



# Technical Assistance Report

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Project Number: 42134  
September 2008

## Lao People's Democratic Republic: Preparing the Strengthening Higher Education Project (Financed by the Japan Special Fund)

Asian Development Bank

## CURRENCY EQUIVALENTS

(as of 29 August 2008)

Currency Unit	–	kip (KN)
KN1.00	=	\$0.0001159555
\$1.00	=	KN8,624

## ABBREVIATIONS

ADB	–	Asian Development Bank
CU	–	Champasak University
CSP	–	country strategy and program
ESDF	–	education sector development framework
GDP	–	gross domestic product
GMS	–	Greater Mekong Subregion
HEI	–	higher education institution
Lao PDR	–	Lao People's Democratic Republic
LDC	–	least-developed country
MOE	–	Ministry of Education
NUOL	–	National University of Laos
PPTA	–	project preparatory technical assistance
SEDP6	–	Sixth Socioeconomic Development Plan
SU	–	Souphanouvong University

## TECHNICAL ASSISTANCE CLASSIFICATION

<b>Targeting Classification</b>	–	General intervention
<b>Sector</b>	–	Education
<b>Subsector</b>	–	Tertiary education
<b>Themes</b>	–	Sustainable economic growth, inclusive social development, capacity development
<b>Subthemes</b>	–	Promoting economic efficiency and enabling markets, human development, institutional development

## NOTE

In this report, "\$" refers to US dollars.

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## I. INTRODUCTION

1. The Asian Development Bank (ADB) is assisting the Lao People's Democratic Republic (Lao PDR) in (i) promoting pro-poor sustainable growth, (ii) fostering inclusive social development, and (iii) addressing priority governance issues.<sup>1</sup> In supporting these priority areas, ADB emphasizes that continuing investments in basic education need to be matched with a gradual shift toward strengthening vocational and higher education. The Government requested ADB to support the development of the higher education system so as to meet the growing demand for educated citizens and a skilled workforce for national development and to prepare the Lao PDR for regional and international economic integration. ADB's 2008 Country Programming Mission confirmed the inclusion of project preparatory technical assistance (TA) for the Strengthening Higher Education Project during 2008, with an ensuing grant programmed in 2009.<sup>2</sup> The Fact-Finding Mission to the Lao PDR in June 2008 reached an understanding with the Government on the TA's impact, outcome, outputs, scope, implementation arrangements, cost estimates, financing plan, and outline terms of reference for the consultants. The design and monitoring framework is in Appendix 1.

## II. ISSUES

2. Over the past 7 years, the macroeconomic environment in the Lao PDR has stabilized, after an uncertain period in the aftermath of the 1997 Asian economic crisis. The Lao PDR is now witnessing a period of robust economic growth with gross domestic product (GDP) growing at 7.3% in 2006 and annual GDP growth rates projected to remain at 8.2% through 2010. The Lao PDR, being strategically located in the economic corridors of the Greater Mekong Subregion (GMS), plays a key role in strengthening connectivity and facilitating cross-border movement and tourism in the GMS.<sup>3</sup> The Government seeks to achieve economic growth with reduced poverty to meet the Millennium Development Goals by 2015, and graduate from its least-developed country (LDC) status by 2020. An initial poverty and social analysis is in Appendix 2.

3. To achieve the Government's goal of graduating from LDC status by 2020 and to prepare for the country's regional and international integration, the Sixth Socioeconomic Development Plan 2006–2010 (SEDP6) provides a coherent and cohesive development framework, identifying education as one of the four pillars of its poverty reduction strategy. SEDP6 recognizes that education is fundamental to socioeconomic development for it equips citizens with the required skills and attitudes in a rapidly changing society.<sup>4</sup> There is pressure for the Lao PDR to provide higher education because it needs to utilize more intermediate and advanced knowledge and technology in all sectors. Although fully cognizant of the need to strengthen basic education, ADB shares the Government's concern with the need for balanced education sector development and gradual expansion of access to higher education to meet the demand for a more educated and skilled workforce. ADB is providing advisory technical assistance to help the Ministry of Education (MOE) develop a comprehensive plan known as the education sector development framework (ESDF).<sup>5</sup> However, the higher education system in the Lao DPR still lacks a clear vision, policy and strategies, and road map to reach regional and

<sup>1</sup> ADB. 2006. *Country Strategy and Program (2007–2011): Lao People's Democratic Republic*. Manila.

<sup>2</sup> The TA first appeared in the business opportunities section of ADB's website on 30 July 2008.

<sup>3</sup> ADB. 2006. *Regional Cooperation Strategy and Program Update, The Greater Mekong Subregion – Beyond Borders (2007–2009)*. Manila.

<sup>4</sup> Lao PDR, Committee for Planning and Investment. 2005. *Sixth National Socio-Economic Development Plan (2006–2010)*. Vientiane.

<sup>5</sup> ADB. 2006. *Technical Assistance to the Lao People's Democratic Republic for Sector-Wide Approach in Education Sector Development*. Manila.

international standards in quality, relevance, attractiveness, and competitiveness, all of which require a master plan for higher education for 2010–2020, in line with the ESDF.

4. The Government initiated higher education reforms governing both public and private higher education institutions (HEIs) with the Prime Ministerial Decrees on the Establishment of the National University of Laos (NUOL) in 1995, Private Higher Education in 1995, and Higher Education Curriculum in 2001. The decree establishing NUOL began to address the issue of a fragmented higher education system by amalgamating 10 HEIs under the structure of NUOL. After the establishment of NUOL, two regional universities were established to broaden access to higher education—Champasak University (CU) in Pakse in the south in 2002, and Souphanouvong University (SU) in Luang Prabang in the north in 2003. Luang Prabang and Pakse are becoming core provincial cities in the GMS corridor network. In 2007, the Prime Minister's Decree on the Adoption and Implementation of the National Education System Reform Strategy, 2006–2015, was issued. The decree required the strengthened HEIs to move the higher education system toward regional and international standards and contribute to the socioeconomic development of the country.

5. Higher education reform and development in the Lao PDR have made remarkable progress to date. However, the higher education system needs to be further strengthened and upgraded by addressing, among others, the following issues and constraints: (i) equitable access, (ii) quality, (iii) relevance, and (iv) management.

6. **Equitable Access.** There are 3 public universities (NUOL, SU, and CU), 5 teacher training colleges, and 78 private HEIs located in Vientiane and other provincial capital cities, and enrolling about 5.3% of the tertiary education age cohort. In 2007, the total student enrollment at the three public universities reached 35,403 (NUOL with 27,102; CU with 4,651; and SU with 3,650). But the capacity to meet the increasing number of students is limited. In 2006, no more than 18,096 students (about 42%) out of the 42,157 upper secondary school graduates could gain access to public universities. It is foreseen that a gap between enrollment demand and admission capacity of public universities would widen, leading to the proliferation of private colleges (mainly in the business-related areas such as business administration, computer and information science, and English language) in recent years. University admission systems, including quota and nonquota allocation and student financial assistance schemes and enrollment capacity, need to be renovated to ensure equitable access to higher education. In addition to low enrollment rate, disparities in access still persist, resulting in low representation of women and ethnic groups. In 2007, female students were 37% at NUOL, 31% at SU, and 39% at CU. At NUOL, ethnic quota students (affirmative admission system adopted in the Lao PDR) comprised 35% and ethnic female quota students comprised 17%.

7. **Quality.** The quality of higher education is low partly because of the poor quality of education at the secondary level, and partly because of dilapidated facilities and equipment, and underqualified teaching staff. Especially in the newly opened CU and SU, huge investments are required in facilities (e.g., classrooms and libraries) and equipment (e.g., research and teaching laboratories). While NUOL has a reasonably well-qualified teaching staff, 45% of whom have postgraduate degrees, few faculty members have postgraduate qualifications at CU and SU, which are staffed by new graduates whose research and teaching capacity are greatly constrained. Students' academic performance as higher diploma and bachelor degree holders is largely unknown compared with regional and international standards. It is also necessary to assess the impact on students' academic performance of the change to 1 year of foundation studies followed by 4 years of professional studies at specific faculties. Quality assurance and accreditation systems and measures are about to emerge, but are not yet functioning.

8. **Relevance.** There are imbalances between the demand for and supply of university graduates. A major bottleneck in the economy is still the scarcity of professional and technical personnel (e.g., administrators, accountants, lawyers, and engineers) in both public and private sectors. Most HEIs, except for NUOL, are not able to meet those needs. Particularly for SU and CU, which produced fresh graduates with diploma and bachelor degree holders for the first time since their establishment, tracer studies will be required to collect benchmark information on their graduates and monitor their performance in the labor market.

9. **Management.** The capacity of management in the higher education system in MOE and in each HEI is rather weak. There are tremendous capacity development needs in university governance and management (in terms of the level of autonomy and accountability), financing mechanisms, quality assurance and accreditation systems, and management of research and development and public–private partnerships. Data and information in the higher education subsector lack linkage with private colleges, and overall coordination, integration, and access to MOE’s central education management information system need to be greatly improved.

10. At the tertiary level, ADB supported the establishment and development of NUOL from 1995 to 2003, when improving the quality of NUOL and developing two universities (SU and CU) were envisaged as the next phase in the development of higher education.<sup>6</sup> ADB has also supported higher education projects in Bangladesh, Indonesia, Mongolia, Papua New Guinea, Sri Lanka, Thailand, and Viet Nam. Major lessons from those projects are that (i) basic research takes more time and resources than applied research does before outputs become visible; (ii) the market for postgraduate degree holders, including the brain drain, is an issue; and (iii) key private enterprises need to be involved at the design phase to ensure that the skills taught are relevant to market demand. There are also general concerns across sectors regarding the capacity to manage and implement projects. Advance action for initial recruitment of consultants and procurement can help in the initial activities of projects.

### III. THE TECHNICAL ASSISTANCE

#### A. Impact and Outcome

11. The impact of the TA will be increased access to, improved quality and relevance of, and strengthened capacity of administration and management in higher education. The outcome will be an agreed-upon project design suitable for ADB financing that aims to strengthen the higher education system, focusing on NUOL, SU, CU, and other key HEIs to help them reach regional and international standards in quality, relevance, attractiveness, and competitiveness.

#### B. Methodology and Key Activities

12. The main outputs will be (i) an analysis of the higher education sector including the relevance of postsecondary education to the labor market; (ii) a proposal for the coherent policy, strategies, and regulatory framework for higher education; (iii) an outline of the master plan for developing higher education for 2010–2020; (iv) a project outline that addresses key sector constraints and issues, including arrangements for project management and implementation; and (v) a detailed design for the proposed project in line with the Government’s policy and strategies and ADB requirements.

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<sup>6</sup> ADB. 1995. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to the Lao People’s Democratic Republic for the Postsecondary Education Rationalization Project*. Manila.

13. The TA will conduct a sector analysis by examining constraints and issues in higher education; reviewing systems/models of higher education, including those in neighboring countries; and assessing the relevance of postsecondary education to the labor market, utilizing tracer studies and household surveys. The TA will prepare a proposal for the coherent policy, strategies, and regulatory framework for the higher education system. More specifically, the TA will provide technical assistance support in determining (i) governance arrangements; (ii) level of autonomy; (iii) accountability requirements/mechanisms; (iv) financing arrangements (including salary structures and incentive mechanisms); (v) quality assurance arrangements (including recognition of higher education degrees); (vi) management staff and faculty recruitment arrangements; (vii) student recruitment arrangements (including equity concerns); and (viii) public–private partnerships in research, teaching, and management. The TA will also prepare an outline of the master plan for developing higher education for 2010–2020. The plan will be developed and implemented under the ensuing project, in line with the ESDF to be developed and the National Education System Reform Strategy.

14. The TA will conduct a project feasibility study for the ensuing project, including facilities, faculty/staff, and program development at NUOL, SU in Luang Prabang, CU in Pakse, and other HEIs on a priority basis. The TA will (i) assess MOE's capacity to regulate the higher education system; (ii) analyze the demand for university faculties and departments to be developed; (iii) make a detailed economic analysis of the project (including viability and feasibility); (iv) make a detailed financial analysis of the project; (v) make a detailed social analysis including preparing safeguard plans or a framework as required; and (vi) prepare plans for architectural designs, civil works, and procuring equipment and engaging consultants. The TA will examine and determine arrangements for project management and implementation and, in view of the lessons learned, will include “project readiness” or “bridging” assistance to facilitate start-up activities (e.g., recruiting consultants, preparing bidding documents).

15. MOE recognizes that the development of a higher education system with regional and international standards in research and teaching can be critical in integrating the Lao PDR into the regional and global economy, as well as in achieving the Government's goal of moving toward modernization and industrialization and graduating from LDC status by 2020. The ensuing project will likely have the following outputs: (i) a master plan for higher education development for 2010–2020, including a policy and regulatory framework that will implement arrangements for governance, financing, and quality-assurance procedures; (ii) establishment and development of universities, which will build and equip mainly CU and potentially SU, and develop and deliver training programs for leaders, management, and teaching and research staff; and (iii) management of project implementation, to coordinate project activities, and monitor performance and results.

### **C. Cost and Financing**

16. The TA is estimated to cost the equivalent of \$720,000, of which \$600,000 equivalent will be financed on a grant basis by the Japan Special Fund, funded by the Government of Japan. The remaining \$120,000 equivalent will be contributed by the Government and will include office accommodation, utilities, remuneration and per diem for counterpart staff, local transportation for support staff, and administration support. The Government has been informed that approval of the TA does not commit ADB to finance any ensuing project. The cost estimates and financing plan are in Appendix 3.

## D. Implementation Arrangements

17. **Project Management.** MOE will be the Executing Agency and will provide counterpart support. A project management unit (PMU) will be established in the Department of Higher Education of MOE. The PMU will have a qualified TA project manager and project staff acceptable to ADB, with skills across the range of issues that will be covered during project preparation. The PMU will include representatives from each of the university subproject teams, and will liaise with the ADB team. MOE will allocate office space and the university subprojects concerned will also allocate office space during the mission to the provinces concerned. Overall guidance for the TA project will be the responsibility of an existing project steering committee (PSC) to be chaired by the vice minister of MOE in charge of higher education. The PSC will comprise representatives from MOE and concerned universities, as well as representatives from Ministry of Finance, Ministry of Foreign Affairs, Ministry of Justice, Ministry of Planning and Investment, and Prime Minister's Office.

18. **Consulting Services.** A team of 8 international consultants to serve for 19 person-months and 11 national consultants for 32 person-months will provide expertise in (i) strategic planning and management; (ii) university governance, financing, and quality assurance; (iii) university campus, facilities, and laboratory development; (iv) university human resource and capacity development; (v) curriculum development and academic design; (vi) economic and financial analyses/management, and project costing; (vii) procurement; (viii) social development; (ix) resettlement; and (x) environmental assessment. ADB will select and engage consultants through a firm, in accordance with ADB's *Guidelines on the Use of Consultants* (2007, as amended from time to time). The simplified technical proposal and quality- and cost-based selection method with standard quality-cost ratio of 80:20 will be used. The outline terms of reference for consultants are in Appendix 4. All TA-financed goods will be procured in line with ADB's *Procurement Guidelines* (2007, as amended from time to time). Upon completion of the TA, all equipment procured under the project will be handed over to and retained by MOE.

19. **Implementation Period and Reporting Requirements.** The TA project will be carried out over 8 months, starting from November 2008. An inception report and TA implementation plan will be submitted within month 1 of the start of the TA and will be discussed at an inception seminar. A midterm report, including a draft project outline, will be submitted within 3 months. In month 4, a midterm seminar will be organized to discuss the draft project outline with all concerned stakeholders. A final seminar on the draft TA final report will be scheduled in month 6. The appraisal workshop for the TA final report will be organized jointly by the Government and ADB at the beginning of month 8. The TA final report will be submitted to the Government and ADB by the end of month 8. The TA project completion date will be 30 June 2009.

## IV. THE PRESIDENT'S DECISION

20. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of \$600,000 on a grant basis to the Government of the Lao People's Democratic Republic for preparing the Strengthening Higher Education Project, and hereby reports this action to the Board.

## DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets and/or Indicators	Data Sources and/or Reporting Mechanisms	Assumptions and Risks
<p><b>Impact</b> Access, quality, relevance, and management capacity in higher education improved and strengthened</p>	<p>Increase in the number of undergraduate students in public universities from 30,000 in 2010 (actual number to be determined based on the demand analysis during the TA).</p> <p>Increase in teaching staff with postgraduate degrees in public universities (actual number will be established through the TA).</p> <p>University autonomy and accountability system will be in place.</p> <p>A quality assurance system will be established and functioning.</p>	<p>EMIS of MOE and universities</p> <p>University annual reports</p> <p>Budgetary expenditure data</p>	<p><b>Assumptions</b></p> <ul style="list-style-type: none"> <li>The economy of the Lao PDR will grow on a sustainable basis.</li> <li>The Government sustains its priority on the development of higher education in the context of balanced development in the education sector.</li> <li>University-industry linkages will continue to grow.</li> <li>Close coordination with the private sector will be maintained to ensure university training is consistent with the needs of industry.</li> </ul>
<p><b>Outcome</b> An agreed-upon design for a grant project, suitable for ADB financing</p>	<p>Project design is agreed upon by the Government of the Lao PDR and ADB by 31 May 2009.</p>	<p>Memorandum of understanding of the grant appraisal mission</p> <p>TA final report approved by ADB</p>	<p><b>Assumption</b></p> <ul style="list-style-type: none"> <li>MOE supports the development of coherent policy, strategies, action plan, and regulatory framework for the higher education sector.</li> </ul>
<p><b>Outputs</b></p> <ol style="list-style-type: none"> <li>Analysis of sector issues/constraints including the relevance of postsecondary education to the labor market</li> <li>Design of the overall policy, strategies, and regulatory framework</li> <li>Outline of master plan for higher education to be developed and implemented under the ensuing project in line with the education sector development framework 2008–2020</li> </ol>	<p>Sector assessment is satisfactory and assessment outputs are submitted by 19 December 2008.</p> <p>Proposal for the overall policy, strategies, and regulatory framework for higher education is ready by 30 January 2009.</p> <p>Outline master plan document is submitted to the Government and ADB by 16 February 2009.</p>	<p>ADB and MOE approval of sector assessment</p> <p>Government confirmation that the proposal is acceptable</p> <p>Midterm report approved by ADB</p>	<p><b>Assumption</b></p> <ul style="list-style-type: none"> <li>Available data and information will be adequate for TA purpose.</li> </ul> <p><b>Assumptions</b></p> <ul style="list-style-type: none"> <li>MOE gives sufficient level of autonomy to public universities.</li> <li>Universities have to show their accountability.</li> </ul> <p><b>Risk</b></p> <ul style="list-style-type: none"> <li>Increases in tuition fees and other expenses may not be acceptable to potential students of HEIs.</li> </ul> <p><b>Assumption</b></p> <ul style="list-style-type: none"> <li>Resources will be available for public universities and other key HEIs to meet regional and international standards of quality, relevance, attractiveness, and competitiveness.</li> </ul>

Design Summary	Performance Targets and/or Indicators	Data Sources and/or Reporting Mechanisms	Assumptions and Risks
<p>4. Project outline that addresses key sector constraints/issues, and includes project management and implementation arrangements</p> <p>5. Detailed project design (including project scope; cost estimates; financing plan; implementation arrangements; and economic, financial, social, gender and environmental analyses), and feasibility study completed</p>	<p>Agreed-upon project outline and DMF are ready by 16 February 2009.</p> <p>The Government and ADB complete the detailed project design by 30 April 2009.</p>	<p>Midterm report approved by ADB</p> <p>Draft final report approved by ADB</p>	<p><b>Assumption</b></p> <ul style="list-style-type: none"> <li>• Agreement on the DMF can be reached with major stakeholders.</li> </ul>
<p><b>Activities with Milestones</b></p> <ol style="list-style-type: none"> <li>Analyze higher education sector issues and constraints including the relevance of postsecondary education to the labor market, by 19 December 2008.             <ol style="list-style-type: none"> <li>1.1 Identify higher education constraints and issues to be addressed in the project design, and conduct problem tree analysis.</li> <li>1.2 Review systems and models of higher education including those in neighboring countries.</li> <li>1.3 Assess the relevance of postsecondary education to the labor market by conducting tracer studies and household surveys.</li> </ol> </li> <li>Develop a proposal for the overall policy, strategies, and regulatory framework for the higher education sector, by 30 January 2009.</li> <li>Outline a master plan for the higher education sector, in line with the education sector development framework up to 2020, by 16 February 2009.</li> <li>Prepare a project outline that addresses key sector constraints/issues and meets the objectives of the Government's policy and strategies and ADB's requirements, by 16 March 2009.             <ol style="list-style-type: none"> <li>4.1 Develop the project outline and DMF, including performance indicators and timelines, in consultation with major stakeholders.</li> <li>4.2 Confirm project outline and DMF with senior government officials and university representatives.</li> <li>4.3 Submit a completed midterm report by 16 February 2009.</li> </ol> </li> <li>Complete the detailed project design based on the DMF, by 30 April 2009.             <ol style="list-style-type: none"> <li>5.1 Develop the detailed DMF.</li> <li>5.2 Develop the detailed project design.</li> <li>5.3 Submit the draft final report by 30 April 2009.</li> <li>5.4 Submit the final report by 30 June 2009.</li> </ol> </li> </ol>			<p><b>Inputs</b></p> <p><b>ADB (\$600,000)</b></p> <p>Consulting services: \$483,000            Equipment: \$20,000            Workshops, seminars, and conferences: \$35,000            Surveys: \$10,000            Miscellaneous administration and support costs: \$12,000            Contract negotiations: \$5,000            Contingencies: \$35,000</p> <p><b>Government (\$120,000)</b></p> <p>Office accommodation and transport: \$60,000            Remuneration and per diem of counterpart staff: \$40,000            Others: \$20,000</p>

ADB = Asian Development Bank, DMF = design and monitoring framework, EMIS = education management information system, HEI = higher education institution, Lao PDR = Lao People's Democratic Republic, MOE = Ministry of Education.

## INITIAL POVERTY AND SOCIAL ANALYSIS

Country and Project Title: Lao People's Democratic Republic: Preparing the Strengthening Higher Education Project

Lending or Financing  
Modality: Project

Department and  
Division: Southeast Asia Department  
Social Sectors Division

### I. POVERTY ISSUES

#### A. Linkages to the National Poverty Reduction Strategy and Country Partnership Strategy

Based on the country poverty assessment, the country partnership strategy, and the sector analysis describe how the project would directly or indirectly contribute to poverty reduction and how it is linked to the poverty reduction strategy of the partner country.

Over the past 7 years, the macroeconomic environment in the Lao People's Democratic Republic (Lao PDR) has stabilized, after an uncertain period in the aftermath of the 1997 Asian financial crisis. The Lao PDR is now witnessing a period of robust economic growth, with gross domestic product (GDP) growing at 7.3% in 2006 and annual GDP growth rates projected to remain at 8.2% through 2010. The Government seeks to achieve economic growth, reduce poverty, meet the Millennium Development Goals by 2015, face modernization and industrialization, and graduate from its least-developed country (LDC) status by 2020. The Sixth Socioeconomic Development Plan, 2006–2010 (SEDP6), provides a coherent and cohesive development framework, identifying education as one of the four pillars of its poverty reduction strategy. SEDP6 recognizes that education is fundamental to socioeconomic development because it equips citizens with the required skills and attitudes in a rapidly changing society.<sup>a</sup> To achieve the Government's goal of graduating from LDC status by 2020, the country needs to utilize more intermediate and advanced knowledge and technology in all sectors. Due to globalization, the Lao PDR needs to prepare for regional and international integration. Integration creates pressure to provide higher education that is of high quality and relevance.

In line with SEDP6 strategies and priorities, the Lao PDR country strategy and program (CSP) (2007–2010) aims to assist the Lao PDR in (i) promoting pro-poor, sustainable growth; (ii) fostering inclusive social development, and (iii) addressing priority governance issues.<sup>b</sup> Through the pursuit of the strategic pillars of the regional cooperation strategy and program 2007–2009, the Lao PDR, being strategically located in the economic corridors of the Greater Mekong Subregion (GMS), plays a key role in strengthening connectivity and facilitating cross-border movement and tourism in the GMS.<sup>c</sup> In the CSP, ADB emphasizes that continuing investments in basic education need to be matched with a gradual shift toward strengthening the lower secondary and upper secondary sector and that, as school education continues to expand, demand will grow for better vocational and higher education. Although fully cognizant of the need to strengthen basic education, ADB shares the Government's concern for the need for balanced development of the education sector and gradual expansion of access to higher education. ADB is providing advisory technical assistance to help the Ministry of Education (MOE) develop a comprehensive plan for the education sector (with its extension to be cofinanced by the Australian Agency for International Development [AusAID]), and it is necessary to ensure linkage between the development of higher education and the education sector development framework.

#### B. Targeting Classification

1. Select the targeting classification of the project:

General Intervention (GI)  Individual or Household (TI-H)  Geographic (TI-G)  Non-Income MDGs (TI-M1, M2, etc.)

2. Explain the basis for the targeting classification:

The TA will prepare an investment project to upgrade three public universities—National University of Laos (NOUL), Souphanouvong University (SU) in Luang Prabang, and Champasak University (CU) in Pakse—and other higher education institutions (HEIs) on a priority basis, in the areas of facility, staff, and program development. The project will also include the support for overall and coherent policy and regulatory framework for the higher education system, which will prepare and implement arrangements for governance, financing, and quality assurance procedures. All these will enhance the country's capacity to produce highly qualified graduates in key disciplines responding to the labor market demand. The proposed project is envisaged to reduce poverty indirectly by upgrading public universities to become centers of research and teaching excellence in the country, with closer public-private partnerships. Such improvement, in turn, will contribute to pro-poor, sustainable economic growth as well as inclusive social development.

#### C. Poverty Analysis

1. If the project is classified as TI-H, or if it is policy-based, what type of poverty impact analysis is needed? N/A

2. What resources are allocated in the project preparatory technical assistance (PPTA)/due diligence?

A national social development specialist, under the guidance of the project team member in charge of social development and gender aspects, will be engaged to conduct poverty analysis.

3. If GI, is there any opportunity for pro-poor design (e.g., social inclusion subcomponents, cross subsidy, pro-poor governance, and pro-poor growth)?

The proposed project aims to upgrade three public universities (NUOL, SU, and CU) as centers of research and teaching excellence in the country, with closer public-private partnerships. The upgrade should create the potential for pro-poor growth. In addition, the design of the proposed project will consider such socially inclusive measures as affirmative admission criteria (quota system), level of tuition, and financial assistance schemes favoring students from poor households, especially females from ethnic minorities.

## II. SOCIAL DEVELOPMENT ISSUES

### A. Initial Social Analysis

Based on existing information:

1. Who are the potential primary beneficiaries of the project? How do the poor and the socially excluded benefit from the project?

The potential primary beneficiaries will be upper secondary school graduates and students of existing universities, who will have access to three upgraded public universities that will meet regional standards of quality, relevance, attractiveness, and competitiveness. In 2007, the student enrollment at three public universities reached 35,403 (NUOL with 27,102, CU with 4,651, and SU with 3,650). Disparities in access still persist, resulting in low representation of women and ethnic groups. In 2007, female students comprised 37% at NUOL, 31% at SU, and 39% at CU. At NUOL, ethnic quota students comprised 35% and ethnic female quota students, 17%. Capacity to meet the increasing number of students is limited. In 2006, out of 42,157 upper secondary school graduates, no more than 18,096 (about 42%) could gain access to public universities. The proposed project will prepare and implement policy measures to increase equitable access to higher education by, among others, promoting effective access to tuition fee and financial assistance. The poor and the socially excluded can have access to upgraded public universities through affirmative admission criteria (quota system), as well as student tuition and student financial assistance schemes. Thus, all qualified students will be admitted regardless of their ability to pay tuition and other related costs. Other primary beneficiaries are younger faculty members who will be sent overseas for postgraduate degree programs.

2. What are the potential needs of beneficiaries in relation to the proposed project?

The potential needs of beneficiaries include the level of autonomy in university governance, flexibility and equity in the financial mechanism, and transparency and accountability in the quality assurance system, which are the enabling conditions for their equitable access to high-quality graduate and postgraduate education programs.

3. What are the potential constraints in accessing the proposed benefits and services, and how will the project address them?

The Government and university authorities may not be fully aware of the required level of autonomy in university governance, flexibility in the financial mechanism, and transparency and accountability in the quality assurance system that would enable public universities to reach regional standards of quality, relevance, attractiveness, and competitiveness. The project preparatory technical assistance (PPTA) will review systems and models of higher education and draw lessons for developing overall and coherent policy, strategies, and regulatory framework suitable for public universities, and the proposed project will help the Government and universities implement such policy, strategies, and regulatory framework.

### B. Consultation and Participation

1. Indicate the potential initial stakeholders.

Upper secondary and undergraduate education age cohorts will be the potential initial stakeholders. Education decision makers, planners, managers, and university subproject teams comprising university administrators and faculty members will be involved in the project, both as executing and implementing agencies and as beneficiaries of the project activities. The private sector will also be involved through (i) representation on the university council, board or decision-making committee; (ii) involvement in program definition, curriculum design, and thesis panels; and (iii) hiring of teaching staff from enterprises.

2. What type of consultation and participation is required during the PPTA or project processing (e.g., workshops, community mobilization, involvement of nongovernment organizations and community-based organizations, etc.)?

During the PPTA, the following seminars and workshops will be conducted: (i) inception, midterm, and final seminars involving all the project stakeholders; (ii) a workshop on policy, strategies, and regulatory framework, involving decision makers, planners, managers, and representatives from the private sector on the policy and regulatory framework; and (iii) focused project planning workshops involving university subproject stakeholders in Luang Prabang and Pakse.

3. What level of participation is envisaged for project design?

Information sharing     Consultation     Collaborative decision making     Empowerment

4. Will a consultation and participation plan be prepared?  Yes  No Please explain.

A separate consultation and participation plan is not required. ADB has already started stakeholder consultations with the central and provincial governments, university representatives, the private sector, and other development partners (particularly Australia, Japan, and Republic of Korea). Furthermore, consultation and participation processes will be mainstreamed in relevant project components and documents such as a resettlement framework or a short resettlement plan, and gender action plan.

**C. Gender and Development**

1. What are the key gender issues in the sector and/or subsector that are likely to be relevant to this project or program?

Key gender issues are (i) an imbalance in educational attainment, at the upper secondary and tertiary levels, where fewer girls than boys are enrolled, (the gap is very wide between the majority of “*Lao Loum*” boys and ethnic minority girls); and (ii) an imbalance in teaching staff at the tertiary level, where female teachers are fewer than male teachers.

2. Does the proposed project or program have the potential to promote gender equality and/or women’s empowerment by improving women’s access to and use of opportunities, services, resources, assets, and participation in decision making?

Yes  No Please explain.

The proposed project aims to (i) introduce admission criteria that will encourage enrollment by female students in general, (ii) give special consideration to student tuition and financial assistance schemes for qualified ethnic minority female students by reviewing the existing quota and nonquota admission systems, and (iii) put priority on hiring qualified female faculty members.

3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality?

Yes  No Please explain.

The proposed project aims to establish a nondiscriminatory environment for female students and female faculty members.

**III. SOCIAL SAFEGUARD ISSUES AND OTHER SOCIAL RISKS**

Issue	Nature of Social Issue	Significant/Limited/ No Impact/Not Known	Plan or Other Action Required
<b>Involuntary Resettlement</b>	No involuntary resettlement is involved in NUOL and SU. However, CU is located on some 1,900 hectares acquired by the provincial government and is bordered by three districts. According to the university campus facility development plan, some 20 households who are temporarily residing inside the campus need to be relocated.	Not significant. Appropriate due diligence would be done for relocating households on the campus of CU. A short resettlement plan will be prepared based on the section in ADB’s <i>Operations Manual</i> , Section F2 on involuntary resettlement <sup>d</sup>	<input type="checkbox"/> Full Plan <input checked="" type="checkbox"/> Short Plan <input type="checkbox"/> Resettlement Framework <input type="checkbox"/> No Action <input type="checkbox"/> Uncertain
<b>Indigenous Peoples</b>		Not significant, but most likely positive impacts on equitable access to tertiary education by ethnic minority groups, especially ethnic minority girls; and increased opportunities for ethnic minority groups to work as faculty members and university staff.	<input type="checkbox"/> Plan <input type="checkbox"/> Other Action <input type="checkbox"/> Indigenous Peoples Framework <input type="checkbox"/> No Action <input checked="" type="checkbox"/> Uncertain (Either a short indigenous peoples development plan or special actions will be prepared).

Issue	Nature of Social Issue	Significant/Limited/ No Impact/Not Known	Plan or Other Action Required
<b>Labor</b> <input type="checkbox"/> Employment Opportunities <input type="checkbox"/> Labor Retrenchment <input type="checkbox"/> Core Labor Standards	The project will enhance employability of graduates from the universities to be developed, which will lead to increased employment opportunities. At the construction sites, employment opportunities for workers will increase.	No negative impact. Labor standards will be maintained and basic facilities (water and sanitation) will be provided for the workers. National labor laws against child labor or discriminatory practices will be complied with.	<input type="checkbox"/> Plan <input type="checkbox"/> Other Action <input checked="" type="checkbox"/> No Action <input type="checkbox"/> Uncertain
<b>Affordability</b>	The project will contribute to sustainable economic growth through development of an educated or highly skilled workforce. Improved economic opportunities will increase affordability.	No negative impact. The project will introduce student financial assistance schemes that ensure equal opportunities to all students, especially those from poor households and ethnic minorities.	<input type="checkbox"/> Action <input checked="" type="checkbox"/> No Action <input type="checkbox"/> Uncertain
<b>Other Risks and/or Vulnerabilities</b> <input type="checkbox"/> HIV/AIDS <input type="checkbox"/> Human Trafficking <input type="checkbox"/> Others (conflict, political instability, etc.). Please specify.	No other risks or vulnerabilities are anticipated.	No impact	<input type="checkbox"/> Plan <input type="checkbox"/> Other Action <input checked="" type="checkbox"/> No Action <input type="checkbox"/> Uncertain

#### IV. PPTA OR DUE DILIGENCE RESOURCE REQUIREMENT

1. Do the terms of reference (TOR) for the PPTA (or other due diligence) include poverty, social and gender analysis, and the relevant specialist(s)?  
 Yes       No    If no, please explain why.
2. Are resources (consultants, survey budget, and workshop) allocated for conducting poverty, social and/or gender analysis, and consultation and participation during the PPTA or due diligence?     Yes       No    If no, please explain why.

<sup>a</sup> Lao PDR, Committee for Planning and Investment. 2005. *Sixth National Socio-Economic Development Plan (2006–2010)*. Vientiane.

<sup>b</sup> ADB. 2006. *Country Strategy and Program (2007–2011)*. Lao PDR. Manila.

<sup>c</sup> ADB. 2006. *Regional Cooperation Strategy and Program Update, The Greater Mekong Subregion – Beyond Borders, (2007–2009)*. Manila.

<sup>d</sup> ADB. 2006. *Operations Manual*. Section F2: Involuntary Resettlement. Manila (25 September).

**COST ESTIMATES AND FINANCING PLAN**  
(\$'000)

<b>Item</b>	<b>Total Cost</b>
<b>A. Asian Development Bank (ADB) Financing<sup>a</sup></b>	
1. Consultants	
a. Remuneration and Per Diem	
i. International Consultants	350.0
ii. National Consultants	83.0
b. International and Local Travel	45.0
c. Reports and Communications	5.0
2. Equipment <sup>b</sup>	20.0
3. Workshops, Seminars, and Conference <sup>c</sup>	35.0
4. Surveys	10.0
5. Miscellaneous Administration and Support Costs	12.0
6. Representative for Contract Negotiations	5.0
7. Contingencies	35.0
<b>Subtotal (A)</b>	<b>600.0</b>
<b>B. Government Financing<sup>d</sup></b>	
1. Office Accommodation and Transport	60.0
2. Remuneration and Per Diem of Counterpart Staff	40.0
3. Others	20.0
<b>Subtotal (B)</b>	<b>120.0</b>
<b>Total</b>	<b>720.0</b>

<sup>a</sup> Financed by the Japan Special Fund, funded by the Government of Japan.

<sup>b</sup> Includes computers with standard software and modems, printers, photocopiers, facsimile machine with scanner, air conditioners, and other necessary office equipment. Procurement of equipment will be subject to ADB approval.

<sup>c</sup> Includes costs for a series of workshops, the inception, midterm, and tripartite seminars, and other consultation meetings with local stakeholders.

<sup>d</sup> Government of the Lao People's Democratic Republic.

Source: ADB estimates.

## OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

1. A team of 8 international consultants providing 19 person-months of input, and 11 national consultants with 32 person-months of input will be recruited for the technical assistance (TA) project. The consultants will work closely with counterparts to be designated by the Government of the Lao People's Democratic Republic at a project management unit to be established in the Ministry of Education (MOE). An existing project steering committee chaired by the vice minister in charge of higher education will provide overall guidance for the TA. International consultants will lead and plan in their respective areas of expertise in collaboration with national consultants and government counterpart staff. The national consultants will advise international consultants on the local situation to enable them to adjust their analyses and recommendations to local conditions. Consultants will help the international team leader prepare and conduct workshops and seminars, prepare reports, and do other tasks in their areas of expertise, which would be identified during TA implementation, in addition to specific tasks assigned to them.

**A. Strategic Planning, Monitoring and Evaluation Specialist and Team Leader** (international, 7 person-months); and **Strategic Planning, Monitoring and Evaluation Specialist** (national, 8 person-months)

2. The international specialist and team leader, working in collaboration with MOE and university representatives, will be responsible for the overall implementation of the TA project. The team leader will work closely with the Department of Planning and Cooperation, Department of Higher Education of MOE, the National University of Laos (NUOL), Souphanouvong University (SU), Champasak University (CU), and other higher education institutions (HEIs) concerned. The team leader will also consolidate the TA findings into cohesive inception, midterm, draft final, and final reports suitable for submission to the Government and the Asian Development Bank (ADB). In addition, both international specialist and team leader, and national specialist, will

- (i) develop an overall work plan and a participation strategy with major stakeholders, including the counterparts at the national and university levels, the private sector, as well as development partners;
- (ii) design and conduct an analysis of the higher education sector to examine issues, constraints, and opportunities, based on a review of systems and models of higher education in neighboring countries; and a problem-tree analysis in strengthening the higher education system of the Lao People's Democratic Republic, including an analysis of the relevance of postsecondary education to the labor market;
- (iii) prepare a proposal for overall policy development and strategies for higher education in coordination with the consultants on university governance and management, and quality assurance, ensuring linkage with the education sector development framework up to 2020 (under preparation) and the National Education System Reform Strategy, 2006–2015;
- (iv) prepare an institutional capacity development plan for MOE with special reference to its Department of Higher Education, based on an assessment of MOE's capacity to regulate the higher education system;
- (v) develop strategic road maps for NUOL, SU, and CU to enable them to reach regional and international standards in quality, relevance, and competitiveness by 2020;
- (vi) prepare an outline of the master plan for the development of higher education for 2010–2020 including the higher education sector analysis; the proposal for overall policy, strategies, and regulatory framework; the capacity development plan; and the strategic road map;

- (vii) help MOU conduct three strategic planning workshops on higher education policy and strategies in the north, south, and Vientiane; two project planning workshops at SU and CU, respectively; a TA inception workshop; and midterm and final seminars;
- (viii) review ADB's and other funding agencies' past, ongoing, and planned assistance to higher education and draw lessons for preparing a feasible project design and implementation arrangements;
- (ix) in coordination with all stakeholders, develop a design and monitoring framework and detailed feasibility study report for the ensuing project that is suitable for submission to the Government and ADB, including appropriate grant covenants to comply with during project implementation and detailed project cost estimates and financing plan;
- (x) for the ensuing project, identify cofinancing possibilities with development partners interested in supporting higher education, and recommend components or subcomponents with detailed cost estimates that would be suitable for cofinancing;
- (xi) define and identify monitoring and evaluation indicators of the ensuing project as benchmarks, and define the types of indicators to be monitored throughout the project life. The indicators will be related to (a) the assessment of the overall progress of the Government's higher education development strategy; (b) project development objectives to track progress against targets of the proposed project; and (c) key activities planned under each component and subcomponent of the ensuing project;
- (xii) design the project management, and monitoring and evaluation training component under the ensuing project; and
- (xiii) develop an appropriate format to be used for the project monitoring purpose; and design a preliminary project performance management system.

**B. University Governance and Management Specialists** (international, 1.5 person-months; national, 3 person-months)

3. The duties are to (i) assist the team leader and the strategic planning, monitoring, and evaluation specialist (national) in analyzing the higher education sector and preparing a sector development master plan, including the Department of Higher Education and MOE's capacity development plan, and strategic road maps of three public universities (NUOL, SU, and CU); (ii) review and design governance arrangements for public universities and a regulatory framework for private HEIs, and including government-university relations (autonomy and accountability), governance structure (with university council functions including business-industry representation), appointment procedures (university leadership, management, faculty and administrative staff), student recruitment policy and arrangements, and academic decision making (e.g., study programs, international cooperation, curriculum content, and student assessment); and (iii) review and design financing arrangements for public universities, including a public financing mechanism, a public financing structure (including salary structures and incentive mechanisms), student tuition fees, student financial assistance with equity concerns, and business-industry financing (including financial mechanisms for research and development).

**C. University Quality Assurance Specialists** (international, 1.5 person-months; national, 3 person-months)

4. The duties are to (i) assist the team leader and the strategic planning, monitoring, and evaluation specialist (national) in conducting a higher education sector analysis and preparing a sector development master plan; (ii) prepare a plan for developing institutional capacity for

quality assurance and accreditation functions for the higher education system, with special reference to quality assurance mechanisms and organizations at MOE and public universities; and (iii) design quality assurance arrangements for public universities, including quality standards (with international benchmarking for research and teaching), recognition of higher education degrees, government quality assurance system, university-internal quality assurance system, student selection procedures, monitoring, and reporting (accountability).

**D. University Human Resource and Capacity Development Specialists** (international, 1.5 person-months; national, 3 person-months)

5. The specialists will (i) in coordination with the team leader and the strategic planning, monitoring, and evaluation specialist (national), analyze the availability of quality teaching staff, that is, the ratio of postgraduate teaching staff to undergraduate students and compare it with that of neighboring countries and best practice of developing member countries; assess the capacity of MOE and administrative staff of public universities (NUOL, SU and CU) in administering and managing higher education and universities, and the research and teaching capacity of academic staff of public universities, focusing on undergraduate programs; and (ii) develop a short-term and long-term (degree programs) staff development plan for MOE and university staff (both administration and teaching) to be supported by the proposed project on a priority basis, and prepare criteria for selecting candidates to be included in the staff development plan.

**E. University Campus, Facilities, and Laboratory Development Specialists** (international, 1 person-month; national, 2 person-months)

6. The specialists will (i) collect data and analyze cost norms for civil works, and prepare a realistic schedule and cost estimates for design, supervision, inspection, and maintenance of civil works to be planned under the proposed project; (ii) prepare bidding documents for civil works (including architectural design), in accordance with government regulations and ADB's *Procurement Guidelines* (2007, as amended from time to time); and (iii) in coordination with the procurement specialist, develop a facilities development plan mainly for CU on a priority basis, including administration and classroom facilities, laboratories, university networking with the market and industry, and other service facilities such as job placement, health, student sports and recreation, and community services.

**F. Procurement Specialist** (national, 1 person-month)

7. The procurement specialist will (i) assess the procurement capacity of MOE and the public universities (NUOL, SU, and CU); (ii) in coordination with the campus, facilities, and laboratory development specialists, and the university subproject teams, prepare a tentative list of laboratory equipment and civil works to be procured, considering the needs of the new curriculum levels and laboratory and teaching equipment; (iii) prepare the procurement plan for the proposed project, in accordance with government regulations and ADB's *Procurement Guidelines*; and (iv) prepare bidding documents for the equipment to be procured under the proposed project, and assist MOE to start recruiting project consultants and drafting the request for proposals.

**G. Curriculum Development and Academic Review Specialists** (international, 2 person-months; national, 3 person-months)

8. The specialists will (i) assess the level and contents of current curricula, academic programs, and diplomas and degrees in specializations against those of top-ranked universities in Southeast Asia, and then design new or revised curricula and academic programs, and

diploma and degree programs; (ii) analyze the availability of textbooks in the Lao language and the feasibility of including translations of main textbooks from English (or other language) into the Lao language and publishing those textbooks under the ensuing project; (iii) design curriculum and academic programs in relevant disciplines and fields and strengthen international and domestic networking at the undergraduate and postgraduate levels; (iv) prepare long and short-term staff development programs in curriculum development and academic review; (v) prepare evaluation criteria and methods for teaching effectiveness and research quality and performance; and (vi) develop a format for utilizing and maintaining facilities, laboratories, and equipment.

**H. Education Economics, Finance, and Project Costing Specialists** (international, 3 person-months; national, 4 person-months)

9. The specialists will

- (i) assist the team leader in analyzing the higher education sector, and preparing an outline of the master plan for higher education sector development;
- (ii) as inputs to the sector analysis, assess the labor market demand for postsecondary education using tracer studies with special reference to newly established public universities (SU and CU);
- (iii) assess the economic and financial rationale for creating other key HEIs including a proposed HEI in Savannakhet, by examining the potential job market demand for the HEIs' prospective graduates;
- (iv) conduct a detailed economic (cost-benefit) analysis of the impacts and outputs of the proposed project;
- (v) conduct a financial analysis to determine the level of available resources for the Government (central and provincial governments) to manage any recurrent costs of the project investments;
- (vi) propose cost-recovery measures and recovery ratios in a phased manner (e.g., by tuition fees, student financial assistance schemes, and revenues from research products);
- (vii) conduct an affordability analysis to design student financial assistance schemes including stipends or subsidies for the poor, ethnic minorities, or traditionally excluded groups;
- (viii) prepare, in coordination with other consultants, cost estimates for the proposed project (with detailed cost tables for all components and activities) and a financing plan, taking into consideration cofinancing possibilities with development partners (use of COSTAB is highly desirable);
- (ix) analyze the fiscal framework and financial procedures and recommend strategies to ensure sustainability and accountability of the proposed project;
- (x) suggest a package of financial incentives to promote greater private sector and industry involvement in university development;
- (xi) define financial procedures and delineation of responsibilities between the central Government and local authorities and institutions for managing grant funding, and design a financial management system for the proposed project;
- (xii) design a fund-flow mechanism and identify appropriate ADB disbursement procedures, considering the capacity of the executing agency and university subproject teams;
- (xiii) assess financial management capacity, including an assessment of the financial sustainability of and accountability in the proposed project; and
- (xiv) propose strategies to ensure the financial sustainability of the proposed project.

**I. Social Development Specialist** (national, 3 person-months)

## 10. The specialist will

- (i) conduct poverty, social, ethnic and gender impact assessments of the proposed project in accordance with ADB's *Poverty Handbook* (2006) and *Handbook on Social Analysis* (2007), and assess the number of indigenous peoples and their socioeconomic status using ADB's checklist and Indigenous People Impact Categorization Form. If necessary, develop a short indigenous people's development plan based on ADB's *Policy on Indigenous Peoples* (1998) and *Policy on Gender and Development* (1998);
- (ii) collect most recent gender and ethnicity-disaggregated information and data on gender and ethnicity relevant to aspects of tertiary education, at both central and provincial levels;
- (iii) assess the impact of existing initiatives (including university admission quotas) aimed at promoting equal representation of women and ethnic groups on the faculty, equal access to tertiary education, and effective access to tuition fee and financial assistance (with emphasis on ethnic minority girls);
- (iv) on the basis of the evidence collected, present practical modalities to support the (identified) gender and ethnicity gaps in the TA final report, for possible incorporation in the assistance under the proposed project;
- (v) based on the above gender analysis and examination of the institutional and organizational framework for women's participation in the project intervention and their representation in project management, prepare a project-specific gender action plan to be finalized under the TA in consultation with the social development officer in the Resident Mission; and
- (vi) produce a summary of poverty reduction and social strategy as a core appendix of the TA final report, and develop any action or mitigation plans or other measures as appropriate in accordance with ADBs' *Handbook on Social Analysis*.

**J. Resettlement Specialist** (international, 1.5 person-months; national, 1 person-month)

11. The specialist will (i) screen all sites identified for civil works to ensure that none of them will entail involuntary resettlement as defined in ADB's *Involuntary Resettlement Policy* (1995) and *Operations Manual Section F2* (OMF2) on involuntary resettlement;<sup>1</sup> (ii) on the basis of the assessment of land issues, titles, and the potential impact of the proposed project, develop a resettlement framework or a short resettlement plan in accordance with ADB's *Involuntary Resettlement Policy* and OMF2, if rehabilitating or expanding any site will result in involuntary resettlement; and (iii) assess the capacity of MOE and the project management unit with regard to the issues related to involuntary resettlement.

**K. Environmental Assessment Specialist** (national, 1 person-month)

12. The specialist will (i) review the environmental implications of civil works and environmental settings of the proposed site; (ii) review environmental risks of the proposed project, and, where such risks are present (e.g., treatment and disposal of hazardous waste from laboratories), examine the measures that are currently being taken or will be taken during project implementation to mitigate the risks; and (iii) conduct an initial environmental examination or environmental impact analysis for construction-related proposals for prospective university facilities, in accordance with ADB's *Environment Policy* (2002) and *Environmental Assessment Guidelines* (2003).

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<sup>1</sup> ADB. 2006. *Operations Manual*. Section F2: Involuntary Resettlement. Manila (25 September).