

DEVELOPMENT COORDINATION

A. Major Development Problems: Strategic Foci and Key Activities

1. The Government of the Lao People's Democratic Republic (Lao PDR) ascribes a high priority to education as a prerequisite for sustained economic growth and poverty reduction and central to its goal of graduating from least-developed country status by 2020. The government acknowledged that sufficient labor with advanced skills and knowledge will be essential to accelerate the shift from an agriculture-driven economy toward technology-intensive industry and services sectors, which will require adjusting and expanding technical and vocational education and training (TVET) services toward new labor market demands. Subsequently the government increased budget provisions for TVET.

2. The key development partners in TVET are the governments of Germany, Luxembourg, and Switzerland. The Government of Germany directly supports 12 vocational colleges, and provides (i) policy advice to strengthen the overall TVET system, (ii) technical assistance for development of standards and curriculum modules and design of training programs, (iii) limited funding for scholarships, (iv) infrastructure support to upgrade teaching and learning environments and (v) assistance to the Vocational Education Development Institute to develop and implement strategies to advance professional development of teachers. The governments of Luxembourg and Switzerland provide assistance to strengthen TVET for tourism and hospitality. The proposed project will complement the efforts of other development partners with a major focus on expanding access to TVET and strengthening TVET delivery at the institutional level. The modality of the stipend scheme to be used by the proposed project is harmonized with stipend programs of other development partners.

Table 1: Major Development Partners in TVET

Development Partner	Project Name	Duration	Amount (\$ million)
Government of Germany (through GIZ) in cooperation with SDC	VELA Vocational Education Lao PDR	2014–2018	12.5
Government of Germany (through GIZ)	TVET Teacher Education Program	2012–2016	3.4
Government of Germany (through KfW)	Upgrading of Vocational Education Development Institute and selected colleges	2016–2018	5.0
Governments of Luxembourg and Switzerland	Strengthening of Human Resources in Hospitality and Tourism	2008–2016	7.1
Governments of Luxembourg and Switzerland (through SDC and Lux Development)	Lao/029-Skills for Tourism	2016–2020	15.3
Thai International Cooperation Agency	Lao–Thai Cooperation Project	2015–2017	3.0
Government of Germany (through GIZ)	Regional Economic Integration of Laos into ASEAN, Trade and Entrepreneurship Development Project	2014–2017	13.6
Government of Germany (through GIZ)	Regional Cooperation on Technical and Vocational Education and Training	2016–2018	0.6

ASEAN = Association of Southeast Asian Nations, GIZ = Deutsche Gesellschaft für Internationale Zusammenarbeit, KfW = Kreditanstalt für Wiederaufbau, SDC = Swiss Agency for Development and Cooperation, TVET = technical and vocational education and training.

B. Institutional Arrangements and Processes for Development Coordination

3. Although TVET projects are administered by the Technical and Vocational Education Department (TVED) under the Ministry of Education and Sports (MOES), little formal coordination takes place. Considerable efforts were made to involve development partners during project preparation. Development partners participated in planning workshops to design the stipend scheme and the TVET promotion strategy. Planning documents were exchanged to invite feedback, and the selection of project colleges was coordinated to avoid duplication.

C. Achievements and Issues

4. Investments of development partners contributed to help the government in expanding the capacity of the TVET system, particularly by upgrading colleges throughout the country. However, because of lack of effective coordination mechanisms, interventions to train teachers and develop standards and curriculum modules were not harmonized. While all interventions were regarded as relevant and satisfactory in achieving outputs, harmonized approaches could have generated greater synergies toward strengthening the overall TVET system. In 2015 MOES endorsed the TVET Development Plan 2016–2020, which aims to increase access to TVET and strengthen the delivery of TVET programs.¹ Interventions from development partners should be harmonized under the overall framework of the TVET Development Plan to avoid duplication and ensure complementarity and greater effectiveness. While the Government of Germany provides sufficient support to address policy and system development issues, the proposed project will complement these efforts by focusing on improving quality of and access to TVET at the college level.

D. Summary and Recommendations

5. To strengthen coordination among key development partners in the future, ADB and MOES agreed to (i) organize quarterly meetings to exchange information on progress under each project and discuss joint approaches on policy areas that have been prioritized by the government to accelerate the modernization of the TVET system, and (ii) invite development partners to participate in review missions. Based on lessons from ADB's past support for TVET, cooperation among development partners will focus particularly on (i) joint efforts to enhance engagement of employers and business communities to ensure that programs are relevant and demand-driven, (ii) harmonized approaches toward developing the professional capacity of teachers and TVET managers, (iii) adopting one approach for stipend schemes, (iv) promoting an entrepreneurial culture to managing colleges and program delivery, and (v) harmonizing efforts to refine and implement TVET promotion strategies to improve the public image of TVET among youths, their parents, and communities. The designated project director of the proposed project has agreed to facilitate regular coordination meetings among TVED and development partners.

¹ Government of Lao PDR, Ministry of Education and Sports. 2015. *Technical and Vocational Education and Training Development Plan 2016-2020*. Vientiane.