



Validation Report

Reference Number: PCV: LAO 2008-64
Project Number: 29288
Loan Number: 1621-LAO(SF)
November 2008

Lao People's Democratic Republic: Basic Education (Girls) Project

Operations Evaluation Department

Asian Development Bank

ABBREVIATIONS

ADB	–	Asian Development Bank
AusAID	–	Australian Agency for International Development
BME	–	benefit monitoring and evaluation
DEB	–	district education bureau
DOGE	–	Department of General Education
EMIS	–	education management information system
Lao PDR	–	Lao People’s Democratic Republic
M&E	–	monitoring and evaluation
MOE	–	Ministry of Education
PCR	–	project completion report
PES	–	provincial education services
SDR	–	special drawing rights

NOTE

In this report, “\$” refers to US dollars.

Key Words

basic education, benefit monitoring and evaluation, core textbooks, district education bureau, education management information system, ethnic minorities, Gender and Ethnic Minorities Education Unit, girls, in-service teacher training, multi-grade model, project working group, provincial education services, supplementary reading materials

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OED PCR Validation Report Form

A. Basic Project Data		PCR Validation Date:	November 2008	
Project and Loan/Grant Number:	29288; 1621(SF)		Approved	Actual
Project Name:	Basic Education (Girls) Project	Total Project Costs (\$M): (SDR equivalent)	33.0	34.6
Country:	Lao People's Democratic Republic	Loan/Grant (\$M):	20.0	20.6
Sector(s):	Education	Total Cofinancing (\$M):	13.0	14.0
ADB Financing (\$M):	ADF: 20.0	Borrower (\$M):	8.7	9.0
	OCR:	Beneficiaries (\$M):		
Cofinancers:	AusAID	Others (\$M):	4.3	5.0
Approval Date:	25 June 1998	Effectiveness Date:	31 May 1999	31 May 1999
Signing Date:	15 December 1998	Closing Date:	31 July 2005	28 January 2008
Project Officers:	G. Forsberg Y. Hiroshiro E. Baardsen K. Chanthy	Location (HQ or RM): HQ: RM:	From May 1999 January 2003	To December 2002 January 2008
Evaluator:	Shiva Lohani, Consultant	Director:	R. B. Adhikari, OED1	
Quality Control Reviewer/Peer Reviewer:	Suganya Hutaserani, Principal Evaluation Specialist			

ADB = Asian Development Bank, ADF = Asian Development Fund, AusAID = Australian Agency for International Development, HQ = headquarters, OCR = ordinary capital resources, PCR = project completion report, RM = resident mission.

B. Project Description (summarized from the report and recommendation of the President)

- (i) **Rationale.** In the Lao People's Democratic Republic (Lao PDR), low levels of educational achievements of the poor, particularly females, hinder them from seizing economic opportunities that have resulted from the country's transition to a market economy, its growing service delivery, and social benefits associated with basic education. Therefore, the Government recognized the need to widen and improve basic education for girls with the objective of bringing more women into the socioeconomic mainstream.
- (ii) **Impact.** The impact of the Basic Education (Girls) Project (the Project) was to improve women's status in Lao PDR by increasing their participation in socioeconomic development, improving their families' health and welfare, and preparing them for future roles.
- (iii) **Objectives or expected outcomes.** The Project expected expanded access to primary education for girls in ethnic areas by providing primary education facilities, strengthening their capacity at central and provincial levels, and promoting community participation in school management.
- (iv) **Components and/or outputs.** The Project had three components.

Component 1: Expanding access and improving retention. This component sought construction of an estimated 375 new multi-grade primary schools, 50 complete five-classroom schools, and 50 district education bureaus (DEBs), as well as support for community mobilization activities through village-based committees.

Component 2: Improving relevance, quality, and efficiency. This component aimed to (a) review existing materials and best practices and to develop, test, and distribute supplementary reading materials and teacher guides in three pedagogical areas (i.e., multi-grade, Lao as the national language, and locally relevant curricula); (b) develop and implement two in-service training programs for the three pedagogical areas; (c) expand professional supervision for teachers; (d) develop and implement in-service programs

for faculty at teacher training colleges; and (e) train teacher educators and recruit ethnic teachers where education facilities were provided.

Component 3: Strengthening management systems and capacity. This component envisaged: (a) strengthening the Ministry of Education's (MOE) education management information system (EMIS); (b) strengthening the information technology infrastructure; (c) developing management and monitoring capacities; (d) developing and maintaining a project input and performance monitoring mechanism; (e) computerizing MOE; (f) consolidating best practices; and (g) upgrading management skills and creating human resource development capacity.

C. Evaluation of Design and Implementation (PCR assessment and validation)

- (i) **Relevance of design and formulation.** The project completion report (PCR) stated that the Project was highly relevant to the objectives of the Government's 5-year development plans for 1995–1999 and 2000–2004, MOE's Education Strategic Vision (2000) and its target of universal admission to primary schools by 2010, and the Asian Development Bank's (ADB) country operational strategy (1989–1994). Moreover, the project design contained important features to improve school access in Lao PDR, promote community involvement, and raise the quality of primary school curricula. However, some project design weaknesses pointed out by the PCR include (a) an underestimated budget to cover 18 provinces; (b) inadequate allocation of funds for three teacher training colleges and to provide project schools with core textbooks and teaching guides; (c) underestimated problems of introducing decentralized management and delivery due to the country's underdeveloped infrastructure, initial lack of English language facility at all levels of the Project, and slow communication with ADB due to poor telecommunication technology; and (d) weak project monitoring and evaluation (M&E) design as verifiable indicators for assessing project progress were not identified and benefit monitoring and evaluation (BME) was not included.

Although there were some changes in the project design during implementation, the PCR noted that they were necessary for the following practical reasons: (a) project coverage was limited to 52 districts in 11 provinces (those with the highest incidence of poverty, the largest ethnic population, and the lowest female enrollments), which was reduced from 18 provinces because of operational and transport costs; and (b) the project fund, especially the budget handled by the Provincial Education Service (PES) and DEBs, was reallocated to address issues related to additional support for ethnic minority teachers and provision of core textbooks and teaching guides.

The Evaluator considers the project design and formulation *relevant*, rather than highly relevant, because, although the Project was relevant to the strategies of the Government and ADB and had some good design features, it also suffered from many design weaknesses as outlined by the PCR.

- (ii) **Project outputs.** The PCR found that most expected outputs under the Project's three components were fully or substantially achieved as follows.

For component 1, the outputs included (a) construction of 455 multi-grade primary schools in 11 provinces against the target of 375 schools in 18 provinces, 57 complete five-classroom schools against the target of 50 schools, and 43 DEBs against the target of 50; and (b) provision of \$150–\$250 to 869 communities to support needy, community-selected family groups.

For component 2, the outputs included (a) 23 supplementary reading materials developed and distributed; (b) 630,000 textbooks printed and distributed; (c) in-service training to 4,112 teachers and school principals provided against the target of 4,000; (d) a 4-week training provided to 26 master trainers and pedagogical advisers from the Department of General Education (DOGE) and PES, and 260 teacher-trainers from project districts; (e) 486 ethnic minority (including 326 female) students from trained to be teachers; and (f) 3-week overseas fellowships at relevant Australian institutions for 28 key officials.

For component 3, the outputs included (a) 1,014 school principals and administrative staff from MOE, PES, and DEBs supported for capacity development across a range of core management skills;

(b) 2 weeks of overseas training on management, EMIS, multi-grade teaching, and evaluation for MOE and provincial officials; and (c) 2 weeks of fellowship training in neighboring countries to 80 officials. The target of further developing MOE's EMIS was not achieved for several reasons, including (a) incompatibility of the EMIS system developed under the Project with the EMIS developed under a World Bank-supported project; (b) MOE's decision to wait for the national information technology policy for further development; (c) lack of consensus on staff information formalized and installed in the EMIS; and (d) lack of qualified staff to manage the local area network system.

Based on the available evidence, the Evaluator agrees with the PCR findings.

- (iii) **Project cost, disbursements, borrower contribution, and conformance to schedule (as relevant to project performance).** As per the PCR, the Project was approved on 25 June 1998, effective on 31 May 1999, and scheduled to be closed on 31 July 2005. The loan was physically closed on 28 January 2008, 2.5 years after the planned closure date due to (a) logistical problems, including poor roads and difficult communications; (b) the sheer scale and complexity of the overall project; (c) initial delays in procurement and civil work activities; and (d) delays in staff development and consulting services.

At the actual loan closing date, disbursement totaled \$20.6 million, 3% more than original loan amount of \$20 million. The contribution of the Government and beneficiaries was \$9.0 million, 3.4% more than the planned allocation of \$8.7 million. The Australian Agency for International Development (AusAID) provided \$5.0 million, 16.3% more than the planned amount of \$4.3 million, to finance component 2 as part of a parallel financing arrangement approved by the Government and ADB. Thus, the actual project cost (\$34.6 million) was 4.8% higher than the appraisal estimate (\$33.0 million).

The Evaluator agrees with the PCR findings, and notes that the Project (a) restricted its operation to 11 instead of 18 provinces, and (b) was extended for 2.5 years because of implementation difficulties.

- (iv) **Implementation arrangements, conditions and covenants, related technical assistance, and procurement and consultant performance.**

Implementation arrangements. Project implementation arrangements involved (a) a project working group, chaired by the DOGE director, for overall project implementation supervision; (b) a project support unit, which comprised of Gender and Ethnic Minorities Education Unit staff with support from local contractual staff for detailed planning, monitoring, and coordination with provinces and districts; (c) the Department of Finance for disbursement and financial reporting; (d) relevant MOE departments, together with PES and DEBs, for day-to-day implementation; (e) a project steering committee, chaired by MOE, for coordinating activities with other government departments; and (f) AusAID for executing component 2 of the Project. The PCR mentioned that (a) MOE adequately fulfilled its role as the Executing Agency as envisaged at appraisal, (b) the project working group proved to be an effective body to develop ownership of the Project, and (c) continuity of key staff helped to maintain overall effective project implementation.

The Evaluator agrees with the PCR findings and also notes that project implementation became complex due to parallel financing to execute component 2 of the Project.

Conditions and covenants. The PCR reported that of the 39 loan covenants, 38 were complied with and one relating to the operationalization of EMIS was partly complied with. However, the loan covenants included in the project design were not adequate as reflected in the failure to include the covenant on provision of core textbooks in all project schools, which created a serious issue during implementation and was not resolved until late in the Project.

The Evaluator agrees with the PCR assessment and notes that (a) students in project schools did not receive core textbooks until mid-2006; and (b) although some covenants were delayed in being complied with, the PCR fails to mention this.

Technical assistance. No advisory technical assistance was associated with the Project during implementation.

Procurement and consultant performance. Consultants were fielded from Sinclair Knight Merz Group during the second quarter of 2000, approximately 12 months behind schedule for components 1 and 3. For component 2, consultants were fielded from Illawara Technology Corporation as executed by AusAID. Overall, consultants' efforts in terms of person-months exceeded the appraisal estimate. A total of 162 civil works contracts were awarded through national competitive bidding. The PCR rated the performance of consultants, contractors, and suppliers as *satisfactory* because (a) the consultants provided generally good services in accordance with their terms of reference to the satisfaction of beneficiaries; and (b) the contractors for civil works, furniture for schools and DEBs, and books and visual materials performed well in the prevailing logistical circumstances.

The Evaluator agrees with the PCR findings.

- (v) **Performance of the Borrower and Executing Agency.** The PCR rated the performance of the Borrower and Executing Agency *satisfactory* because of (a) MOE's commitment throughout the project implementation; (b) the project working group's strong, proactive management and guidance in all project implementation matters; (c) the effective role played by the project support unit; and (d) success in overcoming problems encountered as a result of difficult logistics, climate, and initial unfamiliarity with the size and scope of the Project.

The Evaluator agrees with the PCR findings and notes that project implementation was difficult due to the delayed availability of counterpart funds.

- (vi) **Performance of the Asian Development Bank.** The PCR reported that ADB's performance was rated as *satisfactory* by the Government because ADB facilitated successful completion of the Project by (a) fielding 11 review missions; (b) delegating project management to the Lao PDR Resident Mission; (c) recognizing the problems of unavoidable lengthy implementation delays; and (d) maintaining close relationships with the Government and Executing Agency throughout implementation. ADB's identified weaknesses were (a) the failure to revise the project design and monitoring framework to reflect changes to project implementation and timing following the approval of an extension in April 2005; (b) inadequate attention to developing the capacity of MOE and provincial staff to analyze and determine the significance of demographic data; and (c) underestimation of local difficulties relating to poor communication, remoteness and physical isolation, lack of banking facilities, and the limited capacity of provincial and district officials.

The Evaluator agrees with the PCR findings.

D. Evaluation of Performance (PCR assessment and validation)

- (i) **Relevance.** The PCR rated the Project *highly relevant* because it (a) supported Government's strategies and priorities to improve access and quality of primary education in Lao PDR's remote rural ethnic communities; and (b) helped MOE to achieve its Millennium Development Goals and Education for All targets.

The Evaluator rates the Project *relevant*, rather than highly relevant, due to several design weaknesses as assessed in section C (i).

- (ii) **Effectiveness in achieving outcomes.** The PCR rated the Project's effectiveness in achieving outcomes *highly effective* because (a) the targets for the construction of multi-grade schools and pre- and in-service training of teachers were overachieved; (b) primary education enrollment increased by 47,000 (22,000 girls and 25,000 boys) during the 1999–2000 school year to the 2006–2007 school year; (c) net enrollment in project schools during 2002–2006 increased from 66% to 88% for girls and from 67% to 87% for boys; (d) the number of additional girls in project schools who remained enrolled up to grade 4 and grade 5 was 17,000 and 5,000 respectively; and (e) the grade 5 enrollment rate in project schools during 2003–2006 increased from 12% to 55% for girls and from 16% to 55% for boys. However, the outcome of making EMIS fully functional to provide data to monitor progress and to guide MOE in further developments of the

primary education system was not achieved.

The Evaluator agrees with these findings, but rates the Project *effective*, rather than highly effective. In order to rate the Project *highly effective*, various outcomes must be achieved relating to improved enrollment, repetition, dropout, survival, completion, and pass rates with information generated through a fully operational EMIS. However, the information presented in the PCR is based on a 2006 project survey conducted in 6 districts. Also, the Evaluator notes that some outcomes reported by the PCR should be classified under the outputs category (e.g., construction of schools and training of teachers and other staff).

- (iii) **Efficiency in achieving outcomes and outputs.** The PCR rated the Project *efficient* because its achievement exceeded the targets in certain cases, given the same amount of resources. For example, more schools and classrooms were constructed (17% more than the target), and more ethnic minority teachers were recruited and trained (62% more than the target). The Project also provided core textbooks to all schools in the project provinces, which were not included in the original design.

The Evaluator agrees with the PCR rating.

- (iv) **Preliminary assessment of sustainability.** The PCR rated the sustainability of the Project as *most likely* because (a) the project investments were relevant to the overall government socioeconomic policy and to MOE's objectives; (b) village-based committees continued the provision of financial assistance to communities to support needy, community-selected family groups; and (c) the Government allocated 29% of the overall annual budget for education in 2007–2008.

Although the Evaluator agrees with the reasons given by the PCR, the Evaluator rates project sustainability as *likely*, rather than most likely. To be considered as *most likely*, more information on the Government's long-term financial sustainability prospects is needed (e.g., increase in the annual percentage share of government recurrent education expenditure allocated to the primary education subsector).

- (v) **Impacts (both intended and unintended).** The PCR did not explicitly rate the impacts of the Project, but indicated that the Project met its intended impacts by (a) expanding the physical capacity of Lao PDR's primary education system, (b) increasing the primary education enrollment of ethnic minority girls, (c) contributing to the improvement of education quality in Lao PDR, and (d) contributing to community ownership and active participation in the local education process.

The Evaluator rates the impacts of the Project as *satisfactory* because it succeeded in increasing the primary education enrollment of ethnic minority girls, with the Gender and Ethnic Minorities Education Unit under the DOGE and MOE serving as the focal point.

E. Overall Assessment, Lessons, and Recommendations (Validation of PCR assessment)

- (i) **Overall assessment.** The PCR's overall project rating is *successful* because it (a) was well-conceived and remained relevant throughout implementation; (b) was successful in enhancing the physical capacity of Lao PDR's basic education system; (c) improved curricula, and teacher training exceeded the appraisal target; (d) was successful in enhancing community ownership and participation; but (e) had to be extended by 2 years to achieve the appraisal target due to logical and communication reasons.

The Evaluator agrees with the PCR's overall rating of the Project.

- (ii) **Lessons.** According to the PCR, important lessons learned from the Project are: (a) the innovative approach to recruit and to train local ethnic teachers was effective; (b) qualitative indicators should be included in the project design if a project's primary objective is raising the quality of primary education;

- (c) installation of effective BME from the outset is required to better manage intended results; and
- (d) project scope, geographical coverage, and time schedule should be realistic to achieve project targets.

The Evaluator agrees with the above lessons, and identifies additional lessons as follows: (a) it is important to ensure the availability of core textbooks to maximize the benefits from project interventions, including project-related textbooks and supplementary reading materials; (b) implementation arrangements become complex if parallel financing is included to execute a specific project component; and (c) emphasizing community participation and ownership helps to sustain project interventions.

- (iii) **Recommendations.** The PCR provided project-related and general recommendations. The project-related recommendations include: (a) a BME system should have been developed and implemented; (b) a more sustainable level of funding support should have been ensured for preservice teacher training and recruitment ethnic minority teachers; and (c) additional technical support should have been provided to develop staff capacity in planning, financial management, and M&E. General recommendations include: (a) future project design should incorporate adequate qualitative indicators with quantitative measures and a functioning M&E system; and (b) ADB should delegate the supervision of project implementation with more systematic transition arrangements, adequate resource allocation, necessary local staff training, and well-functioning communication facilities.

The Evaluator agrees with the above recommendations, and also identifies that innovative approaches initiated under the Project (e.g., including the multi-grade model, preservice teacher training, recruitment of ethnic minority teachers, and provision of financial assistance for community mobilization) should be replicated nationwide when relevant.

F. Monitoring and Evaluation Design, Implementation, and Utilization (PCR assessment and validation)

- (i) **Monitoring and evaluation design.** According to the PCR, though the Project envisaged further development of MOE's EMIS, the Project's BME did not appear during project preparation and was not included in the project design. The Evaluator agrees and notes that the BME should have been designed—both during project implementation and thereafter—as part of MOE's normal operations system to ensure continuity of staff, activities, and budget.
- (ii) **Implementation.** The PCR emphasized that (a) EMIS implementation was delayed and further expenditure on this activity was halted in December 2005; and (b) the BME was not implemented, since it was not included in the design. The Evaluator agrees with the PCR findings.
- (iii) **Utilization.** The PCR mentioned that the Project conducted a 2006 survey of project schools in 6 districts. The Evaluator notes that since the BME system was not designed and implemented, and the EMIS was not functional, no mechanism exists to institutionalize and utilize the BME. Therefore, the Evaluator finds weak design, implementation, and utilization of the Project's BME.

G. Others (e.g., safeguards, including governance and anticorruption; fiduciary aspects; and government assessment of the Project, as applicable) (PCR assessment and validation)

The PCR did not report any problems related to safeguards, governance, and anticorruption issues. The Evaluator finds no safeguard violations or major unintended consequences.

H. Ratings	PCR	Operations Evaluation Department Review	Reasons for Disagreements/Comments
Relevance:	Highly Relevant	Relevant	Agreed with the PCR's reasons mentioned in sections C (i) and D (i). However, to rate the Project as being <i>highly relevant</i> , the Project must have had no major design weaknesses. In this case, (a) a BME was not included in project design, (b) the budget allocation for key activities was not adequate, and (c) availability of core textbooks was not covenanted.
Effectiveness in Achieving Outcomes:	Highly Effective	Effective	Agreed with the PCR's reasons mentioned in section D (ii). However, to rate the Project as being <i>highly effective</i> , it must have achieved various outcomes relating to improved enrollment, repetition, dropout, survival, completion, and pass rates, with information generated through a fully operational EMIS.
Efficiency in Achieving Outcomes and Outputs:	Efficient	Efficient	Agreed
Preliminary Assessment of Sustainability:	Most Likely	Likely	Agreed with the PCR's reasons mentioned in section D (iv). However, to rate the Project as being <i>most likely</i> sustainable, additional data on the Government's long-term financial sustainability prospects are needed.
Borrower and EA:	Satisfactory	Satisfactory	Agreed
Performance of ADB:	Satisfactory	Satisfactory	Agreed
Impacts:	Not Rated	Satisfactory	The Project achieved positive gender and ethnic minority impacts.
Overall Assessment:	Successful	Successful	Agreed
Quality of PCR:		Satisfactory	See section I.

I. Comments on PCR Quality

The PCR is *satisfactory*, as it is generally well written and concise, follows the PCR Guidelines, and provides sufficient analysis. However, it does not provide data on the Government's long-term financial sustainability prospects, and does not mention the problem of timely availability of counterpart funds.

J. Recommendations for OED Follow-Up

Since most recommendations provided by the PCR and the Evaluator in section E (iii) are related to project design, the Southeast Asia Regional Department should take them into account when designing other future education projects. The department should also adopt the Evaluator's last recommendation (i.e., innovative approaches initiated under the Project should be replicated nationwide) where relevant.

K. Data Sources for Validation

Data sources for this validation exercise include the Project's Report and Recommendations of the President and PCR, back-to-office reports on loan review missions, and aide-mémoire from the Midterm Review Mission.

REGIONAL DEPARTMENT'S RESPONSE TO THE PROJECT COMPLETION REPORT VALIDATION REPORT

On 10 October 2008, the Operations Evaluation Department (OED) circulated the draft Project Completion Validation Report for interdepartmental comments. OED received comments from the Lao Resident Mission on 22 October 2008. The Resident Mission, also speaking on behalf of the Southeast Asia Department, supports the assessment provided in the report.