

ASIAN DEVELOPMENT BANK
MEMORANDUM OF UNDERSTANDING
FOR THE PROGRAM PREPARATORY TECHNICAL ASSISTANCE OF THE
TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING
SECTOR DEVELOPMENT PROGRAM
(FORMERLY STRENGTHENING TECHNICAL AND
VOCATIONAL EDUCATION AND TRAINING PROJECT II)

FOLLOW UP MISSION

3-7 MARCH 2014

I. INTRODUCTION

1. An ADB Follow Up Mission took place in Cambodia during 3-7 March 2014 to (i) refine policy matrix and program interventions; (ii) determine role of the Project Steering Committee; (iii) finalize scope of proposed capacity development TA; and (iv) review any remaining requirements and reaffirm the timeline for Loan Negotiations. The Mission held discussions with senior officials from the Ministry of Labour and Vocational Training (MLVT) and Ministry of Economy and Finance (MEF) which helped to inform the Mission's dialogue. A List of Persons Met by the Mission is in Appendix 1.

2. This Memorandum of Understanding summarizes key understandings reached with the Government on the Technical and Vocational Education and Training Sector Development Program (TVETSDP; formerly Strengthening Technical and Vocational Education and Training). The recommendations and agreements reflected in this Memorandum of Understanding are subject to approval by the higher authorities of the Royal Government of Cambodia and ADB.

II. MISSION FINDINGS

A. Sector Development Program

3. The Mission informed MLVT that the financing modality of the Strengthening Technical and Vocational Education and Training Project II (STVETII) will be changed from project loan to sector development program given the inclusion of a policy component. For that matter, the title will be changed to reflect "sector development program." The following title change was agreed to: Technical and Vocational Education and Training Sector Development Program (TVETSDP).

B. ADB to Finance TVETSDP

4. MEF indicated that negotiations with Agence Française de Développement (AFD) are ongoing in terms of co-financing for TVETSDP. MEF advised ADB to proceed with finalizing TVETSDP with MLVT based on ADB financing only. TVETSDP is estimated at \$30.0 million financed by \$7.0 million policy-based loan and \$23.0 million project loan. Shortly after the ADB-AFD Joint Fact Finding Mission held during 7-11 October 2013, ADB and MLVT communicated via videoconference to set the parameters for re-costing TVETSDP based on ADB financing. PPTA consultants proceeded to re-cost TVETSDP in consultation with MLVT. The MLVT and

ADB have reached consensus on the re-costing of TVETSDP during the first Follow Up Mission held during 16-19 December 2013. The final re-costing is reflected in the costing tables in the Program Administration Manual (PAM) (Appendix 2) and a summary is provided in the section below.

C. Project Costs and Financing

5. The total Project cost of TVETSDP is estimated at \$25.6 million, inclusive of \$23.0 million ADB project loan and \$2.6 million Government counterpart funds (Table 1). Government counterpart funds are 10% of the total project cost contributing to the following: \$0.8 million in supplementary salaries; \$1.0 million in taxes and duties; \$0.5 million for civil works; and \$0.3 million for workshop equipment.

Table 1. Financing Plan

| Source | Amount \$ million | Share of Total [%] |
|---------------------------------|----------------------|--------------------------|
| Asian Development Bank | 23.0 | 90% |
| Royal Government of Cambodia | 2.6 | 10% |
| Total | 25.6 | 100% |

6. Detailed cost estimates by output and year are presented in the draft PAM, with an indicative break down by output (not including interest during implementation) as follows:

Table 2. Project Investment Plan (\$ million)

| Item | Amount ^b |
|---|---------------------|
| A Base cost^a | |
| 1 Increased access to TVET programs | 3.7 |
| 2 Enhanced relevance and quality of TVET system | 13.8 |
| 3 Increased involvement of employers | 2.9 |
| 4 Governance and management | 4.0 |
| Subtotal [A] | 24.4 |
| B Contingencies^c | 1.2 |
| Total [A+B] | 25.6 |

^a Includes Government contribution of \$2.6 million made up taxes, duties [in-kind contribution] and operation costs [cash contribution]

^b In 2013 prices

^c Physical contingencies amount to \$0.6 million, price contingencies amount to \$0.6 million

7. Expressed in base costs, investment expenditure is made up of \$3.0 million (12%) for construction of TVET facilities (including \$0.6 million (2%) for construction of women's dormitories); \$4.4 million (18%) for furniture and equipment (of which \$0.4 million (2%) for furniture; \$3.1 million (12%) for office, workshop and specialized training equipment; and \$0.3 million (1%) for vehicles); \$8.9 million (36%) for training at the CQF levels 1-4; \$1.6 million (7%)

for grants and contracts; and \$4.1 million (17%) for consulting services (of which \$3.4 million is for capacity building and \$0.7 million for project management). Of the grants and contracts, \$0.71 million (2.8%) will finance start-up costs of Provincial Training Centers (PTCs), Regional Training Centers (RTCs) and Centers of Excellence (CoE).

D. TVETSDP Design

8. **Impact and Outcome.** The impact of the Program will be increased employment of TVET certified workers. The outcome of the Program will be an accessible, demand-driven TVET system responsive to continuing and emerging labor market demands. Indicators and targets at the impact, outcome, and output levels have been identified in the draft design and monitoring framework (DMF) upon discussion with MLVT (Appendix 3). The DMF is subject to further refinements according to ADB requirements prior to Loan Negotiations.

9. **Outputs.** MLVT confirmed with the Mission four core outputs of the Program. The following is a detailed description of the Program interventions by output as per the PAM which was reviewed with MLVT.

Output 1: Increased Access to TVET Programs

10. The Program will increase access to TVET programs through (i) introduction of the Vocational Skills Certification (VSC) at Level 1 of the Cambodian Qualifications Framework (CQF); (ii) policy development for the introduction of new flexible pathways into TVET, including recognition of prior learning and current competencies (RPL/RCC); (iii) piloting VSC and RPL/RCC; (iv) stipend program for CQF Level 2-4 training; (v) construction of women's dormitories with career mentorship centers to attract and retain female trainees; and (vi) implementation of social marketing strategy to raise awareness about TVET programs to Cambodian youth, employers and community-at-large.

11. **Introduce the Vocational Skills Certification (VSC).** The Program will support the Department of National Competency Standards (DNCS) to review rules for all TVET qualifications and produce qualification requirements for introducing the Vocational Skills Certification (VSC) at Level 1 of the CQF as an alternative entry requirement into the formal TVET system (Level 2 of CQF). Entry requirements at Level 1 of the CQF do not include Grade 9 certification. The VSC will include an option for trainees to study towards a specific subject area leading to CQF Level 2 qualification. MLVT will issue Prakas to promulgate the newly formed VSC and guidelines for implementing and monitoring CQF, inclusive of VSC criteria for qualification. The implementation of the VSC will be piloted with the existing nonformal TVET courses in mechanics (auto mechanics), construction and ICT/business offered by MLVT public TVET institutes¹. Findings and conclusions from the pilot will inform DGTNET on ways to reconfigure nonformal short course training to recognize skills achievement.

12. The Program will also support DNCS to develop the basic and core competency standards for the VSC, and specific units of competency for the VSC in the following priority sectors: mechanics (auto mechanics), construction, electrical works, and manufacturing.

13. The Program will support DNCS to produce a report identifying limitations of current entry requirements at each level of the CQF with recommendations for revisions. The report will inform options for more flexible pathways into the various levels of the formal TVET system.

¹Nonformal TVET courses are "short courses" which currently do not lead to accreditation.

14. **Develop and implement policies for recognition of prior learning and recognition of current competencies (RPL/RCC).** Access to formal TVET programs may be increased by recognizing current skills, knowledge and attitude regardless of how, when or where they were obtained. Skills, knowledge and attitude may be acquired through non-formal or formal training, or through work experiences and everyday life experiences. This is called recognition of prior learning and current competencies (RPL/RCC).

15. The Program will support DGTVET to develop the Assessment Policy and Certification Policy and associated guidelines to operationalize the process for recognition of prior learning and current competencies (RPL/RCC) under DGTVET to recognize more Cambodian youth with qualifications to enter formal TVET programs. The Assessment Policy will outline the rationale for conducting competency assessments in order to facilitate access to formal TVET. The Certification Policy will outline the procedure for allowing the recognition of competency units achieved, as well as the certification of complete qualifications for CQF Levels 1-4. Relevant guidelines for implementing and monitoring the approved Assessment Policy and Certification Policy will be developed. Policies and guidelines will be endorsed by MLVT.

16. An operational plan will be developed for the phased introduction of RPL/RCC. DNCS will also be supported to develop training modules for the implementation of RPL/RCC. Eighty (80) staff from DGTVET, public TVET institutions, and managers of assessment centers will be trained to implement the RPL/RCC process. Two hundred (200) assessors (10% females) from public TVET institutes will be trained to conduct competency assessments which are central to the RPL/RCC process. The process for RPL/RCC, including competency assessments, will be piloted with 150 young adults (10% female) enrolled in TVET courses in mechanics (auto mechanics), construction, and ICT/business.

17. **Establish Stipend Program for CQF Level 2-4 Training for Disadvantaged Youth and Women.** The Program will support the provision of training to disadvantaged youth and women by MLVT public TVET providers. MLVT will request and evaluate training proposals from its public TVET providers, which will include the number of beneficiaries from poor households and the proportion of women enrolling in CQF Level 2-4 training.² Proposal from MLVT public TVET provider will be based on regional Training and Employment Needs Assessment (TENA) identifying training skills areas, which will comprise a survey of employers with in the region expressing skill needs. TENA will be completed in coordination with National Employment Agency. Stipends will be \$60 per month for a 9-month long course per trainee enrolled. Stipend will cover housing accommodation, food allowance and local travel. Total of 4,000 trainees (1,200 or 30% female) will receive stipends between years 2-5 of Program implementation.

18. Not all public TVET providers have dormitories, especially in remote regions. Therefore, in those cases, trainees would receive an additional travel allowance of \$100 per year. Housing accommodation covered by the stipend would be provided to those attending MLVT public TVET institutions without dormitories. Allowance for housing and additional amount for travel allowance is subject to trainee needs assessment conducted by the MLVT public TVET providers to understand the financial limitations of trainees and their needs to ensure successful participation and completion of training.



²Beneficiaries from poor households will be identified through the Ministry of Planning's ID Poor I and II.

19. **Pilot Women's Dormitories with Career Mentorship Program.** The Program will make provision to pilot women's dormitories, inclusive of career mentorship program, at 3 PTCs to increase women's access to TVET programs in the following provinces: Vocational Training Center in Koh Kong, Vocational Training Center of Banteay Meanchey, and Chantiers-Ecoles de Formation Professionnelle in Siem Reap. Construction will include water and sanitation packages for each of the 3 women's dormitories. The dormitories will enable access to at least 40 women per PTC. The career mentorship program will be conducted on the ground floor of the dormitory buildings with monthly program features such as learning events related to entrepreneurship and financial literacy and information sessions about specific career tracks and job opportunities. The Program will make provision for dormitory furniture; as well as a computer lab, multimedia learning materials addressing soft skills (i.e. communication, critical thinking, etc.) and books for the career mentorship program. The pilot will include outsourcing the management and operation of the women's dormitories and delivery of the career mentorship program. Management and operation will include the following: 24-hour security, daily housekeeping, and building maintenance.

20. The objective of the career mentorship program is to engage women to learn about emerging career opportunities and entrepreneurial routes into non-traditional trades (i.e. auto mechanics, air conditioner repair, etc.). The Program will train PTC Directors to design monthly career mentorship programs and implement with outsourced contractor. The Office of Special Needs and Gender under the Department of TVET Management will be engaged to assess and evaluate the development and implementation of the career mentorship programs. The Program will make provision for an impact study to understand the extent to which the women's dormitories, inclusive of career mentorship program, support retention of female students in TVET programs. Two female PTC staff members from each of the 3 PTCs will be trained to oversee implementation of the career mentorship program.

21. Selection criteria for female students to reside in dormitories will include need for housing assistance determined through assessment conducted by PTC and inclination to begin training for non-traditional trades. All female residents at the dormitories will be required to attend all career mentorship features. Female students enrolled at the PTCs, but not residing at dormitories, will be eligible to attend all career mentorship features.

22. **Promote Social Marketing of TVET.** The Program will build the capacity of DGTVET to develop and monitor a sustained TVET social marketing campaign to improve the poor public perception of TVET and vocationally-oriented occupations. The office responsible for TVET Marketing will be equipped with large format printer to develop marketing materials for MLVT public TVET institutions, and signage displays with demountable booth and tents to display information about TVET course offerings and information on career directions at school visits and fairs.

23. RTC Directors will be guided to assign staff responsible for social marketing. Training will be provided under the Program to implement marketing activities to promote TVET course offerings and career directions at the regional and provincial levels. The Office of Special Needs and Gender under the Department of TVET Management will be engaged to develop marketing messages to build awareness among women about TVET course offerings and career directions. A total of 100 participants from DGTVET, RTCs, PTCs, and MLVT public TVET institutions will attend workshops on implementing the TVET social marketing campaign and identifying effective ways to communicate and illustrate opportunities for vocationally-oriented careers. The Program will make provision for 100 road shows to take place at the provincial level to build awareness about the value of TVET and its connection to immediate job

opportunities. The Program will support the development of locally contextualized road shows in coordination with the office responsible for TVET marketing under DGTNET, National Employment Agency (NEA), relevant PTCs, RTCs, and MLVT public TVET institutions; and local employers.

24. The Program will make provision for contracting with a social marketing agency to develop and implement social marketing messages related to TVET promotion, particularly among women and disadvantaged populations. The social marketing agency will engage in scripting, designing, and producing electronic and print mass media messages, including news articles about TVET course offerings and trainee outcomes and personal experiences with TVET. Assessment and evaluation of social marketing strategies implemented by RTCs, PTCs, and MLVT public TVET institutions will be supported by the Program.

Output 2: Improved Quality and Relevance of TVET System

25. **Strengthen TVET Quality Assurance System.** The Program will pilot a quality assurance system for TVET institutions in Cambodia, inclusive of assessment instruments to be used in the auditing of public TVET institutes, Regional Training Centers (RTCs) and Provincial Training Centers (PTCs). The Quality Assurance – Monitoring and Evaluation Division (QA-ME) of the DGTNET will be guided to confirm: (i) quality standard components for TVET institutes; (ii) criteria and rating system; (iii) self-assessment tools for TVET institutes to promote, develop and improve quality of training delivery and be prepared for internal and external assessments and quality accreditation; and (iv) identify other QA elements relevant to the quality of TVET in Cambodia such as factors impacting quality of teaching and learning outcomes as well as administration of a QA TVET System. The Program will support the development of the skill standards by adapting industry-endorsed competency standard for the curriculum and course development required for course accreditation in electrical works and manufacturing.

26. A series of workshops will be conducted to introduce a total of 70 directors of TVET institutes based in Phnom Penh and all provinces to the quality standard components and criteria and rating system, and provide training on the use of self-assessment tools. Implementation manuals for piloting the quality system will be developed and distributed to all public TVET institutes, RTCs and PTCs.

27. The pilot will follow a phased approach supported by 4 annual seminars reaching 100 directors of TVET institutes and other staff per seminar to address issues of implementation and to define the role of the TVET institute assessor and the procedures for auditing of TVET institutions. Position descriptions for quality auditor/assessor and code of practice will be developed and approved by DGTNET. The Program will support 8 internal audits of TVET institutions to be conducted under the pilot.

28. Ten staff members from DGTNET will participate in a study tour to build knowledge about quality assurance systems. DGTNET will report on results following the piloting of the quality assurance system, including recommendations for system refinements.

29. **Establish TVET Competency-based Assessment and Certification System.** To support the implementation of key policies developed for operationalizing RPL/RCC, the Program will support the Office responsible for National Accreditation and Assessment under the DGTNET to develop a revised competency assessment and TVET certification system inclusive of VSC. The Program will also support the development of competency assessment tools to be used by competency assessment centre to be hosted within TVET institutes. A

series of workshops reaching 200 staff from TVET institutes in Phnom Penh and 50 staff from TVET institutes in all provinces will be conducted to introduce competency assessment as a key aspect of and the procedures for recognition of competencies, as well as revised TVET certification system inclusive of VSC.

30. The Program will support the establishment of 10 competency assessment centres within existing MLVT public TVET institutions, as well as operating costs for conducting assessments. A training program for competency assessors will be developed and delivered under the Program. Eighty assessors and 10 managers of competency assessment centre will be trained to design and conduct competency assessments. The 80 assessors will be accredited by DGTNET. A register for assessors will be developed with the Office of National Accreditation and Assessment.

31. Competency assessment conducted by accredited assessors in established assessment centres of public TVET institutes will be piloted with 200 Cambodian youth enrolled with the construction, mechanics (auto mechanics) and ICT/Business. DGTNET will report on results following the piloting of the quality assurance system, including recommendations for system refinements.

32. Ten staff members from DGTNET will participate in a study tour to build knowledge about implementation of RPL/RCC and competency-based assessment and certification systems.

33. **Improve TVET instructor training System.** The Program will support the National Technical Training Institute (NTTI) to introduce competency-based pre- and in-service TVET instructor training and instructor assessment. The Program will support the development of curriculum and learning materials for training instructors on the competency-based approach to TVET. Support will also be provided to design an instructor assessment program, inclusive of assessment tools for evaluating the extent to which pre- and in-service TVET instructors understand and deliver competency-based training. The new course offered by NTTI will include the following subjects: (i) identification of competency standards and curriculum design; (ii) design of competency-based learning materials; (iii) delivery of competency-based training; (iv) design of competency-based assessment; and (v) organization and implementation of competency-based assessment.

34. The Program will also support NTTI to develop a Return to Industry Scheme, in coordination with Sector Skill Councils, to enhance the technical skills of TVET instructors to deliver CQF Level 1-4 courses at RTCs and PTCs. Support under the Program will enable arrangements with employers for RTC and PTC instructors to be assigned an "instructor apprenticeship" to gain experience in industry in relation to the course or program he/she will teach. Instructors will be guided to review their training course / program and identify competency areas requiring industry exposure. NTTI, together with Sector Skills Councils, will work with industry enterprise to identify core activities for the instructors to engage in in order to develop the required competencies to deliver the course / program. Upon completion of the "instructor apprenticeship," NTTI will assess instructors.

35. Ten NTTI master trainers will be trained to pilot the delivery of the competency-based pre- and in-service TVET instructor training and instructor assessment, inclusive of the Return to Industry Scheme. In addition, the new program will be piloted with 30 RTC and PTC instructors (consisting of 10 in construction, 10 in mechanics (auto mechanics), and 10 in ICT/business) who would be teaching Certificate 1 (CQF level 2) programs in these sectors.

NTTI, together with DGTNET, will assess the pilot and identify areas for refinement and revise the courses and approach accordingly.

36. The Program will support the roll-out of the competency-based pre- and in-service TVET instructor training and instructor assessment to RTCs. Approximately 600 instructors from MLVT public TVET institutions will be trained under the Program.

37. **Enhance Voucher Skills Training Program (VSTP).** The Program will support DGTNET to increase the effectiveness of the VSTP in terms of stronger linkages to the labor market, integration with the CQF and gender equity.

38. DGTNET will be supported to revise the process for local enterprise profiling under the Training and Employment Needs Assessment (TENA) to incorporate provincial investment plans and provincial industry data. The resulting commune training plans will relate to a broad range of skill needs. The Industry Liaison Units based in PTCs will assist in this process, together with the Community Development Specialists (CDS). The CDS will be trained under the Program to analyse skill needs based on provincial investment plans and provincial industry data. The CDS will also be trained to identify skills needs and programs for female trainees and ways to inform women about the range of training and employment opportunities available within the commune, nearby communes, districts and in the province. A total of 62 CDS will be reached under the Program.

39. The Program will conduct orientation workshops with non-state TVET providers to build awareness about VSTP and its revised TENA requirement. MLVT will solicit proposals from non-state TVET providers for Urban VSTP training in business development, entrepreneurship and product marketing, micro-finance, and farm management and value chains based on the revised TENA requirement³. The voucher will be based on the following unit costs: \$22 per trainee for rural commune-based training; \$300 per trainee for rural enterprise-based training; \$350 per trainee for rural center-based training; and \$456 per trainee for urban center-based training.

40. The Program will support the introduction of basic skills competency standards and assessment in the VSTP courses through standardized curricula and skills standards in order to allow accumulation of credit towards VSC. The Program will support an assessment and revision of the VSTP guidelines in order to enable trainees to develop multiple documented skill sets and progress to the VSC. The Program will expand and enhance the current VSTP curricula to reflect competency-based training principles. Individuals will be encouraged to enroll multiple times in the VSTP.

41. The Program will develop modules for the revised VSTP implementation and participation guidelines kit. Revised criteria for VSTP participation and enhanced reporting templates will be developed and included in the Guideline's Kit. A template for the VSTP skills log book will be developed. Skills log books will be developed and published for occupational areas.

42. Increased participation of non-state providers in the delivery of CQF Level 1 programs under VSTP will be promoted through the development and implementation of a quality assurance mechanism. This will include: (i) registration with MLVT; (ii) submission of standard documentation for compliance with competency-based training and assessment evaluated and

³10% of the total 45 Urban VSTP courses supported under the Program will be outsourced to non-state providers.

approved by the office responsible for National Standards and Accreditation under DGTNET. Qualified providers will be able to submit VSTP training proposals to MLVT.

43. The Program will increase the number of communes involved in center-based and enterprise-based (urban) VSTP. The Program will support a total of 39,035 trainees to enroll in VSTP with the following proportions: 34,300 trainees to enroll in commune-based training; 2,085 trainees to enroll in enterprise-based training; 1,400 trainees to enroll in rural center-based training, and 1,250 in urban center-based training.

44. The Program will support 3 tracer studies to understand the impact of the enhanced VSTP training on women and the poor and disadvantaged.

45. **Enhance Skills Bridging Program (SBP).** The Program will support DGTNET to expand and enhance the current SBP curricula to reflect competency-based training principles. The Program will support the development of a gender inclusive learning module on career opportunities following vocational training. SBP learning support materials will be designed to reflect curriculum enhancements and gender inclusive principles. The SBP assessment strategies will be revised to reflect competency assessment principles.

46. Orientation workshops will be conducted on the revised SBP curricula and learning support materials reaching 20 public and non-state providers. MLVT will solicit proposals from non-state TVET providers to deliver competency-based skills bridging courses⁴. A SBP Guidelines Package will be developed to support the increased involvement of non-state providers in offering SBP.

47. Bi-annual orientation workshops reaching 100 SBP providers (public and non-state) will be conducted to review implementation of competency-based SBP and assessment and identify refinements. The Program will target 7,575 trainees (40% female) to enroll in SBP.

48. **Improve TVET Facilities.** The Program will finance the enhancement of the following TVET facilities to support delivery of the revised CQF Level 2-4 competency-based training and assessment in construction, mechanics (auto mechanics) and electrical works: (i) 9 workshops and specialized equipment packages at BanteayMeanchey PTC, Kampong Cham PTC, Kampong Speu PTC, Kampong Thom PTC, Kandal PTC, Koh Kong PTC, Pursat PTC, Siem Reap-CEFP, and Sihanoukville; (ii) an additional building at the Battambang Institute of Technology including classrooms and workshops; and (iii) minor rehabilitation of 26 public TVET institutes. The Program will also make provision for rehabilitating the DGTNET building to accommodate the inclusion of the new units.

Output 3: Increased Involvement of Employers in TVET Delivery

49. **Strengthen Internship Program.** DGTNET will be guided to develop and implement an Internship Policy in coordination with Sector Skills Councils to guide the reform of the existing internship program provided by MLVT public TVET institutes. DGTNET will also be supported to coordinate with Sector Skills Councils to develop a revised framework and guidelines for the internship program offered by public TVET institutes, RTCs and PTCs. Staff of Industry Liaison Units managing the internship programs will be trained to implement and monitor the new program. Industry Liaison Units will also receive training on developing proposals for internship stipends based on the internships planned in coordination with Skills Sector Councils. Industry

⁴10% of the total 425 skills bridging courses supported under the Program will be outsourced to non-state providers.

Liaison Units will submit proposals for internship stipends to DGTVET. The Program will make provision for stipends for CQF Level 2-4 trainees of the MLVT public TVET institutes to participate in internships. Internship stipends will cover accommodation, food allowance, and travel. Each intern will receive \$60 per month for the duration of the internship. Stipends will be paid directly to interns. The Program will support 200 MLVT public TVET trainees to engage in internships as per the following: 95 Level 2 trainees, 65 Level 3 trainees, and 40 Level 4 trainees. Level 3-4 internships will be provided through Centres of Excellence as per para 53 below.

50. A series of workshops reaching 500 staff of MLVT public TVET institutes, including RTCs and PTCs, National Employment Agency, and members of Sector Skills Councils will be conducted to build awareness about the revised internship program and review implementation on an annual basis.

51. **Establish Sector Skills Councils.** The Program will support DGTVET to establish Sector Skills Councils to represent each of the following priority sectors: construction, mechanics (auto mechanics), electrical works and manufacturing. Sector Skills Councils will be composed of industry associations and large employers. DGTVET will be guided to formulate operating procedures to direct the activities of Sector Skills Councils, and to establish a monitoring and evaluation framework, inclusive of indicators to measure the work of Sector Skills Councils. Engagement of industry associations and large employers as members of the Sector Skills Councils will be formalized through Memorandums of Agreement with MLVT.

52. Sector Skills Councils will be engaged to support the development of Centers of Excellence under the Program, as well as to establish the following key training programs requiring the participation of large employers: (i) sector-specific soft skills training programs in cooperation with Centers of Excellence (CoE); (ii) Return to Industry Scheme for TVET instructors in cooperation with NTTI; and (iii) internship program offered by public TVET institutions in cooperation with Industry Liaison Units and CoE. The Program will make provision for a series of workshops for consultation and planning among representatives of Sector Skills Councils and key stakeholders. The Program will make provision for an honorarium paid to members of Sector Skills Councils upon service.

53. **Establish Centers of Excellence.** The Program will establish Centres of Excellence (CoE) in select host public TVET institutions under MLVT in the following priority sectors: mechanics (auto mechanics), construction, electrical works, and manufacturing. The following are key criteria for selecting the host public TVET institution under MLVT: (i) experience and resources in delivering training programs for the specific sector; (ii) physical space for CoE classes and specialized equipment for training; (iii) experience in collaborating with relevant industry associations or non-state providers; (iv) strong management and leadership as well as good governance; and (v) commitment to developing the CoE. Development of the CoEs will be guided by Sector Skills Councils and Industry Advisory Groups. DGTVET will be guided to set up a Governing Board for each CoE, inclusive of representatives from its Sector Skills Council. The Program will build the capacity of DGTVET and the host public TVET institute to formulate annual operating plans for engaging in the following core objectives for the CoE: (i) improving delivery of VSC and CQF Level 2-4 courses in the 4 priority sectors; (ii) establishing sector-specific soft skills training program; and (iii) functioning as resource centres for RTCs and PTCs. The Program will support the evaluation of the internship programs. The following provides details on the activities related to each core objective:



(i) Improving delivery of VSC and CQF Level 2-4 courses in the 4 priority sectors.

The Program will build the capacity of DGTNET and each host public TVET institute to develop and pilot VSC and CQF Levels 2–4 training programs. The VSC training program will include skills bridging components along with a workplace familiarization course. The Program will provide workers with basic literary and numeracy skills within the workplace context and learning experiences to gain exposure into work floor or workshop environments specific to the sector. The CoE for manufacturing will be supported to develop and pilot VSC (CQF level 1) and CQF Level 2 course in basic manufacturing processes, inclusive of on-the-job training opportunities. The COE will pilot the training programs in RTCs and PTCs located near Special Economic Zones (SEZ).

The Program will build capacity of DGTNET and each host public TVET institute to develop and pilot CQF Levels 3–4 internship programs for mid-level and supervisory workers in large manufacturing enterprises. These internship programs will be 12 months in duration. The classroom, theoretical component of the program will be taught in the COE while the practical, hands-on work experience will be guided in select enterprise. Both courses (one at Certificate 2 and another at Certificate 3), will be piloted with enterprise located in the Phnom Penh SEZ.

(ii) Establishing sector-specific soft skills training program

In cooperation with Sector Skills Councils, the CoEs will determine the necessity for soft skills training in terms of common workplace scenarios and problems / issues that arise. The Program will support the development of a soft skills training module to be incorporated into curricula for CQF Levels 1-4. Multimedia training materials for teaching sector-specific soft skills will be provided under the Program.

(iii) Functioning as resource centres for NTTI and RTCs / PTCs.

The Program will support the CoEs to disseminate the CQF Levels 1-4 course materials to RTCs and PTCs within each CoE network. Support will also be provided to build links between CoEs and NTTI in order to share resources to strengthen TVET instructor training.

The Program will make provision for CoE operating costs on a sliding scale. The CoEs will submit annual operating plans to DGTNET, inclusive of financial needs for implementation of annual plan. The Program will also make provision for specialized equipment for each CoE to deliver CQF Levels 1-4 training as per consultation with Sector Skills Councils.

Output 4: Strengthened Governance and Management in TVET System

54. Strengthen RTCs and training centers at provincial level to Offer CQF Level 2 and above courses. The Program will build the capacity of MLVT public TVET institutions offering certificate level courses, including RTCs and PTCs, to deliver training courses at CQF Levels 2-4 in construction, mechanics (auto mechanics), and ICT/business through the Innovative TVET Management Delivery (ITMD) Strategy. Each RTC will implement a maximum of 6 course titles, 2 per sector, at Certificate 1, 2, & 3 (CQF Levels 2 - 4) during the 3rd, 4th, and 5th years of TVETSDP implementation. The combined 5 RTCs will deliver a total of 90 courses and train approximately 2700 (90 courses x 30 trainees per course) trainees. The ITMD Strategy will also build capacity in the 26 MLVT public TVET institutes to deliver Certificate 1 (CQF Level 2) training programs in the same 3 sectors. It is envisioned that each PTC will implement 3 course titles per year (one occupation per sector) at Certificate 1, 2, and 3 during the 3rd, 4th, and

5th years of TVETSDP implementation. Each MLVT public TVET institutes will implement 9 courses. The combined 26 MLVT public TVET institutes will deliver approximately 234 (9courses x 26 MLVT public TVET institutes) with a total of approximately 280 students trained. All RTC and MLVT public TVET institute trainees will be assessed and certified under the new competency assessment system development and implemented under TVETSDP.

55. The ITMD Strategy will strengthen RTCs and MLVT public TVET in the areas of (i) planning; (ii) budgeting; (iii) program implementation; (iv) business development; and (v) monitoring, evaluation and reporting. RTC and MLVT public TVET institute directors and administrators will be trained to develop the following: (i) 3-year TVET institute business plan; (ii) annual operational plans; (iii) 3-year TVET institute human resource and institutional capacity development plan; (iv) business development plan; and (iv) performance management scorecard.

56. The ITMD Strategy will also strengthen the capacity of RTC and PTC directors and administrators to develop budget plans and more effectively employ financial/accounting procedures. The Strategy will also strengthen capacity to determine program costs and identify sources of funding. As part of the budgeting process, the ITMD Strategy will build capacity in to develop a business model and plan to systematize revenue and develop RTC/PTC capacity to engage in income generating activities through the selling of training programs and services to businesses.

57. Finally, the ITMD Strategy will operationalize the RTC cluster system. The Strategy will set up a Cluster Committee for each of the 5 RTC networks that have already been established under STVET I. Committee Meetings will be held once monthly and rotate around the RTCs and PTCs in each cluster, providing opportunities for the RTCs/PTCs to learn about the activities of other institutions. Staff of the DGTVET's office responsible for Policy and Planning will be members on each Cluster Committee to strengthening links between DGTVET and RTCs/PTCs and ensuring that Cluster activities are aligned with DGTVET policy and planning. Other DGTVET departments such as Finance will also be represented on the Committees to ensure that RTC/PTC budgeting is in line with decentralization initiatives related to Public Financial Management Reform (PFMR) Program and Program Budgeting (PB). Cluster Committees will carry out a needs analysis to produce a Cluster Operational Plan that aligns individual RTC and PTC operation plans in order to better coordinate their combined efforts to address local manpower and skill development needs.

58. An Annual TVET Conference, hosted by MLVT, will be implemented during the 3rd, 4th, and 5th years of the Program, bringing together cluster institutions with the CoEs and other non-state TVET providers, to facilitate the exchange of ideas and address current issues in the TVET Sector.

59. **Strengthen Financing of MLVT public TVET institutes.** The Project will finance start-up costs of select MLVT public TVET institutes, in particular RTCs and PTCs, to offer courses at CQF Levels 2-4. The start-up costs will be funded on a sliding scale: 100% in the 1st year, 80% in the 2nd year, 50% in the 3rd year, 30% in the 4th year and 10% in the 5th year.

60. RTCs and PTCs will submit a business plan as a basis for spending start-up costs provided under the Program, as well as an annual comprehensive budget for the institution which identifies proposed spending items to be financed by the Program funds. Spending must be on eligible expenditures such as staff training, teaching materials and equipment, stationery,

utilities, transport, industry liaison, marketing, tracer studies of certificate graduates, monitoring and evaluation, and cluster development.

61. Funds will be provided to RTCs and PTCs in Semester 1 in advance once enrolments are verified by submission of student details to DGTVE through appropriate forms. Further funding will be based on full accounting and acquittal against the annual budget and business plan.

62. **Improve Information Management Systems.** The Program will review the existing LMIS and TVETMIS and support expansion of and linkages between both systems. The TVET MIS shall incorporate competency unit databases (courses), records of enrolment, achievement, institutional inventories, and assessor register. Expansion of TVETMIS will also include registration of training competency-based courses and participation in internship program. The Program will support the development of a module to link TVETMIS and selected financial indicators for formation of unit costs. Revision and redevelopment of reporting modules within the information system will be supported to provide consolidated reporting and disaggregated division/institution reporting. The LMIS will be expanded to include achievement of skills areas among the workforce in order to enable a greater match between supply and demand. A series of workshops reaching 100 NEA staff, DGTVE staff and staff of public TVET institutes, together with RTCs and PTCs will be conducted to access and use the system to inform TVET programming.

63. **Gender Action Plan.** The Gender Action Plan (GAP) is based on social and gender analysis and stakeholder consultations. It highlights the specific actions that will be implemented and monitored under TVETSDP. The elements of the GAP have been integrated into the overall Program design. Specific gender indicators are included in the design and monitoring framework (DMF). The Mission proposed that the baseline study to be commenced at Program inception collect the necessary data against gender indicators. The gender analysis and GAP is included in the draft PAM.

E. TVETSDP Policy-based Loan

64. The Mission indicated that the policy-based loan will be disbursed in 2 tranches. The first tranche of \$3.5 million will be released upon satisfactorily meeting first tranche policy actions at loan effectiveness. The Mission found that 4 out of 5 policy actions under the first tranche have been completed. MLVT indicated that one policy action, the issuance of the Sub-Decree for the Cambodia Qualification Framework by the Royal Government of Cambodia, will be completed by mid-April 2014. The second tranche release of \$3.5 million will be released upon satisfactorily meeting second tranche policy actions by the end of 2017. The objectives of the policy-based loan under TVETSDP aim to strengthen MLVT in increasing access to and quality of the TVET system. Consulting services would be provided to MLVT under the Program loan and capacity development technical assistance (CDTA) to complete second tranche policy actions. MLVT confirmed the scope of the conditions proposed for the policy-based loan. The table below includes policy actions for both tranches, including status of first tranche policy actions.

Table 3: Policy Actions

| Tranche 1 Policy Actions by Loan Effectiveness | Policy Actions by end of 2017 |
|---|--|
| <p>T1.1 The Royal Government of Cambodia will issue a Sub-Decree signed by Prime Minister to promulgate the implementation of the Cambodia Qualification Framework to support the development of flexible pathways between different levels of qualifications leading Cambodians to access education and training opportunities towards lifelong learning and facilitating regional mobilization of Cambodia's skilled workforce.</p> <p>ADB to receive official copy Sub-Decree signed by Prime Minister by mid April 2014.</p> | <p>T2.1 MLVT will issue Prakas to promulgate the Vocational Skills Certification at Level 1 of the Cambodia Qualifications Framework as an alternative entry requirement into the formal TVET system (Level 2 of CQF). MLVT will also issue guidelines for implementing and monitoring the Cambodia Qualification Framework, inclusive of criteria for qualification for Vocational Skills Certificate.</p> <p>MLVT to submit: Official copy of Prakas signed by MLVT Minister and English translation.</p> |
| <p>T1.2 The Royal Government of Cambodia will issue a Circular on Promoting High Quality and Effective Technical and Vocational Education and Training signed by Prime Minister which will define measures such as public private partnerships to ensure that access to TVET is equitable and that it is responsive to the demands of the labor market, leads to increased productivity and contributes to economic development of Cambodia.</p> <p>Completed.</p> | <p>T2.2 The National Training Board will promulgate the processes for the recognition of prior learning and current competencies through the issuance of the Assessment Policy outlining the rationale for conducting competency assessments in order to facilitate access to formal TVET and promote recognition of prior learning and current competencies.</p> <p>MLVT to submit: Official copy of Assessment Policy signed by Chair of NTB and English translation.</p> |
| <p>T1.3 The Ministry of Labour and Vocational Training will issue Prakas for the Registration of TVET Institutes to ensure compliance to quality standards for TVET institutes.</p> <p>Completed.</p> | <p>T2.3 The National Training Board will issue the Certification Policy to outline the procedure for allowing the recognition of competency units achieved, as well as the certification of complete qualifications for CQF Levels 1-4.</p> <p>MLVT to submit: Official copy of Certification Policy signed by Chair of NTB and English translation.</p> |
| <p>T1.4 The Ministry of Labour and Vocational Training will issue Prakas authorizing specific TVET Institutes to offer fee-based courses as a measure to generate revenue from fee paying students and employers who may seek training courses provided by MLVT public TVET institutes for their employees.</p> <p>Completed.</p> | <p>T2.4 The National Training Board will issue an Internship Policy, developed in consultation with employers and workers, to provide a framework for reforming internship programs offered by public TVET institutions under the Ministry of Labour and Vocational Training.</p> <p>MLVT to submit: Official copy of Internship Policy signed by Chair of NTB and English translation.</p> |
| <p>1.5 The Royal Government of Cambodia will issue Sub-Decree signed by Prime Minister to direct the collection and documentation of labor market information to inform market-driven training programs.</p> <p>Completed.</p> | <p>T2.5 The Royal Government of Cambodia will promulgate the National TVET Policy, developed in consultation with relevant government agencies, employers, and workers, to provide a strategic framework for skills development for lifelong employability and regional competitiveness.</p> <p>MLVT to submit: Official copy of National TVET Policy signed by Prime Minister and English translation.</p> |

F. Proposed Capacity Development TA

65. The Mission discussed with MLVT a piggy-back capacity development technical assistance (CDTA) grant aimed to provide long-term capacity building in policy and planning, inclusive of establishing partnerships with relevant government agencies and other stakeholders towards development of a National TVET Policy and training fund. The CDTA is estimated to be \$1.0 million funded by the Japan Poverty Reduction Fund (JFPR). The Executing Agency will be MLVT. MLVT indicated that partnerships with relevant ministries would be formed through the establishment of the Program Steering Committee (PSC). The Mission expressed its concern about inadequate engagement of the PSC under TVETSDP PPTA. MLVT indicated its willingness to strengthen the involvement of the PSC under TVETSDP implementation and under the proposed CDTA. The Mission indicated that it would support MLVT to define clear terms of reference for the PSC members and requirements for more frequent engagement.

66. The following provides an overview of the scope of the proposed CDTA (Appendix 4):

67. **Strengthen Capacity for Policy, Planning, and TVET institutional Management.** DGTNET staff will be supported to participate in capacity building activities for development of TVET policy and regulatory frameworks, results-based TVET planning, and monitoring and evaluation. Capacity building activities will include a series of workshops to review: (i) process for TVET policy development and implementation with a focus on TVET Strategic Plan; (ii) results-based management of TVET development with a focus on formulating budget strategic plan and annual budget plan, and (iii) DGTNET institutional capacity in implementation the result-based plans. Introduction of results-based management will lead DGTNET to analyse TVET budget, planning, implementation, monitoring and evaluation to inform the development of TVET development plan, expenditure framework, and annual operational plans. Workshop series will emphasize building capacity to manage coordination of central-level and provincial and regional level TVET activities to enable greater oversight of MLVT public TVET institutes offering courses at CQF Level 1-4. DGTNET will be supported to introduce accountability mechanism to collect accurate information about the financial situation of Regional Training Centers (RTCs) and other MLVT public TVET institutes. The TA will also build the capacity of DGTNET to foster policy dialogue among key stakeholders as the chair of the TVET Coordination Working Group.

68. **Facilitate Coordination for the Development of National TVET Policy and Training Fund.** DGTNET will also be supported to enhance coordination arrangements to facilitate cooperation among key government agencies involved in TVET delivery. Cooperation will strengthen linkage between TVET and other skills development areas, as well as other education sub-systems. The TA will support DGTNET to conduct a feasibility study on developing training fund for middle level skills development (CQF Levels 2-4) that garners private sector support. Findings will be presented to Skills Sector Councils and National Training Board. The TA will support DGTNET to cooperate with key government agencies through the enhanced coordination arrangements and develop a training fund. The design of the training fund will include procedures for: (i) identifying types of skills and modalities to be supported by the training fund, particularly in relation to government priorities; (ii) determining target groups served by the training fund; (iii) defining selection criteria and relevant proforma for soliciting training delivery; (iv) establishing accountability mechanism to monitor funds flow; (v) developing public awareness campaign advising on access to the training fund; (vi) establishing monitoring and evaluation system to track progress and publish results on a quarterly basis; and (vii) conducting annual forums to increase private sector participation and explore further

avenues to develop a sustainable skills funding system serving immediate and emerging needs of the labour market.

69. **Develop and Implement Gender Policy and Gender Action Plan.** DGTVET staff will be supported to participate in gender and social inclusion capacity building workshops to develop and implement Gender Policy and Gender Action Plan to ensure greater focus on the needs for enhancing technical skills of women in the labour force. The TA will also support the establishment of the social equity staff position in the DGTVET's Special Needs and Gender Office.

G. Project Administration

70. **Financial Management and Funds Flow.** First Generation imprest account will be established by MEF at the National Bank of Cambodia for ADB financing. MLVT will be granted authority to access the Second Generation imprest account. The funds flow diagram for the Program funds is included in the draft PAM. Further details regarding fund flow will be detailed in consultation with ADB Controllers.

71. **Project Management.** MLVT will be the Executing Agency (EA) and DGTVET will be the Implementing Agency. DGTVET will establish the PCU under the guidance of the Program director (the Secretary of State, MLVT), who will oversee overall Program implementation. The Program director will be assisted by deputy Program director (the Under Secretary of State, MLVT). The PCU will be headed by a Program coordinator (the Director General, DGTVET) who will be responsible for day-to-day Program implementation, planning and budgeting, procurement, disbursement, monitoring, supervising, overseeing of implementation in the training institutions, and submitting required reports to the Government and ADB. The Program coordinator will be supported by a deputy Program coordinator. The PCU will have 78 staff members, including procurement, finance, monitoring and evaluation, and administrative staff. Program implementation will occur through all departments of DGTVET, with selected technical specialists from each department supporting the implementation of the Program's technical programs and working closely with the relevant consultants.

72. The National Training Board, chaired by a Deputy Prime-Minister, has representation from concerned ministries, institutions and organizations. MLVT will submit to NTB the following for review and endorsement of: (i) TVET regulatory framework, policies and strategic directions; (ii) establishment of TVET sub-committees and Sector Skills Councils; and (iii) draft National TVET Policy and sub-decree on Cambodia Qualification Framework for submission to Council of Ministers for signature of Prime Minister.

73. The Program Steering Committee (PSC) will be chaired by the Program Director and will comprise representatives from Ministry of Economy and Finance (MEF); Ministry of Education, Youth and Sport (MoEYS); Ministry of Agriculture, Forestry and Fisheries (MAFF); Ministry of Industry and Handicraft (MIH); Ministry of Women Affairs (MoWA); Supreme National Economic Council (SNEC); Council for the Development of Cambodia (CDC); National Employment Agency (NEA); Cambodian Federation of Employers and Business Associations (CAMFEBA); Phnom Penh Special Economic Zone (PPSEZ); a representative from NGOs; and relevant Directorates and technical departments of MLVT. The PSC will be responsible for overall policy direction and Program oversight. Its responsibilities include (i) provide overall supervision and guidance to STVETII, particular with regards to the, policy formulation and implementation; (ii) ensure coordination with concerned ministries and institutions on cross-agency policy dialogue

linked to policy reform agenda; (iii) approve annual work plan and budget allocations; and (iv) oversee progress and compliance with agreed guidelines and procedures.

74. The Program Coordination Unit (PCU) composes of Program Director (Secretary of State, MLVT), Deputy Program Director (Under-Secretary of State); Program Coordinator (Director General, DGTVET), and Deputy Program Coordinator (Deputy Director General, DGTVET). The PCU will be supported by 33 DGTVET's qualified staff for coordination and ensuring the following: (i) the Program outcomes and outputs are achieved as planned and within the agreed schedule and budget; (ii) all procurement activities, including management and performance monitoring of contracts, are carried out smoothly; (iii) the financial and other resources under the Program are well managed in accordance with guidelines and procedures; (iv) compliance with all financial covenants and other obligations in the Loan Agreement; (v) work with Program implementation consultants, and assigned counterpart staff of concerned institutions under DGTVET at both national and sub-national levels towards the achievement of the agreed outcomes and outputs; (vi) all the required policies and guidelines are prepared and submitted timely to the EA and NTB; (vii) coordination with other concerned institutions and stakeholders under MLVT, NTB, and the Program, and other development partners; and (viii) the Program progress, financial and procurement and other reports and information generated by the Program are submitted to PSC, the EA, and ADB in a timely manner.

75. Implementation of TVETSDP will be supported by a total of 45 DGTVET counterpart staff associated with specific units of DGTVET to enable integration of Program activities into overall DGTVET programs and sustainability. Counterpart staff will work in coordination with PCU staff and consultants to implement Program activities.

76. The Gender Committee under DGTVET will (i) coordinate implementation of the Gender Action Plan under TVETSDP with advice from ADB; (ii) monitor and evaluate targets under Gender Action Plan; and (iii) engage in consultations with Cambodian women's development groups to further refine implementation of the Gender Action Plan.

77. **Consultant Inputs.** The Program will be supported by a number of consulting services packages. Foremost of which is the Program implementation consultants comprising of 587 person-months (112 person-months of international and 475 person-months of national consultants). This package is designed to assist the Program to achieve sustainable outcomes by providing technical support for implementation, system and institutional monitoring and training planning, management, and delivery and staff upgrading. The Program implementation consulting services will be engaged through a firm on the basis of quality- and cost-based selection with an 80:20 weighting. MLVT, through the PCU, will be responsible for selecting and hiring consultants. Consulting terms of reference will be included in the draft PAM.

78. **Procurement Plan.** The Mission discussed details of the procurement plan as included in the draft PAM. All procurement of goods and works will be undertaken in accordance with ADB's *Procurement Guidelines*. Supply contracts for goods such as laboratory and workshop equipment estimated at \$1,000,000 equivalent or more will be awarded on the basis of international competitive bidding. Supply contracts for goods such as vehicles, computers and office equipment of more than \$100,000 but less than \$1,000,000 will follow national competitive bidding procedures. Items costing more than \$25,000 but less than \$100,000 will be procured through shopping with advertising. Supply contracts of less than \$25,000 will be procured by shopping without advertising. Civil works under the Program will consist of construction and/or rehabilitation of training facilities and laboratories. Civil works contracts estimated at \$1 million or more will be awarded on the basis of international competitive bidding. Civil works contracts

of more than \$50,000 but less than \$1 million will be procured through national competitive bidding procedures and contracts less than \$50,000 may be procured through shopping. Details of procurement packages and technical specifications must be submitted to the Procurement Review Committee and ADB for approval before procurement.

79. **Monitoring and Evaluation Plan.** The Program will support the development and implementation of M&E plan throughout the Program period. The Program's midterm studies and Program completion report will be externally sourced. Details of the Program performance monitoring are included in the draft PAM.

H. ADB Loan Assurances

80. In addition to ADB's standard assurances on safeguards, gender, governance and anticorruption, health and labor, the Government and MLVT will have the following assurances for the ADB Program loan, which will be incorporated in the legal agreements produced by ADB:

- (i) The Government will provide ADB with written confirmation of 4 TVET institutions identified to host Centres of Excellence in the priority sectors of mechanics (auto mechanics), construction, electrical works, and manufacturing, as per specific criteria included in PAM.
- (ii) The Government will provide ADB with written confirmation in year 5 of Program implementation that DGTNET recurrent budget will include provision for (i) costs associated with the delivery of training courses for CQF Levels 2-4 at all MLVT public TVET institutes; (ii) operations and maintenance costs for Women's Dormitories, Centers of Excellence and Assessment Management Centers established under TVETSDP.
- (iii) The Government will provide ADB with written confirmation of establishment of the Program Coordination Unit and counterpart staff, inclusive of names of staff by DGTNET department and terms of reference within 30 days of loan effectiveness.
- (iv) The Government will provide ADB with written confirmation of the first Project Steering Committee meeting, inclusive of list of members, terms of reference, and meeting minutes, to take place within 30 days of loan effectiveness; and all subsequent Project Steering Committee meetings throughout Program implementation.

81. Additionally, the following condition will be for the ADB policy-based loan:

- (i) The Government will complete all policy actions for first tranche release upon loan effectiveness at the satisfaction of ADB.

I. Conclusions and Next Steps

82. The Government and the Mission reached general understanding on the rationale, impact and outcome, scope, outputs and key activities, and indicative financing amounts and arrangements, as well as implementation arrangements as highlighted in this MoU.

83. Subject to ADB Management review and expeditious completion of processing requirements by all parties, the proposed processing schedule is as follows:

| | |
|--|-------------------------|
| Program documents for intra-ADB review: | 12 March – 2 April 2014 |
| ADB Management Review Meeting: | 22 April 2014 |
| Loan Negotiations with Government: | 13-14 May 2014 |
| ADB Board Consideration: | 29 July 2014 |

84. The Mission would like to express its sincere appreciation to the MLVT and the Royal Government of Cambodia for support and solid dialogue throughout the Follow-Up Mission, which provides a solid foundation for final processing and implementation of TVETSDP.





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