

**AMENDMENT 01 TO THE  
DEVELOPMENT OBJECTIVE GRANT AGREEMENT  
BETWEEN THE  
UNITED STATES OF AMERICA  
AND  
THE KINGDOM OF CAMBODIA  
FOR  
PUBLIC HEALTH AND EDUCATION**

**Development Objective Grant Agreement No. 442-DOAG-0201/01**

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## Purpose of Amendment

On March 30, 2016, the Parties entered into the Development Objective Grant Agreement for Public Health and Education (the "Agreement") between the United States, acting through the United States Agency for International Development (USAID), and the Kingdom of Cambodia (the "Grantee") with the initial contribution of \$24,024,121.

Prior amendments to the March 30, 2016 DOAG were effectuated through the following Implementation Letters:

- Implementation Letter No. 1, signed on June 26, 2017, which provided the grantee with an additional increment of \$28,990,387;
- Implementation Letter No. 2 signed on June 8, 2018, which provided the Grantee with an additional increment of \$40,788,110; and
- Implementation Letter No. 3 signed on August 29, 2019, which provided the Grantee with an additional increment of \$37,798,302.

This Amendment Number 01 ("Amendment") is hereby entered into between the Parties to provide the Grantee an additional increment of \$38,299,292 and modify the budget consistent therewith. This incremental addition of funds brings the total funds obligated to date under the Agreement to \$169,900,212. Additionally, this Amendment increases the Total Estimated USAID Contribution to \$250,000,000, which will be provided in increments.

All terms not defined herein are defined as set forth in the Agreement.

The Parties now wish to amend the Agreement as follows:

### 1. Article 3: Contributions of the Parties.

To increase the grant amount, Article 3, Sections 3.1(a) and (b) are deleted in their entirety and replaced with the following:

(a) The Grant. To help achieve the Objectives set forth in the Agreement, USAID, pursuant to the Foreign Assistance Act of 1961, as amended, hereby grants an amount to the Grantee under the terms of the Agreement not to exceed U.S. one hundred sixty-nine million, nine hundred thousand, two hundred and twelve dollars (\$169,900,212) (the "Grant").

(b) Total Estimated USAID Contribution. USAID's total estimated contribution under this Agreement to achievement of the Objective will be U.S. two hundred fifty million (\$250,000,000), which will be provided in increments. Subsequent increments will be subject to the availability of funds to USAID for this purpose and will be provided by USAID upon written notice to the Grantee. The Parties agree that each such

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incremental contribution provided, if any, shall cumulatively increase the total amount of the Grant set forth in Section 3.1(a) and consequently may increase the Grantee's contribution, if any, under Section 3.2. The Grantee further agrees to acknowledge by written notice to USAID each such incremental contribution, if any. Both parties will discuss and agree on the allocation of any incremental contribution to the extent that such allocation is not reflected in the illustrative activities as articulated in the Health and Education Amplified Descriptions.

Article 3, Section 3.2(b) is deleted in its entirety and replaced with the following:

(b) The Grantee's in-kind contribution to the shared objectives described in the Amplified Description will equal up to twenty-five percent of the total program costs used to support activities that substantially benefit the Grantee or entail direct and substantial involvement of the Royal Government of Cambodia in the administration, management, or control of the activities hereunder.

## **2. Article 4: Completion Date**

Article 4(a) is deleted in its entirety and replaced with the following:

(a) The Completion Date, which is December 31, 2023, or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all the activities necessary to achieve the Objective will be completed.

## **3. Annex 1, Public Health Amplified Description.**

Annex 1, FY 2019 Public Health Amplified Description, is supplemented by Annex 1 for FY 2015, FY 2016, FY 2017, and FY 2018 which are incorporated by reference.

## **4. Annex 2, Education Amplified Description.**

Annex 2, FY 2019 Education Amplified Description, is supplemented by Annex 2 for FY 2015, FY 2016, FY 2017, and FY 2018 which are incorporated by reference.

## **5. Other Terms and Conditions**

Except as amended herein, all other terms and conditions of the Agreement remain in full force and effect. All capitalized terms in this Amendment Number 01 shall have the meanings ascribed to them in the Agreement.

The United States of America and the Kingdom of Cambodia, each acting through its duly authorized representative, have caused this Amendment to be signed in their names and delivered as of the day and year first above written.



UNITED STATES OF AMERICA

KINGDOM OF CAMBODIA

Veena Reddy

Veena Reddy  
Mission Director  
USAID/Cambodia

Date: 25 June 2020

Sean B. Phin

Chin Bun Sean  
Senior Minister in Charge of  
Special Missions and Vice-Chairman of  
the Council for the Development of  
Cambodia (CDC)

Date: 25 JUNE 2020

## **DOAG No. 442-DOAG-0201**

### **Annex 1: FY 2019 Public Health Amplified Description**

#### **I. Introduction**

This Annex describes the health activities to be undertaken and the results to be achieved with the funds obligated under this Agreement.

USAID has developed a Country Development Cooperation Strategy (CDCS) 2014-2020. USAID programs under Development Objective 2, “Improved Health and Education of Vulnerable Populations,” aim to improve the health of Cambodians by strengthening the quality of health care in Cambodia and increasing access to this care. Specifically, programs aim to decrease maternal, infant, and under-five mortality, bring down the rates of stunting and anemia in children and women and reduce the prevalence of HIV/AIDS, tuberculosis (TB), and malaria in Cambodia. Through work identified in this Agreement, USAID expects to advance the Cambodian Ministry of Health’s (MOH) strategic plans as well as Cambodia’s National Strategic Development Plan (NSDP) and Cambodia’s Development Cooperation and Partnership Strategy.

#### **II. Background**

While Cambodia has made substantial progress to improve health outcomes in recent years, it still has among the highest maternal and child mortality rates in the region. A number of Cambodian women and children still die each year from preventable and treatable causes, including pneumonia, diarrhea, and complications in labor. Recent survey results show that approximately one-third of children are stunted from poor nutrition and suffer from high rates of anemia. The Royal Government of Cambodia (RGC) is in the process of developing its next 2019-2023 Food Security and Nutrition National Strategy and has a dedicated coordinating body for nutrition with the role to interface cross-sectorally and across ministries to address the complex causes of malnutrition. Many households, particularly in rural areas, lack adequate access to clean drinking water and sanitation facilities.

Despite tremendous improvements in infectious disease control in recent years, Cambodia ranks among the world’s 30<sup>1</sup> high-burden countries for TB, and HIV prevalence remains high among key populations that face challenges in accessing prevention programs, testing, and treatment. Cambodia is a critical country in the region for diseases that are global threats, such as avian influenza and drug-resistant malaria, and a key country in stopping the potential for future pandemic disease outbreaks.

While the public health system has expanded rapidly in recent years, limited skills of health providers and limited institutional capacity contribute to fragmented and poor service delivery

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<sup>1</sup> 2016 WHO Global TB Report



in some areas. Most Cambodians prefer to seek care in the private sector although quality is questionable and private practices are not routinely regulated. Private health care providers are most commonly sought first in all geographical domains which constitutes about 80 percent in Phnom Penh and other urban areas and 74 percent in other rural areas (Source Cambodia Socio-Economic Survey 2017). Health financing remains problematic as approximately two-thirds of health expenditures are made out-of-pocket (OOP) by the consumer. Despite the many challenges ahead, the RGC has made notable progress in the past decade and demonstrated significant commitment toward reaching higher goals.

#### **A. Strategic Alignment with Government Strategies**

USAID works closely with the RGC and development partners such as the Global Fund for AIDS, Tuberculosis, and Malaria (GFATM) to optimize development assistance. The RGC is developing key vision and planning documents in its quest to achieve higher middle-income status by 2030. The United States supports this goal and expects to achieve measurable improvements in health throughout the life of this Agreement. The activities outlined in this document align to the RGC's Rectangular Strategy-Phase 4. Under this strategy, RGC aims to improve the effectiveness of services and social protection that respond effectively to the expectation of the people, especially addressing the gradually increasing needs of people.

The MOH Third Health Strategic Plan 2016-2020 (HSP3) and the follow-on Health Strategic Plan (HSP4), which will cover 2021-2030, lays out the strategy to improve the health of the population and provide financial risk protection, thereby contributing to poverty alleviation and socio-economic development. The four main health development goals of HSP3 are to reduce maternal, newborn and child mortality and malnutrition among women and children; reduce morbidity and mortality caused by communicable diseases; reduce morbidity and mortality caused by non-communicable diseases and other public health problems; and make the health system accessible, responsive, accountable and resilient. USAID's programs in health will align with and advance the goals of HSP3 and HSP4.

#### **B. Support of Technical Working Groups (TWGs)**

To better align with RGC priorities and improve donor coordination, USAID/Cambodia participates in the following TWGs and fora related to health:

- Food Security and Nutrition;
- Social Protection;
- Health;
- HIV/AIDS;

As appropriate, USAID will participate in additional TWGs and other aid coordination architecture throughout the life of this Agreement.

### **III. Funding**

USAID investments of approximately \$134,273,381 in health programs are planned using FY 2015-2019 appropriated funding to achieve the Development Objective, including \$24,148,189 in new FY 2019 funds. Currently, USAID has limited flexibility on the type of health funds received and thus on the type of programming USAID supports in the health sector.

The RGC contribution reflects the MOH's in-kind contributions to the shared objectives of the program. The contribution will equal up to twenty-five percent of the total program costs used to support activities that substantially benefit the Grantee or entail direct and substantial involvement of the RGC in the administration, management, or control of the activities hereunder.

Changes may be made to the financial plan by representatives of the Parties without formal amendment of the Agreement, if such changes do not cause USAID's contribution to exceed the amount specified in Section 3.1 of the Agreement.

The financial plan for this program is set forth in the table below.



Description	Year (FY 2015)	Year (FY 2016)	Year (FY 2017)	Year (FY 2018)	Year (FY 2019)	Total
Increase Utilization of Quality Maternal and Child and Reproductive Health Services	10,198,941	8,592,660	8,527,085	7,003,539	5,029,533	39,351,758
Strengthen Health Systems and Governance	4,277,723	7,376,578	6,159,607	3,889,557	2,025,293	23,728,758
Improve Infectious Disease Control Programs	3,836,703	8,608,403	14,237,661	15,092,524	13,853,767	55,629,058
<b>Sub-total:</b>	<b>18,313,367</b>	<b>24,577,641</b>	<b>28,924,353</b>	<b>25,985,620</b>	<b>20,908,593</b>	<b>118,709,574</b>
<b>Administration Cost:</b>	<b>2,725,754</b>	<b>2,427,746</b>	<b>3,378,029</b>	<b>3,792,682</b>	<b>3,239,596</b>	<b>15,563,807</b>
<b>Total Estimated USG Contribution</b>	<b>21,039,121</b>	<b>27,005,387</b>	<b>32,302,382</b>	<b>29,778,302</b>	<b>24,148,189</b>	<b>134,273,381</b>

In addition, USAID/Cambodia will provide the Ministry of Health with updated tables that provide summary information on the estimated budget breakdown for public health activities using FY 2019 funds for: 1) Increased Utilization of Quality Maternal and Child and Reproductive Health Services; 2) Strengthening Health Systems and Governance; and 3) Improving Infectious Disease Control Programs. This information will be provided for each implementing mechanism.

#### IV. Results to be Achieved

In order to support the RGC's vision to strive for "All people in Cambodia have better health and well-being, thereby contributing to sustainable socio-economic development," USAID activities will contribute to Cambodian Sustainable Development Goals (SDGs) and the HSP3 Monitoring and Evaluation Framework, including but not limited to:



- Contraceptive prevalence rate;
- Infant mortality rate;
- Percent of children under five stunted;
- Percentage of ART clients with suppressed viral load;
- Percentage TB cure rate;
- Incidence rate of malaria at public health facilities;
- Total expenditure on health as a percentage of GDP;
- Out-of-pocket (OOP) expenditure as a percentage of total health expenditure; and
- Number and percentage of health workers registered and licensed by health professional councils.

Anticipated results under this Development Objective are:

1. Improved health and child protection behaviors;
2. Improved health financing and social health protection; and
3. Improved quality of public and private health and social services.

Relevant additional illustrative indicators include:

- Maternal mortality ratio;
- Neonatal, infant mortality rates;
- Malaria annual parasite incidence rate per 1,000 population;
- Incidence rate of TB;
- Prevalence rates of HIV among key populations; and
- Incidence of impoverishment due to OOP (HHs becoming poor as a result of health expenditures).

## V. Activities

All activities will align with the technical/thematic areas detailed below.

### A. Increased Utilization of Quality Maternal and Child and Reproductive Health Services

Cambodia's focused commitment to reduce maternal deaths has resulted in remarkable progress in recent years as basic, cost-effective interventions, such as prevention and management of postpartum bleeding, and the use of magnesium sulfate to prevent or stop eclampsia, have successfully reduced maternal mortality. Nonetheless, Cambodia's national maternal mortality rate remains among the highest in the region, requiring sustained focus to close the gap with neighboring countries. Continued promotion of evidence-driven, sustainable interventions drive USAID's strategic approach to improving maternal health in Cambodia.

Infections, pre-term delivery, and asphyxia remain the leading causes of newborn deaths even though many of these causes are readily preventable and treatable with basic measures such as hygienic cord care, thermal control, and early detection of danger signs. While the child mortality rate has improved significantly in Cambodia in recent years, pneumonia and diarrhea remain the top causes of death for children under the age of five, despite the availability of



antibiotics and oral rehydration salts/zinc.

Further progress towards addressing the major causes of maternal and child mortality in Cambodia requires additional effort to upgrade health provider capacity and improve access to and quality of health commodities, equipment, and infrastructure. In health facilities, healthcare providers and outreach workers must be equipped to deliver life-saving interventions at the appropriate time. In the surrounding communities, village-based community health workers must be prepared to increase demand for health services, fostering healthcare-seeking behavior that leads to earlier treatment and improved health outcomes. In addition, improved quality of nutrition counseling and screening provided by volunteer workers and healthcare providers will complement community outreach through the food security sector.

USAID support will strengthen behavior change interventions to encourage the use of quality health services and health products, including contraceptives and diarrhea treatment commodities, to further improve maternal and child health. USAID will strengthen the capacity of local non-governmental organizations to ensure long-term sustainability remains a cornerstone of the maternal and child health program strategy.

## **B. Strengthen Health Systems and Governance**

A strong healthcare delivery system is both competent in delivering services and accountable for delivering the services that people need and want. Cambodia's health sector is challenged by a lack of provider skills, a mismatch in distribution of staff relative to population needs, relatively low salaries, limited governance and management systems, very limited public financial resources, and high patient out-of-pocket spending on health services.<sup>2</sup> These factors result in Cambodia's current challenges with quality and accessibility of public health services. USAID will provide technical assistance to identify, prioritize, and address these key healthcare delivery challenges in the next national Health Strategic Plan (NSP4).

Health equity funds play an instrumental role in supporting access to healthcare for the poor and are scheduled for scale up by the RGC and its development partners. Given USAID's past role in the design and implementation of health equity funds expansion, and supporting the development and implementation of Cambodia's Social Protection Policy Framework, USAID will support Cambodia to implement the new decentralization policy by increasing domestic resource allocation and efficient and effective use of government resources at sub-national levels for priority health areas.

USAID will continue to support Cambodia to enhance the quality of healthcare services in both public and private sectors by leveraging existing health financing opportunities and the legal framework foundation of USAID's past support. Strengthening the implementation of the legal framework and increasing the capacity of health professional councils and the private sector will establish a sustainable system in-country with the ability to regulate, improve, and

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<sup>2</sup> Health, Nutrition, and Population in Cambodia: Country Overview. World Bank.



ensure quality healthcare in the public and private sectors. This system could pave the way toward an accreditation system that would further promote sustained health service quality. USAID will support targeted technical assistance to improve the quality of pre-service training of healthcare providers.

In addition to building human resource capacity, USAID will support other emerging priorities in the health sector, such as the increased role of private sector service provision and a comprehensive health sector approach to the prevention of and response to gender-based violence. To increase accountability for delivery of quality health services, local leaders will use data to understand their constituents' health needs, advocate for greater resources, and hold healthcare providers accountable for the delivery of responsive, quality services. USAID technical assistance will complement resources provided by the Global Fund, the RGC, and other donors working in the health sector.

### **C. Improve Infectious Disease Control Programs**

USAID support will strengthen the capacity of infectious disease control programs to reach vulnerable groups by improving their efficiency and quality while expanding targeted prevention activities; improving detection and diagnostic capacity; strengthening care and treatment services; and, improving surveillance and response capacity for infectious diseases and pandemic threats. Infection prevention and control (IPC) has increased dramatically throughout the healthcare system. Through formation of IPC committees at each hospital, facilitation of facility-to-facility learning, and IPC training to promote the knowledge, skills and attitude of healthcare workers, the quality of healthcare services and patient safety have significantly improved. Though HIV/AIDS prevalence within Cambodia's general population has declined in recent years, high-risk behaviors threaten this progress. New HIV infections are currently concentrated among high-risk groups, including men who have sex with men, transgender women, entertainment workers, and partners of these populations. USAID programs will strengthen the ability of the RGC to take on the full responsibility for the provision of HIV services. Support will develop and advocate for more cost-effective approaches that the RGC is able to sustain in the long term, while at the same time strengthening the broader health system, particularly in quality service delivery, health information, and financing. USAID will also strengthen the technical capacity of the RGC and its partners to better reach highly stigmatized, high-risk groups, to prevent new infections, and protect those living with HIV/AIDS by ensuring they receive comprehensive care and treatment.

Morbidity and illness as a result of Cambodia's high TB prevalence negatively affects the nation's productivity and overall health status. USAID will support the RGC and its partners to improve early detection of TB and ensure patients complete the full course of treatment through public providers with a goal of ending TB by 2030. USAID programs will place a focus on intensifying case detection, prevention and treatment while strengthening systems to improve the quality of TB services provided in public facilities and generating the evidence to mobilize domestic resources for the TB program through support for rollout of the TB MIS.



USAID will continue to support the MOH's National Strategic Plan and the Malaria Elimination Action Framework (MEAF-2) 2021-2025 and Intensified Plan (IP-2) to drive down malaria, with the aim of controlling and eliminating all species of malaria in Cambodia by 2025. This support includes monitoring for anti-malarial drug resistance and helping to reduce malaria transmission among high-risk populations, such as mobile or migrant workers. USAID will provide technical assistance to the MOH National Center for Parasitology, Entomology, and Malaria Control (CNM) to expand elimination activities throughout PMI-supported areas and will support efforts to ensure proper and effective malaria treatment is guided and informed by drug efficacy studies as well as assessments of behaviors related to disease prevention and care seeking. Malaria control and elimination activities will be further supported by procurement of key commodities and by strengthening supply chain management capacity. Activities will align with the objectives defined in the MEAF and will have a strong element of capacity building for community level, district level and provincial level implementers in order to ensure gains are sustained. USAID malaria programs have a strong emphasis on data collection, analysis and sharing in order to ensure program decisions are evidence-based and activity implementation can be tailored to be responsive to the real time environment. Since malaria elimination demands multinational partners, engagement of all malaria stakeholders in the country, especially the national government, is essential. USAID will play a supportive role as the RGC takes the lead and ownership to control and eliminate malaria nationwide by 2025.

USAID will also support key technical organizations to predict, prevent, identify, and respond to emerging disease outbreaks including avian influenza, COVID-19, and other pandemic threats and infectious diseases. Activities that address infection prevention and control are planned through cross-cutting quality improvement programming. Through centrally funded programming, USAID supports efforts that foster partnerships between universities across Southeast Asia, including Cambodia, to build the capacity and skill base of the health workforce to respond to public health emergencies of greatest concern, including infectious disease with an emphasis on zoonosis and antimicrobial resistance (AMR) health threats. This approach works to address infectious disease threats before they pose an overwhelming pandemic threat. The USG has mobilized emergency response programming outside of this DOAG, such as the USAID response for COVID-19, to assist in situations of disease outbreaks and pandemics.

The table of illustrative activities outlined in the FY 2015, FY 2016, FY 2017, and FY 2018 Amplified Descriptions are incorporated herein by reference.

#### **D. Additional Support**

This Amplified Description may be changed upon written consent between the MOH and USAID to, among other things, add additional activities without formal amendment to the Agreement, provided that such changes are within the limits of the definition of the Objective in Article 2, Section 2.1.



Additional activities may include small, short-term activities such as epidemic control or disease response.

## **VI. Program Management**

All activities will be designed in coordination with the relevant RGC counterparts and with appropriate consultations with stakeholders. Program design will include a provision for a management structure, co-chaired by the MOH and USAID, that will endorse program activities.

## **VII. Roles and Responsibilities of the Parties**

### **A. MOH**

The MOH will serve as the RGC lead partner for USAID in the implementation of this Agreement, including, but not limited to the inter-ministerial and inter-departmental coordination, provision of competent technical staff and provision of workplace for the staff. Consistent with the Laws of the Kingdom of Cambodia and the policies and procedures of the RGC, the MOH will:

1. Facilitate the official approval at all levels necessary within the RGC for implementing program activities;
2. Facilitate the necessary documentation, if required, for USAID implementing partners to carry out the work described herein;
3. Coordinate communications with the appropriate RGC authorities that the activities of USAID implementing organizations should receive support to carry out the work described herein;
4. Participate in the monitoring and evaluation of projects, including site visits;
5. Facilitate the official permits, visas, and any other permissions described in Article 6 of the Agreement;
6. Facilitate the exemptions described in Section B.4 of Annex 3;
7. Undertake other activities as required by the program;
8. Share information to facilitate implementation of programming under the Agreement, such as statistical information and other program data that will assist everyone to ensure that health programs are targeted and effective; and
9. Discuss with USAID any projects/activities to be undertaken with incremental funding or activities not reflected in the illustrative activities in this Amplified Description.

### **B. USAID**

In achieving results of this Agreement, USAID will:

1. Provide, through USAID partner organizations, appropriate technical assistance to implement the program;
2. Contribute towards the achievement of the HSP4;
3. Share performance reports and other relevant documents on program activities to the

- MOH as appropriate and on a timely basis;
4. Consult with the MOH and other relevant RGC entities at regular, mutually-agreed-upon intervals, or at the request of the RGC, on progress towards the achievement of the: a) program's objective; b) performance of obligations under this Agreement; and c) performance of USAID implementing organizations, and other matters related to this Agreement;
  5. Participate and contribute to the health-related TWGs and their sub-TWGs and all other TWGs as appropriate;
  6. Instruct its partner organizations to coordinate the development of their annual work plans and monitoring and evaluation plans with the relevant national program(s) or department(s) within the MOH; and
  7. Discuss with MOH any projects/activities to be undertaken with incremental funding or activities not reflected in the illustrative activities in this Amplified Description.

### **VIII. Monitoring and Evaluation**

Routine monitoring will focus largely at the implementing mechanism level and track required indicators. USAID's implementing partners will regularly coordinate with the relevant national program or department within the MOH in monitoring and evaluating activities under each implementing mechanism. Given that there are multiple implementing mechanisms under this Agreement, USAID will ensure that all are working to achieve the complementary objectives and contribute to both technical areas and the RGC's JMIs. Indicators, baselines and targets should, as far as possible, be drawn directly from RGC's own results frameworks and policy objectives.

### **IX. 1994 Framework Bilateral**

All assistance provided under this Agreement by USAID and its implementing organizations shall be entitled to all diplomatic, tax, and other privileges and benefits set forth in the Economic, Technical and Related Assistance Agreement between the Royal Government of the Kingdom of Cambodia and the Government of the United States of America dated October 25, 1994.



**DOAG No. 442-DOAG-0201**

**Annex 2: FY 2019 Education Amplified Description**

**I. Introduction**

This Annex describes the education activities to be undertaken and the results to be achieved with the funds obligated under this Agreement.

USAID has developed a Country Development Cooperation Strategy (CDCS) 2014-2020, which aims to accelerate Cambodia's transformation to a democratic and prosperous country. USAID programs under USAID's Development Objective 2, "Improved Health and Education of Vulnerable Populations," aim to support the Royal Government of Cambodia's (RGC) goals to improve education quality through strengthening the education system. Key areas of partnership include supporting efforts to improve reading comprehension among children and lower school dropout rates. USAID seeks to help Cambodians attain increased readiness to enter the workforce.

**II. Background**

Cambodia's education system has improved substantially in the last decade. The Ministry of Education, Youth and Sport (MOEYS) successfully increased net enrollment in basic education to 98% in the 2017-2018 school year in 7,228 primary schools. MOEYS has set an ambitious reform agenda to improve education quality building upon efforts from 2010-2014 where the RGC revised the national curriculum and corresponding student learning materials with the goal of improving learning. The Primary School promotion rate has increased from 87% in 2015-2016 to 89.4% in 2016-2017. Efforts to strengthen early grade reading and math have improved promotion rates from 83.5% in 2015-2016 to 84.6% in 2016-2017 for grade 1. Other achievements include declines in grade repetition and student dropout rates. Building upon these successes, the RGC seeks to improve the quality of education.

Literacy is a core indicator of education quality, as the ability to read and understand text is one of the most fundamental skills a child learns. The World Bank's 2010 Early Grade Reading Assessment (EGRA) revealed that one-third of Cambodian children could not read, and nearly half (46.6%) of those who could read did not understand what they had read. The 2018 USAID and Global Partnership for Education baseline EGRA in Siem Reap, Kampong Thom, and Battambang found that 72% of grade 1 students could not identify a single word at the end of grade 1. This is especially concerning since research has shown that students who do not learn to read in the early grades are more likely to fall behind in studies, repeat grades, and eventually drop out of school. In recognition of the relationship between quality of education and literacy rates, the MOEYS has made it a national priority to improve the quality of education to improve literacy rates.

As Cambodia continues to integrate into ASEAN, it will increasingly compete with its regional neighbors, making Cambodia's need for a more educated and skilled labor force more acute. While graduates in business, finance, and law are plentiful, they often lack the relevant hard and soft skills necessary to succeed in the modern economy. In addition, there is a dearth of expertise in areas of information technology (IT), engineering, agriculture market systems, social work,



and other high-growth areas. The World Bank's Enterprise Surveys in 2016 found that more than 17 percent of firms surveyed identified an "inadequately skilled labor force" as a constraint to doing business.

### **A. Strategic Alignment with Government Strategies**

The RGC seeks to achieve upper middle-income status by 2030. To support the Cambodian government's efforts toward this goal, USAID plans to assist Cambodia to achieve measurable improvements in education. The activities outlined in this document align to the RGC's Rectangular Strategy-Phase 4. Under this strategy, the RGC aims to further strengthen public institutions, namely "the structure of the organization, sets of formal and informal rules of law, human resources, means and financial resources which determine work principles and attitude, be it political, economic or social spheres, within the framework of democratic process and the rule of law that are fully legitimate in order for us to proceed with development by sustaining high economic growth; promoting socio-economic structural change; creating quality jobs for the youth, responding effectively to the expectations of the people, especially addressing the gradually increasing needs of the people, including access to quality public services, be it physical infrastructure, education, healthcare or other basic services; ensuring social security and welfare of the people; ensuring income security especially for the vulnerable groups; ensuring balanced and lower development gap between urban and rural areas; remaining flexible and vigilant with regional and global developments; taking full advantage of technological development and digitalization especially in the context of the fourth industrial revolution; and lastly; stepping up the effectiveness of the protection and conservation of the environment, natural resources, ecosystem, biodiversity, forest and wildlife sanctuaries as well as adaptation to climate change."<sup>1</sup>

In support of the RGC's Rectangular Strategy-Phase 4, the MoEYS has developed an Education Strategic Plan (ESP) 2019-2023 in order to be aligned with the next NSDP of the Royal Government of Cambodia, Cambodia's Sustainable Development Goal 4-Education 2030 Roadmap, and Industrial Development Policy (IDP) 2015-2025. The MoEYS has identified two key policy objectives: Policy Objective 1: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all; and Policy Objective 2: Ensure effective leadership and management of education officials at all levels. USAID's programs in education will help advance the goals of the current and future ESP wherever possible. USAID will also support Cambodia's Rectangular Strategy-Phase IV (core pillars of "Private Sector and Job Development" and "Human Resource Development") and the Ministry of Education's Higher Education Vision 2030 policy, which aim to develop higher education mechanisms that ensure students have an opportunity to access quality higher education institutions and programs that respond to socio-economic development needs and the labor market.

### **B. Support of Coordination Working Groups**

In coordination with the RGC and other donors on education issues, USAID participates in the following coordination working groups related to education:

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<sup>1</sup> Cambodia Rectangular Strategy-Phase 4, pp. 1-2.



- Joint Technical Working Group on Education; and
- Education Sector Working Group

As appropriate, USAID will participate in additional working groups and other aid coordination architecture throughout the life of this Agreement.

### III. Funding

USAID investments of approximately \$35,626,831 are planned using FY 2015-2019 appropriated funding to achieve this Development Objective, including \$14,151,103 in new FY 2019 funds. Currently, education funds have congressionally mandated earmarks and limit support to focus on improving education quality for primary education, with a particular focus on early grade learning.

The RGC contribution reflects the MOEYS's in-kind contributions to the shared objectives of the program. The contribution will equal up to twenty-five percent of the total program costs used to support activities that substantially benefit the Grantee or entail direct and substantial involvement of the RGC in the administration, management, or control of the activities hereunder.

Changes may be made to the financial plan by representatives of the Parties without formal amendment of the Agreement if such changes do not cause USAID's contribution to exceed the amount specified in Section 3.1 of the Agreement.

The financial plan for this program is set forth in the table below.

Description	Year (FY 2015)	Year (FY 2016)	Year (FY 2017)	Year (FY 2018)	Year (FY 2019)	Grand Total
Education	2,885,000	1,851,586	7,448,940	7,308,780	13,396,453	32,890,759
Administration Cost:	100,000	133,414	1,036,788	711,220	754,650	2,736,072
<b>Total Estimated USG Contribution</b>	<b>2,985,000</b>	<b>1,985,000</b>	<b>8,485,728</b>	<b>8,020,000</b>	<b>14,151,103</b>	<b>35,626,831</b>

### IV. Results to be Achieved

In order to support the RGC's goal in education, USAID activities will contribute to the Ministry's reform on quality of education. The activities will contribute to achieving indicators set in the new Education Strategic Plan 2019-2023 and the Joint Monitoring Indicators.

At activity level, relevant illustrative indicators are:

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- Proportion of students who, by the end of two years of primary schooling, demonstrate that they can read and understand the meaning of grade level text;
- Percent change in early grade reading assessment scores;
- Number of learners receiving reading interventions at the early grade level;
- Number of teachers receiving USG assistance to implement effective instructional practices; and
- Number of teaching and learning materials, policies revised or developed and distributed.

## V. Activities

All activities will align with the following technical areas:

### A. Improved Early Grade Learning Skills of Children

Although Cambodia's literacy rate is high, reading comprehension is low as a result of poor-quality instruction in schools. Reading achievement scores on a national test revealed that 54% of children tested were not able to demonstrate the expected reading skills at grade 1. The USAID and GPE 2018 baseline found that 72% of grade 1 students could not correctly identify a single word at the end of grade 1. USAID programs will enhance the quality of Cambodia's early grade learning programs by strengthening MOEYS systems particularly in the areas of in-service and pre-service teacher training, teaching and learning materials, assessments, curriculum and instruction, and other relevant and related areas to improve the quality of education and increase learning for all students, including students with physical or cognitive disabilities. Existing activities will continue to support inclusive and gender equitable programs that support the MOEYS reform agenda to improve education quality for Cambodian students. New activities will continue to be designed in consultation with the MOEYS.

### B. Childhood Development and Children with Disabilities

USAID will work with the RGC to help prevent unnecessary separation of children with and without disabilities from their families as well as supporting reintegration into family care of children, with an emphasis on children with disabilities who are living in institutions. Potential action could include strengthening public education identification and support structures, early screening identification of developmental delays and disabilities, developmental monitoring, family support to prevent separation and enable care, infant stimulation and responsive care to promote early childhood development, accommodations to facilitate integration into regular schools, and counseling or referring to rehabilitation services. Activities may target early childhood development, cognitive, social-emotional and physical development, and water, sanitation, and hygiene (WASH) in schools and nutrition.

### C. Workforce Development and Job Readiness

USAID will partner with the MoEYS to strengthen Cambodian higher education institutions capabilities to provide Cambodians with specific enterprise-driven technical training that result in globally recognized certifications, credentials, and meet accreditation standards. USAID, the MoEYS, and the RGC seek to upgrade faculty knowledge, skills, and certifications to improve



faculty capacity in the areas of teaching, learning, and research, particularly in areas of information technology to support practical skill-building and linkages to a growing digital and information technology job opportunities for Cambodian youth.

#### **D. Additional Support**

This Amplified Description may be changed upon written consent between the MOEYS and USAID to, among other things, add additional activities without formal amendment of this Agreement, provided that such changes are within the limits of the definition of the Objective in Article 2, Section 2.1.

### **VI. Program Management**

All activities will be designed in coordination with the relevant RGC counterparts and with appropriate consultations with stakeholders. Program design will include a provision for a management structure, chaired by the MOEYS or co-chaired by the MOEYS and USAID that will, inter alia, endorse an annual work plan and budget and monitoring of the program activities.

### **VII. Roles and Responsibilities of the Parties**

#### **A. MOEYS**

The MOEYS serves as the RGC lead partner in the implementation of the Agreement, including, but not limited to the inter-ministerial and inter-departmental coordination, provision of competent technical staff and provision of workplace for the staff. Consistent with the Laws of the Kingdom of Cambodia and the policies and procedures of the RGC, the MOEYS will:

1. Facilitate the official approval at all levels necessary within the RGC for implementing program activities;
2. Facilitate the necessary documentation, if required, for USAID implementing partners to carry out the work described herein;
3. Coordinate communications with the appropriate RGC authorities that the activities of USAID implementing organizations should receive support to carry out the work described herein;
4. Participate in the monitoring and evaluation of projects, including site visits;
5. Facilitate the official permits, visas, and any other permissions described in Article 6 of the Agreement;
6. Facilitate the exemptions described in Section B.4 of Annex 3;
7. Undertake other activities as required by the program;
8. Share information to facilitate implementation of programming under the Agreement; and
9. Discuss and agree with USAID on projects/activities to be undertaken under any incremental contribution, to the extent that such allocation is not reflected in the illustrative activities as articulated in this Amplified Description.

## **B. USAID**

In achieving this Development Objective and results of this Agreement, USAID will:

1. Provide, through USAID implementing organizations, appropriate technical assistance to implement the program;
2. Contribute towards the achievement of the ESP;
3. Share performance reports and other relevant documents on program activities to the MOEYS as appropriate and on a timely basis;
4. Consult with the MOEYS at regular, mutually-agreed-upon intervals, or at the request of the MOEYS, on progress towards the achievement of the: a) program's objective; b) performance of obligations under this Agreement; and c) performance of USAID implementing organizations, and other matters related to this Agreement;
5. Participate and contribute to the Education coordination working groups and its sub working groups and all other working groups as appropriate; and
6. Discuss and agree with MOEYS on projects/activities to be undertaken under any incremental contribution to the extent that such allocation is not reflected in the illustrative activities as articulated in this Amplified Description.

## **VIII. Monitoring and Evaluation**

Routine monitoring will focus largely at the implementing mechanism level and track required basic education indicators. USAID's implementing partners will use their own monitoring and evaluation systems to regularly collect data against these indicators. Should there be multiple implementing mechanisms under this Development Objective, USAID will ensure that all are working to achieve the complementary objectives and contribute to both USAID's Intermediate Results and the RGC's JMIs. Indicators, baselines and targets should, as far as possible, be drawn directly from the RGC's own results frameworks and policy objectives.

## **IX. 1994 Framework Bilateral**

All assistance provided under this Agreement by USAID and its implementing organizations shall be entitled to all diplomatic, tax and other privileges and benefits set forth in the Economic, Technical and Related Assistance Agreement between the Government of the Kingdom of Cambodia and the Government of the United States of America dated October 25, 1994.