I welcome this opportunity to make an introduction at this very important seminar on poverty reduction and its link to our education reforms. As many of you will know, the Ministry has recently issued its Education Strategic Plan (ESP) 2001 – 2005, which sets out priority policy reforms over the next five to ten years.

The previous interim Poverty Reduction Strategic Plan (IPRSP) and the Socio-Economic Development Plan (SEDP) have provided significant impetus for our reforms in education. I would therefore like to focus on how our education reforms are increasingly pro-poor. At the same time, I will make some brief proposals on how education aspects of poverty reduction can be planned and monitored.

It is important to highlight the fact that there appears to be an education poverty trap in Cambodia. For example, representation of the poor is much greater in the primary student population than in the secondary or tertiary student population. This is particularly true of Cambodia, where 20% of primary students but only 2% of upper secondary students are drawn from the poorest 20% of the population. In other words, poverty correlates strongly with less education opportunity.

In contrast, 61% of the upper secondary students in the country come from the richest 20% of the population. The representation of the poor in tertiary education is zero while the richest 20% of the population accounts for 57% of tertiary education. This means that public expenditure on upper secondary and tertiary education will benefit better off families in Cambodia, while spending in primary education will relatively benefit the poor.

In order to address these problems the Ministry has initiated an extensive education policy development process, which has been actively led by the Minister, Secretaries of State and other senior officials. The Ministry has ensured that the internal process also links extensively with high-level fiscal, public administration and governance working groups, including various poverty reduction task forces.

Many of you will have noted that these pro-poor education reform policies are central to the Government's interim poverty reduction strategy paper, approved by the Council of Ministers in late 2000. The same pro-poor thrust has been central to the education policies and programs within the SEDP. The Ministry also anticipates that the Government's policy papers at the Consultative Group meeting in Tokyo in June will also highlight the fundamental poverty focus of priority programs in education.
I would now like to briefly summarise the pro-poor nature of ESP policies and strategies and how these strategies will help the poor to climb out of the education poverty trap.

The key ESP policy priority is to reduce the direct and indirect costs to parents for basic education from 50% share to 18% over the next five years. This will ensure that children from the poorest families can attend school. The key strategies will be to increase average teacher salaries by 50% over the next five years, alongside significant increases in school operational budgets. These strategies are designed to eliminate the need for informal payments from parents to teachers that are the major barrier in the rural poor sending their children to school.

The MoEYS plan also focuses on rigorous regulation and quality assurance and direct linkages with broader public administration reform policies. For example, teacher salary rises will be linked to stronger performance monitoring, introduction of core groups (e.g. head teachers, remote allowances) and strengthening the powers of the Inspectorate and school/parent governing bodies. For higher education institutions, the plan includes measures to strengthen financial regulations and management of both Government and parental contributions.

In developing the plan, MoEYS has taken account of the Governments broader decentralisation and public administration reform policies. For example, a number of Priority Action Programs (PAPs) will include setting up around 180 district level budget management centres over the next three to five years.

PAP implementation will also include the establishment of a new provincial-monitoring unit within the Department of Finance and capacity building in financial management at all levels. MoEYS has already been assured of assistance from some donors for this institutional strengthening. Once again, this planning includes careful interfacing with high-level inter-ministerial policy groups and other stakeholders.

The Ministry also recognises that implementing pro-poor education policies will require careful structuring and planning of education finance. The Ministry's fundamental position is that the budget should be seen as an instrument of policy implementation rather than for system maintenance. Already, the education budget has been restructured for 2001 to implement these policies. The Priority Action Programs (PAPs) will focus on quality improvement, alongside new scholarships schemes for the children from poorer families. In addition we estimate that an additional 15,000 classrooms will be needed over the next five years.

The overall PAP policy and strategy directions over the next 5 years will be to help secure a pro-poor education financing strategy through Government support that offsets costs on parents from poor families, alongside efficiency and quality gains. The early directions and plans for PAP 2000 – 2005 can be summarised as:

- **Salaries Reform**, the priority is to develop a revised teacher incentives structure and plan focussing on increased rewards for head teachers, multi grade, multi shift and remote area staff.
Basic Education, the priority is to go nation wide with the primary PAP, especially expansion of operational budget support for primary and lower secondary schools, alongside selective teacher development programs. In addition, it is envisaged that non-formal and adult literacy/education provision will be expanded in the poor rural areas, possibly linked to access to micro-credit.

Post Basic Education, the priority appears to be increased operational budgets for upper secondary, TVET and higher education institutions, alongside greater cost sharing by the better off.

Teacher Education, the priority is to increase PTTC and RTTC operational budgets (to offset scaled down PASEC support), alongside a focus on pre and in service multi grade teaching programs especially for staff in the 46% of schools which do not cover the full grade 1 to 6 primary phase, which is a source of high repetition and drop out, especially for girls.

Monitoring Capacity Building, the priority will be to strengthen technical and financial monitoring/accounting at HQ and provincial levels.

Assuring Access for the Poor, the priority will be to design equitable scholarship programs for students from poor families wishing to attend primary, secondary and post secondary institutions, incorporating a high proportion of girls.

The Ministry welcomes the Government's increased emphasis on linking programs with real results. Through the ESP there will be a very heavy emphasis on strengthening program monitoring at various levels. It is important to note that this monitoring will not only look at the effectiveness of the program but also the broader impact on poverty reduction.

As part of a new joint Government/donor/NGO partnership arrangement, we intend to introduce an annual performance review exercise. A central objective of this annual review will be to assess the impact of education reforms on poverty reduction.

The annual review will need to answer the following questions:

- Is the participation of children from poor families, girls and ethnic minorities increasing as the education reforms take place?
- Is continuing with school leading to better income generating opportunities?
- Are there additional benefits for the poor sending their children to school, especially in terms of improved family health and nutrition and family planning?
- Is the sense of well-being amongst poor families getting better in terms of a reduction in food poverty and human poverty?

Finally, the Ministry would like to re-emphasise the need for effective cooperation between donors, NGOs and other Government ministries in monitoring poverty impact.
For example, this kind of poverty impact monitoring needs cooperation with the Ministry of Planning and Ministry of Economy and Finance.

In particular, the National Households Expenditure Survey will provide key information for monitoring the impact of education reforms. The Ministry of Economy and Finance can also assist by being involved in assessing whether the targeting of education spending is pro-poor. The Ministry of Education has a well developed EMIS which can be used to integrate education and poverty impact data for planning purposes.

At the same time, the Ministry is aware that monitoring capacity needs to be developed quickly. We consider it a priority to use donor and NGO resources and expertise available to strengthen both progress and impact monitoring. We also wish to expand broader stakeholder consultation and evaluation in monitoring our reforms. For example, we have recently completed a parental survey of PAP basic education for 2000. In this way we can use grass roots opinion for the revision and adjustment of our rolling program of reforms.

Finally, I would like to raise a number of questions to help structure the discussion on education and poverty reduction. I would like to suggest the following approach:

- Are there additional factors which need to be included in our diagnosis of the current education poverty trap?
- Are the proposed education policy and strategy priorities the most effective ones for ensuring poverty reduction and are there any gaps?
- What do you see as the major risks in implementing our proposed pro-poor education reforms and how can any potential risks be avoided?
- What are the critical roles that other Government ministries, donors, NGOs and civil society can play in optimizing the opportunities to education access for the poor?