme should continue the EU's engagement with teacher reforms by selecting appropriate indicators and targets from TPAP implementation.

Recommendation 7.2 (derived from conclusion 10)

Support the use of learning assessment data for system reform and management

309. This builds on the ESRP support to institutionalising assessment tests. In future programmes, the EU should consider supporting MoEYS use of learning assessment data for system reform and its use

for system management at POE, DOE and school levels. This will require (i) working with the Education Quality Assurance Department on ways to disseminate the information so that it gets used; (ii) building capacity at central level for using the data in system reforms; and (iii) building capacity at provincial, district and school level for using the data to manage the system.

Sector governance priorities

Recommendation 8 (derived from conclusions 8 and 13)

EU support (and donor support overall) needs a stronger school and district focus for delivering reform

310. CDPF and other development partner support provides lessons, which need to be built on. It is likely that (i) human resource capacity at district level versus the responsibilities of district offices would need to be reviewed; and (ii) a more comprehensive and potentially radical approach is needed to accelerate change, to strengthen the capacity and role of school directors, the community / SSC engagement beyond fund-raising, and the district ability to monitor and support schools. The EU should support the MoEYS to move towards more merit-based appointments.

Recommendation 9 (derived from conclusions 8 and 13)

Support learning on alternative approaches to capacity development and institutional development, and support the MoEYS to implement effective approaches

311. The EU should work with the MoEYS and other ministries to develop effective approaches to capacity development that go beyond training: identifying early adopters and champions, analysing and understanding institutional resistance, and disseminating emerging good practices of successful reformers.

Recommendation 10 (derived from conclusion 8)

Continue to support AOP and PBB implementation

312. The EU is a lead partner on sector governance reforms, particularly PFM reforms. A pivotal area for capacity development is at POE, DOE and school level for budget planning and results-based management. This would be an important area to look at alternative approaches to capacity development and institutional development, to ensure officials, school directors and SSCs are more able to plan strategically, use their resources optimally, and monitor their results. By continuing to support these areas, the EU would build on existing progress, deepening it. In particular, the MoEYS should consider ways that the EU programme could encourage inter-departmental and inter-level working. The MoEYS should consider ways to strengthen the link between the Budget Strategy Papers – particularly regarding indicators and targets and the actions that will enable delivery of change and how these are incorporated into AOPs and budgets – and how cross-departmental working and working across levels are ensured. This will ensure better articulation between national policy priorities and central and provincial budget planning and allocations.

313. Aside from these specific recommendations, the evaluation has raised a broad range of issues which may need to be considered by MoEYS / RGoC or the EU and other development partners. In terms of policy issues; this includes the continued importance of early childhood education in driving quality and access improvements in primary and secondary levels, the fundamental challenge of ensuring that teachers spend time in the classroom teaching, and an emerging possible shift within government to address quality challenges through a twin-track approach including a higher investment model applied to a limited proportion of schools / students, combined with on-going cross-system interventions that apply to all schools and students. These and other policy issues need to be considered in on-going / future support and dialogue.

