Lao People’s Democratic Republic: Sector-Wide Approach in Education Sector Development

1. On 15 December 2006, the Asian Development Bank (ADB) approved advisory technical assistance (ADTA) to the Government of the Lao People’s Democratic Republic (Lao PDR) to assist in developing an Education Sector Development Framework (ESDF). The total estimated cost of the ADTA was $600,000; ADB financed $500,000 and the Government financed $100,000 equivalent.

2. The ADTA was prepared in response to the need recognized by the Ministry of Education (MOE) and development partners for improved sector-wide planning to address key sector deficiencies and to develop a more balanced, strategic, and long-term approach to education sector development. In the absence of a comprehensive sector development framework, investments in the sector have been haphazard. The ADTA was designed to help MOE develop a phased 10-year ESDF for developing the school sector by assessing the projected expansion of enrollments at the primary, lower secondary, and upper secondary levels; and the ensuing demand this expansion will generate for additional physical facilities, teachers, textbooks and learning materials, and institutional and management capacity at all levels. The ESDF was also to assess the financial sustainability in the medium and longer term, and prepare a policy matrix of actions needed to support the education reforms. The ESDF is designed to be implemented in three phases over a 10-year period, with each phase being self-sufficient in inputs to support the expansion expected to occur during that phase.

3. The ADTA activities were largely completed in April 2008 and a draft ESDF was produced in close consultation with the Government and the development partners. This has generated broad support and ownership from all stakeholders. The timing of the ADTA was opportune and the Government is committed to using the ESDF as its overarching vehicle for education reform. The ESDF will serve as the basis for the submission of a request for funds.
from the Fast Track Initiative\(^1\) (FTI) to help Lao PDR meet its goals of universal primary education. It will also provide the foundation for formulation of annual, prioritised, costed sector plans as mandated under the Vientiane Declaration Action Plan, and agreed as a policy trigger under the Poverty Reduction Support Operation process.

4. The initial scope of the ESDF was restricted to the school sector (grades 1–12). As the preparation of the ESDF has progressed, the Government has expressed the need to expand the ESDF to cover the education sector more comprehensively, addressing other priority areas identified in the Government’s education reform strategy. Development partners have also expressed a similar desire to extend the scope of the ADTA to make the ESDF a comprehensive document that will guide the development of the education sector as a whole and enable channeling of resources for more sustainable and efficient sector development. In recognition of this demand, the Government of Australia has committed to provide an additional $477,000 equivalent to expand the scope of the ADTA and cover the cost of additional proposed activities.

5. In accordance with Government of Australia’s engagement strategy\(^2\), additional funding from Australia will enable this framework to broaden its focus and extend its coverage of the national education system. This is an important contribution to a programmatic approach in support of education development over the medium term. The performance of donor support needs to be improved through better coordination of activities, which, thus far, has been limited to information sharing as there is no overall plan or framework for donors and the Government to work within. The development of a more comprehensive 10-year strategic framework will help address this lack of coordination and provide opportunities for the development of an agreed medium-term action plan for the sector and annual review processes.

6. Broadened technical assistance (TA) will have the following objectives:

(i) develop a 10-year strategic framework for the education sector, including examining the outcomes and recommendations of the World Bank Public Expenditure Tracking Study for education spending;

(ii) ensure that stakeholders adopt and implement the framework as a joint longer-term planning tool;

(iii) ensure that the framework is used as the basis for developing annual prioritised costed plans; and

(iv) assist MOE, Education Sector Working Group, and the Government of Australia-funded education adviser to produce the first annual prioritised costed plan, and FTI application.

7. The package will also need to (i) ensure the feasibility of the ESDF to address structural barriers impeding progress to education goals, (ii) strengthen areas of relevance to the school sector which were not addressed originally because of resource constraints or have been identified as necessary additions based on consultations, and (iii) include areas beyond the school sector (grades 1–12) that are relevant to overall education sector development and human resource development.

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\(^1\) The Education for All - Fast-track Initiative (FTI) is a global partnership between donor and developing countries to ensure accelerated progress towards the Millennium Development Goal of universal primary education by 2015. All low-income countries which demonstrate serious commitment to achieve universal primary completion can receive support from FTI.

\(^2\) Delivering Better Education in Laos 2007–2011
8. Key areas of education reform that will be addressed through the expansion of scope include (i) preparation of a concise document based on the ESDF that encapsulates the policy recommendations contained in the ESDF, and preparation of a prioritized 5-year action plan based on projected resource availability; (ii) consolidation of the work done by different donors on early childhood development, technical and vocational education and training, and its integration into the ESDF for more coordinated and complementary development of these subsectors within the overall framework for education sector development; (iii) effective integration into the education system of critical areas such as HIV/AIDS, needs of students with disabilities, etc.; and (iv) close examination of the contribution of nongovernment organizations (NGOs) and previous donor-funded programs with a view to scaling up successful programs. The major outputs of the expanded TA will be: (i) a short strategic paper outlining key government policies and strategies in the education sector, (ii) the first annual prioritized ESDF and associated costed sector plan, (iii) annexes associated with the FTI submission, and (iv) revision and modifications to the existing ESDF document as necessary and appropriate.

9. Additional funds will be used to strengthen and expand ESDF outputs. Although the increase constitutes a major change in scope, the change will not fundamentally affect or alter the ADTA’s overall purpose, objectives, and implementation arrangements. The TA implementation period will be extended to December 2008. The cost estimates are in Appendix 1.

10. The expansion of scope will result in an additional 32 person-months of consulting services (17 international and 15 national). To ensure continuity, the consultants will be recruited through extension of the current, ongoing contract for consulting services. Indicative terms of reference are in Appendix 2. These will need to go through a consultation process with MOE and the Education Sector Working Group to ensure consensus on their appropriateness to agreed priorities, and to build a shared vision, essential to ESDF’s success. Specific terms of reference may be adapted to incorporate the outcomes of these consultations, and ensure alignment of the TA support with this vision.

11. The Board is notified of this major change in scope and increase in ADTA amount by the equivalent of $477,000 to be financed on a grant basis by the Government of Australia and administered by ADB. After this increase in TA budget, the total TA amounts to $977,000 equivalent.

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3 $477,000 constitutes a 95% increase in ADTA budget.
4 In addition to this, the European Commission will provide 7 person-months of international consultants whose inputs will be complementary to the TA.
5 Contingency funds have been retained to address or supplement areas based on the analysis and resulting demand, or to strengthen the ESDF.
## COST ESTIMATES AND FINANCING PLAN

($'000)

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<tr>
<th>Item</th>
<th>ADB Financing*</th>
<th>Government of Australia Fundb</th>
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<tr>
<td>1. Consultants</td>
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<tr>
<td>a. Remuneration and Per Diem</td>
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<td>i. International Consultants (17 person-months)</td>
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<td>ii. National Consultant (15 person-months)</td>
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ADB = Asian Development Bank.

* Financed by ADB's technical assistance funding program.

b Financed through the Memorandum of Understanding on Channel Financing (Technical Assistance Program) between the Government of the Commonwealth of Australia and the Asian Development Bank, and administered by ADB.

Source: ADB estimates.
INDICATIVE TERMS OF REFERENCE

The team of consultants, as enumerated below, will work closely with counterparts from MOE and other government agencies and stakeholders to ensure that the TA deliverables have wide ownership and acceptance. The team will also ensure the continuity and the linkages of all new documentation with the existing ESDF so that the documents produced by the TA cater to the both short term and the longer term development of the education sector. All experts will be required to have extensive experience in developing countries. Experience in South East Asian countries will be highly desirable.

1. **Team Leader** (international, 5 person-months)

The team leader will have extensive experience in education policy and planning in developing countries, particularly in helping develop education reform and development strategies. He/she will have the following specific responsibilities:

(i) Ensure the Government, Ministry of Education (MOE) and the Education Sector Working Group (ESWG) comments are incorporated into the Education Sector Development Framework (ESDF) and check consistency with existing government/MOE policies and priorities. Liaise regularly with both MOE and donor partners (DPs) to ensure that all stakeholders agree with methodologies, and draft content of ESDF and provide brief monthly report updates to the ESWG;

(ii) Continuously review methodologies and working papers to ensure that the ESDF continues to prioritize the achievement of universal primary education with a focus on pro-poor and inclusive education. Ensure that identified priorities are consistent with the MOE National Education System Reform Strategy (NESRS). Identify a likely resource envelope that will be available from the Government and DPs for the period. Validate assumptions being used in scenario building and costing by the international financial and performance planning adviser, and regularly update Department of Planning and Cooperation (DPC) on overall scenarios being developed, seeking clarifications of assumptions from MOE staff;

(iii) Liaise with Ministry of Finance (MOF), Public Administration and Civil Service Authority (PACSA), other line ministries, to enable MOE to identify clear short-, medium-, and longer-term priorities among policy options, both across and within subsectors, together with the international ESDF strategy, program, and appraisal specialist; national ESDF coordinator; and MOE staff. This will take into account the differing situational contexts across provinces and districts, and possible links to other government projects such as the Support for Better Services Project (SBSD);

(iv) Identify alternative financing policy and strategy approaches, together with the ESDF strategy, program, and appraisal specialist, to ensure enhanced compliance of provincial education service (PES) to the priority of the Education for All National Plan of Action (EFA NPA) while ensuring that balanced sector development is included in the ESDF part 1;

(v) Develop an overall performance assessment framework for the ESDF part 1, in conjunction with the international financial and performance planning adviser;

(vi) Take responsibility for drafting the Fast Track Initiative (FTI) submission, based on inputs from other technical assistance (TA) members and including preparation of a consolidated policy matrix for the ESDF embracing the whole sector. Ensure that individual consultants prepare final reports that will provide
background and direction, based on the advisory TA (ADTA) final report for the expanded ESDF.

(vii) Perform any other tasks assigned by the task manager.

2. **Deputy Team Leader** (national, 5 person-months)

The national expert will have extensive experience with national education planning within the country, and a high level of coordination, networking and supervisory skills. His/her duties will include:

(i) Support the international team leader in accomplishing their tasks, including facilitating meetings with the Government, information and data collection, and analyzing and translating documents.

(ii) Assist in stakeholder consultations, workshops, and preparation of reports.

(iii) Perform any other task assigned by the task manager or requested by the international team leader.

3. **ESDF Strategy, Program, and Appraisal Specialist** (international, 4 person-months)

The international expert will have extensive experience in reform of education systems in developing countries and in the design of EFA FTI review processes. The consultant’s responsibilities will include:

(i) Organize a high-level orientation workshop to outline the methodology of ESDF policy screening for priority identification of policy implementation, to outline proposals for improved compliance of central policies at provincial level, and achieve consensus on the actual methodology to be implemented.

(ii) Identify specific policy options for central and provincial development based on an analysis of current status, performance information, and future needs as identified by MOE, provincial governors, and PES. This will take into account existing disparities and a government focus on implementation of aggressive pro-poor policies, and will build on the detailed analysis included in the ADTA final report.

(iii) Analyze alternative policy and strategic choices for the whole sector, based on an analysis of provincial and district disparities and EFA plans, while protecting the priority for accelerating EFA and pro-poor development.

(iv) Assist MOE in preparing the EFA FTI submission, together with the team manager and ESDF coordinator.

(v) Assist key departments and units with forward work planning related to preparation of the ESDF part 2. This will include identification of required capacity assessments and capacity development strategies.

4. **Financial and Performance Planning Adviser** (international, 3 person-months)

The expert will have proven knowledge and experience of financial planning and modeling related to education sector in developing countries, and in education sector performance analysis and design of financial monitoring systems. His/her responsibilities will include:

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1 To be financed by the European Commission on a parallel basis.

2 To be financed by the European Commission on a parallel basis.
(i) Participate in the high-level orientation workshop to outline the methodology of performance analysis as a basis for analysis of strategic and program choices, including criteria for priority identification.

(ii) Identify short-, medium-, and long-term financing forecasts and comprehensive expenditure plans of various policy options and strategies developed by the TA team, in conjunction with the team manager and international ESDF strategy, program, and appraisal specialist. This will take into account the policies of MOF, work done on the Medium-Term Expenditure Framework (MTEF), and the differing situational contexts across provinces and districts.


(iv) Assist key departments and units with forward work planning related to preparation of the ESDF part 2. This will include identification of required capacity assessments and capacity development strategies.

(v) Assist MOE in preparation of the EFA FTI submission—together with the team manager and international ESDF strategy, program, and appraisal specialist—including the first annual prioritised ESDF and associated costed sector plan. A draft of this first annual plan will be reviewed by the ESWG.

5. **Financial Adviser** (national, 3 person-months)

The national expert will have extensive experience in assisting with program budget design with knowledge of public expenditure management and familiarity with financial planning applications. His/her responsibilities include:

(i) Facilitate access, in conjunction with the national ESDF coordinator, of the international financial and performance planning adviser, to relevant staff in MOE, MOF, and other relevant government organizations and projects.

(ii) Assist the international financial and performance planning adviser to obtain relevant information from MOE, MOF, and other ministries and projects.

(iii) Provide support to the international financial and performance planning adviser where required, and assist the ESDF coordinator to prepare briefing papers for National Education for All Commission (NEFAC) and DPC.

6. **Governance and Institutional Reform Adviser** (international, 4 person-months)

The expert will have extensive experience in institutional strengthening and governance reform in the education sector. His/her responsibilities will include:

(i) Assist MOE, in conjunction with the national ESDF coordinator, to develop a process whereby a single and unified legal and regulatory framework can be developed—including individual decrees and taking into account the Budget Law, 2006. Within this framework, identify a policy to include greater functional involvement of Lao PDR stakeholders from outside the sector in the overall strategic development of the sector.

(ii) Develop options, in conjunction with the national ESDF coordinator and Department of Personnel (DOP), for harmonizing traditional cultural systems (loyalty, patronage, fiscal self-reliance) with modern government and
management, across and within the different levels. Identify required change management strategies to support a transition process.

(iii) Outline capacity building requirements for the Division of Policy Analysis, particularly for analytical work required for the ESDF part 2, and identify how best to ensure that the Division's work has an impact on policy development across the sector.

(iv) Explore options for improvement to linkages between upper secondary, technical and vocational education and training (TVET), and higher education as well as the potential need for basic skills training at earlier levels. The existing master plan for TVET will be the starting point for this work. The role of the private sector should also be included. These options should focus on developing flexible linkages between the sector and changing demands of the labor market. Identify the impact on primary education of a policy for widespread introduction of pre-primary education. Identify new areas for inclusion in the sector caused by changing social demands, such as HIV/AIDS education.

(v) Provide advice to the international ESDF strategy, program, and appraisal specialist and the international financial and performance planning adviser to enable identification of the cost implications of suggested reforms.

7. Governance and Institutional Reform Adviser (national, 3 person-months)

The expert will have sound knowledge of the Lao education system and understanding of the legal and regulatory status within the education sector. His/her responsibilities will include:

(i) Assist the international governance and institutional reform adviser to review the current legal and regulatory situation.

(ii) Provide advice to the international governance and institutional reform adviser regarding Lao PDR traditional cultural systems of governance, and assist in identifying change management strategies.

(iii) Assist the international governance and institutional reform adviser to review linkages within subsectors and the overall links of the sector to social and labor market demands.

8. Human Resource Management Adviser (international, 4 person-months)

The expert will have extensive experience in human resource issues in the education sector, and the ability to evaluate and design capacity building frameworks. Specific responsibilities include:

(i) Review the efficiency of teacher education institutions (TEIs) and higher education institution (HEIs), including the MOE-funded scholarship system. Given the very high unit cost of TEIs, pay particular attention to the impact of special courses on teacher education programs. Together with the international governance and institutional reform adviser, identify the extent to which the current expansion of HEIs and courses delivered are consistent with projected labor market demands.

(ii) Review previous institutional capacity building activities and identify reasons behind the limited impact achieved so far. Identify the extent to which training opportunities have been efficiently used and applied to future duties.

(iii) In consultation with Committee on State Organization Improvement (CSOI) and the cross-agency secretariat under the chair of PACSA, assist the MOE
Organisational Improvement Committee (OIC) to develop policies to improve the impact of capacity building, including succession planning for senior managers. Advice should also be sought from provincial OICs based in the governor’s office. The policy should prioritize the access of women and ethnic peoples to training opportunities.

(iv) Provide advice to the international ESDF strategy, program, and appraisal specialist and the international financial and performance planning adviser to enable identification of cost implications of suggested reforms.

9. Human Resource Management Adviser (national, 2 person-months)

The national expert will have a good knowledge of the education sector in Lao PDR, particularly issues of staff deployment, teacher management, and capacity constraints and needs across the sector. His/her responsibilities include:

(i) Facilitate access, in conjunction with the national ESDF coordinator, of the international human resource management adviser to relevant staff in MOE, CSOI, and PACSA.

(ii) Assist the international human resource management adviser to analyze data to review efficiencies of TEIs and HEIs, including detailed data on scholarships.

(iii) Assist the international human resource management adviser to analyze data to review previous capacity building activities, outcomes, and evaluations.

10. Social Development and Inclusive Education Adviser (international, 4 person-months)

The expert will have substantial experience in examining and addressing equity issues in education, and ability to examine and analyze ongoing interventions to identify best practices. His/her specific responsibilities include:

(i) In conjunction with Centre for Promotion of Women, Ethnic, and Disabled Peoples (CPWEG), Department of Non-formal Education (DNFE), and Lao National Commission for the Advancement of Women (LaoNCAW), identify key strategies of the Government’s gender, ethnic, and pro-poor policies; the social development assessment findings of the ADTA; and other project policies in order to develop and provide relevant priority policy options to the international ESDF strategy, program, and appraisal specialist. This should include policy options for mainstreaming the policies of CPWEG at provincial, district, and school levels.

(ii) Analyze the involvement of nongovernment organizations (NGOs) across the sector. Identify mechanisms for mainstreaming best practice approaches—including traditional sector activities and emerging areas such as HIV/AIDs education—for the development of women, the poor, and disadvantaged groups. Identify lessons learned for the introduction of early childhood care and education (ECCE) to poor villages.

(iii) Analyze the Save the Children Norway (SCN) exit strategy for inclusive education and identify support structures required at different levels to implement a nationwide support structure for inclusive education.

(iv) Review the activities of DNFE and identify how new and existing nonformal approaches might be used to achieve primary schooling for the 10% of children who currently have no access to any school because of severe remoteness.
(v) On the basis of these reviews and analysis, work with CPWEG to identify priorities for policy implementation for social development and inclusive education. The work of the multi-sectoral gender mainstreaming tool kit produced by Governance and Public Information Reform (GPAR) should also be taken into account. Reporting of this prioritization should be in a format provided by the international ESDF strategy, program, and appraisal specialist and the international financial and performance planning adviser.

(vi) Review drafts of the ESDF to ensure that priority policy actions and strategies identified are pro-poor and aimed at increasing access of girls and women, ethnic peoples, and other disadvantaged groups in an equitable manner.

11. Social Development and Inclusive Education Adviser (national, 2 person-months)

The expert will have documented experience in working on equity issues related to the disadvantaged and isolated ethnic groups. Specific responsibilities will include:

(i) In conjunction with the national ESDF coordinator, facilitate access of the international social development and inclusive education adviser to relevant staff in CPWEG, DNFE, Lao NCAW, and NGOs.

(ii) Assist the social development and inclusive education adviser to review NGO activity in the sector and to identify best practice.

(iii) Support the international social development and inclusive education adviser in discussions with DNFE and the Department of Primary and Preschool Education to identify strategies for reaching the unreached (no access because of geographic or special needs) as part of achieving Education for All.