



# Completion Report

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Technical Assistance Number: 9115  
May 2020

## Lao People's Democratic Republic: Strengthening Capacity to Develop the Employment Service System

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## TECHNICAL ASSISTANCE COMPLETION REPORT

<b>TA Number, Country, and Name:</b> TA 9115-LAO: Strengthening Capacity to Develop the Employment Service System		<b>Amount Approved:</b> \$1,500,000	
		<b>Revised Amount:</b> Not applicable	
<b>Executing Agency:</b> Ministry of Labor and Social Welfare	<b>Source of Funding:</b> Japan Fund for Poverty Reduction (JFPR)	<b>Amount Undisbursed:</b> \$129,457	<b>Amount Used:</b> \$1,370,543
<b>TA Approval Date:</b> 13 May 2016	<b>TA Signing Date:</b> 22 June 2016	<b>TA Completion Date</b>	
		<b>Original Date:</b> 31 May 2018	<b>Latest Revised Date:</b> 30 May 2019
		<b>Financial Closing Date:</b> 8 October 2019	<b>Number of Extensions:</b> 2
<b>TA Type:</b> Capacity development TA		<b>TA Arrangement:</b> Not applicable	

### Description

The Lao People's Democratic Republic (Lao PDR) is one of Asia's fastest growing economies. Gross domestic product grew at an average rate of 7.4% per year during 2007–2015 with increased investment in the mineral, hydropower, forestry, and tourism and hospitality services sectors. Despite growing demand, paid jobs in these sectors employed only 29% of the total workforce. The shortage of needed skills to meet such demand is largely caused by the following: (i) most vocational institutes focus their training courses in other areas, such as basic business and administration, agriculture, and linguistics; (ii) cost of job advertisement on print media is high; (iii) lack of access to employment services and reliable employment information; and (iv) no publicly available labor market information system (LMIS) in place. In addition, institutional capacity on employment services, labor demand and supply forecasts, and labor market surveys, is still in infancy. In 2016, the government requested the Asian Development Bank (ADB) for a capacity development technical assistance (TA) for strengthening its capacity to improve its employment services. The TA was to address the issue of limited access to employment services, leading to increased employment. The TA was to build on training initiatives from the International Labor Organization to strengthen the capacity of the Ministry of Labor and Social Welfare (MLSW), provincial labor and social welfare departments (PLSWD), and job centers. These include a total of nine job centers and one employment service center that MLSW established to provide employment information to job seekers as well as to match employers with job seekers.<sup>1</sup>

### Expected Impact, Outcome, and Outputs

The TA's impact aligned with the increased share of employment in the formal sector. The intended outcome was a developed employment service system (ESS) to expand access to employment opportunities in the formal sector. It had three outputs: (i) employment service plan (ESP) developed; (ii) ESS made operational; and (iii) institutional capacity to sustain the ESS and LMIS strengthened.

### Implementation Arrangements

ADB's Lao PDR Resident Mission administered the TA. MLSW was the executing agency. MLSW's Department of Skills Development and Employment (DSDE) assigned (i) a Deputy Director to supervise overall TA implementation; and (ii) three senior technical staff for the TA to coordinate TA activities with the employment service and job centers (footnote 1), the private sector, and other development partners. Each job center was given three full time staff who were appointed by PLSWD and the Labor Social Welfare Office in Vientiane, the capital. The job center staff performed their tasks and actively participated in the TA training programs, but they had weak communication skills and were less experienced on employment services, and in labor market surveys. While counterpart staff were appointed to support TA implementation, they were still expected to fulfill routine tasks in their respective departments, limiting their capacity to focus on the required support and TA issues. This lengthened the review and approval process, as counterpart staff were already overloaded with managing immigrant and emigrant labors, and employment services and labor survey were new to the counterpart and job center staff. DSDE, PLSWD, the resident mission, and TA consultants tried to resolve these issues with regular and additional meetings to monitor progress of activities. They discussed implementation issues and agreed on time-bound measures to ensure that PLSWD and job center fully understood TA activities against timeframes, the level of coordination with private sector, and role of the TA consultants to avoid any delays. The additional meetings complemented the regular review missions in clarifying government's and ADB's procurement and disbursement procedures, including approval requirements. ADB recruited consultants following its

<sup>1</sup> Eight job centers were in eight provinces including Bolikhamxai, Champasak, Khammouan, Louangphabang, Savannakhet, Oudomxai, Salavan, and Xaignabouli; one job center and one employment service center were in Vientiane Capital.

Guidelines on the Use of Consultants (2013, as amended from time to time). The consultants mobilized only in March 2017 due to delays in recruitment including prolonged and failed negotiations with the first-ranked firm. The TA estimated to provide a total of 98.0 person-months of consultants' inputs (38 person-months international and 60 person-months national). At TA completion, 39.8 person-months international and 69.2 person-months national consultants' inputs for a total of 109 person-months were rendered as a result of TA extension. Consultants' expertise was in the areas of employment management, labor market and labor management, website and program design, and job and career counseling. The terms of reference for all experts remained relevant and were updated only to reflect additional inputs required during TA extension. The TA also recruited six resource persons who conducted marketing campaigns, organized job fairs, and developed the website security system and ESS Facebook page.

ADB procured equipment and internet connection and services using national competitive bidding and following ADB guidelines (2013, as amended from time to time). To operationalize the ESS, equipment package included computers, printers, photocopies, and servers.<sup>2</sup> The TA also procured portable sound systems and television sets through shopping method. Two minor changes in implementation arrangements (i) supported additional training for job centers and DSDE staff; (ii) allowed procurement of equipment for service promotion campaigns;<sup>3</sup> and (iii) provided additional consultants' inputs to assist the job centers in organizing job fairs in their respective provinces, holding promotion campaigns, and completing a TA impact assessment. The TA completion date was extended twice: (i) by 8 months from 1 June 2018 to 31 January 2019, and (ii) by 4 months from 1 February 2019 to 31 May 2019. The extensions were to provide adequate time to (i) develop the employment services website, (ii) strengthen capacity of job center staff to conduct employment services to outreach communities, and (iii) conduct a labor market survey. Despite remedies taken through additional meetings and reviews, completion of activities within the original TA completion date was affected by delayed mobilization of the website development consultant, and government's slow review and approval processes due to involvement of relevant MLSW departments and the work overload of counterpart staff. The design and monitoring framework was not revised, as indicators remained relevant despite TA changes. As target dates were also unchanged following TA extension, this TA completion report noted achievement of some outputs with delay. TA savings amounted to \$129,457 largely from the procurement of equipment, as the actual cost was lower than estimated. The rest was unused contingencies.

### Conduct of Activities

**Output 1: ESP developed.** Two targets were achieved as planned. Consultants reviewed all national policy and strategy documents related to employment services and management in May 2017. This was followed by an assessment of the existing employment services in consultation with private business employers and private employment service companies, for which findings were shared and validated by key stakeholders in July 2017.<sup>4</sup> Stakeholder consultations were held (i) in June 2017, to discuss the employment situation, and (ii) in July and November 2017, to discuss and validate the ESP.<sup>5</sup> All these findings were fed into the ESP, which was finalized and approved by MLSW in February 2018. The ESP has enhanced partnership and cooperation between MLSW, in particular job centers with private business employers and skills training institutes. It also links and provides information flow between job seekers and employers based on current labor market demand, and monitors and evaluates the overall employment service system. Consultants and MLSW also assessed the market demand and supply situation in June 2017 and shared the results with stakeholders in July 2017.

**Output 2: ESS made operational.** Four out of six targets were achieved with delay: (i) consultants involved private business employers and private employment service companies in developing ESS website to implement the ESP from September 2017. It was approved by MLSW only in December 2018 due to the work overload of counterpart staff to finalize the website design; (ii) outreach and action plan strategy was developed in December 2018, and PLSWD and job centers conducted ESS promotion to 80 urban and rural villages and secondary and tertiary schools between January to April 2019; (iii) the TA assisted PLSWD to upgrade facilities at the nine job centers and employment service

<sup>2</sup> The equipment was turned over to MLSW, Department of Skills Development and Employment on 26 June 2019.

<sup>3</sup> Equipment for conducting promotion campaigns included portable sound systems, television sets, posters, and pamphlets.

<sup>4</sup> Stakeholders include representative of six trade associations, National Chamber of Commerce, private employment companies, eight provincial labor and social welfare, representative of Technical and Vocational Education Department, nine job centers and employment service center, representatives of public and private technical and vocational colleges, Department of Skills Development and Employment, and representative of development partners.

<sup>5</sup> The ESP includes projected actions on human resources, access to services, registration and advertising job seekers, contracting employers and registration job vacancies, tasks of employment service center and job centers, strengthening LMIS, capacity building interventions for centers and provincial labor social welfare, advocacy and advertising plan, employment service action plan, organizational structure, partnership and cooperation with private business employers and skills training institutes, and monitoring and evaluation of the overall employment service system and LMIS.

center between September 2017 and May 2018, with services operationalized only in December 2018, when government budget was available; and (iv) instruction materials and manuals on LMIS implementation and maintenance completed in February 2018, career counselling in August 2018, and employment services in November 2018. Two targets were partly achieved: (i) the website was launched December 2018, 31,400 job seekers (52% women) against a target of 40,000 accessed the website as of 5 May 2020. This target was partially achieved as the website was only in full operation for about 2 months prior to the TA closing in May 2020. In addition, there were delays in conducting public relations to promote the website as job center staff were fully mobilized in conducting labor market survey, and in finalizing the website following DSDE and MLSW prolonged approval processes; and (ii) the existing LMIS in July 2017 was upgraded, but the LMIS remains not operational due to lack of labor market and job vacancy information. The TA provided training on data collection and analysis to the PLSWD and job center staff and assisted them to conduct labor market survey in their respective provinces. The survey results were then fed into the existing LMIS. The labor survey training materials and tools can be used by donor-financed projects. Through the training, staff are now expected to generate the needed information to operationalize the LMIS.

The TA also implemented several activities including (i) development of short message service, which complements the ESS website, completed in April 2018, with service operationalized in December 2018;<sup>6</sup> (ii) procurement of computers and other information technology equipment completed in May 2018, and delivery of portable sound systems and television sets in February 2019. The job center staff use the equipment to organize ESS promotion events and employment services to outreach communities and secondary schools; and (iii) enhanced capacity of the job center staff to coordinate with private business employers and employment service companies in their provinces through conducting labor market survey and job fairs.

**Output 3: Institutional capacity for sustaining ESS and LMIS management strengthened.** Two out of three targets were achieved. The TA assessed the institutional capacity of MLSW, PLSWD, and job centers. Findings showed the institutional capacity from the central level of MLSW down to the job centers was limited, especially in providing and managing employment services and coordinating with private sector. The findings were shared and validated with stakeholders from July to September 2017. Training programs were then developed to reflect the needs and approved in September 2017.<sup>7</sup> Three staff of each job centers received most of the training programs. The training programs were updated every six months based on actual training needs. Apart from providing training to DSDE and job center staff, DSDE also held several forums to strengthen coordination between MLSW, PLSWD, job centers, trade associations, training institutes, and private business employers and private employment services companies. The TA also established a monitoring and evaluation system in May 2018. One target was partly achieved, that is, the training of 15 master trainers was not delivered as most of the job center staff and PLSWD staff were not qualified. More than 60 local government and job center staff nevertheless received monitoring and evaluation training from February 2018 to April 2019.

The TA planned to help MLSW to generate revenue to support the operation and maintenance of the ESS website. It was not implemented because (i) MLSW intended to provide free advertising to attract more private business employers to use the services during the first two years, and (ii) fee setting for advertisement was beyond MLSW's authority. MLSW will need to discuss with relevant line ministries to get government approval, and this will take time.

#### Technical Assistance Assessment Ratings

Criterion	Assessment	Rating
Relevance	The TA remained consistent with the government's Eighth National Socio-Economic Development Plan for 2016–2020 and ADB's Country Partnership Strategy for Lao PDR 2017–2020, which focused on increased employment and human resources development. <sup>8</sup> It also continued to align with the government's Strategy on Employment Development and Social Safety Nets for 2016–2025, which highlighted employment and skills development as a priority. <sup>9</sup> The TA scope and budget were appropriate for the intended output and outcome targets, and the design addressed the challenges of weak institutional capacity, particularly at the provincial and job center levels.	Relevant

<sup>6</sup> The TA used SMS to inform job vacancies to job seekers, who registered in the ESS website. The job seekers can access the ESS website to view the detailed information such as positions, employer's names, and contacts.

<sup>7</sup> The training programs included employment service, career counseling, labor market survey, outreach employment services, website operation and maintenance, basic information and technology, communication skills, leadership and management, and monitoring and evaluation employment service.

<sup>8</sup> ADB. 2017. *Country Partnership Strategy: Lao People's Democratic Republic, 2017–2020: More Inclusive and Sustainable Economic Growth*. Manila.

<sup>9</sup> Government of Lao PDR. Ministry of Labor and Social Welfare. 2015. *Vision 2030: Strategy on Labor Development and Social Safety Net, 2016–2025*. Vientiane.

<b>Criterion</b>	<b>Assessment</b>	<b>Rating</b>
Effectiveness	All outcome indicators and 8 (73%) of the 11 output targets were essentially achieved within TA scope and budget (Appendix 1). Three targets were partly achieved. The ESS website is the first public employment service website where jobseekers can access employers' information and job vacancies. While attribution is not clear, it cannot be discounted that the TA may have contributed to the share of employment in the formal sectors which has increased from 29% in 2014 to 40% in 2019.	Effective
Efficiency	Although start-up was delayed by 5 months due to consultants' recruitment issues, activities were largely completed, and outcomes were achieved within budget. The TA was extended to provide adequate time to ensure completion of activities. TA funds were used as planned (Appendix 2), and unused funds resulted from efficient procurement. TA financial closure was delayed by 5 months after TA closing. This was due to the prolonged process to clear the pending advance for organizing job fairs at the participating provinces, and employment service promotion in rural areas. There were no issues on procurement, disbursement, and financial reporting. Despite limited institutional capacity, the provincial and job centers took full ownership of the TA and diligently implemented project activities.	Efficient
<b>Overall Assessment</b>	The TA design fully aligned with the government's and ADB's strategy to increased employment and human resources. Its rationale was clearly explained, and the selection of TA type appropriately responded to the government's needs. TA's outputs and outcome were largely achieved as originally designed with minor adjustments during TA implementation to respond to local capacity and needs. Although the TA closing was extended for one year, it achieved intended outcomes within the budget.	Successful
<b>Sustainability</b>	Key activities and budget have been integrated into the annual plans of DSDE and the participating provincial labor and social welfare offices. Career counseling and outreach services have been carried out under the Vocational Training and Employment Support Services Project, financed by the Swiss Development and Cooperation Agency. In parallel, the MSLW allocates budget to carry out the employment services, update and maintain the ESS website, conduct employment services to outreach communities, technical and vocational education and training institutions, and secondary schools.	Likely sustainable

#### **Lessons Learned and Recommendations**

Design and/or planning	TA activities and outputs should consider institutional capacity and coordination with other development partners providing similar interventions. Quick institutional capacity assessment is advisable as early as concept stage.
Implementation and/or delivery	If agreed timelines for completing contract negotiation process with the first ranked candidate cannot be done within agreed timeline, the second ranked candidate should be considered as soon as possible. Commitment and availability of government counterpart staff will significantly contribute to successful TA implementation. It is advisable for the government to appoint dedicated counterpart staff who can work fulltime with ADB and consultants to smoothly implement TA activities.
Management of staff and consultants	It is useful to have frequent or regular face-to-face meetings, and videoconference meetings between the executing agency, ADB resident mission, and consultants to discuss implementation issues and support strengthening measures against agreed timeframes. The use of technology through various platforms will help ensure open and up-to-date communications. It is also best to clarify government's and ADB's procurement and disbursement procedures including approval requirements and process at the design stage. A well-planned, robust terms of reference as part of the TA design will minimize contract variations and avoid implementation delays.
Knowledge building	For any future TAs, more time and resources to support development of website, training manual, and awareness and promotion campaigns should be allocated, considering that these will take longer time for development, translation into local language, and trial to ensure the contents suit with the local context. Appointing government department or specific staff to maintain these knowledge platforms is also crucial to ensure these are managed and sustained for better results.
Stakeholder participation	The close engagement with private employment service companies and business employers, as demonstrated in this TA, is important to develop a more meaningful employment service plan and an informative, up to date ESS website. This is to ensure that they capture actual demand and local setting.

Partnership	An employer service system website strengthens job seekers and employers' networks, particularly with updated information on job advertisements under private companies and skills training programs, and courses under technical and vocational education institutes. DSDE also actively coordinated with the donors working in social protection to scale up the activities in other provinces, ensure that the TA's activities will be complementary to other donors' intervention, and use the same training material to avoid ambiguity and duplicity.
Replication and/or scaling up	MLSW has already expanded employment services to outreach communities in two southern provinces under the Vocational Training and Employment Support Services Project.

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## DESIGN AND MONITORING FRAMEWORK

<b>Impact of the TA is Aligned With:</b>		
Share of employment in the formal sector increased (Eighth National Socio-Economic Development Plan for 2016–2020)		
<b>Results Chain</b>	<b>Performance Indicators with Targets and Baselines</b>	<b>Achievements</b>
<p><b>Outcome</b></p> <p>ESS developed to expand access to employment opportunities in the formal sector.</p>	<p>By 2019</p> <p>a. ESS endorsed by the Ministry of Labor and Social Welfare and implemented.</p> <p>b. Operational guidelines for ESS and labor market information approved by the MLSW (2015 baseline: no employment guidelines).</p>	<p>a. <b>Achieved.</b> The ESS was developed in consultation with the private sector; it was endorsed by MLSW in December 2018 and implemented in March 2019.</p> <p>b. <b>Achieved.</b> The operational guidelines for labor market information and ESS were approved in February 2018 and December 2018, respectively.</p>
<p><b>Outputs</b></p> <p>1. ESP developed.</p> <p>2. ESS made operational.</p>	<p>By 2018</p> <p>1a. ESP developed and endorsed by the MLSW within the first nine months of the TA (2015 baseline: no ESP).</p> <p>1b. Labor market demand and labor supply assessed within the first three months of the TA (2015 baseline: no labor market assessment).</p> <p>2a. Online ESS developed within the first nine months of the TA (2015 baseline: no ESS).</p> <p>2b. At least 40,000 job seekers (50% women) having accessed the online ESS</p> <p>2c. Outreach strategy and action plan developed within the first nine months of the TA (2015 baseline: no outreach strategy or action plan).</p>	<p>1a. <b>Achieved.</b> The ESP was developed in July 2017 and approved by MLSW in February 2019. DSDE conducted several consultations with private enterprises and development partners to ensure that the ESP was realistic and implementable.</p> <p>1b. <b>Achieved.</b> The labor market demand and labor supply assessment report was completed in July 2017. A total of 38 provincial and job center staff received training on labor market survey and conducted labor market demand and supply survey in their respective provinces from November 2018 to March 2019.</p> <p>2a. <b>Achieved with delay.</b> The online ESS website was developed in consultation with key stakeholders to ensure that the design of the website was user-friendly and contained all the necessary functions. The website became operational in March 2019.</p> <p>2b. <b>Partly achieved.</b> At TA completion, only 31,400 (16,328 were women or 52%) job seekers accessed the website due to delays in launching the website. The ESS website became operational only 2 months before the TA closing date.</p> <p>2c. <b>Achieved with delay.</b> The outreach strategy and action plan were developed and endorsed in December 2018. 35 DSDE, provincial, and job center staff received training on delivery employment services to outreach communities. The job center staff organized outreach employment services to 80 urban and rural villages, and secondary and tertiary schools from January to May 2019.</p>

Results Chain	Performance Indicators with Targets and Baselines	Achievements
<p>3. Institutional capacity to sustain the ESS and LMIS strengthened.</p>	<p>2d. Facilities and services of ten job centers improved within the first nine months of the TA (2015 baseline: no improvements).</p> <p>2e. LMIS upgraded and operational within the first nine months of the TA (2015 baseline: LMIS not yet functioning).</p> <p>2f. Manuals for implementing the online ESS completed within the first 12 months of the TA (2015 baseline: no manual for implementing the online ESS).</p> <p>3a. Institutional capacity assessment report endorsed by the MLSW within the first 6 months of the TA (2015 baseline: no capacity assessment report).</p> <p>3b. Training programs approved by the MLSW and implemented within the first ten months of the TA.</p> <p>3c. Capacity of at least 15 master trainers and 60 technical staff in Vientiane and 8 provinces strengthened to provide employment services and job and career</p>	<p>2d. <b>Achieved with delay.</b> Nine job center offices and one employment services center were upgraded during September 2017 to May 2018. These centers received computers, portable sound systems and television sets for conducting employment services to both the urban and rural communities. Each PLSWD appointed 3 staff to work full-time at the job center. The TA provided a series of training to these staff to build their capacity and confidence to provide employment services to job seekers and approach private enterprises to obtain job vacancies.</p> <p>2e. <b>Partly achieved.</b> The LMIS was upgraded but not yet operational because of lack of labor market information and statistics. The TA provided training on data collection and analysis to the PLSWD and job center staff and assisted them to conduct labor market survey in their respective provinces. The survey results were then fed into the existing LMIS. The labor survey training materials and tools can be used by projects financed by donors. It is expected that through training, the staff would be able to generate the needed information to operate the LMIS.</p> <p>2f. <b>Achieved with delay.</b> Manuals for implementing and maintaining the online ESS were completed in May 2019. The DSDE established a task force that worked with the consultants in ensuring that the ESS website and manuals suited local needs and capacities.</p> <p>3a. <b>Achieved.</b> Institutional capacity assessment report was endorsed by MLSW in September 2017. The assessment report was discussed and validated with the key stakeholders during May and June 2017.</p> <p>3b. <b>Achieved.</b> The TA supported DSDE and provincial team in identifying 16 training programs. The TA also financed English training for five DSDE staff.</p> <p>3c. <b>Partly achieved.</b> Training of 15 master trainers was not achieved because most of the job center staff were not qualified to be master trainers. They had limited skills and knowledge on employment services and LMIS.</p>

<b>Results Chain</b>	<b>Performance Indicators with Targets and Baselines</b>	<b>Achievements</b>
	counseling within the first 12 months of the TA.	About 60 staff from DSDE, PLSWD and job center received training on employment services, job and career counseling, labor market survey, and communication skills.

ADB = Asian Development Bank, DSDE = Department of Skills Development and Employment, ESP = employment service plan, ESS = employment service system, LMIS = labor management information system, MLSW = Ministry of Labor and Social Welfare, PLSWD = Provincial Labor and Social Welfare Department, Q = quarter, SMS = short messaging service, TA = technical assistance.

## TECHNICAL ASSISTANCE COST

**Table A2: Technical Assistance Cost by Activity**  
(\$'000)

Item	Amount <sup>a</sup>		
	Original <sup>b</sup>	Revised	Actual
1. Consultants			
a. Remuneration and per diem			
i. International consultants	574.80	605.82	600.59
ii. National consultants	282.10	287.00	286.94
iii. Resource persons	0.00	14.00	8.50
b. International and local travel	69.10	44.20	41.50
c. Reports and communications	24.00	34.74	28.01
2. Equipment	200.00	200.00	169.20
3. Training, workshops, seminars, and conferences	193.00	233.00	223.84
4. Studies and surveys	20.00	20.00	1.34
5. Miscellaneous administration and support costs	40.00	40.00	10.62
6. Contingency	97.00	21.24	0.00
<b>Total</b>	<b>1,500.00</b>	<b>1,500.00</b>	<b>1,370.54</b>

<sup>a</sup> Includes ADB-financed funds.

<sup>b</sup> Original estimated cost in the TA report.

Source: Asian Development Bank estimates.