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**THIS ACTION IS FUNDED BY THE EUROPEAN UNION**

**ANNEX III**

to the Commission Implementing Decision on the financing of the annual action plan in favour of Cambodia for 2023

**Action Document for Transforming Technical Education EU-Cambodia Partnership 2024-2027**

**ANNUAL PLAN**

This document constitutes the annual work programme within the meaning of Article 110(2) of the Financial Regulation, within the meaning of Article 23 of the NDICI-Global Europe Regulation.

# 1 SYNOPSIS

## 1.1 Action Summary Table

<b>1. Title CRIS/OPSYS business reference Basic Act</b>	<b>Transforming Technical Education EU-Cambodia Partnership 2024-2027</b> OPSYS number: ACT-61732 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)
<b>2. Team Europe Initiative</b>	Yes (enabler of Team Europe Initiative 1 “Sustainable landscapes, forests and agriculture” and Team Europe Initiative 2 “Green energy and industrial value chains”)
<b>3. Zone benefiting from the action</b>	The action shall be carried out in the Kingdom of Cambodia, South-East Asia
<b>4. Programming document</b>	EU-Cambodia Multi-annual Indicative Programme 2021-2027
<b>5. Link with relevant MIP(s) objectives / expected results</b>	<p><u>Priority Area 2: Education and Skills</u>  <u>Specific objective 1:</u> In line with JES priority 3<sup>1</sup>, ensure inclusive and equitable quality education and promote lifelong learning opportunities for all;</p> <ul style="list-style-type: none"> <li><u>Expected result a:</u> More Cambodian youth and adults, both men and women, achieve literacy and numeracy skills</li> </ul> <p><u>Specific objective 2:</u> In line with SDG 4.4<sup>2</sup> and the JES priority 3, substantially increase the number of Cambodian youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.</p> <ul style="list-style-type: none"> <li><u>Expected result b:</u> Learning opportunities in Cambodia are increased and diversified</li> </ul> <p>The Action also contributes to Priority Area 1 (Green Growth and Decent Jobs) and Priority Area 3 (Good Governance) of the MIP</p>

<sup>1</sup>“Support quality, accessible and inclusive services to strengthen human capital that contributes to sustainable socioeconomic development and poverty alleviation”.

<sup>2</sup> “Increase the number of people with relevant skills for financial success”.

PRIORITY AREAS AND SECTOR INFORMATION	
<b>6. Priority Area(s), sectors</b>	Education (110)
<b>7. Sustainable Development Goals (SDGs)</b>	<p>Main SDG: SDG4 Quality Education</p> <p>Other significant SDGs:</p> <p>SDG 5: Gender Equality Target: Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of <i>all women and girls at all levels</i></p> <p>SDG 7: Affordable and clean energy Target: By 2030, [...] upgrade technology for supplying modern and sustainable technology for supplying modern and sustainable energy services for developing countries, in particular least developed countries [...] in accordance with their respective programmes of support.</p> <p>SDG 8: Decent work and economic growth Target: By 2020 (maintain) substantially reduce the proportion of youth not in employment, education or training</p> <p>SDG 9: Industry, Innovation and Infrastructure Target: Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending</p> <p>SDG 12: Responsible Consumption and Production Target: Support developing countries to strengthen their scientific and technological capacity to move towards more sustainable patterns of consumption and production</p> <p>SDG13: Climate action Target: Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning</p> <p>SDG 16: Promote just, peaceful and inclusive societies Target: Develop effective, accountable and transparent institutions at all levels</p>
<b>8 a) DAC code(s)</b>	<p>11330– Vocational training- 55%</p> <p>11110- Education policy and administrative management -20%</p> <p>11260 – Lower Secondary Education -5%</p> <p>11320 –Upper secondary education -10%</p> <p>11420 – Higher education -10%</p>
<b>8 b) Main Delivery Channel</b>	Recipient Government- 12000

<b>9. Targets</b>	<input type="checkbox"/> Migration <input checked="" type="checkbox"/> Climate <input checked="" type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input type="checkbox"/> Biodiversity <input checked="" type="checkbox"/> Education <input checked="" type="checkbox"/> Human Rights, Democracy and Governance			
<b>10. Markers</b>  (from DAC form)	<b>General policy objective @</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<b>RIO Convention markers</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Biological diversity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation @	<input type="checkbox"/> <input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	<b>11. Internal markers and Tags:</b>	<b>Policy objectives</b>	<b>Not targeted</b>	<b>Significant objective</b>
Digitalisation @		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
digital connectivity digital governance digital entrepreneurship digital skills/literacy digital services		<b>YES</b> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	<b>NO</b> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	/
Connectivity @		<input type="checkbox"/>	<input checked="" type="checkbox"/>	
digital connectivity energy transport health		<b>YES</b> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<b>NO</b> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	/

	education and research	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	Migration @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities @	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Covid-19	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BUDGET INFORMATION				
12. Amounts concerned	<p>Budget line(s) (article, item): 14.020131</p> <p>Total estimated cost: EUR 49 000 000</p> <p>Total amount of EU budget contribution EUR 49 000 000 of which</p> <p>EUR 40 000 000 for budget support and</p> <p>EUR 9 000 000 for complementary support.</p> <p>The action is part of two Team Europe Initiatives in which:</p> <p>TEI 1: Sustainable landscapes, forests and agriculture</p> <ul style="list-style-type: none"><li>• Key member states: Czech Republic, France, Germany, and European Investment Bank</li><li>• Total indicative amount: EUR 1 142 000, including ongoing and future programmes and potential blending operation.</li></ul> <p>TEI 2: Build back better – green energy and industrial value chains</p> <ul style="list-style-type: none"><li>• Key member states: Germany, Sweden</li><li>• Total indicative amount: EUR 71 000 000, including ongoing and future programmes and potential blending operation.</li></ul>			
MANAGEMENT AND IMPLEMENTATION				
13. Type of financing	<p><b>Direct management</b> through:</p> <p>- Budget Support: Sector Reform Performance Contract</p> <p>- Twinning grants</p> <p><b>Indirect management</b> with the entities to be selected in accordance with the criteria set out in section 4.4.2.1, 4.4.2.2 and 4.4.2.3.</p>			

## 1.2 Summary of the Action

Education and skills are capital to foster Cambodia competitiveness and maintain the trajectory of growth of the past years. This is especially true as the country, as per the soon-to-be launched Pentagonal Strategy (following the Rectangular Strategy Phase IV 2019-2023) wants to become a knowledge-based economy. Its main drivers of growth and export (garment, footwear, travel goods (GTF) and agriculture/agro-processing) shall become more low carbon, climate-resilient and automated to stay competitive and sustain the creation of decent jobs in the country. Despite increased allocations to the sector and almost universal access to primary education, Cambodian youth has not reached the desired skills level to enable this transformation. Students, boys especially, exit school early and without the expected competences for the job market. Almost 70% of youth do not enrol in upper-secondary education; only 12% continue into tertiary. Stubbornly low enrolments in STEM (Science, Technology, Engineering and Math), by girls especially, limit the country's competitiveness and potential for transformation.

The action aims at accompanying, within the framework of the ASEAN priorities for education, the Education Sector Plan (ESP) 2019-2023 and subsequent, as well as the Cambodia Secondary Education Blueprint (CAMSEB) 2030, the Technical Education Master Plan 2015-2019, the Policy on Higher Education Vision 2030,

and the Consolidated Action Plan (CAP3+2) 2020-2022 of the Public Finance Management Reform Programme (PFMRP) and subsequent. It supports technical education and STEM in secondary schools and universities with a focus on green energy and IT/digital/robotics, acting as an enabler to Team Europe Initiative (TEI) 1 on agribusiness and TEI 2 on industrial value chains, under the Global Gateway (GG). Key interventions areas include: the national policy on scholarships to support access to secondary education, including girls in STEM, the introduction of dual training modalities<sup>3</sup> in technical high schools, the “low carbon (promoting both climate change mitigation and adaptation) and digital update of the curriculum and of teachers’ reform. The action also strengthens the governance of the education system: it accompanies the PFM reforms in education, improving the quality of financial data, of programme-budgeting and accountability; and it promotes the collection and use of data on climate-change, disability and multilingualism for Human Right-Based Approach (HRBA) policy-making. Gender is mainstreamed all along the intervention logic of the action, including at the level of the overall objective (Gender Marker 2). The action has a strong complementarity with ASEAN programmes promoting people-to-people connectivity in education and skills, notably the Regional Sustainable Connectivity Package and Erasmus+. Budget Support and complementary measures are envisaged. A twinning with EU Member States to enrich the peer-to-peer policy dialogue on skills and education for the green and digital transformation of agriculture and industrial value chains – selected priorities for Cambodia under Global Gateway.

The impact of the action is to increase the gender equality in the number of Cambodian youths and adults who have relevant competencies and skills, responding to the medium and long term needs of a low-carbon and digitalised circular economy, hand in hand with digitalisation. Two Specific Objectives and 7 Induced Outputs are defined:

Specific Objective 1: Improve access to, and quality of, technical secondary, tertiary education and other skills development/Non Formal Education opportunities for both boys and girls, men and women in a gender equitable and inclusive manner, effectively integrating climate change mitigation and adaptation in the education offer.

- 1.1 Increased opportunities for access with gender equality to (technical) high schools (grade 10, 11, 12);
- 1.2 Improved curriculum of technical education (“dual training system”) with a focus on environmental and low-carbon technologies and climate-adapted techniques, hand in hand with digitalisation;
- 1.3 Improved teacher training in technical education
- 1.4 Increased gender equality in opportunities for access to STEM majors in higher education with a focus on climate change adaptation and mitigation majors;
- 1.5 Female garment workers empowered with literacy and skills for decent work;

Specific Objective 2: Improve the efficiency of the education budgetary system and the overall governance of the sector, effectively integrating gender mainstreaming and climate change

- 2.1 Increased regular availability of quality (Human Rights-Based Approach (HRBA), gender, internet connectivity and climate-change sensitive) data for evidence-based policy making including climate change adaptation of the education system;
- 2.2 Enhanced accountability for performance

The action is aligned to the European values of leaving no-one behind. It contributes directly to education and research under the Global Gateway. By tackling technical education and skills for green and digital jobs, it supports the digital and climate and energy pillars of the Global Gateway, while promoting Cambodia’s integration in ASEAN. It is complementary to the Global Partnership for Education (GPE). Through the focus on the systemic nodes of data, budgeting and spending, the action also promotes transparency and accountability, in strong synergy with the on-going Public Financial Management (PFM) programme.

The action mainly supports the implementation of SDG 4, with a strong SDG 5 (gender) and SDG 8 (decent work) angle. By supporting the improvement of technical and STEM education and a specific focus on energy efficiency, renewable energy and sustainable agriculture, it supports also SDG 7 (affordable and clean energy) 1313 (climate action) and SDG 12 (responsible consumption and production) with a focus on SDG 9 (industry, innovation and infrastructure). ) and SDG 16 (promote just, peaceful and inclusive societies).

<sup>3</sup> The Dual Training System is a mode of training delivery that combines theoretical and practical training. It is called "Dual" because the training happens in two (2) venues - the school and the company. Several EU countries implement dual training modalities, with some EU countries examples considered as very effective.

## 2 RATIONALE

### 2.1 Context

Cambodia is a Least Developed Country potentially graduating in 2027, although almost 20% of Cambodians still live in poverty. Inequalities are increasing as a result of policies that give rise to low quality jobs and inadequate basic services. While the country was a high-achiever for the Millennium Development Goals (MDGs), since 2015 the progression in terms of SDG and UN Human Development Index (HDI) is less rosy, with indicators (including SDG4, 5, and 8) either only moderately improving, or stagnating.

Education is a crucial factor to unblock Cambodia's potential in the next years and define the country progression (or not) towards the SDGs. Weak education system and lack of skills have been identified as one of the major obstacles for the country to attract further investments, the private sector to expand and the people to find decent employment opportunities.

The Cambodian education sector is currently at a cross-road. On one side, starting from the “ground zero” of the civil war, the Ministry of Education, Youth and Sport (MoEYS) has experienced considerable success over the past twenty years, resulting in almost universal access to primary education. A number of important policy measures and functions –firstly piloted with high external support- have now become embedded in the MoEYS. On the other side, more and better skilled human resources are needed in order to transform to a knowledge-based economy and progress towards the achievement of the SDGs. Less than 70% of Cambodian youth attend lower secondary, less than 40% upper secondary and 12% progress to University, of which only 1/3 to study STEM subjects<sup>4</sup>. In terms of quality, less than 10% of 15 year old students achieve the minimum level of proficiency in reading or in mathematics<sup>5</sup>, boys performing worst than girls.

The education sector has been deeply impacted by COVID 19. Cambodian schools have been close longer than the global and ASEAN average in 2020 and 2021<sup>6</sup>. Hard data<sup>7</sup> confirm learning losses as well as increased drop-out rates, most likely linked on both poor school results of discouraged students and the cost-opportunity to enrol into unqualified and low-paid work. The next full PISA<sup>8</sup> (to be released by mid-2023) is likely to confirm the strong impact of the crisis on the learning outcomes of Cambodian 15 year old girls and boys.

Cambodia recognises the potential pivotal role of education to progress towards its vision of a high-income and high-developed country by 2050, as described in the Education Sector Policy (ESP), the Cambodia Secondary Education Blueprint (CAMSEB), Higher Education Vision 2030 and relevant sectorial document. That said, the MoEYS budget, which for over 80%, covers teachers' salaries is low compared to regional standards and international recommendations, therefore insufficient to promote such reforms. The Ministry of Economy and Finance (MEF) is reticent to increase the education budget unless MoEYS can prove, with solid evidence, learning outcome results and improves its accountability toward performance. This limits MoEYS' scope to improve further the access and quality of the education offer, which, among other, is currently not suited to prepare the youth for future job opportunities in a more environmentally-sustainable, digital and climate neutral circular economy and climate change adaptative strategies of production in agriculture to which the job market is leaning. This perverse spiral of low investment and low results hampers the sustainable development of Cambodia.

Responding to these odds, under the framework of the Multi Annual Indicative Plan (MIP) 2021-2027, the action acts as an enabler of TEI 1 and TEI2 in two ways. First, it promotes the creation of skilled human resources needed to support the low- carbon, climate-adapted and digital transformation under the industrial and agricultural value chains promoted under the TEIs. Secondly, it supports the overall governance and efficiency of the system, for improved performance and domestic financing.

<sup>4</sup> Education Congress Report, April 2022; Mid Term Review of the Education Sector Policy (ESP) 2021/2022.

<sup>5</sup> PISA-D (2018) report. Available [here](#).

<sup>6</sup> UNESCO school closing monitoring data 2020-2021.

<sup>7</sup> Available [here](#).

<sup>8</sup> Supported by the European Union under the complementary measures of the current Budget Support programme (2018-2023).

The EU remains a key partner of Cambodia in the education sector, thanks to two decades of partnership in support of the sector policy. The partnership has been evaluated as successful by the independent evaluation of the Budget Support Programme 2018-2022 finalized in early 2023. By linking the new education action as an enabler for the green and digital transformation supported by TEI1 and TEI2, the EU has therefore the opportunity to profile even more its long-term partnership with Cambodia on the priorities of the Global Gateway.

The action is aligned to the European values of leaving no-one behind and a green and digital development. It contributes directly to education and research under the Global Gateway. By tackling technical education and STEM for green and digital jobs, it supports the digital and climate and energy pillars of the GG, while promoting Cambodia's integration in ASEAN. It directly supports the following specific priorities of ASEAN in education: advance future-ready education at basic and higher education levels, technical and vocational education and training; ensuring inclusive education; building the capacity of education personnel; and mobilising resources for education through partnerships with various key stakeholders<sup>9</sup>. Through the focus on the systemic nodes of data, budgeting and spending, it also promotes the EU values of transparency and accountability. The action is in line with the Joint European Strategy 2021-2027, notably priority area (3): Support quality, accessible and inclusive services to strengthen human capital that contributes to sustainable socioeconomic development and poverty alleviation", being an enabler for (4): Enhance competitiveness of Cambodia on the regional and global marketplaces, and (5) Sustainable green development.

The action confirms and reinforces the existing ongoing policy dialogue with the Government, shaping the education priorities to the green and digital transformation of the economy. It provides European expertise to strengthen the green and digital aspects of technical education as well as it supports, in synergy with the ongoing Public Finance Management Reform (PFMR), efficiency, transparency and accountability in management of public funds to improve public service delivery.

## 2.2 Problem Analysis

To respond to the medium and long term needs of a green and digitalised economy, Cambodia needs to increase the number of its youth and adults who have the relevant competences and skills. Currently, less than 70% of Cambodian youth attend lower secondary, less than 40% upper secondary and only 12% progress to University, of which only 1/3 to study STEM subjects<sup>10</sup>. In terms of quality, less than 10% of 15 year-old students achieve the minimum level of proficiency in reading or in mathematics<sup>11</sup>. As a result, Cambodia does not have enough middle-level<sup>12</sup> and qualified<sup>13</sup> technicians, let alone master's and PhD's, to enable the transformation of its economy in the agriculture and the industrial value chains selected by the TEIs. In order to increase the number of people with the relevant skills and competences, not only access and quality of education shall be improved, but also the overall cost-efficiency and governance of the education sector shall increase.

To support Cambodia in this direction, the action addresses a number of key challenges of the sector, including:

- Unequal (including gender-biased) access to education

Despite improvement, access to quality education is unequal in Cambodia, including based on gender. In recent years, Boys' attendance rate is lower than girls in primary, lower secondary and upper secondary<sup>14</sup>. Data confirm important disparities in terms of net attendance, completion and out-of-school rate based on sex, wealth quintile, location (urban vs rural), ethnicity (Khmer vs non-Khmer) and disability status. COVID has deeply impacted the picture, by putting an additional strain on both the learning outcomes of the students –who have missed several

<sup>9</sup> Highlights of ASEAN's work in education include: 1) Supports for students and learners transition to the workforce through internship opportunities, higher education scholarships and responsive skills development; 2) Supports for teachers and vocational trainers on the latest teaching methods and strategies; 3) Advocacy to reach out-of-school children and youth; 4) Advocacy for safe and resilient schools. All these issues will be targeted by the action, either via the variable tranche targets or the complementary measures of the programme.

<sup>10</sup> Education Congress Report, April 2022; Mid Term Review of the Education Sector Policy (ESP) 2021/2022.

<sup>11</sup> PISA-D (2018) report. Available [here](#).

<sup>12</sup> Cambodian Qualification Framework (CQF) 2, 3, 4.

<sup>13</sup> CQF 5, 6.

<sup>14</sup> Data prepared for the SDG 4 Mid Term Review based on the nationally-representative Cambodian Socio-Economic Survey (CSES) confirms that the gender parity index has clearly shifted from 2015 to 2019 from 0.0 to 1.3 in favour of girls

months of learning- and the economic capacities of families to keep them in school. Girls, who, on the contrary, outperform boys all along the school years and enrol on-par-with boys in tertiary education, are much less present than boys in technical education and STEM. Generally, enrolment in STEM studies have increased very slowly over the last 5-year period<sup>15</sup>; with girls taking the brunt of this situation: there are three boys for every one girl in STEM subjects<sup>16</sup>. The current situation severely limits women's engagement in the knowledge-based economy Cambodia aspires to become and contributes to augment the digital divide among sexes. Among the 800,000 workers in the GFT sectors, 80% are women, the majority of whom cannot read and write proficiently. This makes them more vulnerable to redundancy when the sector automates. The huge potential of this large feminine workforce -who has supported the Cambodian "miracle" of the early 2000s- is hampered by low literacy skills, which limits their individual progression from the sewing machine to floor manager and the industry competitiveness at large.

- Quality and relevance of the offer

There is a strong demand from Government to quickly respond to the impact of the COVID pandemic on the economy by attracting foreign direct investment and develop skills for decent work. This means increasing the numbers and diversities of graduates receiving recognised middle- level technician qualifications, as well as higher education graduates. Large programmes funded by ADB loans has slightly raised the numbers of middle-level technicians produced by TVET institutions, but this is still short of demand. COVID economic down-turn has further impacted students' choice to enrol for tertiary education: number of students pursuing degrees have decreased, with an over 50% drop in masters<sup>17</sup>. Data –as detailed above- suggest the urgent need to improve the quality and relevance of Cambodian education so as to offer youth the competencies for better job opportunities. This will keep students –boys especially- engaged in learning longer and will encourage -girls especially- to pursuit technical subjects and STEM.

- Governance: Cost-efficiency and planning of the education sector

Volume, equity and efficiency of domestic financing has been assessed, by the GPE's Technical Advisory Panel (ITAP) as a "high" priority for the Cambodian education system to achieve its goals. Despite counting on functioning systems, sustainable public debt and low-risk of debt distress, the following blockages are identified<sup>18</sup>: eroding education budget (also due to COVID), insufficient volume and efficiency of non-salary recurrent expenditures, poor level of evidence-based proposals for funding to MEF, low disaggregation of data. This leads to the need to increase capacity on data disaggregation, evidence-based funding, projection and modelling, to unblock more funds.

- Climate change: Impact and opportunity for the education and skills sector

Cambodia is among the top fifteen countries most vulnerable to climate change globally, and among the three most vulnerable in Asia, being exposed to nearly all types of hydro-meteorological hazards. Cambodia may face more severe and unpredictable crisis during the implementation of the action, which may have direct and massive repercussions on the education sector, similar to what COVID has represented in the past years. It is therefore crucial that the education sector, as indicated under "Sendai Framework for Disaster Risk Reduction 2015-2030", better monitor, understands and is prepared for disaster and its response. Data related to climate change and its impact are not routinely collected in schools. While the action does not target disaster risk reduction among its main objectives, by (IO 2.1) integrating climate-change data into the Education Monitoring Information System (EMIS), i.e. data routinely collected by schools at grass-root level (e.g. on flooding and its consequences) the action seizes the opportunity to support Priority 1 ("Understanding Disaster risk") and indirectly Priority 4 ("Enhancing disaster preparedness for effective response and to "Build Back Better" in recovery, rehabilitation and reconstruction") of the Sendai Framework for Disaster Risk Reduction 2015-2030. Moreover, the curricula do not sufficiently cover climate-change related subjects (both in terms of adaptation and mitigation). More attention to climate change represents also an opportunity for Cambodian's education sector, as the country is cognisant on the need to review school curricula, including for technical education, in order to better serve the needs of an economy that, to stay relevant, must respond to mitigation and adaptation in the years to come.

<sup>15</sup> From 26.83% to 30.69% of all BS enrolled students between SY 2016/17 and SY 2020/21. (Source: CR 2022)

<sup>16</sup> Source: CR 2022.

<sup>17</sup> Education Congress Report April 2022, p.99.

<sup>18</sup> ITAP report, p. 14.



Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action:

Youth is the main stakeholder of the Action to be empowered as agent of change towards the sustainable development of Cambodia. The action mostly empowers the youth of Cambodia in most vulnerable situation by: 1) expanding, in a gender-sensitive way, access to secondary and tertiary education, 2) improving data granularity (i.e. adding disability, multilingualism and climate change to the Education Management Information System, EMIS), 3) offering literacy and skills for decent work to poorly literate garment workers.

The main institutional stakeholder are:

The Ministry of Education, Youth and Sports (MoEYS) and all its affiliated bodies (Universities, National Institute of Education, Technical Institutes, and Teachers Colleges) and local offices, is, by definition, the main stakeholder of the action.

The Ministry of Economy and Finance (MEF). The MEF plays a key role for the sector financing. In addition, it spear-heads PFM reforms, in terms of availability of financial data and accountability for performance/programme budgeting and performance-agreements (covered under the Specific Objective 2). For Induced Output 2.1, the National Institute of Statistics is also a crucial stakeholder, especially in terms of population projections sharing with the MoEYS.

The Ministry of Labour and Vocational Training (MoLVT) has, since 2005, the competence for vocational training. Over 12 more ministries and 300 private institutions provide vocational training courses as well. For Induced Outputs related to technical education (1.2, 1.3) and Non Formal Education (NFE) and skills for decent work of factory workers (1.5), the MoEYS will coordinate with the MoLVT.

The Ministry of Women Affairs (MoWA) and the Cambodian National Council for Women (CNCW) are the national machinery for the promotion of gender equality and women's empowerment in Cambodia. MoWA acts as a catalyst and advocate to encourage public institutions, civil society and the private sector to integrate gender equality into their policies and programs, and as a coordinator and facilitator for gender mainstreaming across government.<sup>19</sup>

#### Private sector and representatives:

For defining curriculum on technical education (Induced Output 1.2 and 1.3) the private sector (perspective employers) especially active in sectors relevant for TEI1 and TEI2, their representatives (such as for instance Eurocham), and civil society working in the areas for ensuring the matching of the Secondary technical education offer with the labour market requirements in line with the climate change adaptation and mitigation targets of the Government of Cambodia. For Induced Output 1.5 on literacy and skills for decent work for garment workers, the private sector and the representatives of the Textile, Apparel, Footwear & Travel Goods Association in Cambodia (TAFTAC) is also a major stakeholder., and considering that 80% of the garment workers are women, the Cambodia Women Entrepreneurs Association (CWEA), will be a relevant stakeholder representing women in business' interests.<sup>20</sup>

International bilateral and multilateral stakeholders: the main -in addition to EU- donors and lenders to the education and skills sector are: the Asian Development Bank (ADB), the World Bank (WB), the Global Partnership for Education (GPE), UNICEF, UNESCO, UN Women, Japan, Korea, China, USAID, and Switzerland. UNIDO and FAO, thanks to the EU-funded CAPFISH programme, support universities. Among the EUMS, the Czech Republic and France/AFD support education, with programmes on technical education (CZ), multilingual/university reform (FR), loans on TVET (AFD); Belgium finances one Belgian NGO, GIZ, via its private sector development programme, provide some support to TVET schools in one region of Cambodia. Some EU MS also provide university scholarships to study in Europe, similar to Erasmus+.

<sup>19</sup> <https://www.ccc-cambodia.org/en/ngodb/ngo-information/3301>

<sup>20</sup> <http://www.cweacambodia.org>

Finally, the action has been designed in close coordination and consultation of the GPE 2025 Partnership Compact, for complementarity in terms of students' retention in secondary school, data and PFM reforms. The MoEYS has submitted to the GPE its support for the EU to draft an expression of interest to unblock additional Multiplier funds from the GPE linked to this action.

## 2.3 Additional Areas of Assessment for Budget Support Actions only

### 2.3.1 Public Policy

Cambodia has over 20 years of experience in education sector policies, several of which have been accompanied by EU budget support programmes since the early 2000s. In addition, the Education Law (2007) provides the overall legal framework (foundation and regulation) of the education sector. The current ESP (2019-23) is pursuing two overarching policies: 1) Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all; and 2) Ensure effective leadership and management of education officials at all levels.

The ESP is an encompassing strategy and has a strong pro-poor approach, yet the gender barriers to education (of boys especially) are only marginally taken into account. Its implementation has been deeply affected by COVID schools closures, as well as the resulting new priorities for the sector. Among these are: the pressing need to ensure children learning despite the closure, the arising importance of digital education and the reduction of fiscal space for the sector. Two other long-standing major issues, i.e. the poor learning outcomes and the drop-out in secondary education -of boys especially, were worsened by the pandemic.

Despite these odds, the Ministry and Development Partners are well used to work within the sector policy framework and –despite some adjustments and delays related to the pandemic- the solidity and the appropriateness of the ESP, nor the current modus operandi and coordination with the Ministry in the leadership were never put under discussion.

The Mid-Term evaluation was carried out in 2021 via inclusive consultations and clearly displays a renewed focus on the need to decrease secondary drop-out, overall improve the learning outcomes of people in most vulnerable situation and equip students with the 21 century skills (including STEM and digital) that the economy needs, as further detailed in the National Statement of Commitment to Transform Education System in Cambodia<sup>21</sup>. By early 2023, based on the analysis performed under the Mid Term Review, the GPE Partnership Compact (under formulation in 2022/2023), the results of the PISA 2022<sup>22</sup>, and within the framework of the new Pentagon Strategy, Cambodia will start preparing the new ESP 2024-2029.

As recommended by the MTR, the new sector policy will better integrate the input and vision of the Cambodian Secondary Education Blueprint (CAMSEB May 2021) into the strategy and will focus more on skills and competences, including at tertiary level, to link education with the knowledge-based economy Cambodia aspires to become.

The national budget devoted to MoEYS, which had grown rapidly from 2014/2015<sup>23</sup>, began to lose traction in 2019/20, due most probably to a prudent fiscal policy, mainly for the potential impact of the partial withdrawal of Everything but Arms (EBA)<sup>24</sup> trade preferences and COVID interventions (health and social protection) in 2020-2022. The 2023 MOEYS total budget sees an increase of 10.3%, mostly linked to the un-freezing of the teachers salaries. In the relative term, MoEYS budget allocation has eroded in its shares to national budget from 14.2% in 2019 to 10.2% in 2023, and in term of % GDP, the MOEYS budget has been shrinking from 3.3% in FY 2019 to 2.8% in FY 2023. According to the GPE, domestic resource mobilization and increasing the share of the Education budget in the overall Government budget and versus the GPE is a major priority for the country.

<sup>21</sup> Available [here](#).

<sup>22</sup> Data collected in mid-2022. The report will be released in 2023 by the OECD.

<sup>23</sup> Despite always keeping below the international recommendations of 4% of GDP or 20% of State Budget- the MoEYS budget was growing faster than the overall State budget, with large increases in capital budget, mainly in school construction to increase access to students. This growth started to slow down in 2019, with the trend confirmed in 2020, 2021 and 2022.

<sup>24</sup> Refer to [https://ec.europa.eu/commission/presscorner/detail/en/IP\\_20\\_1469](https://ec.europa.eu/commission/presscorner/detail/en/IP_20_1469).

Education sector governance bodies are well established at national level. They include: the Joint Technical Working group (where the Minister of Education meets all partners and the NGO umbrella) on a quarterly basis, which acts also as the LEG of the GPE; the Technical Working Group (donor coordination) meeting every second month; and the NGO education partnership (umbrella) NEP, representing all the CSOs working in the system. Regarding PFM reforms, a complex but efficient management structure has been put in place under the chairmanship of the MEF Minister gathering all Directors General and Secretaries General in charge of finance in the line ministries meeting on quarterly basis, and the PFM Technical Working Group (TWG), co-chaired by the MEF Minister and a lead donor coordinator (currently European Union and ADB).

National reporting structures, i.e. EMIS, are operational, accessible and gender disaggregated. National Learning Assessments (supported also by the EU in the previous programme) are in place with reports becoming more analytical. Cambodia participated in regional and global learning assessments, including the full PISA by the OECD in 2022<sup>25</sup>, under improved central capacity of the Education Quality Assurance Department (EQAD). Data collation structures are in place from school up to sub-national and national level. They feed into the Annual Education Congress Report (CR). This document, organized around the ESP Joint Monitoring Indicators (JMIs), Core-breakthrough indicators and Outcome Indicators per sector, is presented to the whole sectors (provinces, DPs, NGO umbrella organisation...) and its results validated after three days of discussions. This document is signed by the Minister and submitted to the National Assembly. The quality of the statistical and monitoring systems is sufficient for the credibility of the policy

**In conclusion, the policy is sufficiently relevant and credible for budget support contract objectives to be largely achieved. Therefore the policy can be supported by the Commission with the proposed budget support contract.**

### 2.3.2 Macroeconomic Policy

**Economic growth** continued to recover in 2022 (+5%) (IMF<sup>26</sup>), supported by a surge in manufacturing exports (especially garment, footwear, travel goods, and bicycle manufacturing) and a partial recovery of the tourism sector with a marked increase of international arrivals (but still not at pre-COVID-19 levels). The Russian war on Ukraine has affected Cambodia through demand in Europe, which is a major market for manufactures second only to the US and through energy (including fuel, fertilizers, petro-chemicals and transport costs) and food prices shocks and lower investment from key partners. Inflation, which hit a record 7.8% in June 2022 following fuel and fertilizers price increase due to the war, decreased to 4.4% in September 2022, somewhat reducing the fear of a wider impact on aggregate demand.

**The current account deficit has widened significantly** (to an estimated 48% of GDP) **due to a sharp deterioration of the trade balance and steep decline in foreign direct investments (FDI)**. The external position is estimated to remain substantially weaker than the level implied by medium-term fundamentals and desirable policies, even after adjusting for the above mentioned temporary factors. Total FDI in Cambodia at the end of 2021 is estimated at USD 41 billion. China is the main investor in the country with 18 USD billion, (30.7% manufacturing sector, 13% electricity, 11% financial, 10.7% real state). The exchange rate has remained stable.<sup>27</sup> Gross international reserves, however, marginally declined to USD 18.4 billion (8-month import coverage) in August 2022, down from USD 20.2 billion in December 2021. Remittances and other private transfers continued to decline.

Spending pressures and lower-than-expected tax revenue resulted in a fiscal deficit of just over 7.1% of GDP in 2021. The IMF foresees the deficit will narrow to 4.1% of GDP in 2022 with a strong bounce-back in revenues, widen moderately in 2023, and decrease further thereafter. Public debt-carrying capacity remains vulnerable to further shocks to exports and growth, but risks of external and overall debt distress remain low, as long as public debt remains limited in the future and the increase in private debt is not associated with an increase in contingent

<sup>25</sup> Cambodia had first participated in the PISA (D) in 2017 and then felt confident to undergo the full assessment in 2022, despite COVID.

<sup>26</sup> MEF and WB both estimate +4.8% in 2022. This is in line with WB projections but slightly below previous MEF projections which were a bit more optimistic (+5.4%).

<sup>27</sup> The exchange rate was 4,150 riel per U.S. dollar in October 2022, compared to 4,074 riel per U.S. dollar during the same period in 2021.

liabilities of the sovereign debt. The level of private debt is very high and a source of concern with a potential drag on the economy if borrowers struggle to meet repayments.

**Despite the new pressures, the recovery is projected to continue.** Domestic revenues reached 22.1% of GDP in 2022, slightly increasing from 2021 (21.6% of GDP). Inflation is expected to decelerate to 4.2% and 3.8% in 2023 and 2024, respectively, assuming it remains mostly confined to imported goods. Uncertainty around the outlook is particularly high, and risks are tilted to the downside notably due to the prolonged Russian war on Ukraine.

**Macroeconomic policy:** Against this background, the most recent Article IV consultation between IMF staff and Cambodian Authorities was done in September 2022 and the report was published in December. The main issues discussed with regard to stabilising the macroeconomic framework were related to the very high level of private debt and the need to rein in credit growth, fiscal support targeting, revenue mobilisation and diversification, and the need for structural reforms aimed at improving the investment climate.

**Monetary policy:** The National Bank of Cambodia (NBC) has maintained reserve requirements and the level of the capital conservation buffer but has ended forbearance on restructurings from July 2022. The NBC needs to continue to normalize prudential conditions to pre-pandemic settings, so that the financial system is able to withstand future shocks. The potential for high debt levels to persist emphasizes the importance of implementing corporate insolvency, debt and bank restructuring, and deposit protection frameworks.

**Fiscal policy:** On the budget side, the 2023 Budget Law reflects a revival in the trend of continuous expansion of the national budget, which was interrupted only in 2021. On the revenue side, the Government intends to focus on expanding the tax base and improving compliance through undertaking more reforms in the revenue collection agencies in ways that service delivery environment is favourable for the private sector. The IMF considers that current fiscal plans appropriately balance some continued stimulus in the near term, providing insurance against downside risks to aggregate demand, with steady reductions in the deficit over the medium term

**In conclusion, the authorities are pursuing a stability-oriented macroeconomic policy and the eligibility criterion is met.**

### 2.3.3 Public Financial Management

**The PFM Reform Programme (PFMRP) was launched in 2005 and currently stands in its 3<sup>rd</sup> stage (2016-2020, extended to 2022).** The PFMRP is further declined in a series of PFM strategies. It is implemented through the consolidated action plans (CAPs), which correspond to the reform stages. The 4<sup>th</sup> stage of the PFMRM has been under preparation since March 2022 and is going to be launched by PM Hun Sen in March 2023 with a new Consolidated Action Plan 4 (CAP4), covering the period 2023-2027.

**Cambodia's PFM system is regularly the object of standard diagnostics such as PEFA assessment reports as well as Public Expenditure Reviews and Public Expenditure Tracking Surveys.** The 2020 PEFA assessment report (finalised in June 2021) noted that overall, the country's PFM systems have significantly improved in the areas related to fiscal and budget management but improvements are still needed in areas related to fiscal transparency and reporting, public investment management, medium-term budgeting, expenditure arrears and payroll. Comparison with the previous 2015 PEFA exercise shows improvement in 9 indicators, and deterioration in 2 indicators.

**Aggregate Fiscal Discipline** has improved as well as budget credibility in terms of expenditure and revenue administration management, State Owned Enterprises (SOEs) monitoring, transparency of taxpayer obligations and liabilities, with areas for possible improvements. Budget outturn is closely aligned to budgeted expenditure aggregates (PI-1, rated 'A'), but revenue forecasting is underestimated. Weaknesses have been identified in revenue arrears management. Timely budget execution reports are published monthly and are instrumental for monitoring the aggregate revenue and expenditure. Cash flow forecasts provide reliable information to line ministries and facilitate the planning of their expenditure commitments.. Revenue administration systems ensure effective registration of taxpayers, and relative control over their tax liabilities even if tax arrears are not adequately managed and comprehensive reconciliation of revenue accounts takes place only annually. Debt management is adequate, given the moderate debt levels. A comprehensive assessment of fiscal risks and future liabilities from SOEs and other fiscal operations is still lacking.

**Strategic Allocation of Resources** has improved and variance in expenditure composition has decreased. Allocative efficiency is supported by an orderly and participatory approach to the annual budget formulation, including a timely and well-organized legislative review, which prepare their own budgets independently. However, the achievement of high-level strategic policy objectives in public service delivery requires strong policy-budget links with the resource allocation, including over the medium term. The current planning and

budgeting systems can be further strengthened and alignment of annual budget to Budget Strategic Plan (BSP), as strategic sector planning remains weak, except for health and education, resulting in weak links between policy and programmatic priorities. The selection process of capital investment projects and the lack of inclusion of recurrent budget costs for investment projects remain key issues to be addressed. Furthermore, the monitoring of budget execution to support effective policy-decisions throughout the year could be strengthened if the unified chart of accounts would include a functional classification and not only by sectors, as programme budgeting and programmatic classification are in place at central level. Lack of reporting in FMIS on implementation of externally funded projects which amount to three quarters of public investments is critical. The weakness of budget-policy linkage lets to public resource allocation not fully responsive to policy priorities, resulting in incomplete public service delivery, including also Gender Responsive Public Services (GRPS).

**Service Delivery** has improved as there has been significant progress in the information available on resources received by schools and hospitals and public access to key fiscal information, also thanks to the support provided to the increase of social accountability by the Implementation of the Social Accountability Framework (ISAF). The predictability of funds available to line ministries and agencies during budget execution and to Sub-National Administrations (SNAs) is a key support for efficient service delivery. Of particular concern for the efficient use of public resources is the persistent lack of performance of monitoring and transparency of the procurement systems.

**Domestic revenue mobilisation** has performed very strongly since the start of the PFMRP in 2004, when domestic revenue was at 8.5% of GDP. Under the Revenue Mobilization Strategy 2014-2018 (RMS-I) it soared to 22% of GDP. New taxes will be introduced, such as tax on capital gains, personal income tax and tax on e-commerce. Property tax is to be expanded and land property tax rate is to be increased (currently very low, at 0.5%). Tax incentives will be reviewed, the Investment Law revised, and tax expenditures quantified. Revenue administration will see the modernisation of the General Department of Taxation (GDT) and General Department of Customs and Excise (GDCE), with This remarkable performance, however, was put to an abrupt halt in 2020 with the Covid-19 crisis, with revenue falling back to 23.9% (2020) on the back of a contracting economy and fiscal stimulus package including tax cuts. With the crisis expanding well into 2021, revenue to GDP fell further to 21.6%. Revenue collection has been picking up in 2022 at 22.1% of GDP on the back of strong domestic consumption and increase in tourism. A Tax Administration Diagnostic Assessment Tool (TADAT) performance assessment report was finalised in January 2022 considers that: *“Tax administration in Cambodia has benefited from concerted efforts to improve and introduce a range of international good practices. These improvements were clearly recognized [...] and are notable given the difficult economic environment in which the GDT is charged with administering the tax system”*. The assessment identified both a number of key strengths (*“Good international practice exists in several areas”*), but also several weaknesses (*“many challenges remain”*), some of which resulted in a low score in a number of important areas. The latter will need to be tackled in current and future planning of reforms.

**In conclusion, the public finance management reform strategy is sufficiently relevant and credible, including on domestic revenue mobilisation, and the eligibility criterion is met.**

#### 2.3.4 Transparency and Oversight of the Budget

The entry point is met as the enacted budget is published every year before the start of the fiscal year. The Budget Law 2023 was approved on 29 November 2022 by the Parliament, gazetted and published online. For the first time, in 2022 the draft budget (*“Executive Budget Proposal”*) was also published upon submission to the National Assembly. The Budget Laws 2022 and 2023 and the Budget Settlement Law 2021 were submitted and approved timely. The mid-year budget execution report 2022 was produced timely. The financial statements were produced with delay as in previous years due to late closure of the accounts; the audit of financial statements by the National Audit Authority (NAA) was produced at the same time as the Budget Settlement Law but published with delay as in previous years. Cambodia has conducted a PEFA assessment update in 2020 (finalised in June 2021) and the last OBI was conducted in 2021. **Promoting budget transparency is one of the key objectives of the PFM RP CAP3+2 (Objective #44)**, with the following activities: improve indicators of budget transparency in PEFA report; increase comprehensiveness of budget documents and timeliness of public dissemination; organize public forum on Medium Term Fiscal Framework (MTFF) and annual budget with the aim to increase participation and access to the information by the public. **The main reference framework for budget transparency and oversight are in place.** The new PFS law will partially expand budget transparency with the publication of the full Executive Budget Proposal (mandated at Art 51) and a wider list of documents to be annexed to draft budget law submitted to parliament, including information on fiscal risks and annual performance plans. The list is wider than in the current law, but still falls short of 4 documents required by PEFA PI-5: debt stock (although information is

available in the MEF Debt Bulletin), financial assets (although information will be part of the IPSAS financial statements that MEF committed to publish starting in 2023), explanation of budget implications of new policy initiatives and major new public investment, and tax expenditures. **The situation with regards to budget transparency has marginally improved**, with the most recent PEFA 2020 and Open Budget Survey 2021 (published in April 2022) showing progress since the previous assessments. The last **2020 PEFA** (validated in June 2021) shows progress since the previous 2015 PEFA, with comprehensiveness of budget documentation (PI-5) scored B (C in PEFA 2015), with all 4 basic elements available and 3 additional elements out of 8<sup>28</sup>. Scoring should improve in the next update assessment as information on fiscal risks will be published starting in 2024 as part of the MTFF. The most recent **Open Budget Survey (2021)** reports that the Royal Government of Cambodia has continued to make the eight key budget documents publicly available online in a timeframe consistent with international standards. It is a substantial achievement that at present most budget documents are made available bearing in mind that only 2 documents were available when the PFM Budget support started in 2016. Overall scoring has also considerably improved from 8 points in 2015 to 33 points in 2021, and Cambodia ranks 85 out of 120 countries.

**In conclusion, the relevant budget documentation has been published and the eligibility criterion is met.**

### 3 DESCRIPTION OF THE ACTION

#### 3.1 Objectives and Expected Outputs

The **Overall Objective** of this action is to increase the gender equality in the number of Cambodian youths and adults who have relevant competencies and skills, responding to the medium and long term needs of a low carbon and climate-adapted economy, hand in hand with digitalisation.

The **Specific Objectives** of this action are to

1. Improve access to, and quality of, technical secondary, tertiary education and other skills development/Non Formal Education opportunities for both boys and girls, men and women in a gender equitable and inclusive manner effectively integrating climate change mitigation and adaptation elements in the education offer.
2. Improve the efficiency of the education budgetary system and the overall governance of the sector, effectively integrating gender mainstreaming and climate change.

The **Induced Outputs (IO)** to be delivered by this action contributing to the corresponding Specific Objectives are:

Under Specific Objective 1:

- IO1.1 Increased opportunities for access with gender equality to (technical) high schools (grade 10, 11, 12)
- IO1.2 Improved curriculum of technical education (“dual training system”) with a focus on low carbon, climate adapted techniques,, hand in hand with digitalisation
- IO1.3 Improved teacher training in technical education
- IO1.4 Increased gender equality in opportunities for access to STEM majors in higher education, with a focus on climate change adaptation and mitigation majors
- IO1.5 Female garment workers empowered with literacy and skills for decent work

Under Specific Objective 2:

- IO2.1 Increased regular availability of quality (HRBA, gender, internet connectivity and climate-change sensitive) data for evidence-based policy making including climate-change adaptation of the education system
- IO2.2 Enhanced accountability for performance

The **Direct Outputs (DO)** to be delivered by this action are:

<sup>28</sup> Cambodia publishes PEFA PI-5’s four basic elements (i.e., forecast of fiscal deficit/surplus, previous year’s budget outturns, current fiscal year’s budget, and aggregated budget data for both revenue and expenditure) and three out of eight additional elements: deficit financing, macroeconomic assumptions, and medium term fiscal forecast.

DO1: Additional fiscal space created by the transfer of budget support funds and increased predictability of funds  
 DO2: A more aligned and coordinated policy dialogue  
 DO3: Improved monitoring and reporting of reforms  
 DO4: Strengthened capacities of the Government of Cambodia for the implementation of the Education policies and the MoEYS PFM Ministerial Action Plans, effectively integrating gender mainstreaming and climate change mitigation and adaptation strategies..

### 3.2 Indicative Activities

The Induced Outputs to be delivered by this action contributing to the corresponding Specific Objectives are to be addressed by the variable tranche indicators to be set out in the Appendix to the Financing Agreement.

Activities relating to Direct Output 1 (*Additional fiscal space created by the transfer of funds and increase predictability of funds*):

- Transfer of up to a maximum of EUR 40 million grant resources to the Budget of Cambodia in 2025-2028 Fiscal Years

Activities relating to Direct Output 2 (*A more aligned and coordinated policy dialogue is promoted*):

- Continued political and policy dialogue with the Government to ensure the implementation of the education and PFM reforms as set in the ESP and of CAP4
- Provide support to spearhead PFM reforms in education, including on performance-informed budgeting and availability and use of coherent financial data between EFMS and FMIS

Activities relating to Direct Output 3 (*Improved monitoring and reporting of reforms*):

- Provide technical support to increase the quality and granularity of education data to reflect multilingual minorities, disability and climate-change to increase resilience of the education system to climate change (climate adaptation) and foster climate adaptation and mitigation reflection within the system
- Monitoring of achievements of the reform objectives agreed with the Government through reviews, including joint reviews, regular briefings and discussions

Activities relating to Direct Output 4 (*Strengthened capacities in the Government of Cambodia conducive to the implementation of the Education policies and the MoEYS PFM Ministerial Action Plans effectively integrating gender mainstreaming*) and climate change mitigation and adaptation strategies

- Provide support to improve the access and quality of technical education (dual modality), with a focus on; low carbon, climate adaptation techniques, digitalisation and STEM
- Support non-formal education, i.e. Factory Literacy and skills for decent work for female garment workers

The commitment of the EU's contribution to the Team Europe Initiatives to which this action refers, will be complemented by other contributions from Team Europe members. It is subject to the formal confirmation of each respective member's meaningful contribution as early as possible. In the event that the TEIs and/or these contributions do not materialise, the EU action may continue outside a TEI framework.

### 3.3 Mainstreaming

#### **Environmental Protection & Climate Change**

**Outcomes of the SEA screening** (relevant for budget support and strategic-level interventions)

The Strategic Environmental Assessment (SEA) screening concluded that no further action was required.

**Outcomes of the EIA (Environmental Impact Assessment) screening** (relevant for projects and/or specific interventions within a project)

The EIA (Environment Impact Assessment) screening classified the action as Category C (no need for further assessment).

**Outcome of the CRA (Climate Risk Assessment) screening** (relevant for projects and/or specific interventions within a project)

The Climate Risk Assessment (CRA) screening concluded that this action is no or low risk (no need for further assessment).

### **Gender equality and empowerment of women and girls**

As per the OECD Gender DAC codes identified in section 1.1, this action is labelled as G2. This implies that gender equality (SDG 5) is the main objective of the programme and is fundamental in its design and expected results, as clearly indicated in the objectives and the GAP III indicators related to the Thematic Area: “Promoting economic and social rights and empowering girls and women”. In particular, IO 1.1, 1.2, 1.3, 1.4 and 1.5 deal directly with addressing gender barriers to quality education (SDG 4) and skills for decent work (SDG 8), by: increasing the number of scholarships to secondary, technical and STEM education (with a focus on redressing gender inequitable access), offering adapted modalities of literacy and skills for decent work to female factory workers (without compromising their wage nor family obligations and leisure time), making technical education more relevant and interesting to encourage both boys and girls to pursue it, instead of dropping-out. In particular, under IO 1.4, the EU will have the opportunity to support the drafting a new policy on domestically financed scholarships for girls in STEM in Cambodia, in line with the GAP III and the CLIP 2021-2025 in Cambodia objectives of women and girls harnessing the potential of the green transition and the digital transformation (SDGs 9, 12, 13).

### **Human Rights**

In line with EU bilateral engagement in Cambodia, the Human Right Based Approach underpins the whole action which promotes human rights for all by expanding quality of services to the target groups without discrimination and enhancing transparency by making information, policies and intervention accessible to the rights holders. Specifically, the second specific objective, addressing the education sector governance, supports the duty bearers at better spotlight inequities (in terms of disability status, multilingual, effect of climate change, etc) and therefore propose measures to enable the right to education for all.

### **Disability**

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D1. This implies that the action is considered relevant for inclusion of persons with disabilities. Under IO 2.1, data on the disability status of children will be collected by the Education Management Information System (EMIS). Data disaggregation on this important variables will support solid analysis, policies and national spending on inclusive and Human Rights-Based access to education and skills opportunities.

### **Reduction of inequalities**

Education can be one of the most powerful equalizers in society. This is the main rationale underpinning this action, under both its Specific Objectives which aims at increasing access, quality and accountability in the education sector, in a pro-poor approach.

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### **Democracy**

It is of vital importance for the EU to maintain a strategic engagement in Cambodia to promote a sustainable and more equitable economic recovery and to use available avenues of political and policy dialogue with the government to promote democracy and human rights. ASEAN centrality, stability, security and sustainable development are a cornerstone of the EU strategy for strengthened cooperation in the Indo-Pacific region. This action supports Cambodia’s integration into ASEAN through the narrowing of its development gap, while promoting a rules-based multilateral order, democracy and human rights, and helping the country meet the Sustainable Development Goals.

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### **Conflict sensitivity, peace and resilience**

Considerations for a conflict sensitive, do-no-harm approach to development cooperation in Cambodia are integrated in the MIP 2021-2027.

### **Disaster Risk Reduction**

While the action does not target disaster risk reduction among its main objectives, IO 2.1 (Increased availability of quality (HRBA- and climate-change sensitive data for evidence-based policy making) clearly directly supports Priority 1 (“Understanding Disaster risk”) and indirectly Priority 4 (“Enhancing disaster preparedness for effective response and to “Build Back Better” in recovery, rehabilitation and reconstruction”) of the “Sendai Framework for Disaster Risk Reduction 2015-2030”, as it will foster proper monitoring, discussion and policy making on climate effects on the education sector

### **Other considerations if relevant**

NA



### 3.4 Risks and Lessons Learnt

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
1 to the external environment	Political risk of non adherence to fundamental values	M	H	Political dialogue including via the Joint Committee and the Sub-Group on human rights and governance. Part of the programme under SO2 will address data quality and PFM of education, therefore strengthening the governance of the system and indirectly support the adherence to fundamental values.
1 to the external environment	The effects of the protracted schools and technical schools closures due to Covid-19, which have resulted in learning loss and increased drop-outs.	High	Medium	The proposed action aims precisely at tackling these phenomena, by increasing the quality of technical education, and supporting access to it, at secondary, tertiary and non-formal level, applying a strong gender approach to quality education.
4 to legality and regularity aspects	Digital: weak environment for data protection and limited access to information	Medium	Medium	Legislation on data protection and access to information is not yet finalised. Several partners, including the EU, ADB, WB and the GPE focus in their new programme on digital education, therefore providing constant monitoring on the matter.
1 to the external environment and 3 to people and the organisation	Insufficient willingness by private sector to engage in technical education	Medium	High	The existence of two TEIs on the industrial and agricultural value chains will create a conducive environment for the buy-in of the private sector into the process.
2 to planning, processes and systems and 3	Twinning is used for the first time in the education sector in Cambodia. There could be difficulties in finding a EU MS to implement the Twinning.	Medium	Low	In case the twinning approach is not successful, and alternative option is foreseen with the direct management mode (service contract).

to people and the organisation)				
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### Lessons Learnt:

The EU has been providing BS to Cambodia in the field of education since the early 2000's. An evaluation covering the 2018-2023 programme was finalized in early January 2023 to provide independent and structured recommendations and lessons learnt.

The evaluation concluded that the programme was high-relevant; very effective at output level (with less evidence at outcome level), highly efficient, also thanks to its good flexibility to adapt to the changing context (mainly COVID school closures) and with reasonable sustainability, with many of the achievements, mainly for the scholarships in basic education, the school operating funds to be embedded in the national budget.

The main lessons learnt and findings of the evaluation can be summarized as follow – with indication on how this has informed the action:

Main lesson learnt and findings from the previous (2018-2023) action	How this has informed the new (2024-2028) action design
Good level of relevance, effectiveness efficiency, sustainability and ownership by the Government of the programme.	Pursuit of the BS approach with the MoEYS and the MEF
Despite the good output achievement of the programme, and due to COVID school closures, national data shows that learning outcomes have further deteriorated. Data and evidence consistently shows issues with high levels of drop-out, peaking in secondary where boys are disproportionately affected	The Specific Objective 2 of the programme ( <i>Improved overall cost-efficiency and governance of the education sector effectively integrating gender mainstreaming</i> ), and Induced Outputs 2.1 and 2.2 focus on data quality and inclusiveness, as well as the cost-efficiency and governance of the sector. It enhances even more the linkages between this action and the on-going action on PFM, to increase transparency and better investment in the system to unpack and solve bottlenecks towards improved learning outcomes including reducing high drop-outs..
When achievements kick-started and supported by the EU funding are embedded in the national budget, they become permanent and therefore sustainable. Some example of that are: basic education scholarships, school operating funds and community pre-schools.	Based on the success story of expanding sustainably basic education scholarships, school operating funds and community pre-schools, the variable tranche indicator focus at concrete achievable output-oriented changes (such as scholarships for secondary, technical and higher education) with reasonable objectives, so that the achievement can be sustained. The action supports both output-based and normative targets (i.e. spearheading and approval of policies) to increase sustainability further.
High number of indicators and areas covered implied a higher management charge and could have “diluted” the policy dialogue on the achievement of the targets instead than on more structural issues. The “Met” or “Not Met” approach is sometimes seen unfair by the RGC; at the same time overly-complex calculation methods of the achievement led to unnecessary detailed discussions on the exact disbursement.	The action is structured around few specific priorities and six indicators/induced outputs (versus ten before). The complementary measures of the new programme are clearly and specifically supporting the same areas of the induced outputs with technical assistance and capacity building, to inform the policy dialogue on the structural issues encompassing the supported policies. Whenever possible and relevant, simple calculation methods for scalable targets are proposed.

### 3.5 The Intervention Logic

The underlying intervention logic for this action is that increased access to secondary and tertiary education, increased quality of technical secondary schools within an improved governance of the whole sector will augment the number of skilled young people that Cambodia can produce to serve the digital and green transformation of the economy. This will contribute to Cambodia's priorities for education and skills, leaving no one behind, while acting as an enabler for green growth and decent work.

The action foresees Budget Support, policy dialogue and technical assistance, including via a Twinning enacting peer-to-peer exchanges between the EU and Cambodia on dual training modalities, as well as on the synergy between secondary technical and tertiary education to encourage a culture of STEM, for boys and girls.

The intervention logic is based from lessons learnt from the previous programmes and their evaluation, including the gender-based analysis of the situation. The action aims at increasing sustainably nationally-funded scholarships for secondary, technical and STEM education (with a special focus on energy and climate-adapted agriculture), with a gender-based approach (Induced Outputs 1.1 and 1.4); apply dual training modalities and update the curriculum to low carbon, climate-adapted and digital skills on technical education majors to offer differentiated and qualifying pathways of education to Cambodian students (Induced Outputs 1.2 and 1.3); provide literacy and skills for decent work to factory workers to increase their productivity and resilience towards automation (Induced Output 1.5); improve the governance of the whole education system by supporting the regular collection of climate-change, disability and multilingual data, improving financial planning and performance-informed budgeting (Induced Output 2.1 and 2.2).

If the above is provided, it is expected that the education sector will be able to offer better access and quality in technical, STEM and non-formal education (Specific Objective 1) and the overall governance and cost-efficiency of the system will be improved (Specific Objective 2).

This contributes to increase equitably the number of Cambodian youths and adults who have relevant competencies and skills, responding to the medium and long term needs of a low carbon, climate-adapted and digitalised economy (Overall Objective), provided than the following assumptions are hold true:

- The system can cope with the lasting effects of the protracted COVID school closures which have resulted in learning loss and increased drop-out due to economic reasons/ no new epidemic or any other hazard shutters the education system the way COVID has done,
- Financial allocations to the education system increase, or at least stay stable

Based on the intervention logic, the policy dialogues priorities underlining the action, are:

Education learning losses, recovery and resilience in the post-COVID world; Gender equality (equal access to education, girls in STEM); Youth Skills (linking education to employment and non-formal education); Education contribution to climate change mitigation and adaptation; climate change impact on the education sector (e.g. school flooding, water-borne diseases and other effects by climate change on the sector; Responsible digitalisation in education; Budget credibility and transparency; and Data for evidence. The policy dialogue will benefit from peer-to-peer exchanges between the EU and Cambodia, thanks to a Twinning. The people-to-people connectivity fostered by this action will act in synergy and complementarity with the education and skills EU-ASEAN programmes, as well as with Erasmus+.

### 3.6 Logical Framework Matrix

This indicative logframe constitutes the basis for the monitoring, reporting and evaluation of the intervention.

On the basis of this logframe matrix, a more detailed logframe (or several) may be developed at contracting stage. In case baselines and targets are not available for the action, they should be informed for each indicator at signature of the contract(s) linked to this AD, or in the first progress report at the latest.

New columns may be added to set intermediary targets (milestones) for the Output and Outcome indicators whenever it is relevant.

- At inception, the first progress report should include the complete logframe (e.g. including baselines/targets).
- Progress reports should provide an updated logframe with current values for each indicator.
- The final report should enclose the logframe with baseline and final values for each indicator.

The indicative logical framework matrix may evolve during the lifetime of the action depending on the different implementation modalities of this action.

The activities, the expected Outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the action, no amendment being required to the Financing Decision.

BUDGET SUPPORT MODALITY as reflected by the national/sector public policy supported (4 levels of results / indicators / Baselines / Targets / Source of Data - no activities)

Caveat: the indicators used in the LFM refer to the budget support intervention logic. They help monitoring the implementation of the programme in view of its objectives and later evaluate its contribution to country policy's achievements. The list of indicators below should not be understood as the list of indicators informing the disbursement of variable tranches and spelled out in the relevant part of the financing agreement signed with the partner country, although some indicators may be used for both purposes and will be marked accordingly.

Results	Results chain	Indicators (max. 15)	Baselines (year)	Targets by the end of the budget support contract (year)	Sources of data (1 per indicator)
<b>Indicative Impact of the policy</b>	To increase gender equality in the number of Cambodian youths and adults who have relevant competencies and skills, responding to the medium and long term needs of a low carbon and climate-adapted economy, hand in hand with digitalisation	1. Proportion of youth (aged 15–24 years) not in education, employment, or training (NEET) disaggregated by sex, ethnicity and disability whenever possible (GERF 1.12)	1. 11.4% (2019) (M: 10%; F: 12.6%)	1. 11.4% and reduce sex disparities by 2027	1. ILO as reported by WB
		2. Adult literacy rate (15-above) disaggregated by sex, ethnicity and disability whenever possible	2. 84% (2021) (M: 88%; F: 80%)	2. To be determined (TBD) in 2024 in the next ESP (2024-2029), with targets per year (reference 2027).	2. UNESCO as reported by WB
		3. UNESCO Institute for Statistics Youth literacy rate disaggregated by sex, ethnicity and disability (GERF 1.28)	3. 96% (2021) (M: 95%; F: 96%)	3.96% with no sex disparities by 2027	3. UNESCO as reported by WB
		4. PISA score for Cambodia sex, ethnicity and disability disaggregated whenever possible	4. TBD (data from 2022) by mid-2023	4. NA	4. OECD
		5. Reduction in gender disparities in enrolment, progression and retention at all levels of education and lifelong learning for women, men, girls and boys (GAP III):	5.1 Gross enrolment rate at upper secondary education: 32.2% (2020/21) (M: 28.5%; F: 32.3%)	5.1 TBD in 2024 in the next ESP (2024-2029) with targets per year (reference 2027).	5.1 ESP for target; Annual Congress Report for reporting
			5.2 Gross enrolment rate (18-22 age group) in higher education disaggregated by sex, ethnicity and disability whenever possible: 12.43% (2021/22) (M: 11.89%, F: 12.08%)	5.2 Idem	5.2 Idem
			5.3 Completion rates primary: 87.4% (2019) (M: 83.4%; F: 91.6%)	5.3 Idem	5.3 Idem
			5.4 Completion rates lower secondary: 48.1% (2019) (M: 43.1%; F: 53.4%)	5.4 Idem	5.4 Idem

			5.5 Transition rate from lower to upper secondary 81.3% (2019) (M: 80.1%; F: 82.4%)	5.5 Idem	5.5 Idem
		6. Gender parity index (GPI) in school enrolment and primary and secondary completion rates (SDG 4.5.1 and GAP III)	6. GPI: 1.3 in favour of girls (2019)	6. Idem	6. Idem
<b>Expected Outcomes of the policy</b>	1. Improved access to and quality of technical secondary, tertiary education and other skills development/Non Formal Education opportunities for both boys and girls, men and women in a gender equitable and inclusive manner effectively integrating climate change mitigation and adaptation elements in the education offer.	<a href="#">1.1 Number of students enrolled in education with EU support: secondary education, tertiary education) (GERF 2.36)</a>	<a href="#">1.1 Lower secondary: 694 161 (M: 331,506; F: 362,655); Upper secondary: 401 605 (M: 183,089; F: 281, 516); tertiary: 209 059 (M: 113, 440; F: 95, 619) (Congress Report published in April 2023)</a>	<a href="#">1.1 TBD in 2024 in the next ESP (2024-2029), targets per year in terms of gross enrolment based on population statistics.</a>	<a href="#">1.1 ESP for target; Annual Congress Report for reporting</a>
		1.2 Transition rate to higher education, disaggregated at least by sex (GAP III), ethnicity and disability whenever possible	1.2 TBD upon inception	1.2 Idem	1.2 Idem
		1.3 Survival rate upper secondary	1.3 24.7% (2019) (M: 22.6%; F:27.0%)	1.3 Idem	1.3 Idem
		1.4 Number of illiterate students completing literacy programme disaggregated by sex, ethnicity and disability whenever possible.	1.4 14,404 (2020/21) currently not sex- disaggregated in the Annual Congress Report	1.4 TBD in 2024 in the next ESP (2024-2029), targets per year and sex disaggregated	1.4 Idem
		1.5 Number of technical curricula updated to include climate and digital elements	1.5 0	1.5 5	1.5 Final evaluation of the action
		1.6 Transition rate from lower to upper secondary education, disaggregated by sex, ethnicity and disability whenever possible	1.6 81.3% (M: 80.1%, F: 82.4%) (2020/21)	1.6 TBD in 2024 in the next ESP (2024-2029), targets per year and sex disaggregated	1.6 ESP for target; Annual Congress Report for reporting
		2.Improved the efficiency of the education budgetary system and the overall governance of the sector, effectively integrating gender mainstreaming and climate change.	2. The MoEYS' budget execution rate variation from the budget plan	2. 93.7% (FY 2021, promulgated on 10/12/22)	2. CAP4 target of budget credibility: +/-5% (i.e. between 95-105%) (FY 2026)
				2. CAP4 target of budget credibility: +/-5% (i.e. between 95-105%) (FY 2026)	2. RGC, Budget Settlement Law

<b>Induced outputs</b>	IO 1.1 Increased opportunities for access with gender equality to (technical) high schools (grade 10, 11, 12).	IO 1.1.1 Number of students receiving scholarships in lower and upper secondary education	IO 1.1.1. Lower secondary education scholarship number: 102,164 (female 59.42%) (Source: Annual education congress report (CR) 2021/2022, published in April 2022 (CR 2022) page 82) + Upper secondary education scholarship number: 11,070 (female 60.19%) (Source: CR 2022, page 83): Total: 113,256.	IO 1.1.1 TBD in 2024 in the next ESP (2024-2029), targets per year and sex disaggregated	IO 1.1.1 ESP for target; Annual Congress Report for reporting
	IO 1.2 “Improved curriculum of technical education (“dual training system”) with a focus on low carbon, climate-adapted techniques, hand in hand with digitalisation	IO 1.2.1 Number of people who have benefited from institution or workplace based VET/skills development interventions ((including on low carbon, climate adapted and digital subjects) supported by the EU: (a) all VET/skills development, (b) only VET/skills development for digitalisation, sex, ethnicity and disability whenever possible disaggregated (GERF 2.14 and GAP III)	IO 1.2.1 0	IO 1.2.1 TBD upon inception	IO 1.2.1 Twinning Report
	IO 1.3 Improved teacher training in technical education	<b>IO 1.3.1: TBC</b>	IO 1.3.1 0	IO 1.3.1 TBD upon inception	IO 1.3.1. Twinning report
	IO 1.4 Increased gender equality in opportunities for access to STEM subjects in higher education with a focus on climate change adaptation and mitigation measures	IO 1.4.1 Percentage of students enrolled in STEM programmes (including on energy audit and climate-adapted agriculture),, disaggregated by sex, ethnicity and disability whenever possible,	IO 1.4.1 30.69% (M: 44.92%, F: 17.74%)(2020/21)	IO 1.4.1 TBD (2027)	IO 1.4.1 ESP for target; Annual Congress Report for reporting
		IO 1.4.2 Fast-tracking undergraduate programmes for technical high school graduates	IO 1.4.2 Currently, there is no fasttracking of technical high school graduates at undergraduate level	IO 1.4.2 Fasttracking in place by the end of the programme (2027)	IO 1.4.2 Annual Congress Report and Twinning reports
		IO 1.4.3 Extent to which appropriate policies and measures are implemented by government to improve the access of girls and women to inclusive and quality education, including STEM fields and quality digital education and training (GAP III)	IO 1.4.3 There are currently no appropriate policies in place to improve access of girls and women to STEM majors in higher education	IO 1.4.3 A policy is in place	IO 1.4.3 Annual Congress Report

	IO 1.5 Female garment workers empowered with literacy and skills for decent work	IO 1.5.1 Number of people who have benefited from institution or workplace based VET/skills development interventions supported by the EU (GERF 2.14)	IO 1.5.1 0	IO 1.5.1 TBD upon inception	IO 1.5.1 UNESCO Reporting
		IO 1.5.2 Number of private-sector factories participating and contributing to the factory literacy and skills for decent work	IO 1.5.2 0	IO 1.5.2 Idem	IO 1.5.2 UNESCO Reporting
	IO 2.1 Increased regular availability of quality (HRBA, gender, internet connectivity and climate-change sensitive) data for evidence-based policy making including climate change adaptation of the education sector	IO 2.1.1 Availability of quality, sex, ethnicity and disability internet connectivity-disaggregated, inclusive statistical data per the formulation of the next ESP, its Mid-Term Review and the Annual Congress report	IO 2.1.1 TBD upon inception	IO 2.1.1 TBD upon inception	IO 2.1.1 EU Public policy assessment (year by year)
	IO 2.2 Enhanced accountability for performance	IO 2.2.1 Diagnostic and status of follow-up of the Public Expenditure Review (PER) recommendations	IO 2.2.1 New PER (to be done in 2024) will determine recommendations	IO 2.2.1 TBD upon the finalization of the PER	IO 2.2.1 WB and PFM Report
		IO 2.2.2 Budget reports crossing the different EFMS classification (ESP, AOP, Economic Programme and Expense Type) are generated and published	IO 2.2.2 Not implemented yet	IO 2.2.2 By Q2 2024	IO 2.2.2 EU assessment
		IO 2.2.3 The performance agreement between MEF and MoEYS for Budget 2024 is complemented by performance agreements between the Minister of MoEYS and the five MoEYS Programme Managers	IO 2.2.3 Not implemented yet	IO 2.2.3 By Q2 2024	IO 2.2.2 EU assessment
<b>Direct Outputs</b>	DO1 Additional fiscal space created by the transfer of funds and increase predictability of funds	DO1.1.1: Increased MoEYS' budget share (%) of State budget and of the GDP	DO1.1.1 10.2% of State Budget <sup>29</sup> ; 2.84% of GDP (FY 2023, promulgated on 10/12/22)	DO1.1.1 20% of State Budget; 4% of GDP (2027)(as recommended by the GPE)	DO1.1.1 RGC, Budget Law

<sup>29</sup> Central; 9.5% if including central and sub-national administration (SNA).



	DO2 A more aligned and coordinated policy dialogue is promoted	DO2.1.1 Enhanced focus of the education sector policy dialogue on: green and digital skills in technical education and STEM, gender barriers to accessing education, data, and budget and PFM issues	DO 2.1.1 Limited information and indicators/targets in the current ESP and Congress Report on these topics; Last Public Expenditure Review (PER) in education conducted in 2017.	DO 2.1.1 New ESP (and therefore Congress Report) with more granular information of these topics (2027); New PER in education conducted and recommendations under implementation jointly by MoEYS and MEF (2027)	DO 2.1.1 CAP4, ESP, Congress Report, PER
	DO 3 Improved monitoring and reporting of reforms	DO3.1.1 Status of implementation of the ESP and of CAP4 in agreement with DPs	DO 3.1.1. CAP4 to be approved in 2023. New ESP to be approved in 2023/2024	DO 3.1.1 TBD	DO 3.1.1 CAP4, ESP, Congress Report
	DO 4- Strengthened capacities in the Government of Cambodia conducive to the implementation of the Education policies and the MoEYS PFM Ministerial Action Plans, effectively integrating gender mainstreaming and climate change mitigation and adaptation strategies	DO4.1.1: Interoperability of the MOEYS EFMS and MEF FMIS is implemented	DO 4.1.1 EFMS and FMIS are not interfaced and financial data produced by the two systems is not always aligned	DO 4.1.1 EFMS and FMIS are interfaced/the system is simplified to produce more reliable financial reports (2027)	DO 4.1.1 Congress Report
		DO4.1.2: Data on Children with Disability, multi-lingual minorities, climate-change and connectivity of schools is collected routinely in EMIS	DO4.1.2 EMIS does not include data on Children with Disability, multi-lingual minorities, internet connectivity of schools and climate change	DO4.1.2 EMIS includes data on Children with Disability, multi-lingual minorities, internet connectivity of schools and climate change (2027)	DO 4.1.2 Congress Report

## 4 IMPLEMENTATION ARRANGEMENTS

### 4.1 Financing Agreement

In order to implement this action, it is envisaged to conclude a financing agreement with the partner country.

### 4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 48 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

### 4.3 Implementation of the Budget Support Component

#### 4.3.1 Rationale for the Amounts Allocated to Budget Support

The amount allocated for the budget support component is EUR 40 000 000, and for complementary support is EUR 9 000 000. This amount is based on the following considerations:

-MEF's and MoEYS' vision on budgetary support providing additional fiscal space to leverage budget funds for the ESP investment activities secondary technical education and STEM access in tertiary. The costing of the implementation of secondary education reforms (CAMSEB) has been estimated USD 74.5M (in 2021)/annum growing up to USD 423M/annum in 2030, with an average of USD 215M/annum (reference USD in 2021). For higher education, the financing need defined by the ESP is approximately USD 140/annum. The current budget of the MoEYS is estimated at approximately USD 850 M per year, of which over 80% is represented by salaries. Recurrent, non-salary expenditures can be estimated at about USD 150M per year.

-Two of the policy priorities for disbursement are: "Increased equitable access to STEM majors in higher education"; "Increase equitable access to secondary school". These two variable tranche indicators focus on the creation/strengthening of sustainable scholarship mechanisms to increase the number of skilled youth. Scholarships in the secondary and tertiary level in STEM and technical subjects (e.g. electricity, electronics, mechanics, food processing, computer science, energy efficiency and sustainable agriculture) supports not only education, also directly other policies supported by the EU under the TEI 1 and TEI 2 (EU CAPSAFE and EU StepUP): namely, the Agricultural Sector Master Plan 2030, Updated Nationally Determined Contribution (NDC) and the National Energy Efficiency Policy.

-Record of recent accomplishment and absorption capacity has been good: almost 100% of resources has been recorded under the current 2018-2023 EU-Cambodia education partnership. The disbursement rate of the BS component was 99%.

-The Government is implementing the Revenue Mobilization Strategy 2019-2023 (RMS-II) since 2019. Thanks to the implementation of the first strategy, domestic revenue collections jumped from 20.08 in 2016 to 24.8% of GDP in 2019. This remarkable performance however was put to an abrupt end in 2020 with the COVID crisis. 23.9% (2020) on the back of a contracting economy and fiscal stimulus package including tax cuts. With the crisis expanding well into 2021, revenue to GDP fell further to 21.6%. Revenue collection has been picking up in 2022 at 22.1% of GDP on the back of strong domestic consumption and increase in tourism. The RMS-II aims at further improving revenue administration and addressing weaknesses in the current system, including broadening of the revenue base through revised tax and non-tax policies. New taxes will be introduced, such as tax on capital gains, personal income tax and tax on e-commerce. Property tax is to be expanded and land property tax rate is to be increased.

-Budget support puts the EU in a unique position with the Royal Government of Cambodia in continuation with previous Education programmes implemented since almost 20 years. The implementation of the Budget Support programme in education has led to a strengthening of the policy dialogue and partnership between the EU, the MoEYS and the MEF. The proposed action, with a clear focus on PFM in education, will make this solid relationship even stronger. The quality of the dialogue between MoEYS and DPs has been very satisfactory, as described in detail in the policy analysis annex, and as recently evaluated by the final evaluation of the current education action and, at large, by the GPE in the Partnership Compact 2025. Coordination mechanisms have been reviewed as necessary and there are strong monitoring systems in place. The EU Delegation regularly meet the

MoEYS and the MEF at both technical and political level to discuss the implementation of the education reforms and provide recommendations.

The following disbursement calendar and profile proposed for the action is indicative. The actual disbursement calendar and profile will be set out in the financing agreement and may remain subject to change.

	<b>TOTAL</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
Fixed Tranche	6	3	2.5	0.5	0
Variable Tranche	34	0	6.5	10	17.5
<b>TOTAL (EUR million)</b>	<b>40</b>	<b>3</b>	<b>9</b>	<b>10.5</b>	<b>17.5</b>

#### 4.3.2 Criteria for Disbursement of Budget Support

##### a) Conditions.

The general conditions for disbursement of all tranches are as follows:

- Satisfactory progress in the implementation of the Education Sector Policy (ESP) 2019-2023 and Part 3 Budget-Policy linkages, Consolidated Action Plan (CAP3+2) 2020-2022 of the Public Finance Management Reform Programme (PFMRP) and continued credibility and relevance thereof or of the subsequent policy.
- Maintenance of a credible and relevant stability-oriented macroeconomic policy or progress made towards restoring key balances.
- Satisfactory progress in the implementation of reforms to improve public financial management, including domestic revenue mobilisation, and continued relevance and credibility of the reform programme.
- Satisfactory progress with regard to the public availability of accessible, timely, comprehensive, and sound budgetary information.

b) The performance indicators for disbursement to be used for variable tranches may focus on the following policy priorities:

- Increase equitable access to secondary school
- “Dual training” integration in the curriculum of the secondary technical education stream with a focus on green and digitalisation
- Improved teacher training in technical education with “dual” modalities
- Increased equitable access to STEM majors in higher education
- Availability of quality financial data
- Accountability for performance

##### c) Modifications.

The chosen performance indicators and targets to be used for the disbursement of variable tranches will apply for the duration of the action. However, in duly justified cases, the partner country and the Commission may agree on changes to indicators or on upward/downward revisions of targets. Such changes shall be authorised in writing ex-ante, at the latest at the beginning of the period under review applicable to the indicators and targets.

In exceptional and/or duly justified cases, for instance where unexpected events, external shocks or changing circumstances have made the indicator or the target irrelevant and could not be anticipated, a variable tranche indicator may be waived. In these cases, the related amount could either be reallocated to the other indicators of the variable tranche the same year or be transferred to the next variable tranche the following year (in accordance with the original weighting of the indicators). It could also be decided to re-assess an indicator the following year against the original target, if there was a positive trend and the authorities did not reach the target because of factors beyond their control. The use of this provision shall be requested by the partner country and approved in writing by the Commission.

##### d) Fundamental values

In case of a significant deterioration of fundamental values, budget support disbursements may be suspended, reduced or cancelled, in accordance with the relevant provisions of the financing agreement.

#### 4.3.3 Budget Support Details

Budget support is provided as direct untargeted budget support to the national treasury. The crediting of the euro transfers disbursed into Cambodian riels will be undertaken at the appropriate exchange rates in line with the relevant provisions of the financing agreement.]

#### 4.4 Implementation Modalities for complementary support to a Budget Support

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures<sup>30</sup>.

##### 4.4.1 Direct Management (Grants)

###### **Twinning Grant: (direct management)**

###### **(a) Purpose of the grant(s)**

The purpose of the grant is to contribute to the following **induced outputs (IO)**, under the Specific Objective 1:

- IO 1.2 Improved curriculum of technical education (“dual training system”) with a focus on low carbon, climate-adapted techniques, hand in hand with digitalisation
- IO 1.3 Improved teacher training in technical education
- IO 1.4 Increased gender equality in access to STEM majors in higher education with a focus on climate change adaptation and mitigation measures

The grant will also contribute to the following direct outputs (DO):

- DO 2 Policy dialogue: A more aligned and coordinated policy dialogue is promoted
- DO 3 Performance assessment: Improved monitoring and reporting of reforms
- DO 4 Capacity development: Strengthened capacities in the Government of Cambodia conducive to the implementation of the Education policies and the MoEYS PFM Ministerial Action Plans effectively integrating gender mainstreaming and climate change mitigation and adaptation strategies.

###### **(b) Type of applicants targeted**

The targeted applicants are EU Member State administrations or their mandated bodies.

##### 4.4.2 Indirect Management with an entrusted entity

Three Indirect Management measures are foreseen, contributing to the specific objectives and the outputs of the Action.

**4.4.2.1** A part of this action may be implemented in indirect management with an entity, which will be selected by the Commission’s services using the following criteria:

- a) Strong specific experience in the field of PFM
- b) Operational capacity on the ground (in Cambodia) and strong expertise available in PFM, especially in reform areas related to PFM in education, such as the financial management information system (FMIS), performance agreements and programme-based budgeting.
- c) Ability to work with the MoEYS and the MEF

The implementation by this entity entails the attainment of the following Induced Output (IO) under the Specific Objective 2 of the Programme: **IO 2.2 Enhanced accountability for performance**

It will also contribute to the following direct outputs (DO):

- DO 2 Policy dialogue: A more aligned and coordinated policy dialogue is promoted
- DO 3 Performance assessment: Improved monitoring and reporting of reforms
- DO4 Capacity development: Strengthened capacities in the Government of Cambodia conducive to the implementation of the Education policies and the MoEYS PFM Ministerial Action Plans , effectively integrating gender mainstreaming and climate change mitigation and adaptation strategies..

<sup>30</sup> [www.sanctionsmap.eu](http://www.sanctionsmap.eu). Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

**4.4.2.2** A part of this action may be implemented in indirect management with an entity, which will be selected by the Commission's services using the following criteria:

- a) will be Experience and leadership in the field of the Education Management Information System (EMIS) and support to the sector policies and monitoring in strong collaboration with the government
- b) Operational capacity on the ground (in Cambodia) and expertise on data management available in capacity-building to the MoEYS
- c) Strong alignment and ownership with the Government priorities.
- d) Ability to promote linkages and oversight with other funding in the same areas (e.g. the GPE)

This implementation entails the attainment of the following Induced Output (IO) under the Specific Objective 2 of the Programme: **IO 2.1 Increased availability of quality (HRBA- internet connectivity and climate-change sensitive) data for evidence-based policy making including climate-change adaptation of the education system**

It will also contribute to the following direct outputs (DO):

- DO 2 Policy dialogue: A more aligned and coordinated policy dialogue is promoted
- DO 3 Performance assessment: Improved monitoring and reporting of reforms
- DO4 Capacity development: Strengthened capacities in the Government of Cambodia conducive to the implementation of the Education policies and the MoEYS PFM Ministerial Action Plans effectively integrating gender mainstreaming and climate change mitigation and adaptation strategies.

**4.4.2.3** A part of this action may be implemented in indirect management with an entity, which will be selected by the Commission's services using the following criteria:

- a) Experience and leadership in the field of non-formal education in strong collaboration with the government and the private sector
- b) Operational capacity on the ground (in Cambodia) on adult literacy and gender empowerment in the garment sector
- c) Strong alignment and ownership with the Government priorities.
- d) Ability to promote linkages between non formal education, gender and skills for decent work

This implementation entails the attainment of the following Induced Output (IO) under the Specific Objective 1 of the Programme: **IO 1.5 Factory Literacy and skills for decent work for female garment workers strengthened.**

It will also contribute to the following direct outputs (DO):

- DO 2 Policy dialogue: A more aligned and coordinated policy dialogue is promoted
- DO 3 Performance assessment: Improved monitoring and reporting of reforms
- DO4 Capacity development: Strengthened capacities in the Government of Cambodia conducive to the implementation of the Education policies and the MoEYS PFM Ministerial Action Plans effectively integrating gender mainstreaming and climate change mitigation and adaptation strategies.

**4.4.3** Changes from indirect to direct management mode (and vice versa) due to exceptional circumstances (one alternative second option)

In case due to circumstances outside of the Commission's control, the implementation modality needs to be changed from indirect to direct management mode (through procurement for a maximum amount of EUR 6.3 million) and , within direct management, from grant to procurement (for a maximum amount of EUR 2.5 million), part of the action, corresponding to: IO 1.2, IO 1.3, and IO 1.4; IO 1.5; 2.1; IO 2.2 could be implemented as follows:

**Alternative to 4.4.2.1 (from indirect management to an entrusted entity to direct management (procurement))**

**Purpose of the** Direct Management (Procurement) is to contribute to the **following induced outputs (IO)** under the Specific Objective 2:

- **IO 2.2 Enhanced accountability for performance**

**Alternative to 4.4.2.2 (from indirect management to an entrusted entity to direct management (procurement))**

**Purpose of the** Direct Management (Procurement) is to contribute to the **following induced outputs (IO)** under the Specific Objective 2:

- **IO 2.1 Increased availability of quality (HRBA-, internet connectivity and climate-change sensitive) data for evidence-based policy making** including climate-change adaptation of the education system

It will also contribute to the following direct outputs (DO):

- DO 2 Policy dialogue: A more aligned and coordinated policy dialogue is promoted
- DO 3 Performance assessment: Improved monitoring and reporting of reforms
- DO4 Capacity development: Strengthened capacities in the Government of Cambodia conducive to the implementation of the Education policies and the MoEYS PFM Ministerial Action Plans.

**Alternative to 4.4.2.3 (from indirect management to an entrusted entity to direct management (procurement))**

**Purpose of the** Direct Management (Procurement) is to contribute to the **following induced outputs (IO)** under the Specific Objective 1:

- **IO 1.5 Factory Literacy and skills for decent work for female garment workers strengthened.**

It also contribute to the following direct outputs (DO):

- DO 2 Policy dialogue: A more aligned and coordinated policy dialogue is promoted
- DO 3 Performance assessment: Improved monitoring and reporting of reforms
- DO4 Capacity development: Strengthened capacities in the Government of Cambodia conducive to the implementation of the Education policies and the MoEYS PFM Ministerial Action Plans effectively integrating gender mainstreaming and climate change mitigation and adaptation strategies.

#### 4.5. Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realization of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

#### 4.6. Indicative Budget

Indicative Budget components	EU contribution (amount in EUR)
<b>Budget support</b> - cf. section 4.3	40 000 000
<b>Implementation modalities</b> – cf. section 4.4	

<b>Specific Objective 1</b> - <i>Improved access to and quality of (technical) secondary, tertiary education and other skills development/Non Formal Education opportunities for both boys and girls, men and women in an equitable manner</i> composed of	<b>4 300 000</b>
Grants (direct management) – cf. section 4.4.1	2 500 000
Indirect management with <i>a selected entity</i> –cf. section 4.4.2.3	1 800 000
<b>Specific Objective 2</b> - <i>Improved overall cost-efficiency and governance of the education sector</i> composed of	<b>4 500 000</b>
Indirect management with <i>a selected entity</i> –cf. section 4.4.2.1	2 000 000
Indirect management with <i>a selected entity</i> –cf. section 4.4.2.2	2 500 000
<b>Grants</b> – total envelope under section 4.4.1	2 500 000
	0
<b>Evaluation</b> – cf. section 5.2	200 000
<b>Audit</b> – cf. section 5.3	
<b>Totals</b>	<b>49 000 000</b>

#### 4.7 Organisational Set-up and Responsibilities

The Cambodian MEF, which signs the FA, is the formal counterpart to the EU and submits payments requests on behalf of the RGC, based also on input provided by the MoEYS.

The MoEYS is the line minister responsible for the overall oversight of the programme under the two specific objectives (expected outcomes), for both the budget support and the complementary measures. For specific objective 2 (*Improve the overall cost-efficiency and governance of the education sector*), MEF is in co-leadership (with MoEYS) on the oversight of the PFM reforms in education, specifically the attainment of IO 1.1 (*Increased availability of quality data for evidence-based policy making*, especially related to financial data and COFOG mapping) and IO2.2 (*Enhanced accountability for performance*).

Review and monitoring of progress in the implementation of the Sector Reform Performance Contract will be therefore entrusted to both the MoEYS and the MEF.

The Department General for Policy and Planning (DGPP) of the MoEYS will organise quarterly technical reviews and policy dialogue on the programme aiming at:

- Assess the progress of the performance indicators: on indicators 1, 2, 3, 4 MoEYS will lead; MEF will lead on indicators 5 and 6
- Review in detail the progress and how the complementary measures support the programme and the overall RCG policy reforms: MoEYS and EU will co-lead (based on the input prepared by the complementary measures implementers).
- Identify and address any bottlenecks to implementation towards the performance indicators and in the complementary measures: MoEYS and EU will co-lead (based on conclusions and recommendations from 1 and 2)
- Prepare input for high-level policy dialogue and for visibility

Additional technical meetings and field missions will be regularly organised with specific MoEYS and/or MEF departments and with the complementary support implementers to feed the quarterly meetings above.

The Directorate General for Policy and Planning (DGPP) of the MoEYS will also organise annual/bi-annual high-level policy dialogue on the programme aiming at:

- Formally reviewing and monitoring progress in the implementation of the programme
- Bilateral policy and political dialogue between the EU and RGC on the specific contribution of the programme towards priorities such as: Education learning losses, recovery and resilience in the post-COVID world; Gender equality (equal access to education, girls in STEM); Youth Skills (linking

education to employment and non-formal education); Education contribution to climate change, Responsible digitalisation in education; Budget credibility and transparency, Data for evidence.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action and may sign or enter into joint declarations or statements, for the purpose of enhancing the visibility of the EU and its contribution to this action and ensuring effective coordination.

In line with the already existing domestic setup and processes described under Policy Analysis, the policy dialogue on the overall ESP implementation will continue during the quarterly Joint- Education Sector Working Group (J-ESWG), led by the Minister of Education, Youth and Sport and the Development Partners Representative, which is also the Local Education Group (LED) for the GPE allocation to the country. Donors' coordination will continue under the bi-monthly Education Sector Working Group (ESWG), led by UNICEF. In both the J-ESWG (LEG) and the ESWG, civil society is represented. The overall PFM reforms and their repercussion for Education, will be also further discussed with the General Steering Committee (GSC) of PFM reforms co-chaired by the EU/ADB and the MEF.

## 5 PERFORMANCE MEASUREMENT

### 5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix (for project modality) and the partner's strategy, policy or reform action plan list (for budget support).

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Roles and responsibilities for data collection, analysis and monitoring:

For the budget support component, the MEF will report on macroeconomic performance, improvements in PFM and budget transparency; the MoEYS will report on the credibility, progress and financing of the education policy. This will be based on the Annual Education Congress Report (CR), which is published every year, at the end of April, based on the data referring to the N-1 calendar year. Additional reports may complement the CR. Review and monitoring of progress in the implementation of the matrix (performance assessment framework) will be conducted annually by the Commission.

The statistical and monitoring systems as well as the quality of official data in the policy field covered have been assessed. This assessment has fed into the design of the action as follows:

-The World Bank data assessment of statistical capacity (scale 0-100) in Cambodia was reported at 60/100 overall in 2020

- The IMF Article IV Report (published in December 2022) noted that Data provision is broadly adequate for surveillance, but shortcomings in terms of coverage, accuracy and timeliness hamper analysis.

-The Joint implementation partnership co-financed by the EU and Sweden, through the Swedish International Development Cooperation Agency (SIDA) was implemented between 2016 and 2022 within the framework of the EU Budget Support to the PFM Reforms. It provided support in the following four areas: 1) National Accounts (including SDGs and consolidation of CSES and other surveys), 2) Statistical Methods, 3) Communication and ICT and 4) Management and Organisational Structure.



- Under the on-going EU-Cambodia Partnership for Public Financial Management Reform (Stage IV), a Twinning on Statistics strengthening is due to start in Q1 2024, focusing at increasing institutional coordination, quality of the data and methodology, as well as capacity building.
- Among the policy priority of the EU-Cambodia Partnership for Public Financial Management Reform (Stage IV) are: the improvement of the financial management information system and enhanced budget transparency, therefore further reinforcing the quality of the official data.
- The Education CR is presented to the whole education stakeholders, including provinces, and its results validated after three days of discussions. This document is signed by the Minister and submitted to the National Assembly. It reports based on ESP Joint Monitoring Indicators (JMIs), Core-breakthrough indicators and a comprehensive list of Outcome Indicators covering all the sub-sectors. It has been used, as a reference for previous Budget Support programmes.
- The Education CR is elaborated under the overall authority of the Directorate General for Policy and Planning and EQAD who is a competent department, which has being supported by donors, EU included for several years. In 2022m the EQAD has been able to carry out the full PISA assessment, based on the OECD methodology, as well as other statistical exercises (e.g. to statistically assesse the COVID learning loss in Grade 6 children).).

Monitoring and reporting shall assess how the action is considering the principle of gender equality, human rights-based approach, and rights of persons with disabilities including inclusion and diversity. Indicators shall be disaggregated at least by sex, ethnicity and disability.

## 5.2 Evaluation

Having regard to the nature of the action, a mid-term and final evaluations may be carried out for this action or its components via independent consultants contracted by the Commission.

It will be carried out for problem solving and learning purposes, in particular with respect to the appropriateness of the complementary measures and to shape or expand future interventions, e.g. expanding the EU involvement into technical and tertiary education.

It will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that the proposed action was intended as an enabler to the TEI 1 and 2 on agricultural and industrial value chains in the country.

The evaluation of this action may be performed individually or through a joint strategic evaluation of budget support operations carried out with the partner country, other budget support providers and relevant stakeholders.

The Commission shall inform the implementing partner at least two months in advance of the dates envisaged for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

Evaluations shall assess to what extent the action is taking into account the human rights-based approach as well as how it contributes to gender equality and women's empowerment and disability inclusion. Expertise on human rights, disability and gender equality will be ensured in the evaluation teams.

The evaluation reports may be shared with the partners and other key stakeholders following the best practice of evaluation dissemination. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments.

Evaluation services may be contracted under a framework contract.

## 5.3 Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

## 6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

In line with the 2022 “[Communicating and Raising EU Visibility: Guidance for External Actions](#)”, it will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union’s support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant rights-holders or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.