



Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity



Ministry of Education and Sports

ESDP 2016- 2020: Mid-Term Review Report



November 2018

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Foreword

This mid-term review of the Education Sector Development Plan 2016-20 is timely. Although significant progress towards achieving 2020 targets is being made, disparities continue to exist across all levels of education, although with differences across various levels. Disparities occur by way of gender, ethnicity, poverty, geographical location and disability. As the sector comes closer to achieving its targets, the final gaps will be met only by reducing disparities in educational performance. This mid-term review report identifies several recommendations to meet 2020 targets but these need to be turned into actions and this report outlines a broad mechanism to do this.

The context in which we work is changing rapidly and conditions now are very different from when the ESDP 2016-20 was written. The most important difference relates to the revised macro-fiscal framework and budget constraints. The ESDP 2016-20 reflected the change of developmental emphasis from increasing access and participation to improved quality of teaching and learning. However, ongoing budget constraints have prevented the necessary increases in the non-wage budget allocation to implement many of the ESDP's quality improvement programs.

A key feature of the ESDP mid-term review has been the active participation of staff from provincial and districts offices through a series of sub-national consultations together with interviews with stakeholders from the central level, both government and development partners. The outcomes from these consultations were relayed to central-level Focal Group discussions to inform development of appropriate recommendations to ESDP policies and strategies. The generous support of development partners and has resulted in a highly participatory approach to implementing the mid-term review.

The next step is to develop action plans to implement the recommendations of this ESDP mid-term review report. A beginning point for this process is provided through the report's identification of five major common themes discussed throughout this report.

The ESDP 2016-20 Mid-term Review Report was formally endorsed by the Executive ESWG meeting, held on 14 November 2018.

I trust that this report will be a valuable reference for all government and development partners in working together to achieve national development goals, and in implementing quality education development programs and activities, based on their tasks, roles and responsibilities.

Vientiane Capital, Date
Minister of Ministry of Education and Sports.



Sengdeuane LACHANTHABOUN

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Analysis of progress in educational development was facilitated by access to data from both the MoES Education Management Information System (EMIS) and the Lao Social Indicators Survey from 2012 and 2017.

Ministry of Education and Sports

List of Acronyms

ACSEP	Annual Costed Sector Plan
ADB	Asia Development Bank
ADTA	Advisory Technical Assistance
ASLO	Assessment of Student Learning Outcomes (instrument)
BEGP	Basic Education Girls project (ADB)
BESDP	Basic Education Sector Development Project (ADB – secondary)
BEQUAL	Basic Education Quality and Access in Lao PDR
CIED (1&2)	Community Initiative for Educational Development (Japan)
CLC	Community Learning Centre
CRS	Catholic Relief Services
DEB	District Education Bureau
DER	Department of External Relations
DESB	District Education and Sports Bureau
DHE	Department of Higher Education
DIC	Department of International Cooperation of MPI
DNFE	Department of Non-Formal Education
DoF	Department of Finance of MoES
DGE	Department of General Education
DoI	Department of Inspection
DoOP	Department of Organization and Personnel
DPAE	Department of Physical and Arts Education
DoP	Department of Planning and Cooperation, now called Department of Planning)
DECE	Department of Early Childhood Education
DP	Development Partners
DSA	Department of Student Affairs
DTE	Department of Teacher Education
DTVET	Department of Technical and Vocational Education and Training
DFAT	Department of Foreign Affairs (Australia)
ECCD	Early Childhood Care and Development
ECD	Early Childhood Development
ECE	Early Childhood Education
ECU	Education Sector Development Coordination Unit
EFA	Education for All
EFA-FTI	Education for All Fast Track Initiative Program (AusAID, GPE, World Bank)
EFA NPA	Education for All National Plan of Action
EMIS	Education Management Information System
ESDF	Education Sector Development Framework
ESDP	Education Sector Development Plan
ESSC	Education and Sports Statistics Centre
EQAC	Education Quality Assurance Centre
ESRC	Education and Sports Research Centre
ESWG	Education Sector Working Group
EU	European Union
FG	Focal Group (linked to ESWG)
GER	Gross enrolment rate
GIS	Geographic Information System

GoL	Government of Lao
GPE	Global Partnership for Education (formerly FTI – Fast Track Initiative)
HEI	Higher Education Institution
HIV/AIDs	Human Immunodeficiency Virus/Auto Immune Deficiency Syndrome
HRD	Human Resource Development
ICT	Information Communication Technology
IEC	Inclusive Education Centre
IEDWG	Informal Education Donors Working Group
IFEAD	Institute for Education Administrators Development
INGO	International Non-Governmental Organisation
JICA	Japan International Cooperation Agency
JSRM	Joint Sector Review Mission
KfW	Kredit Anstalt fur Wiederaufbau (Germany)
KPI	Key Performance Indicator
LABEP	Lao Australia Basic Education Project
Lao PDR	Lao People’s Democratic Party
Lao NCAW	Lao National Commission for the Advancement of Women
LCCI	Lao Chamber of Commerce and Industry
LDC	Least Developed Country
LECS (1 – 5)	Lao Expenditure and Consumption Survey (5 so far)
LFNC	Lao Front for National Construction
LSE	Lower Secondary Education
LSIS	Lao Social Indicators Survey
LWU	Lao Women’s Union
LYU	Lao Youth Union
M&E	Monitoring and Evaluation
MCH	Mother and Child Health
MDG	Millennium Development Goal
MGT	Multi-grade teaching
MoES	Ministry of Education and Sports
MoF	Ministry of Finance
MoFA	Ministry of Foreign Affairs
MOH	ministry of Health
MoHA	Ministry of Home Affairs
MoJ	Ministry of Justice
MoLSW	Ministry of Labour and Social Welfare
MPI	Ministry of Planning and Investment
MTEF	Medium Term Expenditure Framework
MTR	Mid-Term Review
NA	National Assembly
NCAW	National Commission for the Advancement of Women
NEFAC	National Education for All Commission
NER	Net Enrolment Rate
NESRS	National Education System Reform Strategy
NGOs	Non-Government Organisations
NGPES	National Growth and Poverty Eradication Strategy
NIR	Net intake rate
NPA	Not for Profit Association
NSEDP	National Socio-Economic Development Plan

NUOL	National University of Laos
ODA	Official Development Assistance
PA	Pedagogical Advisor
PESS	Provincial Education and Sports Service
PMIS	Personnel Management Information System
PMO	Prime Minister's Office
PRF	Poverty Reduction Fund
PRSO	Poverty Reduction Support Operation
RIES	Research Institute for Educational Sciences
RTIM	Round Table Implementation Meeting (annual)
RTM	Round Table Meeting (every 4 years)
SBG	School Block Grant
SCI	Save the Children International
SESDP	Secondary Education Sector Development Project (ADB)
SHEP	Strengthening Higher Education Project (ADB)
SY	School Year
TA	Technical Assistance
ToRs	Term of Reference
TTC	Teacher Training College
TVET	Technical and Vocational Education and Training
UNDAF	United Nations Development Assistance Framework
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNICEF	United Nations Children's Fund
UPE	Universal Primary Education (part of MDG 2)
USE	Upper Secondary Education
VEDC	Village Education Development Committee
WFP	World Food Program

Executive Summary

The Education Sector Development Plan (ESDP) 2016-2020 was developed in a consultative process organized through the ESWG structures. Strategic priorities were identified through application of a Theory of Change methodology with subsequent technical discussions producing planned activities and targets.

The Overall goal of the ESDP is that:

By the year 2020, the Education and Sports Sector in Lao PDR is appropriately structured and resourced to create opportunity for all Lao citizens to have equitable access to quality education and sports and to benefit from socio-economic development for the Lao PDR to be eligible to graduate from the least developed country status.'

To meet this overall goal, the ESDP describes five policy objectives and 11 operationally-focused high-level outcomes. The plan includes an estimate of required financial resources based on a planning model that translates ESDP targets into required inputs.

The Purpose of the Mid-Term Review

The overarching purpose of the mid-term review is to identify the MoES progress towards achieving the overall goals, policy objectives and 11 high-level outcomes of the Education Sector Development Plan (ESDP), by 2020.

The mid-term review (MTR) does not attempt to undertake a sector analysis through examining activity level developments by sub-sector. This can be found in the Annual Sector Performance Reports, prepared by the Department of Planning. The MTR should be read in conjunction with Annual Sector Performance Reports.

Contents of the Report

The report comprises 8 chapters focusing on how the sector is achieving high-level outcomes and the extent to which current policies and strategies contribute to this achievement. The chapter headings are shown below.

- Introduction
- Analysis of progress against the 5 policy objectives of ESDP
- Analysis of progress against the 11 high-level outcomes by 2020
- Analysis of sub-sectoral progress as they support the high-level outcomes
- Linkages between ESDP outcomes and SDG4 targets
- Review of education financing
- Review of M&E Framework for ESDP
- Identification of key issues, challenges and recommendations

Overview of ESDP Progress on Policy Objectives

Policy objective 1 states that "All learners are equipped with the foundation knowledge and skills needed, including adequate safeguards for their health to either join the labour market or continue to post basic education."

Key achievements towards achievement of this objective include:

- Enrolment rate targets for children 5 years of age are on track to meet the ESDP 2020 target of 80% by 2020.

- Primary cohort survival rates have improved from 78.3% to 82.2% with survival rates of girls, higher than that of boys.
- Grade 1 repetition rate has decreased from 13.5% in 2015 to 8.8% in 2018.
- Gross enrolment rate (GER) targets for Lower secondary students are on target to meet the ESDP 2020 target of 85%.

Key Challenges include:

- The impact of significant investment in expanding ECE may be compromised by disparities in participation. The children who benefit most from ECE – disadvantaged groups (language, poverty) participate in ECE at lower rates.
- In a 2017 learning assessment only slightly more than one third of grade 3 children had met literacy standards for grade 4 and less than 20 percent had met the standards for grade 4 mathematics. This means that they may struggle in secondary education.
- There is a wide variation in primary completion rates when calculated at the district level and lower – in some cases significantly lower – completion rates are associated with household wealth, location and ethnolinguistic group. The target rate of 89 percent is unlikely to be met without an accelerated effort to close the gap in completion for more disadvantaged children.
- The Gender Parity Index (GPI) for lower secondary is 0.95. This lags behind ECE and Primary which have almost equal numbers of girls and boys.
- The 2012 and 2017 administration of the Lao PDR Social Indicator Survey (LSIS) confirms that while the education system expansion has reduced inequity, there are still important differences in access, survival, and outcomes. The divides are primarily (i) geographic, (ii) mothers' education, (iii) language, and (iv) household wealth. Delivering the ESDP 2016-2020 goal, objectives and outcomes will require adapting strategies and resources to accelerate the process of reducing these disparities. This theme runs through most of the MTR recommendations.

Policy Objective 2 aims to "Provide post -basic education that is relevant to the requirement of Laos' socio-economic growth in each period and can be integrated into and compete with labour forces within ASEAN member countries."

Key achievements towards achievement of this objective include:

- Upper Secondary GER has reached 53.3%. However, it may be difficult to achieve the ESDP 2020 target of 60% and the target may need to be revised.
- Transition from Grade 9 to Vocational Education and Training (TVET) has reached 3% and is on track to meet the ESDP 2020 target of 5%.
- Enrolment in TVET is rising in response to the development of courses which are more relevant to the labour market.

Key Challenges include:

- At upper secondary level gender parity has been achieved in only 50 of 148 districts.
- Significant increases in GER at upper secondary will not be achieved until the issues of disparity have been addressed.
- About 19% of youth who transition to upper secondary fail to complete the three years. The best predictor of who does not complete is household wealth (disparities between ethno linguistic groups is very small).
- There is a need to ensure that TVET courses are relevant and of high enough quality to fit graduates for the labour market. It is also important to complete the new qualifications framework to ensure regional comparability of skills.

Policy Objective 3 states that "Human Assets Index target for exit from Least Developed Country status is achieved with reduced disparity. For example, gender, disability, poverty, ethnicity etc."

Key achievements towards achievement of this objective include:

- In 2018 overall, secondary education GER is 70%. This is on track to meet the ESDP 2020 target of 75%.
- Literacy rates were measured in 2015. Literacy rates for Youth (15 – 24 years) were 92.4 (90.4 for females) against a 2020 target of 99%. Adult (15 years and above) literacy rates were 84% (79% female) against a 2020 target of 95%.

Key Challenges include:

- Lower secondary enrolment numbers have increased because it is now compulsory. However, to meet the overall 2020 target for secondary education enrolment, upper secondary enrolment must also increase.
- Achievement of universal literacy is hindered by having a significant number of non-Lao ethno- linguistic groups. Therefore, the main strategy should focus on ensuring high levels of literacy at primary education level.

Policy Objective 4 states that the "Sector is being planned, financed and monitored to utilize resources effectively."

Key achievements towards achievement of this objective include:

- The percentage of educators and administrative staff trained each year is on track to reach the ESDP 2020 target of 20%. This includes in-service and pre-service.
- Staff from each primary school and the VEDC have received training in school-based management.
- Education financing from the government budget including ODA is 14.02% excluding ODA is 16.9%. Against an ESDP 2020 target of more than 17%.

Key Challenges include

- The budget constraint and low percentage of the operational budget allocated to the education sector, as well as important imbalances in the way the operational budget is allocated within the education sector (between central and sub-national level, but also within the sub-national between PESSs and DESBs), have prevented the normal operation of the sub-national level, in particular the district level.
- The high wage bill consumes funds needed for programs and operations.
- Revision of the MTEF envelope results in large reductions in important investments such as in-service training and scholarships.

There is a need to:

- improve planning and budgeting processes to make stronger, more evidence-based proposals to MoF
- develop strategies to make resource allocation more sensitive to policy needs and local conditions especially at DESB level
- prepare an M&E framework which provides guidance for refining resource allocations

Objective 5 states that "Lao sport is gradually integrated o regional and international standards."

A Key achievement towards achievement of this objective includes:

- 22% of the Lao population participate in sports activities. However, without additional funding, the ESDP 2020 target of 30% is unlikely to be met.

High-level outcomes; Key achievements, issues and recommendations

This executive summary includes only the key points related to the 11 high-level outcomes. More details are included in Chapters 3, 4 and 8. Finance related recommendations are shown in Chapter 6.

Outcome 1: Number of learners from ECE to lower secondary Grade 9 increases with special focus on the disadvantaged and ensuring gender equity.

Key achievements towards achievement of this outcome:

- Expanded access throughout the education system. Gender disparities have been effectively eliminated from ECE to lower secondary but persist at upper secondary and higher education – although they are also decreasing.
- Development of policy documents, revision of curricula and provision of teaching and learning manuals which have contributed to increased enrolment and completion rates.
- The 2015 amendment to the Education Law has made lower secondary education compulsory.
- The Department of Early Childhood Education has been established.
- There is a draft Strategy and Action Plan (2016–2020) for the Inclusive Education Policy.

Key Issue:

- There are disparities in participation rates among different ethno-linguistic groups. Continuing increases in the number of learners enrolled will require strategies to prioritize underserved populations including poor, children in remote communities and members of some ethno-linguistic groups.

Policy Recommendations:

- Both the Teacher Allocation Committee and the Planning and Budgeting Committee should have a focus on developing a strategy to reduce disparities as a means of meeting overall ESDP 2016–2020 outcomes.
- An analysis of the impact of Sustainable Development Goals on quality improvement and student outcomes is needed to guide policy makers on improving the return on investment to achieve these Goals.

Outcome 2: Increased number of primary school children with functional literacy and numeracy skills.

Key achievements towards achievement of this outcome:

- Curricula, textbooks, teacher guides and learning materials are in process of being revised together with the introduction of new pedagogical methodologies.
- The national learning outcomes assessment framework is being developed.

Key Issues:

- There is limited support for teachers from Pedagogical Advisers.
- Pre-service and in-service teacher training is of poor quality.
- The curriculum is overloaded, especially in the early primary grades. This has resulted in less emphasis on basic literacy and numeracy.
- Language issues hamper learning where children do not have Lao as their mother tongue.
- Teachers have not been trained on how to effectively implement the policy on progressive promotion.

Policy Recommendation:

- The progressive promotion policy should be fine-tuned to allow for differentiated implementation across areas where learning outcomes remain low.

Other Recommendations:

- Build capacity and improve skills of teachers to work with children whose first language is not Lao.
- Develop a strategy and budget that specifically outlines how learning outcomes can be improved among groups whose outcomes are below the national average.

Outcome 3. Increased number of qualified and competent teachers with better student learning outcomes across all subjects of the national curriculum from ECE to primary and secondary education.

Key achievements towards achievement of this outcome:

- Pre-service teacher education curricula are being revised to better align with the ECE, primary and lower secondary school curricula. This also includes strengthening the teacher trainee practicum requirements.
- A set of competency-based teacher standards for TTC staff were approved in 2015. These will help to guide continuous professional development.
- A National Education Qualifications Framework for teacher development and a comprehensive framework of primary education teaching standards has been developed.
- Specific in-service training for teachers to deliver the new primary education has begun.
- To raise the quality of trainees entering the profession, a new entrance examination has been implemented.

Key Issues:

- Many primary schools have an under-supply of teachers while other schools have an over-supply.
- Many secondary schools face teacher shortages in certain subjects and consequently some teachers must teach subjects for which they have little or no training.

Recommendations:

- Develop a strategy to improve efficiency of teacher deployment and reduce the number of volunteer teachers to allow recruitment of newly qualified graduates.
- As a priority, use the new civil service quotas to recruit secondary teachers to reduce specific subject shortages and recruit ECE teachers to extend ECE coverage.

Outcome 4: All schools have financial and human resources to equitably improve student learning outcomes.

Key achievements towards achievement of this outcome:

- Schools use Block Grants and School Grants provided by MoES and Development Partners to develop their schools and improve teaching and learning.
- MoES has introduced Annual Costed Sector Plans to strengthen the linkage between the ESDP, sub-national plans and budgets.
- The MoES has identified 40 “Priority Districts” based on a set of social development and education indicators. To maximise effectiveness of extremely limited state resources, the MoES has encouraged development partners to prioritize their programme/project support and capital investments in these districts.

Key Issues:

- Results of a study managed by MoES Department of Organisation and Personnel confirmed inefficiencies in teacher deployment leading to over-supply in some areas and under-supply in others as well as many volunteer teachers.

- MoES has protected School Block Grants from reductions and they have been fully funded. However tighter budget constraints have prevented full implementation of other important activities to support schools.

Policy Recommendation:

- The ESDP financing plan should identify additional requirements to make classrooms inclusive

Other Recommendation:

- The MoES departments of Finance and Planning should:
 - Prepare a concise explanatory note on education budget needs for the attention of the MoF and MPI to justify extra budget requests.
 - Undertake a rigorous analysis of the impact of School Block Grants on quality improvements and student outcomes (learning achievement, completion, gender equity, improvement in participation of disadvantaged children, etc.) to guide policy makers on potential revisions to the scheme to improve the return on investment.
 - Analyse the potential budget impact of teacher deployment policy options and make a presentation at the Planning and Budgeting Committee. Invite MoF and MPI to attend.
 - In 2020, review implementation of the District allocation formula to be implemented in 2021.

Outcome 5: Increased numbers of basic education graduates who have acquired basic skills and knowledge and can apply for work in the labour market or continue post-basic education or become entrepreneurs.

Key achievements towards achievement of this outcome:

- Implementation of the ESDP 2016–2020 strategies to encourage lower secondary graduates to enrol in TVET programs.
- The private sector is encouraged to invest in TVET.
- A module on entrepreneurship has been introduced into the upper secondary and TVET curricula.

Key Issues:

- Secondary education and TVET students need more support, especially in the area of "soft" or professional interpersonal and transferable skills to function effectively in an increasingly integrated regional/global labour market.
- Secondary completion rates remain low.

Recommendations:

- Further research is needed to identify factors underlying low completion rates, particularly at secondary level.
- At primary level, more attention is required to support children from disadvantaged groups (poverty, ethnicity, location) through affirmative funding. This research should include: reasonable estimates of the cost of strategies to address these challenges as well as presentation of the benefits to Lao PDR social and economic development from improved completion rates in secondary education.
- Gaps in graduate skills compared with the requirements of the private sector should be clearly identified and used as basis for curriculum and program development.
- To improve accessibility to TVET programs the specific needs of students with disabilities should be recognised.

Outcome 6: Increased adult literacy rates and ensure gender parity index for adult literacy

Key achievements towards achievement of this outcome:

- Adult literacy (15+ years) has increased from 73% in 2005 to 84.7% in 2015 but literacy rates among ethnic groups other than Lao-Tai are lower. Literacy rates for those speaking Lao, or a dialect of Lao are 78% for males and 63% for females. Mon-Khmer group literacy rates are 67% for males and only 38% for females. The Tibeto – Chinese group have the lowest literacy rate at 50% for Male and 35% for females.
- MoES has implemented equivalency programs for youth to help the move towards universal literacy.

Key Issues:

- Female literacy remains consistently lower than that of males, particularly among non-Lao-Tai groups.
- Learning outcomes, as measured by ASLO at grade 3 level, remain quite low and it is not known how many children who drop out before completing primary school have sustainable literacy skills.

Recommendations:

- Non-formal programs to deliver literacy courses should target areas where literacy rates are lowest, particularly where there are concentrations of females from ethnic groups.
- A screening test for all primary school leavers should be conducted to determine if they have sustainable literacy skills and the results should be used as a basis for further decision making at local, sub-national and national level as appropriate.

Outcome 7: The quality and number of post-basic education graduates from public and private education is aligned with the needs of the 8th NSEDP

Key achievements towards achievement of this outcome include:

- New programs and teacher training have been introduced to improve the quality of post-basic provision in line with socio-economic development targets.
- As programs to meet this demand are expanded, they are complemented with efforts to ensure opportunities are accessible to girls/women and to the disadvantaged. A 20% quota for women in certain high demand courses, including "blue-collar" occupations and a voucher assistance program (also with a set aside for women) is in operation.
- The target to increase enrolments at public universities has been reduced to focus more on improving the quality of teaching and learning and to establish minimum standards in line with ASEAN standards.
- Investments are planned to establish industry centres of excellence in Agriculture, Logistics, Engineering, Tourism, and Environmental Studies.
- Development partners are supporting Master and Ph.D. scholarships for study both within and outside the country.

Key Issues:

- Insufficient preparation at basic and post basic education levels results in a low number of students with the skills and knowledge to pursue science, technology, engineering and mathematics (STEM) subjects at higher education level.
- Provision of modules, courses and programs to meet the diverse needs of the labour market cannot always keep pace with new emerging needs and technology.

Recommendations:

- Increase the focus on STEM – based subjects at basic and post- basic education level and encourage students to study skill- shortage subjects at higher education level.
- Conduct regular, effective tracer studies to identify employability of graduates and satisfaction of employers.
- Negotiate with the private sector to jointly fund regular labour market surveys covering the manufacturing and service sectors as well as smaller private enterprises.

Outcome 8: Education and Sports sector is appropriately structured, resourced and monitored by using Annual Costed Sector Plans that are linked to the ESDP 2016 – 2020.

Key achievements towards achievement of this outcome:

- To meet the demands of education development and the aim of government to reduce the number of civil servants, MoES has recently restructured its organization by revising the mandates for MoES departments, PESS and DESB centres. The new mandates outline new/revised roles, responsibilities, scope of rights, structure, personnel and working methods.
- Annual Costed Sector Plans (ACSEP's) have been introduced as a planning tool to operationalize the 5-year ESDP on an annual basis. The ACSEPs are produced at central and provincial level, with a pilot underway at district level. They have improved costing and financial analysis as policy options and corresponding costs are analysed against real budgetary and capacity constraints.
- A Planning and Budgeting Committee as well as a Teacher Allocation Committee have been established to improve both human and financial resourcing of the sector, particularly at the sub-national level.

Key Issues:

- More work is needed at sub-national level to more closely align staff needs with the size and complexity of each individual Province and District.
- Sub-national planning does not always align clearly with ESDP strategies.
- At this stage, the ASCEPs do not determine subsector budget allocation and links between planning and budgeting are limited by the overarching public financial management constraints of the government.

Recommendations:

- Consideration should be given to expansion of the ACSEPs at district level throughout the country.
- Explore incorporation of disparity reduction strategies into the development of the ACSEPs and make actual allocation formulas more responsive to local needs.
- Further capacity building of administrative staff particularly in planning and budgeting at sub-national level is required

Outcome 9: Financing plan of ESDP takes into account the need to reduce disparities related to gender, ethnicity, poverty and location.

Key achievements towards achievement of this outcome:

- Scholarships have been provided to students at ethnic boarding school as well as for up to 40% of students in TVET institutions focusing on girls and students from poor families.
- The MoES has directed ODA mainly towards disadvantaged districts. This now provides stronger direction to the non-wage operational budget to the provincial and district level and as a result, DESBs have started to receive larger operating budgets in the last five years.
- With the growing constraints on available resources, MoES is undertaking several activities intended to improve allocation efficiency and budget management. These

include a plan to rationalize teacher deployment, strengthen the application of the Costed Action Plan methodology at the national and subnational level and development of systems (like a Planning and Budgeting MIS -PBMIS) and methods for making budget allocations at all levels more responsive to strategic priorities and local (District) conditions.

Key Issues:

- Due to tight fiscal constraints, the education sector has been allocated only 13%-14% of government expenditure against an expectation of 17%.
- There is currently an imbalance between wage and non-wage financing which needs to be addressed to release funds which support implementation of non-wage related strategies in the ESDP.
- In the current budget system, the Education Sector has weak incentives for improving the efficiency of teacher deployment as the potential budget savings are not available for other needed expenditures for improving performance on ESDP outcomes

Policy Recommendation:

- Savings made by improving efficiency of human and physical resource allocations should be explicitly directed at reducing disparities in gender, ethnicity, disability, poverty and geographical location.

Outcome 10: Policy development is evidence – based

Key achievements towards achievement of this outcome:

- A strategic development plan to implement an overarching Lao Education and Sports Management Information System (LESMIS) has been prepared.
- A Planning and Budgeting Management Information System (PBMIS) is being developed to more effectively link existing data bases on personnel and salaries.

Key Issues:

- The Information available through EMIS is generally underutilized in developing education policy because of difficulties in access and capacity in using the system. Access is limited by administrative practices. Staff also lack experience and capacity to conduct the relevant analysis. The Information systems also require strengthening so that information is more reliable, accessible, timely and accurately reflects the current situation.
- Activities of the ESWG Focal Group on Research have not been specifically linked to the policy research needs of the MoES. Research has been conducted by several different partners and entities, but the results have not been used to inform policy development and planning. This is in part because MoES does not have a process for defining its policy development or priority research needs for improving the sector.

Policy Recommendation:

- Consideration should be given to creating a stronger link between the Department of Planning and research entities both within and outside the MoES to ensure that:
 - a) There is a process for defining MoES policy development or priority research needs for improving the sector.
 - b) Results are used to inform policy development and planning

Other Recommendation:

- Consider developing a strategy to make more MIS data more easily accessible and timely so that it can be used to inform policy development and planning.

Outcome 11: The number of general and professional athletes matching regional and international quality standards is increased and contributes to the Nation's art and culture preservation.

Key achievements towards achievement of this outcome:

- A team of athletes from Lao PDR participated for the first time in the 2016 Olympic Games in Brazil and in the 29th SEA games, hosted by Malaysia in 2017 where they won 2 gold, 3 silver and 21 bronze medals.
- With the support of development partners, MoES also sent athletes with disabilities to the Para-Olympics games held in Indonesia in 2018. Athletes with disabilities won gold medals in weightlifting and Goal ball.
- Sports and gymnastics have focused on fostering a healthy sporting spirit among secondary school students in national as well as regional competitions.
- A specialist school has been established to support students who are exceptionally talented in sport.
- The community sport campaign has resulted in at least 20% of communities across the country being actively involved in sport and healthy exercise.

Key Issues:

- Investment in development of sports at central and sub-national levels is limited and not continuous. This has resulted in disruptions to the implementation of the Sports Development Plan.
- There is no budget allocated for athletes with disabilities for 2019 and 2020 para games.
- Existing sports facilities at all levels need better management and maintenance.

Recommendations:

- In order for Lao PDR to remain competitive at regional and international level the emphasis on elite sport development should focus on strengthening and supporting the school for talented athletes.

Monitoring and Evaluation Framework for ESDP 2016-20

Key achievements towards achievement of this outcome:

- The Department of Inspection has developed a comprehensive Monitoring and Evaluation Framework for ESDP 2016-20. This framework requires annual reporting under each of the 11 high-level outcomes against all intermediate outcomes, action plan together with required policy and regulatory development. In addition, the M&E framework collects information from each sub-sector on KPIs and progress of implementation of key activities.

Key Issues:

- There is considerable overlap between reporting from the Annual Sector Performance Report (by DoP) and the M&E Framework reporting by DoI. This is unavoidable but DoP and DoI should jointly discuss ways to reduce the burden of reporting by the sub-sectors. However, there remain gaps in M&E: The Joint (MoES & development partners) Sector Review Missions (JSRMs) have been discontinued (no JSRM since 2015) and no Annual Thematic Reviews have been produced (due to the link between JSRMs and ATRs).
- There is not yet monitoring of the success of policy objectives nor progress against the 11 high-level outcomes, although DoI are in the process of doing this using their Annual Reporting on Performance Monitoring toolkit and guidelines. This toolkit identifies linkages between various activities and different outcome areas and also tracks delays in activity implementation.

- Although the Department of Planning's *Education and Sports Sector Performance Annual Reports* (APMR) include an overview of approved budgets by budget chapter, more analysis of the effectiveness of budget utilization against policy objectives is needed. The previous JSRMs always included as a theme, the status of sector financing.

Policy recommendations:

- Consideration should be given to reviewing the existing M&E system to simplify the reporting requirements. A review of the objectives of the ESDP M&E system should be undertaken to determine what is the appropriate level of ESDP reporting.
- ESWG should identify an alternative mechanism to the JSRM to monitor success of current policies and progress to high-level outcomes. A series of thematic roundtables with participation of selected sub-national staff is one possible alternative mechanism.
- Use a set of "disadvantaged" districts to track the closing of the gap between those districts and national trends.

The ESDP financing plan for 2016-20

Achievements in securing financing

- In the ESDP Financing Plan 2016-2020 education budget projections were set at 17% of the domestic primary budget, (i.e. total expenditure minus debt service and ODA). This method of calculation was chosen as it avoids the distortionary effect of applying a percentage to the overall ODA envelope, which consists mainly of projects in the transportation area such as the China-Laos railway.
- However, the overall national budget envelope was revised downward in 2016, 2017 and 2018. As a result, the education sector did not receive as much as planned in the ESDP in nominal terms, despite getting about 17% of the domestic primary budget in 2015/16 and 2018 (but only 16.3% and 14.02% of the primary budget).
- In 2017, the MoES established a Planning and Budgeting Committee in 2017 with a view to strengthen the link between planning and budgeting for a more strategic (and thus equitable) allocation of resources, but also to prepare a better case for increased funding by the Ministry of Finance (MoF) and Ministry of Planning and Investment (MPI) during the budget formulation process.

Key Issues:

- The ESDP 2016-2020 midterm review shows clearly that the education sector has remained under-financed in the period 2016-2018. The review also suggests that, whereas an increase in the non-wage recurrent and investment budget would be essential to achieve its objectives and improve the quality of education, more should be done to improve budget management and the efficient use of scarce resources.
- Considering that the wage budget is non-discretionary, the only real margin can be found in the allocation of the national non-wage recurrent and investment budgets, in which the education sector appears to be particularly under-funded

Policy recommendations:

- The MoES departments of Finance and Planning should prepare together a concise explanatory note on education budget needs for the attention of MoF and MPI during the budget formulation process, showing concretely the link between additional budget requests and ESDP policies and targets.
- The Planning and Budgeting Committee should develop a plan to move the budgeting process to a more strategic mechanism with a focus on closing disparities.

Chapter 1: Introduction

The Mid Term Review (MTR) of the ESDP 2016-2020 is a joint exercise of the Lao PDR Ministry of Education and Sports (MoES) and its development partners (DPs). The goal of the review is to take stock of the progress, achievements and shortfalls in ESDP implementation and to identify challenges and concerns of key sector stakeholders. The analysis of progress and challenges is expected to yield consensus priorities to improve implementation in the second half of the plan period as well as indications of longer-term goals for consideration in the next ESDP. The review will consider these constraints in priorities in the context of the resolutions of the 10th National Congress of the Lao People's Revolutionary Party (2015) and the overall goal of the ESDP 2016-2020:

The Education and Sports Sector in Lao PDR is appropriately structured and resourced to create opportunities for all Lao citizens to have equitable access to quality education and sports and to benefit from socio-economic development in order for the Lao PDR to eligible to graduate from least development country status by 2020"

The Terms of Reference for the MTR emphasize the need for the high quality and transparent review necessary for identifying priorities that improve the governance and functioning of the education system – in particular, the capacity of the system to implement and sustain reforms as well as to improve the equity of the provision of quality education. The MTR is not a sector analysis at the activity level: The Annual Sector Performance Reports published by DoP describe activity level progress.

To meet the goals of the review, the MoES Department of Planning coordinated a process for consultation and analysis involving:

- Meetings between the MTR technical team and representatives from all the MoES subsectors;
- Review meetings for each subsector that included representation from related responsible departments and key development partners;
- Regional Consultation Workshops) that included representation from all PESS offices and more than 25 DESBs throughout the country;
- Education Sector Working Group (ESWG) Focal Groups (FGs) MTR consultation meetings; and
- An ESWG review and validation of the ESDP 2016-2020 MTR.

The ESDP 2016-2020

The ESDP 2016-2020 follows the Education Sector Development Framework (ESDF) 2009-2015 and the Education Sector Development Plan (2011-2015). The ESDP 2016-2020 was developed through a consultation process that involved the use of a Theory of Change methodology and technical discussions in a series of Education Sector Working Group meetings. These consultations resulted in overall goals; expected outcomes; policy and strategic directions; Key Performance Indicators and an estimate of resource requirements for the plan period (2016-2020). The plan also includes a description of subsector objectives, targets, strategies and activities for the same period.

ESDP policy objectives are consistent with, and in support of the overall goals and vision of the 8th 5-Year National Socio-Economic Development Plan (2016-2020) and provide the basis for making sound progress towards the achievement of the longer-term goals within the education sector.

The five policy objectives in the ESDP 2016-2020 are:

1. All learners are equipped with the foundation knowledge and skills needed, including adequate safeguards for their health to either join the labour market or continue to post basic education.
2. To provide post-basic education that is relevant to the requirement of Laos' socio-economic growth in each period and can be integrated into and compete with labour forces within ASEAN member countries.
3. Human Asset Index target for exit from Least Developed Country status is achieved with reduced disparity.
4. Sector is being planned, financed and monitored to utilise resources effectively
5. Lao sport is gradually integrated to regional and international standards.

The ESDP 2016-2020 mission statements derived from the Theory of Change were used to develop outcome statements for the plan. Each outcome addresses a specific constraint or challenge in delivering on the overall ESDP goal. Strategies as well as intermediate outcomes that can be used to track progress are provided for each outcome. Progress on most of the ESDP outcomes requires collaboration across various subsectors at all levels (and with other entities) and the relevant parties and their contributions are also identified in the plan document.

- Outcome 1:** Number of learners from ECE to lower secondary grade 9 increases with special focus on the disadvantaged and ensuring gender equity
- Outcome 2:** Increased number of primary school children with functional literacy and numeracy skills
- Outcome 3:** Increased number of qualified and competent teachers with better student learning outcomes across all subjects of the national curriculum from ECE to primary and secondary education.
- Outcome 4:** All schools have financial and human resources to equitably improve student learning outcomes.
- Outcome 5:** Increased numbers of basic education graduates who have acquired basic skills and knowledge and can apply for work in the labour market or continue post-basic education or become entrepreneurs.
- Outcome 6:** Increased adult literacy rates and ensure gender parity index for adult literacy
- Outcome 7:** The quality and number of post-basic education graduates from public and private education is aligned with the needs of the 8th NSEDP
- Outcome 8:** Education and Sports sector is appropriately structured, resourced and monitored by using Annual Costed Sector Plans that are linked to ESDP 2016-20
- Outcome 9:** Financing plan of ESDP takes into account the need to reduce disparities related to gender, ethnicity, poverty and location
- Outcome 10:** Policy development is evidence-based
- Outcome 11:** The number of general and professional athletes matching regional and international quality standards is increased and contribute to the Nation's art and culture preservation.

Organization of the MTR Report Document

Chapter 2 of the MTR presents a review of the five policy objectives established in the ESDP 2016-2020. The status of each key policy indicator is presented and where possible, more detailed data from the recent Lao Social Indicator Survey (LSIS, 2017) and earlier 2012 LSIS are utilised to assess

how results differ for different regions or types of children and how these disparities or other types of challenges may impact the ability to meet the established targets by 2020.

Chapter 3 presents a review of implementation of activities organized by ESDP outcome areas.

Chapter 4 provides an in-depth review of sub sector performance against targets established in 2016.

Chapter 5 outlines how ESDP high-level outcomes map against the Sustainable Development Goal 4.

Chapter 6 provides an update of the ESDP financing plan given changes to the current macro-economic planning assumptions.

Chapter 6 provides a review of the ESDP M&E Framework.

Chapter 8 provides a summary of key challenges, issues together with recommendations.

Independent appraisal of ESDP for the Global Partnership for Education

Development of the ESDP 2016-20 received significant financial support from the Global Partnership for Education (GPE), together with support from some local development partners. A condition of GPE funding was adherence to UNESCO's Guidelines for Education Sector Plan and submission of an independent appraisal of the sector plan to GPE. This section summarises the findings of the independent appraisal and the MoES response to the appraisal findings.

The independent appraisal examined the following:

- Does the plan contribute to the achievement of education sector goals?
- Is there a significant likelihood that the targeted outcomes of the plan will be achieved?
- If there are risks, how will they be mitigated?
- Has the plan preparation process been participatory and transparent?

Education sector plan preparation process

The planned objectives of National Education Sector Development Plan correspond with the objectives contained in the draft 8th National Socio-Economic Development Plan and national ownership of the ESDP is reflected in the goals and objectives of the Plan being incorporated in the 8th National Socio-Economic Plan. MoES led by its Department of Planning, with the assistance of development partners, managed the process of developing the ESDP.

There were a series of focal groups established; the Basic Education Focal Group; the Post-Basic Education Focal Group; the Planning, Budgeting and Monitoring Focal Group; and the Research Focal Group as the key consultation mechanisms with national stakeholders. In addition, a series of regional and national consultation forums were held with stakeholders and development partners. As a consequence of the development process, a series of more detailed sub-sectoral plan were also drafted which comprises Part II of the ESDP. These sub-sectoral plans were also developed through a consultative process.

Stakeholder engagement

The Plan was developed by a special team with the Ministry's Planning Department composed of local and international experts. The work was overseen by the Vice Minister for Education who was Chair of the Education Sector Working Group (ESWG). The ESDP has identified 11 national outcomes each with anticipated policy and regulatory development initiatives. While most of these bodies are national, at the local level, provinces, schools and individual teachers are

identified as having responsibilities for implementation of the strategies at the local level. Thus, there were high levels of commitment and accountability among relevant local stakeholders and development partners.

Education sector analysis

Data gathered to measure the achievement of the Millennium Development and Education for All Goals was used and reported against in the early part of the Plan. This data focuses on the achievement of MDG 2 and MDG 3 and the 6 EFA goals. Data captured through EMIS was also used in identifying areas for improvement. The analysis of the previous plan and the reports of achievements cover the key areas of the education system such as access, internal and external efficiency, equity, quality, and management, although improved accuracy of data is required. Thus, a wide range of empirical evidence was available for the development of the plan and was used effectively.

The education sector analysis did not specifically identify the vulnerability of the education system to political, economic, social, and environmental risks and no vulnerability analysis was conducted. The NSEDP has a logical framework containing a section on assumptions and risks which has yet to be finalized. The text of NSEDP sets out risks including economic, social and environmental risks.

The macro-fiscal environment of the country at mid-term is significantly constrained compared to projections during the drafting of the ESDP 2016-20.

Policy priorities

The Plan's strategic policy and priorities are informed by empirical evidence gathered and reported against the previous sector plan. The Plan considers population growth projections and financial simulations such as the growth in the non-wage recurrent budget and expected assistance from development partners but also recognizes the need for a better understanding of the implications for achieving the national education outcomes. There are reliable and disaggregated baseline data, both geographical and time based, to enable target setting and to identify progress against each of the strategic priority areas.

The plan notes that there is no single and overarching monitoring and evaluation system that has yet been fully institutionalized, with a lack of monitoring and evaluations tools and quality assurance mechanisms, that M&E capacity remains low with a lack of clarity on roles and responsibilities of staff. The plan sets out an M&E Framework which identifies strategies to address these issues.

A practical M&E Framework has not yet been designed that enables timely information on progress against policy objectives and outcomes. Timeliness of EMIS data remains an issue and there is very limited data to report against SDG4 targets.

Program design and prioritization of strategies

The outcomes identified in the Plan contain a section on rationale for each outcome which identifies the range of policy and implementation issues that the outcome is designed to address.

However, the strategies are logically consistent with addressing the problems and issues identified and the strategies identified are limited to what the Government believes it can achieve in the life of the plan subject to the resources it is able to provide for the achievement of the plan.

The success of the proposed strategies and interventions will be dependent on the commitment of the government to the implementation of the plan evidenced through the provision of a budget sufficient to achieve the objectives and outcomes of the plan and the successful passage of policies and legislative instruments to support the plan.

The plan's strategies are designed to mitigate the vulnerability of the system to those issues and challenges that have been identified. While the Plan does not identify the need for a root and branch restructuring of the education system, the plan sets a strategy for significant reform of almost every aspect of the education system.

A restructuring of the management system and departmental structure has occurred, and two key committees have been established: The Planning and Budgeting Committee; The Teacher Allocation Committee

The strategies in the Sub-sector plan are based on strategies in Section 1 of the Plan but identify a range of focus areas for implementing objectives such as in teacher education where interventions are targeted at increasing the number of teachers with the capacity to teach students with disabilities or special needs.

There are strategies identified for each of the Plan's outcome areas. These strategies reflect interventions designed to achieve the outcomes. Some of the interventions require the development of further policies or legislation as building blocks for addressing the issues identified. The plan also addresses the key constraints to improved learning. These are addressed against each of the Outcomes of the Plan in the Rationale section as well as in the sub-sector plans.

In summarizing or defining the links among the planned inputs and the expected impact of the ESDP over the medium term, there is no logical framework section of the ESDP although there is one in the 8th NSEDP. There is no analytical framework identifying the links between the planned inputs and the expected impact of the Plan in the Medium Term.

The goal, objectives and 11 high-level outcomes were identified as part of the underlying Theory of Change of ESDP 2016-20.

Plan financing

The Plan identifies the ESDP projected education share of the State budget estimated to be 17% for each year of the Plan, an increase from the current level of 14.6%. Including ODA, the budget would achieve the 17% target. The Plan estimates that there will be a significant shortfall or financing gap in the first 3 years of the Plan with a small surplus in the last 2 years insufficient to address the gap in the first 3 years. There is a breakdown of investment, non-wage recurrent funding and wage components of education budgets with a forecast projection goal of reducing the wage component by 13%, an increase of 11% in the non-wage recurrent component and a 4% increase in the investment component. The financing plan does not include strategies to mitigate

the vulnerability of the education system to political, social, and environmental impacts as identified in the sector diagnosis.

The education share of the GoL budget has been much lower (averaging 14%) against the projected 17% per year. This resulted in a low proportion of non-wage spending, particularly at sub-national level (10%). Thus, the mid-term review must revise the financing plan together with lowering some 2020 targets and/or identifying priority interventions.

Monitoring and evaluation

The Plan sets out four purpose statements and related key indicators early in the report. It has a monitoring and evaluation section in which contains a table of 36 indicators to be monitored and assessed annually across each sub-sector. These indicators will be reviewed in the first two years of the Plan with an aim to develop a more results-based monitoring framework and the development of a set of Key Performance Indicators. There is currently insufficient human resource capacity to implement the M&E arrangements.

The arrangements and processes by which government will report to all stakeholders and by which stakeholders will review and validate the M&E results are articulated clearly and are sufficient and transparent. These include performance and impact monitoring, monitoring of effective and equitable provision of resources, and process and compliance monitoring. The mechanisms include Joint Sector Review Missions (JSRM), an Annual Sector Performance Report, annual thematic reviews and progress reporting.

The M&E framework has not been reviewed and DoI is attempting to implement an M&E instrument that requires too much information with the result that results are not provided in a timely manner. The JSRM that reported to ESWG is no longer in place and no replacement mechanism has been identified.

The M&E framework does not specifically include the basic indicators of the GPE Results Framework however key areas have been identified in which capacity should be built up to provide better information. More information is provided in Chapter 7.

Development and financing of an action plan

A number of action plans have already been developed including an Inclusive Education Policy 2011-15, a Teacher Education Strategy and Action Plan, a Policy on Promoting School Lunches, a Decree on Teachers and a TVET Master Plan although a number of current action plans expired in 2015.

Implementation of the Inclusive Education Policy cannot be implemented due to the lack of a dedicated budget line and specific interventions need financial support from development partners.

The Annual Costed Sector Plans (ACSEP) will cost national education policy on the basis of the outputs and outcomes stipulated in the ESDP, although resources have not been identified for all

individual activities set out in the Plan. A major constraint is the low proportion of non-wage budget allocation.

The education sector plan is not yet accompanied by detailed action plans covering every sub-sector. Three-year action plans are not available as it is planned to develop 5-year action plans. An exception is a cost benefit analysis of school meals including the estimated return of investment that has been completed

ACSEP are now reliably produced on an annual basis in all provinces and piloting at district level has begun in Luangprabang Province. The mid-term review will report on implementation of individual sub-sector plans.

System capacity

Each outcome area of the ESDP normally contains a strategy relating to the development of its staff, both administrative staff and teachers. In addition, skill requirements and duties of staff within the education system are often cited within the anticipated policy and regulatory development sub section of each outcome area. In summary, the Plan does identify and address human capacity constraints that would affect plan implementation.

Governance and accountability

The Plan does not contain a section on communication strategies to help stakeholders understand the objectives, strategies, and activities of the plan and the role of stakeholders in implementing these. However, the planning process involves a collaborative process for Provincial and Central departments in the formulation of targets and budgets. Development partners have been actively involved in the development of the ESDP and will be engaged in implementation.

The budget planning process outlined above will result in changes to allocation of resources across the Ministry. The process is consultative and participatory and designed to ensure equity, efficiency, accountability and predictability. However, the Plan does not specifically address how transfers will be undertaken nor how transitional arrangements will be handled.

A Planning and Budgeting Committee was established in 2017 to improve the efficiency of allocation of physical and financial resources. A Teacher Allocation Committee was also established to improve efficiency of human resources

Each school, jointly with the VEDC will conduct its own self-assessment and develop its annual School Development Plan and provide its quarterly and consolidated financial reports (income and expenditure) to the DESB financial unit. There is an M&E report on use of the school lunch grants for the national school lunch areas.

Training in school-based management for all schools and VEDCs has been completed, including use of the Education Quality Standards Framework for school self-assessment has been conducted.

Risks to implementation and the mitigation of risks

As noted above, there is no consolidated risk management strategy section of the Plan which identifies potential risks in financial governance and appropriate mitigation measures for political, social, or environmental risks associated with the implementation of the strategies.

Implementation capacity constraints have been assessed in the Plan and a range of strategies identified to be implemented to address these constraints. The effectiveness of these strategies will be dependent on the development of a Human Resource Development plan and policies being identified.

The mid-term review of ESDP 2016-20 is assessing the extent to which risks have impacted on implementation. It is clear that macro-fiscal challenges now exist that were not predicted when the plan was drafted and the consequences of these will be assessed during the mid-term review.

Chapter 2: Achievement of ESDP Objectives, Targets and KPIs (including sub-national KPIs)

To achieve the over-arching outcome of the ESDP 2016-20, (*All learners are equipped with the five principles (moral, intellectual, vocational, physical, and artistic development) of Lao education and skills, both cognitive and non-cognitive to develop the capacity to progress and benefit from socio-economic development in order for the Lao PDR to be eligible to graduate from Least Developed Country Status by 2020*) five main policy objectives were identified; each with a number of targets defined by key performance indicators. Progress against these targets are outlined below:

Objectives and Targets

Objective 1: All learners are equipped with the foundation knowledge and skills needed, including adequate safeguards for their health to either join the labour market or continue to post basic education.

Indicator and target for 2020	Progress at 2018
Gross enrolment rate of five-year-old children increases from 66% in 2015 to 80%.	77.1% (female = 77.0%)
Grade 1 repetition decreases from 13.5 %in 2015 to less than 5%.	8.8% (female = 7.8%)
Grade 1 dropout decreases from 8.5 %in 2015 to less than 5%.	5.8% (female = 5.1%)
Survival rate to Grade 5 increases from 78.3% in 2015 to 90%.	82.2% (female = 83.5%)
Primary cohort completion rate increases from 76 %in 2015 to 89%.	80.4% (female = 82.1%)
The result of learning outcomes is better than the result of a 2009 assessment.	The 2017 ASLO grade 3 is not comparable to the 2009 assessment but learning outcomes remain very low
Transition rate of Grade 5 graduates to Grade 6 increases from 91.7% in 2015 to 100%.	88% (female = 86.1%) This indicator is in decline
Lower secondary GER increases from 78.1% in 2015 to 85%.	83.1% (female = 81.2%)

Assessment:

Gross enrolment rate of five-year-old children

Although EMIS data shows good progress for enrolment of 5-year old children, rates vary considerably across the districts with rates at or above 100 percent in a few districts and results as low as 45 to 65 percent in others. These differences are associated with district characteristics; districts with a higher percentage of persons below the official poverty line¹ tend to have lower rates as do districts with a greater percentage of the population residing in remote areas (rural no

¹ For all references to the 20 percent poorest districts, the calculation is based on the official poverty headcount in the 2015 Lao PDR Census. For each district the percentage of the population considered poor was calculated and the 20 percent of the poorest districts refers to the 29 districts (20% of 148) with the highest percentage of poor persons. For individual level data in the 2012 and 2017 LSIS, wealth is measured directly for each child's household.

road) – with the differences related to poverty much more pronounced. The variation in district level GER for children 5 years of age calculated from EMIS enrolment data in 2017 is about 50 percent less than the differences in 2013 and about 25 percent lower than it was in 2015.²

An examination of individual level data from the 2012 and 2017 LISIS supports the view that differences in wealth and remoteness impact the participation of children 5 years of age³ -as does the ethnolinguistic group.

For children 5 years of age in 2017:

- A child from the poorest 20 percent of households had an enrolment rate 30 percentage points below other children.
- Children from non-Lao speaking households had participation rates about 15 percent lower than children from Lao speaking households.
- Children from households classified as remote had participation rates about 10 percentage points below other children.

These differences in participation represent important challenges to meeting ESDP targets and reducing disparities. While differences in participation linked to ethnolinguistic groups and remote locations have improved since 2012, the differences between the poorest children and other children have not.⁴

The target of 80 percent enrolment of children 5 years of age is likely to be met with the current rate of expansion of ECE services. However, the impact of the significant investment in expanding ECE on improving primary school performance (lower repetition, higher completion, better learning outcomes) will be limited as the very children who would most benefit from ECE (disadvantaged, non-Lao speakers) are participating at lower levels than other children.

Grade one repetition and drop out

The average district level grade one repetition rate in 2017 was significantly lower than the rate in 2013 - by about 10 percentage points (about 8 percent versus 18 percent). Over the same period, the differences in repetition rates among the districts have been reduced by about one half.⁵

The districts with the highest concentration of persons below the poverty line had higher grade one repetition rates and dropout rates than other districts (12 percent repetition versus 7

² For all comparisons of district level EMIS indicators, the coefficient of variation is used to measure the variability of results across the districts. The coefficient of variation is calculated by dividing the standard deviation of a distribution of values by the mean value (For example the standard deviation of 5-year old district level GERs in 2017 by the mean - year old district-level GERs in 2017). The resulting figure is an indication of how much variability there is in a distribution and can be compared. When we characterize the reduction in variation as a 50 percent decrease, this refers to a 50 percent decrease in the coefficient of variation between 2013 and 2017.

³ Currently attending ECE or higher so as to include children who are nearly 6 years of age and enrolled in primary school.

⁴ For individual level analysis using data from the 2012 and 2017 LISIS, changes in gaps between groups of interest are comparisons of estimates of weighted group means in 2012 and 2017. For example, the difference in the percent of children 5 years of age currently attending school or ECE by ethnolinguistic group in 2012 was 65 percent for Lao-Tai households and 33 percent for other ethnolinguistic groups. This difference was significantly smaller in 2017; 76 percent versus 58 percent. Differences in the percentage of children 5 years of age by level of poverty have remained stable with the difference between rates for the poorest 20 percent of households and other non-poor households about 30 percentage points in both 2012 and 2017; 58 percent versus 25 percent in 2012 and 75 percent versus 47 percent in 2017.

⁵ Again, using the coefficient of variation for the distribution of rates in the two years being compared.

percent). Repetition and dropout rates for the MoES 40 priority districts are also significantly higher than for the other 108 districts – but these differences have narrowed over the 4-year period.

Global experience suggests that repetition and drop out at grade one are important indicators of future outcomes. In contexts like Lao PDR where significant numbers of children come to school without mastery of the language of instruction, repetition and drop out from the first formal grade is a key indicator of the effectiveness of ECE and early literacy strategies. However, the roll out of the progressive promotion policy may make it difficult to interpret grade one repetition rates as an indicator of ESDP progress since declines in repetition rate may be due to automatic promotion or improved learning or a mix of both.

Primary cohort completion and survival to grade 5

The primary cohort completion rate⁶ has improved since 2015 and girls and boys are completing primary school at equivalent rates. However, the trend in improvement suggests that the target is in danger of not being met unless disparities are reduced.

- Using the percentage of persons officially classified as poor to rank the districts, the poorest 20 percent of the districts had a cohort completion rate of 63 percent in 2017, while the rate for the other districts was 84 percent.
- Individual analysis of 2017 LSIS data indicates that the percentage of children 11 to 14 years of age who live in the 20 percent poorest households have primary completion rates 30 percentage points lower than children from less poor households.
- Also using 2017 LSIS individual data, children 11 to 14 years of age from non-Lao-Tai speaking households had primary completion rates about 10 percent lower than children from Lao-Tai speaking households (approximately 70 percent versus 85 percent).

It is important to note that these disparities in completion rates for Primary Education in 2017 are significantly smaller than the disparities estimated in 2012. However, meeting the overall national ESDP target for primary cohort completion (89 percent) will be very difficult without actions to more quickly narrow these disparities.

Learning outcomes

An assessment of student learning outcomes in Lao language and mathematics at grade 3 level was undertaken in 2017. Results from this assessment indicated low levels of proficiency and wide variations across provinces.

- (i) In Lao language, 34 percent of grade 3 students were judged ready for promotion to Grade 4, while up to another 24 percent could be promoted if they received intensive remedial teaching during the school vacation.
- (ii) In mathematics, 18 percent of students were qualified for promotion to Grade 4, and another 19 percent could be promoted if they received intensive remedial teaching during the school vacation period.
- (iii) In eight provinces, only 10 percent or less of all grade 3 students were qualified enough in mathematics to move up to Grade 4.

6 (As calculating the cohort completion rate utilizes survival, rates there are similar patterns in performance and challenges to meeting ESDP targets when examining survival rates.)

Transition from primary to lower secondary and lower secondary GER

EMIS data shows that transition rates from grade 5 primary to the first year of lower secondary have declined since 2015, from 92% to 88% in 2017/18 with girls having a slightly lower transition rate (86%). From 2013 to 2017 the average of district level GERs for lower secondary is roughly 6 to 7 percentage points lower for girls than for boys. However, the analysis of trends in individual level data in the 2017 LSIS indicates that nearly identical percentages of boys and girls 15 to 18 years of age report having completed lower secondary education suggesting that girls are likely to now have effectively achieved parity with boys in lower secondary education. The EMIS data from 2017/18 estimates the lower secondary gender Parity Index to be 0.96.

While gender differences in participation in lower secondary education are disappearing, there are large differences that persist related to household wealth. Again, using individual data from the 2017 LSIS, 35 percent of children aged 13 to 16 years of age in the poorest (bottom 20%) of households were enrolled in lower secondary education (or upper secondary), whereas the percentage of children not in the poorest category was nearly 77 percent. While this gap, is large, it is much smaller than the gap in the 2012 LSIS.

There is also a significant gap in lower secondary participation rates by ethnolinguistic groups. LSIS data indicates that the percentage of children 13 to 16 years of age from non-Lao-Tai speaking households who report being enrolled in lower secondary is about 15 percentage points lower than children from Lao -Tai speaking households. Like the gap in participation linked to household wealth, the gap in participation between ethnolinguistic groups is dramatically smaller than in 2012. To reach national targets, disparities must be reduced at an accelerated pace.

The incorporation of lower secondary into compulsory education and the expansion of classes and teachers has undoubtedly reduced disparities in lower secondary education enrolment since 2012. However, as is the case with several ESDP indicators, it will be difficult to achieve the overall national level indicator without a targeted effort to reduce disparities at a more accelerated pace.

Objective 2: To provide post-basic education that is relevant to the requirement of Laos' socio-economic growth in each period and can be integrated into and compete with labour forces within ASEAN member countries.

Indicator and target for 2020	Progress at 2018
Transition rate of lower secondary graduates to TVET reaches 5% and to upper secondary education 90% ⁷ . graduates to TVET reaches 5% and to upper secondary education 90% ⁸ .	Transition from lower secondary to TVET is 3% Transition rate lower to upper secondary: 82.5% (female = 81.2%)
Upper secondary GER increase from 45.8% in 2015 to 60%.	53.3% (female = 50.8%)
Transition rate of Grade 12 graduates to TVET (public and private) reaches 60%, to higher education ⁹ 20% ¹⁰ .	20% of students who complete upper secondary education follow the academic route while 60% enrol in TVET and another 20% go to labour market
Upper secondary GER increase from 45.8% in 2015 to 60%.	53.3% (female = 50.8%)
Transition rate of Grade 12 graduates to TVET (public and private) reaches 60%, to higher education ¹¹ 20% ¹² .	20% of students who complete upper secondary education follow the academic route while 60% enrol in TVET and another 20% go to labour market

Assessment:

The transition rate to upper secondary has increased and the target for upper secondary transition to TVET has been achieved, although there are relatively large gaps in upper secondary GER when examined at the district level. For example, the average upper secondary GER for the 40 priority districts was about 15 percentage points lower than for other districts. This relatively large gap in 2017 is one half the size of the gap in GER between priority districts and other districts in 2013. In the same time period the number of districts where the GER for girls is equal to or better than that for boys has more than doubled from 15 to 31 districts. However, - even with this improvement - only 20 percent of districts have achieved gender parity in upper secondary GER.

The 2017 LSIS was used to assess how participation in upper secondary education is impacted by individual and household characteristics not captured in the EMIS data. Examining upper secondary participation for a cohort of youth between the age of 18 and 25 years of age indicated:

⁷ 5% expect that they will become entrepreneurs or enrol in private educational institutes, etc.

⁹ Higher education refers to four universities under supervision of MoES.

¹⁰ 20% expect that they will become entrepreneurs or enrol in private educational institutes and study abroad

- About 40 percent of the 18–25 year-olds had enrolled at some point in upper secondary education. The 40 percent participation rate of this cohort of youth 18 to 25 years of age is consistent with the upper secondary GERs reported in EMIS for the period 2013-2016 when they would have been attending upper secondary. It is also important to keep in mind that the calculation of GER includes all enrolled students regardless of age. In 2017, more than 22 percent of youths between 19 and 21 years of age reported that they were currently enrolled in upper secondary education.
- Of those in the 18 to 25 years of age cohort in 2017 who had entered upper secondary school, about 11.5 percent dropped out before completing the level. This is consistent with the 5-6 percent annual dropout rate for upper secondary reported in the EMIS.

Students from the poorest 20 percent of households were about twice as likely to drop out of upper secondary before completion (23 percent dropout versus 10 percent for students not in the poorest 20 percent of households). While there were differences in participation rates and outcomes at lower levels of the education system associated with ethnolinguistic groups, differences in upper secondary dropout rates among the groups was quite small. Finally, young people residing in remote areas who entered upper secondary were about twice as likely to drop out before completion than those not in remote households (18 percent versus 10 percent).

The indicator for ESDP monitoring of progress in upper secondary education is the GER – the enrolment in upper secondary divided by the population of upper secondary age. This indicator provides a measure of the success of lower levels of the system in retaining children in school and providing a level of literacy and numeracy that enables participation in upper secondary education. The GER is also affected by the expansion of opportunities to enrol in upper secondary; adding classes/classrooms and teachers.

The GER is not as sensitive to tracking the impact of important MoES investments in upper secondary; providing financial assistance to disadvantaged students (scholarships and other types of material/financial support) and the construction of student dormitories. These critical investments have a more direct impact on the ability of the sub sector to retain students until they complete the level by lowering the costs for disadvantaged (including remote) students and changing the calculation they make about whether they are better off continuing their schooling or entering the labour market. Dropout rates or completion rates provide a more direct measure of these subsector investments. Cohort completion rates would be a better indicator than GER.

Chapter 3 provides greater detail on the extent to which post-basic education is aligned with socio-economic needs, both nationally and within the ASEAN Economic Community.

Meeting ESDP targets for upper secondary education are dependent on ensuring that larger numbers of children - especially disadvantaged children - acquire the necessary level of literacy and numeracy to benefit from upper secondary education. Without a rapid response to produce more children capable of participating in upper secondary education, this target will not be met.

Financial constraints currently keep some children who have entered upper secondary school from successful completion. Expanding and improving the targeting of financial and material assistance could enable more of the students that are now dropping out to complete their secondary education. The investment required to expand

opportunities (classes, teachers, etc.) and to provide the material and financial support to enable more students to complete upper secondary education competes with other Education sector and Government of Lao PDR investment priorities. As upper secondary education is not compulsory, these investment decisions require a more thorough discussion of how upper secondary education supports Government of Lao PDR medium and long term economic and social development goals.

Objective 3: Human Asset Index target for exit from Least Developed Country status is achieved with reduced disparity. For example, gender, disability, poverty, ethnicity etc.

Indicator and target for 2020	Progress at 2018
Secondary GER increases from 60% in 2015 to 75%.	70% (female= 68%)
Literacy rate of 15-24-year olds reaches 99%.	92,4% (female = 90,4%) Population census 2015
Literacy rate of 15-year olds and above reaches 95%.	84,7% (female = 79%) Population census 2015

Assessment:

Progress is being made to meet the secondary GER target with the incorporation of lower secondary education into compulsory schooling; but reaching the 2020 target will require more improvement at the upper secondary level. To reach the overall target literacy rate for persons 15 years and older, the youth literacy rate (15-24 years) would need to be much closer to the 99 percent target. The literacy challenge reflects the composition of Lao PDR, with significant numbers of persons not being first-language speakers of the language of instruction in school. Literacy rates for non-Lao-Tai ethnic groups are lower than for members of the Lao-Tai ethnic groups by at least 10 percentage points – and in the case of the Tibeto-Chinese group more than 30 percentage points lower (50% for males and 35% for females). Chapter 3 provides more detail.

Objective 4: Sector is being planned, financed and monitored to utilise resources effectively

Indicator and target for 2020	Progress at 2018
20% of educators and administrators are upgraded every year.	Staff from all primary schools and VEDCs received training in school-based management. Training has also been provided to some administrators at other levels.
Education as primary share of government budget reaches more than 17%.	14.02%

Assessment:

Revisions to the national 2018 macrofiscal outlook resulted in significant reductions in the planned allocation to education. The 2018 reductions eliminated plans to provide in-service education to 20 percent of the teaching force. The externally financed school management training was implemented for all primary schools (and VEDCs). An important constraint to improving sector performance remains an allocation of non-wage resources (budget) that is low

and inadequate for delivering on ESDP priorities – and the absence of strategies and methods to assess and improve the effectiveness of non-wage spending through a more strategic approach to resource allocation. Efficiency of current human resource allocation is low, for teachers, sub-national managers and administrators, including pedagogical advisors.¹³

Objective 5: Lao sport is gradually integrated to regional and international standards.

Indicator and target for 2020	Progress at 2018
30% of population participate in sport activities by 2020.	22%

Assessment:

Progress to the target is lagging and unlikely to be reached by 2020 unless more funding is directed to community sports.

Associated Objective: Human Capital Index

World Bank have recently developed a “Human Capital Index” that measures the amount of human capital that a child born today can expect to attain by age 18. It conveys the productivity of the next generation of workers compared to a benchmark of complete education and full health. It is constructed for 157 countries. It is made up of five indicators: the probability of survival to age five, a child’s expected years of schooling, harmonized test scores as a measure of quality of learning, adult survival rate (fraction of 15-year olds that will survive to age 60), and the proportion of children who are not stunted.

There are three education related factors (total of six) that contribute to the HCI. The outcome of the 2017 analysis showed that a child born in Lao PDR today will be 45 percent as productive when she grows up as she could be if she enjoyed complete education and full health. In 2017, Lao PDR’s HCI is lower than the average for its region and income group and is lower than what would be predicted for its income level. Improvements in the HCI will require significantly improved learning outcomes and participation in more years of education.

The Lao context and disparities:

There are 49 official ethnic groups with many more sub-groups. 62% of the population are of the Lao-Tai language group and have Lao or a dialect of Lao as their mother tongue. This proportion is gradually decreasing due to differential fertility rates. The Education Law (2014) stipulates that “Lao language and Lao character is official language and character to be used in teaching-learning within education venues”.

Compulsory education includes 5 years of primary and 4 years of lower secondary. LECS-5 data¹⁴ suggest that families spend 500,000 kip/year/child for primary and 1.4 million kip for secondary.

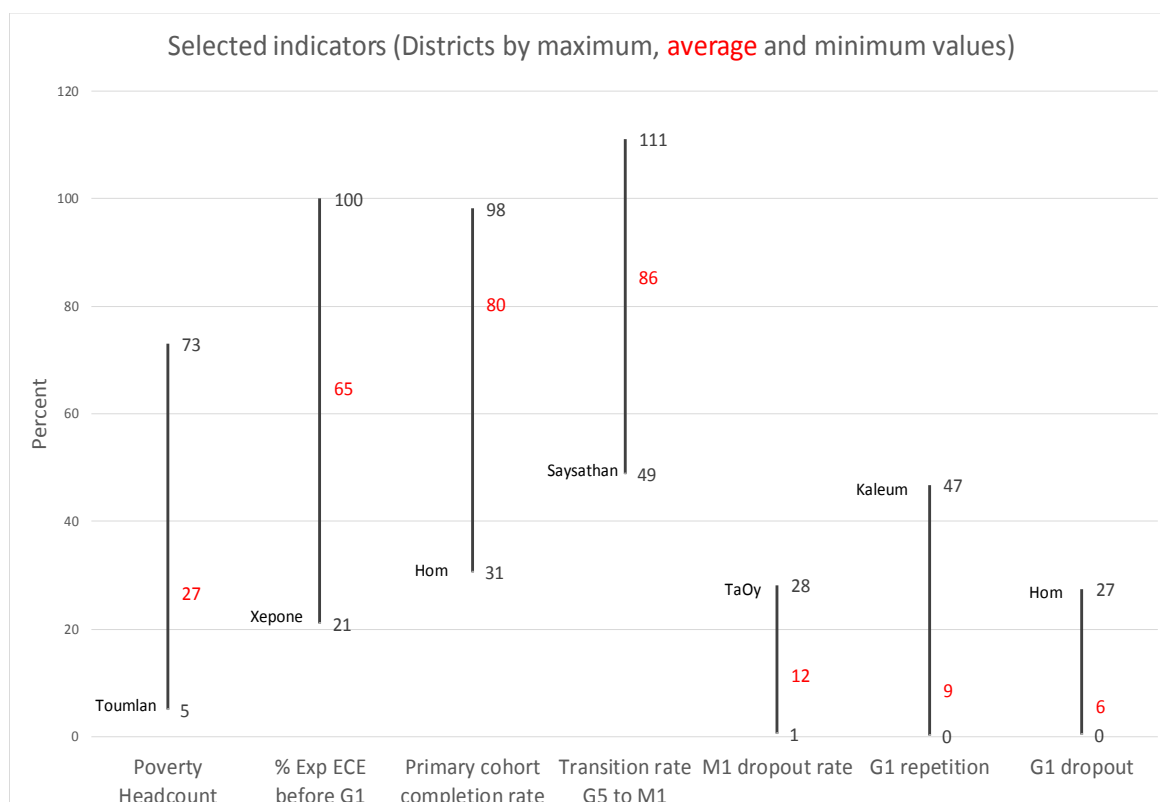
There are few economies of scale in provision of education services: For example, there are 8,600 public primary schools and 740,000 students across 148 districts and 18 provinces. Only 37

¹³ Each DESB is allocated the same staffing but some DESBs manage only 340 schools while another may manage 150 schools.

¹⁴ Reported in “Early grade dropout and low learning achievement in Lao PDR, World bank 2018

schools have an enrolment of more than 500 while 3,000 schools have less than 50 enrolled students. 1,000 primary schools have only 1 teacher with another 1,500 schools having only 2 teachers. Of the 40,600 primary teachers, 10% are volunteer teachers (some have been volunteers for 5 years). Thus, provision of education support services is uneven. There is an active private sector in Vientiane Capital. For example, 30% of all primary schools are private and in the post-basic sub-sector, there are 73 private TVET institutions.¹⁵

The issue of disparities in education performance is a common theme of the MTR report. As shown below, EMIS reports a range of performance across districts for core indicators with average performance masking sub-national differences.



For example, primary cohort completion rates are greater than 95% in Ngeun, Xaisettha, Paklay, Phaxai, Boten and Phoukhoun districts but lower than 45% in Hom, Bachiachaleunsouk, Nong and Xepone.

The primary objective of LSIS is to provide up-to-date information that will assist with the selection of data on key social development indicators to support the monitoring of the Sustainable Development Goals (SDGs) and reports disparities at “individual” level and aims to generate data at provincial level disaggregated by age, residence, sex, wealth quantile and ethnic groups. For example, it can report on the education performance of non-Lao-Tai women on selected indicators across districts.

The combination of EMIS and LSIS data allows the MTR report to provide a more detailed analysis of variations/disparities in education achievement.

¹⁵ Data cited in this paragraph has been extracted from EMIS data for school year 2017/18, as provided by the ESSC.

Chapter 3: ESDP high-level 11 Outcome areas: Progress, Challenges and Issues

Context

Sector development plans and frameworks. 2018 represents the mid-point of the five-year Education and Sports Development Plan (ESDP) 2016-2020, which is aligned with the 8th NSEDP. The overarching goal of ESDP 2016-2020 is *“By the year 2020, the Education and Sports Sector in Lao PDR is appropriately structured and resourced to create opportunity for all Lao citizens to have equitable access to quality education and sports and to benefit from socio-economic development for the Lao PDR to be eligible to graduate from the least developed country status.”* The ESDP 2016-2020 draws on the experiences and lessons learned from two previous sector planning documents: The Education Sector Development Framework (ESDF) 2009-2015 and the Education Sector Development Plan (ESDP) 2011-2015, together with guidance from SDG 4. The overarching outcome to be achieved from ESDP 2016-20 is *“All learners are equipped with the five principles (moral, intellectual, vocational, physical and artistic development) of Lao education and skills, both cognitive and non-cognitive to develop the capacity to progress and benefit from socio-economic development in order for the Lao PDR to be eligible to graduate from Least Developed Country Status by 2020.”* Achievement of this overarching outcome is underpinned by five policy objectives and 11 operationally focused outcome statements.

Policy objectives. The ESDP 2016-2020 outlines the overall goals, expected outcomes, policy and strategic directions together with required resources for the period 2016 to 2020, setting out objectives, targets, strategies and priority activities for each sub-sector. The ESDP policy objectives provide the basis for making sound progress towards the achievement of the longer-term goals within the education sector. The five policy objectives ESDP 2016-2020 are:

- (i) *Objective 1:* All learners are equipped with the foundation knowledge and skills needed, including adequate safeguards for their health, to either join the labor market or continue to post-basic education.
- (ii) *Objective 2:* Post-basic education that is relevant to the requirement of Laos' socio-economic growth in each period, and that can be integrated into and compete with labor forces within ASEAN member countries is provided.
- (iii) *Objective 3:* Human Asset Index target for exit from LDC status is achieved with reduced disparity.
- (iv) *Objective 4:* The education sector is planned, financed and monitored to utilise resources effectively.
- (v) *Objective 5:* Lao sport is gradually integrated to regional and international standards.

Expected Outcomes: There are 11 operationally focussed outcomes to which the various sub-sectors contribute, either individually or combined. These sub-sectors are: (i) early childhood education; (ii) primary education; (iii) lower secondary education; (iv) upper secondary education; (v) non-formal education; (vi) teacher education; (vii) vocational education and training; (viii) higher education; (ix) education administration and administration; and (x) sports. The separate education sector mid-term review report of ESDP 2016-20 for the Education Sector Working Group (ESWG) includes more detailed assessments of sub-sector performance in contributing to these 11 high-level outcomes.

Outcome 1: Number of learners from ECE to lower secondary grade 9 increases with special focus on the disadvantaged and ensuring gender equity

Rationale:

MoES has prioritized the need to address key issues around the participation rates for all levels by 2020. Given that the already high transition rate from primary Grade 5 to lower secondary the target for lower secondary will require much higher primary completion rates.

Progress and achievements

Since 2016 the Ministry, supported by local authorities and development partners has developed early childhood education policy documents, revised the curriculum and provided teaching and learning manuals, school readiness program competencies and pre-primary classes. A pre-service Bachelor-level program for early childhood teachers has been developed and implemented. Quality standards for early childhood education have been developed. As a result, the participation rate for 3 to 5-year-old children has increased from 43 percent in 2015 to 56 percent in 2018. About 75% of the increase in the number of children accessing ECE was from children living in rural areas with road access but children from the wealthiest households are still 6 times more likely to participate in ECE than children from the poorest households. There is a draft Strategy and Action Plan (2016-2020) for the Inclusive Education Policy which should be approved in November 2018 and this will hopefully ensure inclusion of marginalised children including those with disabilities. There is a school meals policy as part of the social protection floor policy.

The government and development partners have invested a great deal to improve the primary school environment. Together with development partners, both the primary and lower secondary curricula are being or have been revised by MoES to make both more effective to teach and more relevant which should increase enrolments, particularly in rural areas. This is also an opportune time to ensure that the revised curriculum is inclusive, and that the pedagogy used by teachers can meet the diverse needs of children in a classroom. All these efforts and initiatives have contributed to improved enrolment. Although universal access for primary education has largely been achieved, completion rates continue to lag, and grade 1 dropout and repetition rates continue to be too high, contributing to relatively low cohort completions rates (80.4%). The progressive promotion policy has reduced grade 1 repetition rates from 19% in 2012/13 to 8% in 2017/18 and grade 1 dropout has decreased from 10% to 5.8% over the same time period, but more information is needed about how to reduce these rates even further.

The 2015 amendment of the Education Law has made lower secondary education compulsory, making it now one of the priority sub-sectors. (ECE is not yet compulsory.) Since 2015, MoES, development partners and local authorities have focused on infrastructure development, including dormitories for some schools in remote areas, so that more children, including those with disabilities would have access to lower secondary schools. Separate WASH facilities for boys and girls are provided where possible. MoES is also making efforts to improve the quality of teaching and learning through revision of curricula and teacher training for both primary and lower secondary levels.

Access rates are on the rise for lower secondary education and the gross enrolment ratio has nearly achieved the 2020 target. The current transition rate from primary to lower secondary is already quite high (88%) but has decreased slightly over the past 3 years for reasons that are not yet understood and further increases in lower secondary enrolment will require significantly increased primary completion rates.

Gender parity has been achieved for early childhood education¹⁶ and is almost achieved for primary education (0.98). Gender parity in lower secondary enrolment continues to lag (0.95). According to the Lao Social Indicators Survey (2017), there remain disparities in participation rates among different ethno-linguistic groups. For example, the proportion of “out-of-school” primary-aged children among Lao Tai children was 6.1% compared to 17.3% (LSIS survey, 2012) but 17.2% among Mon-Khmer children compared to 15.8% in 2012. Thus, progress is not even among all ethno-linguistic groups. Additionally, while slightly less Lao Tai girls were out of school compared to boys, almost 2% more Mon-Khmer girls were out of school compared to boys. This is an improvement since 2012 when 36% of Mon-Khmer girls were out-of-school compared with 30% of Mon-Khmer boys. Thus, the intersection between ethnicity and sex remains a barrier to full participation and requires more attention.

The Inclusive Education Centre has developed templates to collect data on disability and a system to collect data through PESS. This is not a full proof system and there have been delays of up to 2 years to get the information. The data collected only includes information about children with physical disabilities (mobility, hearing and visual impairments) as one of the difficulties has been identifying children with intellectual and developmental disabilities. MoES is already developing a data collection system in collaboration with development partners for children with disabilities in ECE using the Washington Group Child Functioning Module and training the School Health Task Teams to collect this data. This is being developed to collect data on children with disabilities who are in school and out of school.

Challenges, issues and Next Steps

Further improvement for access to early childhood education is required, particularly for children living in remote areas without road access and children with disabilities and a strategy is needed to reduce the number of out-of-school ethnic girls of primary school age. Alignment of the school year with the agricultural cycle continues to be an issue with many students absent during planting and harvesting seasons. Dropout rates among lower secondary students remain high (11.5% in the first year) but provision of safe dormitories for teachers and students will help although other factors also need to be investigated. In districts with shared borders and in the southern provinces male students drop out at a higher rate than do female students because many boys of age 11-14 years old leave to seek work due to family poverty. More research is needed to investigate the interface between primary and lower secondary to better understand factors associated with declining transition rates, increasing dropout in the first two years of lower secondary and lack of improvement in gender parity at lower secondary level.

There is a need to reconcile EMIS data with other data sets, including LECS V, the international Out-of-School-Children Study and the 2015 population census to more accurately know the extent to which children are not participating in school. There is an opportunity to compare data from EMIS and the upcoming 2020 population census. There is a need to better understand the numbers of children with disabilities, both in- and out-of-school.

EMIS data collection should include data on children with disabilities rather than a separate system created by IEC to collect this data. This will mean training MoES personnel at all levels who provide input to EMIS data collection system. The training developed by MoES using the Washington Group Child Functioning Module should be extended to all relevant MoES personnel. This whole process may take longer than 2020 which is beyond this ESDP, however the process

¹⁶ Although, this should be considered in the context of many children not having access to early childhood education

should begin before 2020 so that it can be achieved in the next ESDP.

Outcome 2: Increased number of primary school children with functional literacy and numeracy skills

Rationale:

Assessments (EGRA and ASLO) prior to 2015 at Grades 3 and 5 have demonstrated that current levels of functional literacy and numeracy skills are not sufficient to support quality learning at higher grades of primary and lower secondary education.

Progress and achievements

MoES has invested in improved measurement of learning outcomes through developing a national primary learning outcomes assessment framework (due to be completed early 2019), conducting a revised Assessment of Student Learning Outcomes (ASLO) at grade 3 level in 2017 and participating in the Southeast Asia Primary Learning Metrics pilot to assess learning outcomes in grade 5 with data collection in March 2019.

The 2017 Assessment for Student Learning Outcomes (ASLO) identified inadequate learning outcomes through a sample survey of 17,000 grade 3 students from all 148 districts across the country for 2 subjects, mathematics and Lao language. The key results are as follows:

- In Lao language, 34 percent of grade 3 students were judged ready for promotion to Grade 4, while up to another 24 percent could be promoted if they received intensive remedial teaching during the school vacation.
- In mathematics, 18 percent of students were qualified for promotion to Grade 4, and another 19 percent could be promoted if they received intensive remedial teaching during the school vacation period.
- In eight provinces, only 10 percent or less of all grade 3 students were qualified enough in mathematics to move up to Grade 4.

RIES is now undertaking a secondary analysis to identify factors associated with differing levels of learning outcomes, including gender, ethnicity, disability, location, language used at home, poverty together with characteristics of schools, teachers and students. Together with development partners, MoES is renewing the primary curriculum, with special attention to Lao language and mathematics. Spoken language development underpins literacy development and the severely overcrowded grade 1 Lao language curriculum is being reduced. Teachers Guide are improved to better support teachers to implement activities with descriptions of techniques, activities, assessment approaches and several model lessons.

The renewal of the mathematics curriculum is based on: clarification of the scope and sequence of the contents; introducing teaching methods according to students' development stages; fostering mathematical and logical thinking skills; introducing exercises to develop students' problem-solving skills; and effective use of figures/tables and semi-concrete materials in textbooks. New Grade 1 mathematics textbook and teacher guides were introduced for school year 2018/19.

Implementation of the new curriculum will require initial training of primary teachers and follow-up support from DESB pedagogical advisers. Together with development partners, MoES plans to increase the operating grant budget for DESBs to allow pedagogical advisers to visit primary

schools more often, as well as provide pedagogical advisers with opportunities for training to upgrade their skills for their support to be effective.

EQAC has been working with RIES to develop standards for literacy and numeracy and are currently being piloted in a small number of schools. Standards have also been developed for ECE.

TTCs have, since 2012 included an Inclusive Education module developed together with development partners in the pre-service teacher training curriculum. However, the qualified teachers find it difficult to put it into practice as they still require further training on how to meet the diverse needs of learners, including those with different types of disabilities.

Challenges, issues and next steps

Challenges include: (i) limited support to teachers from Pedagogical Advisers, District Education and Sports Bureau (DESB), and the Provincial Education and Sports Services (PESS); (ii) the poor quality of both pre- and in-service teacher training, and consequently, insufficient attention given by teachers to appropriate pedagogical practices and content knowledge (anecdotal evidence suggests that many grade 4 teachers do not understand the content that they are meant to teach); (iii) overloaded curriculum, especially in the early primary grades, resulting in less emphasis on reading, writing and numerical skills; (iv) language issues among children who do not have Lao as their mother tongue; and absenteeism. (v) lack of inclusiveness in the curriculum and teaching and learning materials that enables teachers to meet the diverse needs of children with disabilities. These last two challenges are currently being addressed. The solution to the first challenge requires a significant increase in operating budgets at district level, and further upgrading of pedagogical advisers.

The Planning and Budgeting Committee should review the current formula for DESB staffing and operating budgets to ensure that Pedagogical Adviser support to schools is more equitable across districts of varying workloads. The pre- and in-service teacher training curriculum should address the challenges created due to the use of didactic pedagogy and a way forward is to take advantage that MoES, in partnership with development partners, is embarking on revising the pre-primary and primary curriculum which should include the use of active learning methodology which is helpful for all learners including for learners with disabilities.

Outcome 3: Increased number of qualified and competent teachers with better student learning outcomes across all subjects of the national curriculum from ECE to primary and secondary education.

Rationale:

MoES has prioritized the need to improve the quality of learning outcomes through improved teaching across the whole curriculum, but there are several issues to be overcome for this to occur.

Progress and achievements

MoES continues to respond to community demand for access to early childhood education through increased access to facilities but expansion of teacher numbers is limited by the reduced number of civil service positions made available by MoHA, as well as GoL investment budget.

Together with development partners, the pre-service teacher curricula are being revised by MoES to better align with the ECE, primary and lower secondary school curricula, including

strengthening of the teacher trainee practicum by increasing the amount of time practicing pedagogical skills and content knowledge. Strengthening the capacity of TTC lecturers is ongoing to improve their pedagogical skills and content knowledge. To enhance these activities for TTC students and lecturers, MoES has designated the establishment and effective use of TTC demonstration schools, the two special schools should also become demonstration schools in the future, with effective cooperation with existing network schools. In-service training for school-based teachers is also ongoing particularly for English language, mathematics and science. DTT, DGE and REIS conducted in-service training on use of revised textbooks to lower and upper secondary teachers across the country and provided pedagogical training to conduct learner-centred approach. The Department of Teacher Education has developed a National Education Qualifications Framework for teacher development and a comprehensive framework of primary teaching standards.

In 2017, MoES also conducted a base line survey to identify current level of TTC students' mathematical knowledge and skills for primary level to compare the situation before and after the introduction of new TTC curriculum. The results revealed that their mathematical knowledge and skills are at the lower primary level.

Together with development partners, MoES is developing an improved process for in-service teacher training and support, focusing on consistency and quality in delivery of in-service teacher training activities through building teacher trainer skills and competencies with the support of TTC lecturers. DESB and PESS staff including pedagogical advisors, TTC lecturers, and all Grade 1 teachers have been trained for the new mathematics curriculum (completed by October 2018). In-service training for Grade 1 teachers, principals and pedagogical advisers on the remaining new curriculum subjects, including Lao language, will begin July 2019.

Challenges, issues and next steps.

Many primary schools have an under-supply of teachers while other schools have an over-supply of teacher and this problem of deployment efficiency has continued for many years, a problem that the sub-national level has attempted to solve by engaging volunteer teachers. Many secondary schools face teacher shortages in certain subjects and consequently, some (about 12%) teachers must teach subjects that they have little training in, or schools may recruit volunteer teachers to teach these subjects. All new secondary teachers will now be able to teach at least two subjects. The key challenge is to develop a strategy to improve the efficiency of teacher deployment and to reduce the number of volunteer teachers while at the same time not reducing access to and quality of education. At secondary level, the priority for utilising new civil-service quotas is to recruit specialist secondary teachers in mathematics, science and IT.

The teachers who teach in the two special schools in Vientiane and Luangprabang (for learners who are deaf and blind) have been trained to teach using braille and sign language. This is an optional module that pre-service and in-service teachers can take. A way forward to ensure that all pre-service and in-service teachers also develop the skills to use braille and sign language, the two special schools can become 'training centres' wherein in the future all pre-service teachers have their practicum as interns and as a start, those pre-service teachers interested can learn braille and sign language as interns. This will still mean that children with intellectual disabilities as well as developmental disabilities for example autism and ADHD will continue to be marginalised.

However, the quality of teaching still requires improvement through better pre-service programs and greater provision of in-service training. Demonstration schools at TTCs should be able to provide examples of best-practice pedagogy, including how to make all classrooms inclusive.

An accountability system needs to be developed and implemented to improve the ways in which classroom teachers are accountable for learning outcomes to both VEDC and DESB.

Remote and ethnic communities where there are volunteer teachers should be targeted to recruit pre-service teacher trainees with an agreement that they return to their communities once qualified. This would result in learners being taught by teachers who understand the culture and speak the language thus improving learning outcomes. This is a long-standing issue.

Outcome 4: All schools have financial and human resources to equitably improve student learning outcomes.

Rationale:

In the context of budget constraints and to improve learning outcomes, it is necessary to provide infrastructure and human resources to all schools equitably. (Also see text above under Outcome 2)

Progress and Achievements

Provision of physical, financial and human resources to schools is regulated by several legislative and policy documents. Decree 177 outlines the principles for deployment of teachers to schools at different levels and Decree 306 specifies the per-capita amounts for school-block grants to schools at different levels. Development partners support MoES to improve school infrastructure, including dormitories for secondary education since the education share of the domestic investment budget is low at less than 7%. MoES directs ODA towards disadvantaged areas for infrastructure provision.

The Department of Organisation and Personnel conducted a teacher survey in 2017 to identify schools with an under-supply or over-supply of teachers and to quantify the numbers of volunteer teachers. The survey indicated that about 8,600 teachers were in over-supply schools while under-supply schools needed about 19,600 extra teachers (largely due to a lack of teachers in some specialist subjects, such as IT, basic vocational studies, etc. and the annual quota of new positions is only sufficient to replace 60% of the attrition rate of teachers. There are also about 12,300 volunteer teachers in schools but the total annual quota of civil service positions, including for attrition, from MoHA was only 1,850 for 2018.

School block grants are provided in an equitable manner across the country although there continue to be issues with the efficient delivery of grants, particularly to very remote schools without road access. Primary schools receive 70,000 kip per student per year and 50,000 kip per student per year is provided for early childhood and secondary education. MoES has trained Village Education Development Committees to better utilise these funds to support improved school development plans to improve the quality of teaching and learning. Despite the deterioration of the economic and fiscal outlook, the MoF has quarantined School Block Grant funding from future cuts.

MoES has introduced Annual Costed Sector Plans (ACSEP) to strengthen the linkage between ESDP, sub-national plans and budgets. In 2018 the ACSEPs allowed MoES to analyse the non-wage recurrent budget by province and identify significant imbalances in budget allocation between provinces and districts. This clearly shows that there is scope for a more efficient and equitable allocation policy to support ESDP implementation, as opposed to the current incremental practice, which perpetuates these imbalances.

Challenges, issues and next steps

The shortfall in budget allocation for the education sector as a share of the national budget in the last few years will need to be reversed. At the same time, the Government will need to reprioritize education sector interventions to make sure limited resources are used to address most critical needs. To this end, it is essential to (a) strengthen linkages between planning and budgeting for a more strategic allocation of resources, (b) increase the operational budget at provincial and district levels and allocate it more equitably, with increase in the budget allocation for activities aimed at improving quality of education, such as pedagogical support and school monitoring, (c) strengthen and modernize the planning and budgeting capacity and the accounting capacity of education administrators and (d) allocate a budget line for learning outcome assessments at primary and secondary levels

Although the teacher survey has been completed, a strategic response to its findings is yet to be developed. Such a response must be within the current future MoHA constraints for civil service positions.

A significant number of schools, particularly small remote schools, have difficulty to comply with the National Education Qualities Standards Framework due to an under-supply of teachers and lack of additional financial support from communities due to poverty. The MoES has embarked on an important reform to improve teacher deployment efficiency, which will require the mobilisation of important resources.

Despite all these efforts, significant cost barriers remain for rural families to send their children to school such as the significant costs associated with school participation. In some areas, additional cultural/social barriers exist for participation by children with disabilities. The Government has started to address this issue with the introduction of stipends for the disadvantaged, as described in more details in Outcome 9 but more needs to be done to support children with disabilities.

Outcome 5: Increased numbers of basic education graduates who have acquired basic skills and knowledge and can apply for work in the labour market or continue post-basic education or become entrepreneurs.

Rationale:

MoES has prioritised the need to address concerns around the insufficient knowledge and skills acquired by basic education graduates by 2020. This will require both quantitative improvement (increasing primary and lower secondary completion rates) and quality improvements (ensuring that students master foundational/transversal or "soft" skills expected to be provided in basic education). There is consensus that skills acquired and other learning outcomes, particularly literacy and numeracy and other soft skills, of the primary and lower secondary programmes do not meet the current demands of the labour market.

Progress and achievements

Analysis of data from LECS5, the 2015 Census, and other sources confirms steady increases in the share of youth completing primary education and lower secondary education: For example, the Census dataset suggests that, across 10 cohorts, the share of youth completing primary schooling rose from roughly 75% to just above 80%, with the share completing LSE rising from roughly 43%

to just below 50%. EMIS data confirm that during SY2009/10 (the year M4 was added to lower secondary) to SY2016/17, the number of students completing LSE rose 1.5-fold.¹⁷

In addition to quantitative improvements, MOES has continued to invest in improving quality to promote better learning outcomes, including to promote improved mastery of “soft skills” (e.g., critical thinking, problem-solving, creativity, and communication) needed in a modern society and economy. Following the introduction of strengthened lower secondary curriculum and nationwide in-service training of lower secondary teachers (completed in SY2010/11-SY2013/14), MOES has commenced the process of reforming the primary education curriculum. MOES has also completed the introduction of a new bachelor-level Secondary Teacher Education Program (STEP), which provides a stronger background for lower and upper secondary education teachers and places a greater focus on soft skills. Finally, at the school-level, MOES has also continued to make investments in expanding LSE facilities to improve access as well as quality, ranging from construction of laboratories and libraries in selected schools to provision of block grants nationwide to support improved learning environments.

One strategy of ESDP 2016-20 was to encourage lower secondary graduates to enrol in TVET programs and since 2015, the transition rate from lower to upper secondary has reduced from 93% to 87.1% in 2018: Currently 20% of students complete upper secondary education follow the academic route while 60% enrol in TVET and another 20% go to labour market. MoES also aims at increasing enrolment TVET through improving the teaching and learning facilities in institutions, providing certificate course level 1, 2 and 3 for secondary students who dropped out from school and/or the ones who do not want to take 2-3 year courses and encouraging the private sector to invest in TVET. Examples include joint training by TVET colleges and Hydropower/Mining companies.

Challenges, issues and next steps

While primary completion exceeds 80%, lower secondary cohort completion is only around 50% (due to low transition from primary and dropout within lower secondary) and upper secondary cohort completion is less than 30%. The number of M4 students actually dropped slightly between SY2016/17 and SY2017/18. Thus, there is a need to increase transition rates into and completion rates within lower and upper secondary education. The private sector continues to report that workforce entrants (including those entering directly from basic education) enter the workforce with both inadequate problem-solving skills, critical thinking and lack of vocational skills such as mechanical skills or tourism-related skills. Improving the quality of basic graduates will require improvements in the quality that primary and lower secondary education are providing in “basic skills and knowledge. Improved skill-sets equipping youth with the skills to function in a modern economy and society among graduates are needed to support the economy’s transition from a reliance of natural resources to modern industry and services sectors. Strengthening delivery of soft skills in basic education will also provide a critical foundation for more advanced TVET and higher education programs

Further effort is needed to strengthen the extent to which primary and LSE are providing “basic soft skills” and knowledge required in the labour market. This is perhaps particularly true of LSE, which currently accounts for the largest share of entrants into work in non-agricultural sectors

¹⁷ According to EMIS data, there were 66,178 M4 students in SY2009/10, rising to 98,958 in SY2016/17.

(i.e., industry and services).¹⁸ Many schools and teachers struggle to teach the improved LSE curriculum. It will be critical to more effectively implement the new LSE curriculum and to successfully complete the forthcoming phase-in of the new primary education curriculum to ensure that basic education graduates have mastered various soft skills needed in industry jobs (e.g., critical thinking and STEM skills in manufacturing jobs) and service sector jobs (e.g., communication skills needed in hotels and tourism).

Outcome 6: Increased adult literacy rates and ensure gender parity index for adult literacy

Rationale:

MoES has prioritised addressing key issues that constrain the country's goal in improving its performance against the Human Asset Indicators (HAI) literacy indicators by 2020 since a literate population is necessary to exit from least developed country status.

Progress and achievements:

Adult literacy is measured as part of regular population census surveys, but results are based on self-reports. According to the population census, adult literacy (15+ years) has increased from 73% in 2005 to 84.7% in 2015. The population census data also indicates that literacy rates among ethnic groups, other than Lao-Tai are lower and much lower among the Tibeto-Chinese groups. The LSIS reports measured literacy¹⁹. Among 15-24-year olds, LSIS data indicates an improvement in literacy rates for both men and women but the difference between men and women has barely improved.

Literacy (15-24 years)		
	Male	Female
2013	77%	69%
2017	85%	77%

There are also significant differences in literacy rates among ethno-linguistics groups, as shown in the table below. Female literacy lags well behind that of males, particularly among non-Lao-Tai groups.

Literacy (15-49 years)		
	Male	Female
Lao PDR	78%	63%
Lao-Tai	78%	63%
Mon-Khmer	67%	38%
Hmong-Lumien	71%	40%
Tibeto-Chinese	50%	35%

MoES has implemented equivalence programs for youth to eradicate illiteracy (out-of-school children aged 6 to 14 years in rural and remote areas) and provide continuous education with

¹⁸ MOES/ADB analysis of the 2015 Census dataset indicate that nearly 25% of entrants into non-agricultural work have partially or fully completed LSE with no subsequent education or training. USE accounts for the second largest share (exceeding TVET or higher education), at just below 23% of entrants into non-agricultural work.

¹⁹ Being literate was based on being able to read a short simple statement about everyday life or who attended secondary or higher education. The population census asked people to self-report (yes/No) if they could "read and write with understanding"

special priority given to ethnic groups living in mountainous areas, disadvantaged groups, women and people with disabilities. The national target for literacy is 95 percent by 2020, but despite this progress, it is unlikely to be achieved due to continuing dropout in early years of primary schooling and the poor levels of Lao language learning outcomes as reported by the most recent assessment of learning outcomes.

Challenges, issues and next step

There are several constraints in improving literacy, one of the component indicators of the Human Asset Index (HAI): weaknesses and lack of comparability in survey data on literacy; delays in the release and availability of data; a shortage of learning resources that are suitable for adult learners, especially those from ethnic groups living in remote areas; and the lack of integration of literacy programs into life-long learning approaches.

There is lack of data on the achievements of learners with disabilities as the EMIS data collection does not include disaggregated data on disability.

Outcome 7: The quality and number of post-basic education graduates from public and private education is aligned with the needs of the 8th NSEDP

Rationale:

MoES has prioritized the need to address key issues affecting the relevance and outputs of post-basic education by 2020 to better support the 8th NSEDP. MoES has prioritised the need to address concerns around the insufficient knowledge and skills acquired by upper secondary graduates by 2020. There is consensus that skills acquired and other learning outcomes, particularly literacy and numeracy, of the primary and lower secondary programmes do not meet the current demands of the labour market and too many lower secondary graduates transition to upper secondary and too few to TVET programs.

For students graduating from upper secondary, most prefer to pursue higher education, particularly universities but limited places are available.

Progress and achievements

EMIS data confirm that during SY2010/11 (the year M7 was added to USE) to SY2017/18, the number of students completing LSE rose 1.6-fold.²⁰ MOES has also expanded access to TVET and higher education.

In addition to quantitative improvements, MOES has made some progress in improving quality and relevance to the labor market. For example, with support under SESDP, MOES successfully completed the phase-in of the new upper secondary curriculum—which includes more focus on active learning to promote “soft skills”—in SY2016/17.

Currently, there are 23 TVET institutions operating under the direct supervision of MoES, 73 private TVET colleges, and more than 10 TVET institutions operating under other ministries. The new intake in TVET institutions has been increasing every year since 2015 and a module on entrepreneurship has been introduced into the curricula of upper secondary and TVET but this

²⁰ According to EMIS data, there were 42,097 M7 students in SY2010/11, rising to 67,495 in SY2017/18.

approach is hindered by a lack of finance for graduates to pursue their start-up ideas. Most teachers have never been employed in business therefore teaching is theoretical although internships in businesses are being implemented. Intake to public universities has been deliberately reduced to enable a greater focus on quality on entrants. Together with development partners, new programs, in areas such as tourism, hotel management and teacher training have been introduced by MoES to improve the quality of post-basic provision in line with socio-economic development targets. China is supporting the establishment of a new TVET Institution focussing on skills needed to service the railway, both during construction and after, including services related to the management and running of a railway system.

Employment in Lao PDR continues to be highly concentrated in the agricultural sector although the sector is slowly transitioning from a low productivity sector primarily focused on self-consumption towards a more commercially oriented sector with higher levels of productivity based on use of modern technology and more updated agricultural practices. Agro-processing and food processing will provide potential jobs although mostly in small-scale enterprises. Jobs will also be provided in the construction and tourism sectors, although expansion of this sector has slowed. At the same time, the industry and service sectors now comprise larger shares of GDP and are growing more quickly. This makes it particularly important that general-track education does a better job at equipping youth with soft skills needed in non-agricultural sectors.

Lao PDR faces major skills shortages in key technical fields including the construction, furniture making, plumbing, electrical, and automotive industries but the number of students enrolled in construction, and furniture-making is very low while the enrolment in business and administration has significantly increased in both public and private TVET institutes. Female enrolment in public technical and vocational education and training (TVET) colleges has increased, with women accounting for 43% of total enrolment in the academic year 2016-2017 but mostly in programs such as tailoring, basic business administration, and hospitality. With support from development partners, MoES is addressing barriers to women's involvement in so-called "blue-collar" occupations.

A 20% quota for female participants in non-traditional courses such as construction, furniture-making, and automotive and mechanical repairs) has been established. However, female enrolment in these skills is still low, less than 10%. To attract younger secondary graduates to undertake TVET, a voucher scheme and stipend programs are established and implemented in several projects (target 40% for female). In addition, dormitories are provided to attract students from remote and poor rural areas to take up TVET education with 50% of the spaces reserved for girls.

There are 80 higher education institutions, including 21 public higher education institutions (across all sectors) and 59 private education institutions, offering diploma, Bachelor, Master and Ph.D. programs. MoES intends to reduce enrolments at the four public universities aiming to (i) improve the quality of teaching and learning to align with ASEAN standards; (ii) balance the labour demand and supply since the country needs more technical and skills labour more than academic graduates. With the support of ESQAC, Quality Assurance Centres have been established at each public university, down to Faculty level. There are advocacy campaigns at secondary level to encourage more students to study Science, Technology, Engineering and Mathematics (STEM) subjects.

To reduce the skills mismatch and catch up the rapid change of labour market, MoES and development partners have provided financial support to establish centres of excellence in accordance with the technical strengths of each university. Champasack university will focus on agriculture, Savannakhet in logistic and civil engineering, Luangprabang in tourism and NUOL in engineering and environment. In parallel, MoES and development partners allocated a budget to support university staff to pursue master and doctoral degrees abroad and engage experienced lectures from overseas to help the universities update curriculum, course outlines and teaching approach to catch up with regional and international standard.

To improve local research capacity, a visiting scholar program has been established to support Master and Ph.D. scholarships for study both within and outside the country.

There are two segregated TVETs in Vientiane and Luangprabang catering specifically for persons with disabilities and another segregated TVET is being built in Savannakhet. Although this can meet the needs of a small number of persons with disabilities in accessing vocational training courses, in the long term it would be better for all the TVETs in Lao PDR to be able to provide vocational courses for people with disabilities.

Challenges, issues and next steps

A 2018 analysis of the labour market²¹ conducted in cooperation with MoES and MoLSW showed that labour shortages are one of the main constraints to the development of the private sector in Lao PDR. These shortages relate primarily to a lack of both skilled and unskilled labour, due to the low level of education provided by public vocational colleges and schools; low levels of productivity; low wages, migration to Thailand and problems associated with the transition from an agrarian to an industrial economy. Many schools and teachers still struggle to effectively teach the new upper secondary curriculum (undermining its strengthened focus on soft skills), and lack adequate training, laboratories/equipment and teaching and learning resources to teach STEM skills. This impacts the labour market, as upper secondary accounts for the second largest share (following lower secondary) of entrants into industry and service sector work. It also has downstream effects on higher education and TVET. While 75% of university graduates get jobs, there are insufficient graduates in STEM fields. One result of this is that the engineering and mining sectors employ more people with qualification obtained in other countries. The private sector focuses more on non-STEM areas since they are unable to make the necessary investments to support such teaching. The quality of private sector colleges is still lagging to the extent that they are not authorized to provide Bachelor and above level programs.

To improve alignment with the needs of the 8th NSEDP, it is not enough to improve upper secondary education, TVET and higher education; but also to improve fundamental competencies and skills of children starting from early childhood education to lower-secondary and also to identify required support for people with disabilities. Better alignment is hindered by a lack of regular labour market surveys and tracer studies of graduates. There is also limited capacity of the private sector to articulate labour needs, both current and projected. Better quantification of what “alignment” with the NSEDP means is required and MoES needs to develop an overall human resource development plan for the education sector. The expanding contribution of the industry and service sectors to GDP also require improved quality of graduates from upper

²¹ Labour Market Analysis – Lao PDR: Literature Review and qualitative analysis, GIZ, 2018

secondary, colleges and universities. The Department of Higher Education is also attempting to establish stronger links with industry to improve alignment with the 8th NSEDP.

The newly established province of Saysomboon requires construction of a TVET institute where C 1 courses will be initially implemented.

Outcome 8: Education and Sports sector is appropriately structured, resourced and monitored by using Annual Costed Sector Plans that are linked to ESDP 2016-20

Rationale:

MoES has prioritised the need to address key issues in planning, budgeting and performance monitoring in the education and sports sector by 2020.

Progress and achievements

To meet the need of education development and the aim of government to reduce the number of civil servants, recently MoES has restructured its organization by revising the mandates for MoES departments and centres together with PESS and DESB. These mandates outline new/revised roles, responsibilities, scope of rights, structure, personnel and working methods. Work is needed at sub-national level to better match actual staffing to required staffing due to different numbers of schools across districts. However, the current quota for posts from MoHA makes it difficult to add required staff to PESS and DESB.

MoES has introduced Annual Costed Sector Plans (ACSEPs); a planning tool to operationalise the 5-year ESDP on an annual basis. The ACSEPs are produced at central and provincial level with a pilot underway at district level. The exercise has improved costing and financial analysis as policy options and corresponding costs are analysed against real budgetary and capacity constraints. The ACSEPs are synchronised with the annual budgeting process in an effort to promote a more strategic allocation of resources. However, the hard budget constraint resulting from Government of Lao efforts at fiscal consolidation and expenditure restraint as well as the inflexible and large sector wage bill make it difficult to increase operational spending to improve quality. MoES has established a Planning and Budgeting Committee and a Teacher Allocation Committee to improve both human and financial resource allocation of the sector, particularly at the sub-national level. More needs to be done however to ensure that the Planning and Budgeting Committee becomes the platform for education budget planning.

At the same time, administrative staff at the sub-national level need further capacity building to make better use of operating grants. Together with development partners, MoES has trained all school principals and VEDC representatives to strengthen implementation of school-based management. MoES is also stepping up its efforts to train education administrators at central, provincial and district levels.

As discussed under Outcome 3, the efficiency of teacher deployment is quite poor, and the Teacher Allocation Committee has the mandate to identify strategies to improve this efficiency. Together with development partners, central MoES is developing a Planning and Budgeting Management Information System (PBMIS) that will draw on data from the Personnel MIS and the Wages MIS to improve planning and monitoring of sector financing.

ESDP implementation is monitored by a set of 34 Key Performance Indicators (KPIs) drawn from all the major sub-sectors, but there is no KPI for tracking the education performance at sub-national level. However, together with development partners, DOI will improve their ESDP results-matrix through a strengthened Sector Performance Assessment Framework.

Challenges, Issues and next steps

Considerable fiscal constraints will remain at least until 2020, therefore the sector needs to determine how to more efficiently use its human and financial resources. There is currently an imbalance between wage and non-wage financing with about 90% of the sub-national level budget being allocated to wage-and wage-related expenditure, although across the sector there has been a gradual decrease in the share of the wage bill from 69 percent in 2015 to 62 percent in 2018, which has enabled a slight increase in spending on education quality improvement.

Notwithstanding this positive trend, there is a need to improve the quality and efficiency in education spending. These effort must include: (i) improving the efficiency of teacher deployment; (ii) strengthening the linkage between planning and budgeting through full operation of the Planning and Budgeting Committee (with formal presentation of the ACSEPs and of draft annual budgets); (iii) improving financial data collection for enhanced accountability and analysis; and (iv) further capacity building of administrative staff, particularly at sub-national level.

MoES is currently preparing a major education planning and management training programme based on the IIEP Education Sector Planning programme (ESP). The training programme, which will target central, provincial and district education administrators, will be implemented throughout 2019 and 2020. Gender equity among administrative staff also needs to be improved since few women hold senior positions at PESS, DESB and school principal levels. Teachers with disabilities should also be employed to act as role models which would mean targeting persons with disabilities to train as teachers.

Outcome 9: Financing plan of ESDP takes into account the need to reduce disparities related to gender, ethnicity, poverty and location

Rationale:

The financing plan of ESDP 2011-2015 was described as “pro-poor” and identified the 56 most educationally disadvantaged districts for priority attention, but there was limited success in reducing disparities by way of poverty. MoES has prioritised the need to reduce disparities in access to quality education due to factors such as gender, ethnicity, disability, location and other disadvantages.

Progress and achievements

In the past two years, the National Assembly has approved a budget share for the education sector of 17 percent of total government expenditure. However, due to the tight fiscal constraints, the education sector has been allocated only 13 to 14 percent of government expenditure. In fact, the amount that the education sector has received increased only moderately, from 4,013 billion kip in 2016 to 4,142 billion kip in 2018, including ODA. The MoES directs ODA mainly towards disadvantaged districts, and it now provides stronger direction of the non-wage operational budget to the provincial and district level and as a result, DESBs will begin to receive larger operating budgets beginning 2019.

Providing scholarship to students at ethnic boarding school is one of the strategies to address poverty reduction. MoES has also provided scholarships up to 40% to students in TVET institutions focusing on girls and students from poor families. Recently MoES issued a decree on providing stipends to poor students. In 2018, MoES implemented this decree by providing stipends to about 2,000 secondary students (150,000 kip per month). Students with disabilities have also received financial support from the government which is currently being administered by IEC and used mostly in the two special schools. WFP are providing three meals daily to 178 students in these two schools

A National policy on promoting lunch through a multi sectoral approach is implemented through the National School Lunch Programme reaching around 28,300 students in 310 schools. In May 2018, the Government of Lao PDR signed a hand-over plan for school meals, taking over the administrative and financial responsibility for the WFP assisted schools, which are gradually being transferred to the Government and communities from June 2019- 2021. (515 schools in 2019, and 940 in 2021). The Government will transfer LAK 100,000 per student per year for school lunch. A cost benefit analysis showed that the return of investment within five years for every US\$1 spent equals US\$6, and that children receiving school lunch attend school one additional year

Challenges, issues and next steps

The budget for in-service teacher training and pedagogical support to teachers in low-performing schools has been reduced and there is no budget line to support transition to inclusive classrooms. Most of education budget goes to salaries and allowances whereas non-salary operating costs take up about 11 percent at sub-national level.

At the beginning of 2018, MoES analyzed the potential impact of the macro-fiscal adjustments endorsed by the National Assembly in November 2017 on the education budget and requested central departments and PESSs to reconsider their targets and prioritize their expenditure plans to fit into the new budget constraint. Priority was given to ongoing and 'protected' programmes, such as school block grants and textbook replenishment as there is no discretion on wages which are planned to increase. Unless the Government strongly prioritizes education spending, the overall policy of fiscal consolidation and expenditure restraint, which affects primarily operating budgets, is likely to lead to a reduction or cancellation of key programs to support education quality, such as in-service teacher training, pedagogical advisors' school visits, learning materials, equipment, stipends, investment in WASH school-infrastructure. However, the current EMIS does not report on stipend allocations.

As reported under Outcome 1, there remain significant disparities in participation at all levels with ethnic women among the most disadvantaged. Non-wage resource allocations to education vary across provinces and districts but not necessarily linked to disparities of participation and wage allocations are very difficult to change, a situation made worse by the large number of volunteer teachers waiting for a civil service position. However, MoES and PESSs are currently testing a district allocation formula for a more equitable allocation of the operational budget.

Remote and ethnic communities where there are volunteer teachers should be targeted to recruit pre-service teacher trainees with an agreement that they return to their communities once qualified. This would result in learners being taught by teachers who understand the culture and speak the language thus improving learning outcomes.

MoES have limited flexibility in the use of discretionary funds and the major space for reducing disparity is to improve the efficiency of teacher deployment. However, moving teachers from one location to another is very difficult within the Lao context. Another potential strategy to use the financing plan to reduce disparities is to review the funding formula for school block grants to provide larger grants to areas with larger disparities. Both the Teacher Allocation Committee and the Planning and Budget Committee will examine the recommendations from the ESWG appraisal of the full ESDP 2016-20 mid-term review report to identify strategies for using resource allocation (human/financial) to reduce disparities. Consideration may be given to differential use of school block grants and/or formula-based allocation of operational budgets to districts to target disadvantaged school populations. There is also a need to ensure timely delivery of school block grant funds to schools.

Outcome 10: Policy development is evidence-based

Rationale:

Constrained fiscal resources during the period 2016-2020 require more efficient allocation of both human and physical resources. MoES has prioritised the need to strengthen the use of evidence for policy development and decision-making to ensure effective utilisation of the sector's limited resources.

Progress and achievements

Relevant evidence comes from accurate and timely management information systems (MIS) and relevant research studies that can identify operational interventions for sector performance improvement. Evidence is also required from effective monitoring of current policies and strategies.

Together with development partners, MoES has developed a strategic development plan for future implementation of an overarching *Lao Education and Sports Management Information System*. The proposed system will develop effective management systems via an integrated Lao Education and Sports Management Information System (LES MIS) at the central, province, district and school management levels. The strategy notes the need for collected individual data and statistical data to be linked, integrated fully and to include sports data in the system. Development partners are also assisting MoES (DoP and DoF) to develop a Planning and Budgeting MIS (PBMIS is detailed under Outcome 8) to better link exiting databases on personnel and wages.

A revision of the IE Policy (2011-2015) was undertaken by MoES. The revised policy is in the process of being approved. However, it is the Strategy and the Action Plan which will require adequate resources for any implementation to be successful.

Both MoES and development partners carry out research studies across various sub-sectors. MoES through a project allocates a research fund to enhance university research capacities which requires a comprehensive mechanism to approve and endorse any research proposal. However, there is no effective mechanism to use the results of such research to inform policy development and planning. There is a "Research Focal Group" as part of the ESWG mechanism but it is a separate focal group rather than a dialogue that informs other focal groups and high-level policy makers. There is very little research carried out on the inclusion of learners with disabilities and so there is very little evidence of what can work in the Lao context.

During the previous sector plan (2011-15) a series of Joint Sector Review Missions (under ESWG) were implemented to monitor sector performance progress against key policies, strategies and financing but these have not been continued during 2016-20. As a result, sector challenges and recommendations have not been systematically monitored and updated. The JSRM approach was not considered cost-effective or efficient, but no replacement mechanism was incorporated into the 2016-20 sector plan.

Challenges, issues and next steps

The challenges for improved MISs include efficient data collection, verification, analysis and dissemination. The key challenge is for policy makers to receive evidence in a timely manner so that current evidence can inform planning. Some sub-sectors require information that is currently not available in the EMIS and greater analysis of EMIS data is needed. The Personnel MIS (PMIS) includes detailed information on all civil-service staff within the education sector, although it does not include details of volunteer teachers. Updating of the PMIS has been difficult since this requires provincial staff to travel to Vientiane to update and limited funds are available to do this on a regular and frequent basis. MoES has been piloting a sub-national approach whereby the PMIS can be updated from the provincial level. Further support may be needed to institutionalise such an approach across all provinces. There is a need to establish a mechanism to consolidate and more fully analyze data from various sources on education and employment and synthesize results and implications for policy developers and in a way that is accessible to non-research specialists.

A mechanism to better monitor sector performance, particularly at the policy and strategy levels, is needed to enable government and development partners to jointly assess progress to revise 2020 targets. An efficient Sector Performance Assessment Framework is required that also monitors sub-national implementation of central policies and strategies. The data collection for learners with disabilities undertaken by IEC is not suitable for an annual school census but some modified instrument should be developed for inclusion in the EMIS system.

Outcome 11: The number of general and professional athletes matching regional and international quality standards is increased and contribute to the Nation's art and culture preservation.

Rationale:

Since the merging of the Sports Committee with the Ministry of Education, the sector has been responsible for improving the physical health of the population through exercise and increasing the competitiveness of Lao athletes particularly in regional competitions.

Achievements and progress

Elite Sports: Lao PDR participated for the first time in the 2016 Olympic Games in Brazil and in the 29th SEA games, hosted by Malaysia in 2017, winning 2 gold, 3 silver and 21 bronze medals. National and Provincial Athletes Foundations have organised annual sports competitions and organised football tournaments according to FIFA guidelines. Training for athletes, sports coaches and referees at different levels continued. Together with development partners, MoES also sent athletes with disabilities to the Para-Olympics games held in Indonesia in 2018. Athletes with disabilities won gold medals in weightlifting and Go Aikido.

School games. Sports and gymnastics have focused on fostering a healthy sporting spirit among

secondary school students in national as well as regional competitions and the Sixth National School Games was held in Bolikhamxay Province in February 2017. More than 250 athletes and coaches competed in 12 categories of sports and for 428 medals. In regional competitions, Lao students participated in the Eighth ASEAN Schools Games in Chiang Mai, Thailand, from 21 to 29 July 2016, where they won one silver medal and seven bronze medals. At the 2017 Ninth ASEAN Schools Games held in Singapore, Lao students won two bronze medals.

Community Sports: In 2016, the Lao Sports team in collaboration with the sports teams of Bokeo Province successfully participated in a Sports Competition in Chiang Rai, Thailand, that resulted in 3 silver and 2 bronze and the improved reputation of the Lao disabled sports team.

Challenges, issues and next steps

Further development and improvement of athletes, coaches and referees is needed to align with regional standards. Existing sports facilities at all levels need better management and maintenance. Investment in development of sports at central and sub-national levels is limited and not continuous resulting in disruptions to the implementation of the *Sports Development Plan*. There is no budget allocated for athletes with disabilities for 2019 and 2020 para games.

Challenges to achieving the overarching outcome of ESDP 2016-2020

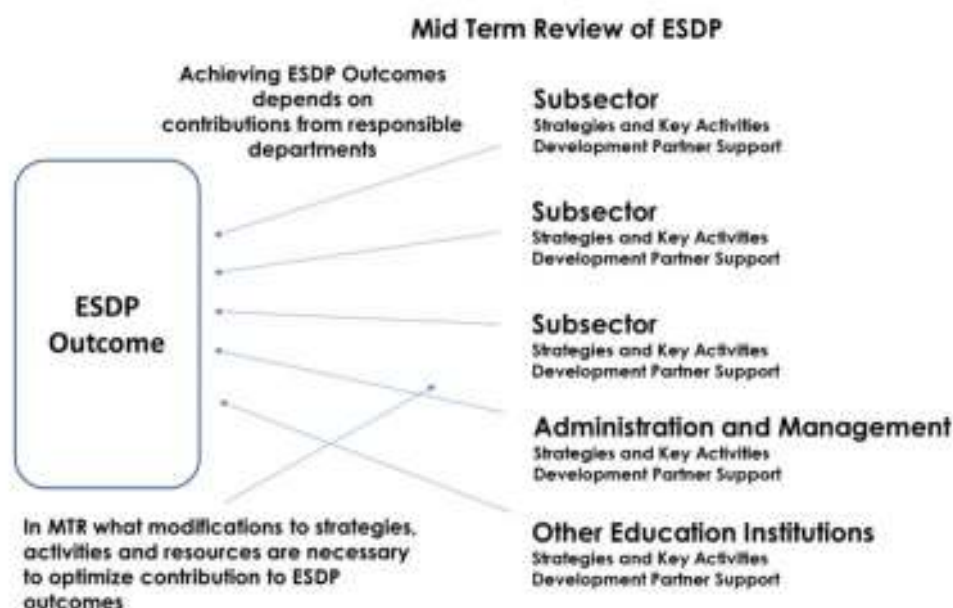
The last two LSIS (2012 and 2017) have confirmed the continuing inequities in education access, survival, and outcomes. The divides are primarily (i) geographic (urban and easily accessible rural areas versus remote rural areas hard to access), (ii) mothers' education, (iii) language (those who speak the official Lao-Tai language as their mother tongue and those who do not), and (iv) household wealth (children from the richer quintiles versus those from the poorer quintiles). Within the current and projected fiscal context through to 2020, priorities for the education sector are to (i) consolidate and more fully analyze data on education (e.g., disaggregated analysis of enrolment, dropout, etc.) and linkages between education and employment and other socioeconomic development dimensions to guide evidence-based planning; (ii) improve the efficiency of teacher deployment and placement; and (iii) develop a strategy to allocate the non-wage budget allocation with priority to addressing key challenges

Chapter 4: ESDP 2016 – 2020: ESDP Implementation at the Sub-Sector Level

Introduction

Sub-sector Links to Overall Expected Outcomes and Intermediate Outcomes in Part 1 of the ESDP

The diagrams below summarize how different sub-sectors contribute to the overall expected outputs of the sector linked to achievement of the ESDP goal. This chapter will show how the individual sub-sector objectives, strategies and planned activities contribute to achievement of the overall outcomes.



The content of this chapter is based on information gathered during consultations with MoES staff and Developments Partners. Recommended Priorities in this chapter are based on an analysis of individual sub-sector demands, many of which are common to all sub-sectors. These priorities will be further analysed to form part of the Key Issue, findings and recommendations in Chapter 8.

Methodology for collecting information

- Desk Review
- Meetings at central level, including Director Generals (DG), Deputy DG sand the Deputy Director General of the Planning Department together with Heads and staff of individual sub-sectors
- Workshops at Central and Provincial level

The purpose of the meetings and workshops was to gather information on the extent to which the outcomes, strategies, objectives and targets outlined in the ESDP 2016 – 2020 are being achieved, the challenges preventing achievement and recommendations on what short term priority actions may be needed to achieve the key activities in the by 2020.

Interviews and workshops were structured to begin by sharing information on achievements then moving to interventions which might build on the achievements and overcome challenges and finally to make recommendations on priorities for development and/or action for 2020. The

regional workshops also required participants to add recommended priorities for 2025. Formal meetings at central level include a requirement for sub-sectors to include draft strategies, actions and targets for the next ESDP.

Throughout the ESDP, key overall outcomes, sub-sector objectives and planned activities address three core strategies; Access and Equity; Quality and Relevance; Management and Administration. Therefore, this chapter will be structured around those three strategies in the following sub-sectors:

- Basic Education including:
 - Early Childhood Education
 - Primary Education
 - Lower Secondary Education
 - Non-formal education
- Post Basic Education including:
 - Upper Secondary Education
 - Teacher Education
 - Vocational Education and Training
 - Higher Education

Basic Education

The Basic Education section includes Early Childhood Education (ECE), Primary Education, (PE) Lower Secondary Education (LS) and Non-Formal Education (NFE).

In line with the policy and regulatory development linked with overall expected outcome 1 of the ESDP, the roles and functions of responsible departments were reviewed in 2016. As a result, the pre-primary responsibilities of the Department of Primary and Pre-Primary Education were removed to allow for creation of a new Department of Early Childhood Education and extraction of the Inclusive Education Centre as an independent centre reporting directly to a Vice-Minister. A new Department of General Education was established that includes Primary, Lower and Upper Secondary Education sub-sectors.

Early Childhood Education:

The overall objective of the Early Childhood Education sub-sector as shown in the ESDP 2016 – 2020 is:

"To provide the opportunity for children to learn Lao language and have readiness to study in primary education focusing on reducing drop-out and repetition of primary education."

The sub-sector has five strategies to achieve the objectives.

Strategy 1: Support expansion of education access to rural and remote areas and create favourable conditions for poor and disadvantaged children, girls, ethnic groups and disabled children to receive good care and be well prepared for their schooling.

Strategy 2: Improve the quality of ECE services to meet standards and be sufficient

Strategy 3: Promote health, hygiene and nutrition at Early Childhood Education locations

Strategy 4: Develop ECE standards and quality assurance

Strategy 5: Enhance capacity for ECE administration and management at ECE centres.

Terminology: Early Childhood Education generally includes children in three defined age – ranges:
Children aged 3 – 4 who attend playgroups or kindergartens.

Children aged 3 – 5 who attend either kindergarten or formal pre- primary schools.

Children aged 5 who are expected to attend formal pre-primary schools and/or school readiness programs.

Overall Achievement Against Planned Strategies

Access and Equity

In 2018 there were significant differences in the GER for children 5 years of age calculated by district. These district level differences can be attributed to a mix of differences in opportunities to participate in ECE (classrooms, teachers, etc.) and underlying conditions that present other obstacles to enrolment; geographic location, ethnicity and poverty.

Efforts since 2013 to expand access to ECE have reduced the differences in district level GER for children 5 years of age by about one half. This narrowing of disparities by district is the result of narrowing the underlying disparities affecting participation by household wealth, ethnolinguistic group and geographical location. The differences in participation rates for children related to ethnolinguistic group and geographical location (remoteness) have been reduced by about one half since 2013, while the reduction in differences related to household wealth has been much smaller (2017 LSIS). Despite the differences in wealth, mother tongue and geographical location, the gender parity index shows that overall, between 2012 and 2018, girls and boys have been equally represented throughout. As at the Mid Term of the ESDP, 49.6% of children enrolled were girls against a 2020 target of 50%.

To meet demand, the main activity to achieve strategy 1 was to construct and renovate school buildings in underserved areas. It is noted that since considerable progress has been made in all areas of socio- economic development, the number of target (disadvantaged) districts has been reduced from 56 in 2012 to 40 in 2016. Construction is being achieved mainly through funding from the GoL and the World Bank Early Childhood Education project. The project has responded to the demand in its target area of 270 villages in 14 districts of 5 remote provinces.

Project interventions include community awareness campaigns which focus on encouraging increased access; provision of funding for 73 community child development groups which has created 1,825 new kindergarten places; construction of 250 new pre-primary classrooms which has created 6,250 new pre-primary places and provision of shelters for playgroups in 23 villages in 10 districts within 4 of the project's target provinces. A further 7,500 new places will be created by 2020 with the construction of a further 300 more classrooms across all target provinces. The project is also funding provision of school meals, nutrition and basic hygiene training in 301 villages in 10 Districts, within their target 5 Provinces in cooperation with the MoES inclusive education department school-feeding program which provides 3 meals a day to children in underserved ethnic groups.

In addition to the National School Lunch Programme, agencies like WFP and CRS are supporting children in rural and remote areas within the 56 educational disadvantaged districts with school lunches. Monitoring data shows increased attendance of children offered a lunch meal. As per an agreement with MoES, WFP will in 2019, hand over 515 schools and 940 supported schools in

2021 to the Government and communities. The WFP school lunch programme is aligned with the Government policy and includes significant investment in both MoES and communities to implement and own school lunch activities in the future. Around 25% of pre-and primary school children in Lao receive a daily lunch meal.

Quality and Relevance

Activities planned to meet strategy 2 are focused on improving the quality of child care and teaching. In line with the plan, the curriculum has been revised to align it more closely with the primary education curriculum; manuals and teacher guides to support implementation of the revised curriculum have been developed and service standards are being prepared.

Children's learning outcomes are measured using weekly tests and the results are recorded in the child's personal learning record. The approved manuals include a record system completed by the teacher. Information on development of fine and gross motor skills, physical health, social awareness, psychological strength is shared with parents and DESB – as part of monitoring. Record books are sent to parents every month for signing.

Among the interventions to increase quality of provision, Save the Children and Plan International are conducting highly successful 10-week school readiness programs. The World Bank ECE project, has funded training for care-givers in 23 villages of 10 districts in 4 provinces and training for Multi- Age teachers in 62 formal pre-primary schools in 9 Districts in the same 4 Provinces as the care-giver training. Teacher training manuals on multi- age teaching, Community Child Development Group Caregiver training, school feeding, and community awareness campaigns have been developed. These manuals can be replicated wherever needed should the activities be scaled-up. In addition to the training materials for teaching and learning have been provided, UNICEF also supports care-givers to provide kindergarten services in selected districts.

Achievement of strategy 4 is ongoing. The Sector Monitoring and Evaluation Framework was approved in 2016 and rolled out in 2017. It includes a customized section on monitoring and evaluation of and ECE activities but is not yet being implemented. A set of ECE Service Quality Standards began in 2017 and is currently being developed.

Management and Administration

A key activity to build capacity for school principals in administration and management of their pre-primary schools is the national roll-out of the School Based Management System. PESS, DESB staff and all school directors, from pre-primary to lower secondary have been trained on school-based management. The program includes direction on how work effectively with the community (VEDC) to make an evidence-based annual development plan linked to budget requirements.

Analysis of Overall ECE Outcomes

The demand for early childhood education is growing overall. EMIS data shows that the enrolment rates of children aged 3 – 5 years old have increased from 43% in 2015 to 56% by the mid-term which exceeds the overall target of 55% enrolment by 2020. Similarly, enrolment rates of children aged 5 have increased from 66% in 2015 to 77.1% which means they are likely to reach the 2020 target of 80%.

These figures show a positive move towards universal access to ECE. Development partner investments (World Bank, UNICEF, Plan, Save the Children and others) have been concentrated on supporting MoES in expanding provision in rural, remote and disadvantaged areas. Parents in disadvantaged areas often do not appreciate the value of a pre-school education and in many cases the opportunities are not available due to the migratory, seasonal nature of their work.

The newly established ECE department is firmly established, with a clear focus on achieving the activities identified in the ESDP. The sub-sector benefits from Development Partner and NGO support as well as from the GoL school block grants, in-service and pre-service teacher training. It appears to be successfully meeting many of its strategies and planned activities. Expansion of access to rural and remote areas is being increased through construction of pre-primary classrooms and shelters to support playgroups in remote areas.

A new Global Partnership for Education (GPE) funded reading readiness program will be developed over the remaining 2 years of the GPE II project to support the learning of Lao language for children aged 5 years enrolled in pre-primary classes and kindergartens in 127 communities in Northern Lao PDR. These communities have been part of the World Bank funded Early Childhood Education project benefiting from play-based community child development groups, multi-age teaching for children aged 3-5 years and early childhood development community awareness campaigns.

Health, hygiene and nutrition are being promoted through the school feeding programs and quality of teaching and learning is being supported through use of a revised curriculum, in service teacher training and provision of teacher guides as well as teaching and learning materials. Capacity of school principals in administration and management of their pre-primary schools is being built through school-based management training. These aspects are integrated in all school feeding programmes disregarding if implemented by Government or development partners. The school lunch package also includes social behaviour change communication on nutrition and school agriculture.

The GoL has made a clear commitment to expand ECE and reduce disparities and over the last decade MoES has developed a range of complementary models for ECE delivery. This collaboration includes pre-service and in-service training, and development of materials. However, there are several challenges to overcome before the sub-sector can truly meet the expected outcomes. These challenges are summarized as follows:

ECE Challenges to meet expected outcomes

Despite a rise in participation from children in the bottom 20% of households, most of enrolments in kindergarten and pre-primary classes are still from urban areas and rural areas with good road access. Although gender parity has been achieved, this is only measured by the number of children who actually enrol. Therefore, inequities of gender and access are still acute. There is therefore a need to continue to improve access to early childhood education particularly for children in remote, disadvantaged areas, especially areas without road access.

The curriculum has been revised to align it more closely with the primary education curriculum; manuals and teacher guides to support implementation of the revised curriculum has been developed and service standards are being prepared. Collaboration with development partners on

developing a range of different service modalities is only an interim solution for reducing disparities. Therefore, there is a need to use lessons learned from the interim models and focus on interventions suitable for sustainable development.

Priorities to support ECE Sub-Sector by 2020

1. Prioritize the number of disadvantaged communities which will be supported, based on reducing disparities
2. Increase implementation of the community based ECE models in areas where there is no formal pre-school and where the formal system will take longer to reach
3. Integrate the best practice from community-based models into the mainstream formal system where possible and appropriate
4. Incorporate the appropriate level of provision of community-based models into the costed action plans
5. Increase the quota of pre-primary teachers in disadvantaged areas
6. Encourage the community to establish their own playgroups where access to pre-primary school provision is limited.

Primary Education

The overall objectives of the Primary Education sub-sector as shown in the ESDP 2016–2020 are:

"a) To ensure that all school-age children have access to primary education and complete primary education; b) To ensure that the students completing primary education have knowledge, ability to read, write Lao language and are able to calculate numerical basics at a good level; and c) Improve the administration and school-based management

The sub-sector has five strategies to achieve the objectives.

Strategy 1: Support all children to enrol in and complete primary education with quality, without discrimination by gender, ethnicity, disability and disadvantaged groups who have socio-economic problems.

Strategy 2: Enhance learning and teaching quality for primary education

Strategy 3: Increase the efficiency of school management and administration based on education quality assurance standards.

Strategy 4: Enhance the ownership and participation of the VEDC and community in school development based on the National Quality Standards of Primary Education

Strategy 5: Support health, hygiene, nutrition programs in schools.

Terminology: Primary Education services usually include children aged 6–10 years old although there are examples of over-age enrolment in some of the more remote areas. Attendance at Primary Education level is compulsory.

Overall Achievement Against Planned Strategies

Access and Equity:

To contribute to achievement of strategy 1, a program of school and classroom construction and renovation in underserved areas has been initiated. The number of classrooms has been

increased and newly constructed school buildings WASH facilities and access for wheelchair users. BEQUAL, JICA and some NGOs have been active in building/renovating primary classrooms.

Several activities are being implemented to achieve strategy five. The Inclusive Education Centre works closely with the World Food Program, Catholic Relief Services, World Bank and GPE funded Education projects and other agencies to fund provision of school meals (lunch) alongside training in nutrition and basic hygiene. The MoES school-feeding program provides 1 meal meals a day to children in underserved ethnic groups (unless in ethnic boarding school where they are provided with 3 meals a day). The feeding programs train local communities to cook clean, nutritious food and they also contribute to sustainability by encouraging communities to establish their own gardens for growing their own food. Increased health and nutrition contribute to increased learning outcomes and reduce drop out and anecdotal information from provincial workshops attributed increased enrolment and reduced drop –out rates to the fact that the health of both children and teachers had improved. An evaluation indicated that the program has contributed to increasing the proportion of students who complete primary school from 60 to 80 percent.²²

As part of the hand over and alignment of programmes, WFP has assessed all WFP and MoES supported communities through the community strength assessment tool, allowing WFP to design targeted activities to strengthen service delivery and implementation in communities. Around 1,800 communities have been assessed, feeding into the design of 3 packages of support for example to strengthen access to water in schools, mobilise communities in sending their children to school, problem solving of the VEDCs etc.

Quality and Relevance

The sub-sector works closely with a range of development partners and other ministry departments to implement strategy 2. A key priority is to ensure that all children are sufficiently literate and numerate to ensure equitable transition to lower secondary education. Teaching Lao language to children from ethnic groups is a key MoES priority.

Development partners and NGOs are supporting interventions to increase competencies in these two fundamental subjects. JICA is working with MoES staff to develop a program to improve mathematics teaching. By October 2018 all Grade 1 teachers were trained to deliver the new mathematics curriculum which was rolled out at the start of school year 2018/19.

The Australia-funded BEQUAL program is supporting revision of both the primary and pre-service primary-teacher curricula, text books and other learning resources to improve pedagogy, for all other subjects but particularly the teaching of Lao language for all 5 grades. Together with UNICEF, the program will also fund training to pedagogical advisers to support delivery of the new curriculum. Delivery of the new pre-service curriculum is being piloted in 2 Teacher Training Colleges and in-service training will be provided nationally to support the new curriculum. The new grade 1 curriculum will be rolled out in 2019/20. During 2018/19, Master Trainers will be trained to prepare all teachers across the country to deliver the new curriculum.

A set of Quality Standards for Primary Education is in place and school staff have been trained to use it in the past. However, it is not widely accepted as it is very detailed and time-consuming to complete. Within its 6 overall dimensions there are 42 indicators and 210 criteria. ESQAC is

²² USDA Mc-Govern Dole FY 14End-line Evaluation, WFP draft report, 2018

currently developing a new set of standards with a reduced number of indicators, aligned with the new School Based Management Guidelines. Once completed, it will serve as a strong framework to support continuous quality improvement.

BEQUAL supported RIES to undertake a national sample survey (17,000 grade 3 students) of learning outcomes in literacy and mathematics in 2017. With support from UNICEF, MoES will participate in the South-East Asian Primary Learning Metric at grade 5 level in early 2019 with piloting of the instrument completed with 4,500 grade-5 students. The instrument is based on a generic ASEAN curriculum, adapted to fit with the Lao situation and aims at aligning learning outcomes at Grade 5 across the region. Subjects to be tested are Language, Mathematics and Global Citizenship. If the Government decide to follow the regional curriculum in the future, the existing Grade 5 curriculum may need to be re-aligned. New strategies and policies can be included in the ESDP 2021 – 2025.

Development of the revised National Quality Standards of Primary Education began in 2017 and as stated above, once completed, they will serve as a strong framework to support continuous quality improvement.

Management and Administration

A key activity to build capacity for school principals in administration and management of their pre-primary schools is the national roll-out of the School Based Management system. PESS, DESB staff and all school directors, from pre-primary to lower secondary have been trained on School Based Management. The program includes coaching support to teachers and principals by the DESB officers and guidance on how to work effectively with the community (VEDC) to make an evidence-based annual development plan linked to budget availability. MoES is planning to increase the operating grant budget for DESBs from 2019 to allow pedagogical advisers to visit primary schools more often. The GPE II project will also top-up the MoF provided school block grant of each school in its target districts which produces a clear, measurable, annual plan.

Analysis of Overall Primary Education Outcomes

EMIS figures show that the sub-sector is on track to achieve and in some cases exceed its 2020 targets related to enrolment and completion, although disparities continue, particularly among poorer groups. Activities to improve access have resulted in almost universal access to Primary Education and at 0.98, Gender parity has also been almost achieved, although there is some uncertainty about the actual numbers of out-of-school children as estimated by studies produced by UNICEF and World Bank.

The demand for primary education is growing overall. The net enrolment rate has increased from 98.5% in 2015 to 98.8% in 2018 and has almost met the 2020 target of 99%. The net intake rate has increased from 97.2% in 2015 to 97.8% in 2018 not far from the 2020 target of 99%. Survival rates have increased from 78.3% in 2015 to 82.2%. To achieve the target of 90% in 2020, MOES needs to solve the problem of high repetition and dropout rates seriously. Cohort completion rate has increased from 76% in 2015 to 80.4% in 2018 against a 2020 target of 89%. Repetition rates for Grade 1 have seen a reduction from 13.5% in 2015 to 8.8% in 2018. Total Primary repetition rates for 2018 are 4% against a 2020 target of 2%. Drop-out rate decreases from 5.2% in 2015 to 4% in 2018.

Targets have been met in terms of quantity. The two key focus areas now are:

1. to improve the quality of teaching, learning and student outcomes,
2. to increase inclusion of children from disadvantaged backgrounds

The tables below show the impact of poverty, ethnicity and geographical location on student outcomes.

% of children 6-11 years of age currently enrolled in Primary Education					
2012			2017		
Poorest 20%	Non-poor	Gap	Poorest 20%	Non-poor	Gap
76%	91%	15%	83%	96%	13%
2012			2017		
Remote	Urban & Rural	Gap	Remote	Urban & Rural	Gap
75%	88%	13%	87%	92%	5%
2012			2017		
Non- Lao	Lao	Gap	Non- Lao	Lao	Gap
80%	94%	14%	88%	95%	7%

Lao PDR Social Indicator Survey (LSIS) 2012, 2017

% of children 11-14 years of age that have completed primary school					
2012			2017		
Girls	Boys	Gap	Girls	Boys	Gap
76%	82%	6%	82%	85%	3%
2012			2017		
Poorest 20%	Non-poor	Gap	Poorest 20%	Non-poor	Gap
68%	83%	15%	70%	89%	19%
2012			2017		
Remote	Urban & Rural	Gap	Remote	Urban & Rural	Gap
67%	81%	14%	76%	85%	9%
2012			2017		
Non- Lao	Lao	Gap	Non- Lao	Lao	Gap
77%	82%	5%	81%	87%	6%

Lao PDR Social Indicator Survey (LSIS) 2012, 2017

Primary Education Challenges to meet expected outcomes

A key priority for the sub-sector is to ensure that all primary graduates are literate and numerate. This is a challenge since the population comprises 49 different ethnic groups, many of which do not use Lao as the mother tongue. The assessment of proficiency in Lao language and mathematics at Grade 3 (ASLO, 2017) found that learning outcomes generally were inadequate to meet the performance levels required to satisfactorily transition to lower secondary education. Fundamental interventions including revision of the curriculum and text books, revised pre-service and in-service training are expected to resolve some of these issues over the next 5 years. The MoES might consider developing a strategy for sustainable interventions for the future, based

on lessons learned from the current activities that are being implemented by both MoES and development partners.

A program of construction and renovation has increased the number of school buildings and classrooms. However, as in Early Childhood Education, target districts tend mainly to be rural and remote areas with reasonably good access. Requests for additional school buildings was a common demand during consultation workshops at provincial and district level but no evidence was provided on how many children in any one village or community are without easy access to primary school. Conditions in less accessible parts of the country make school construction more difficult. Materials are scarce, expensive to transport and the roads are often impossible to navigate at certain times of the year. There may also be insufficient numbers of children in these remote areas to justify using limited budgets on school construction and teachers. This results in disparities in participation rates among different ethno-linguistic groups and a strategy is needed to reduce the number of out-of-school ethnic girls of primary school age.

Therefore, more attention could be paid to alternative strategies for ensuring that all children have access to primary school. This could include:

- mobilizing the community to provide shared transport and protection during travel to school
- improving the school cluster system and constructing cluster dormitories on existing school sites

Other key challenges caused by budget limitations include constraints in the number of pedagogical advisers and DESB staff to provide guidance to teachers and monitor school performance, as well as a lack of teachers in areas where they are most needed.

Priorities to support Primary Education by 2020

1. Focus resources on teaching Lao language and mathematics
2. Prepare to deliver the new Grade 1 Lao Language and Grade 2 mathematics curricula in 2019/20
3. Provide increased support to a small number of poor-performing districts and measure their progress against specific performance indicators as a model to improve other poor performing districts.
4. Increase the quota of primary teachers in disadvantaged areas
5. Ensure all schools will receive their School Block Grant through the school bank account
6. Integrate development partner support into annual budget plans
7. Strengthening school cluster and pedagogical advisory systems.

Lower Secondary Education

The overall objectives of the Lower Secondary Education sub-sector as shown in the ESDP 2016 – 2020 are: " a) To encourage primary graduates to continue studying until they complete lower secondary education; and b) To ensure that all lower secondary education graduates acquire scientific knowledge in order to continue their upper secondary education; and acquire basic vocational and cognitive skills for their daily lives.

The sub-sector has three strategies to achieve the objectives.

Strategy 1: To support all primary education graduates to continue lower secondary education.

Strategy 2: Improve the quality of teaching and learning at secondary education.

Strategy 3: Improve the efficiency of secondary education school management.

Terminology: Lower Secondary Education services usually include children aged 11 – 14 years although there are examples of over-age enrolment in some of the more remote areas. Attendance at lower secondary education level became compulsory in 2015 in a move which mandates that all children must attend a minimum of 9 years basic education. Lower secondary provides 4 grade levels.

Overall Achievement Against Planned Strategies

Access and Equity:

To assist in reducing discrimination by gender as well as encouraging students from ethnic groups and those who have a disability, the number of classrooms has been increased and newly constructed school buildings have toilets and access for wheelchair users. 30 new lower secondary schools with dormitories and WASH facilities were constructed through the ADB-supported Secondary Education Sector Development Program (SESDP). SESDP also supported construction of dormitory and WASH facilities at an additional 30 LSE schools (60 LSE sites total). Anecdotal information from provincial workshops attributed increased enrolment and reduced drop-out rates to the fact that dormitories for children and teachers in disadvantaged areas have been constructed.

Another key strategy to enable participation from the poor and disadvantaged is to offer scholarships and stipends. 1,740 disadvantaged lower secondary students have received needs-based stipends funded through SESDP, and in 2018 MoES commenced government-financed stipends for 1,000 disadvantaged students. Both programs aim to enable disadvantaged youth to complete lower secondary education and allocate at least 80% of stipends to students from ethnic groups and at least 50% of stipends to girls.

Promoting nutrition, health and reproductive education in lower secondary education is also a key activity planned in the ESDP under strategy 1. The MoES works closely with the Inclusive Education Centre, World Food Program, Catholic Relief Services and other agencies to fund provision of school meals alongside training in nutrition and basic hygiene. Catholic Relief Services also train teachers to identify and support students with vision, hearing or cognitive impairment. They supply hearing aids and glasses where needed.

Quality and Relevance

A new pre-service teacher training curriculum was approved in 2016 enabling new teachers to teach Grades 6 – 12. This has helped to reduce the lack of teachers, particularly in remote areas. However, there is still a reported shortage of teachers in Arts, PE, Science, Mathematics, English and ICT.

SESDP has funded curriculum development to improve quality and relevance. They have also supported development of new text books. The new curriculum places more emphasis on soft skills (e.g., critical thinking, problem-solving, communication, etc.) needed by employers. It also includes a new "tech-voc" subject. The SESDP project also supports provision of science laboratories/equipment, library resources, and other learning materials in selected schools. New National Quality Standards are being developed and will be in place by 2020. REIS are involved in preparing modules for short training courses in student assessment and production of materials.

Management and Administration

A key activity to build capacity in administration and management is the national roll-out of the School Based Management system. 110 Master trainers, 8,712 school directors, 17,423 VEDC members and 592 PESS, DESB staff, from pre-primary to lower secondary were trained in School Based Management during 2017/18. The program includes direction on how to work effectively with the community (VEDC) to make an evidence-based annual development plan linked to budget requirements and includes a strong role for DESB and Pedagogical Advisers in supporting lower secondary education teachers. In 2017/18, 100 lower secondary schools had prepared effective schools plans based on SBM principles.

Analysis of Overall Lower Secondary Education Outcomes

The sub-sector is undergoing a period of change. Participation at lower secondary level has increased during the period of the ESDP. The gross enrolment rate increased from 78% in 2015 to 83.1% in 2018. This is on track to meet the 2020 target of 85%. However, the new law mandating compulsory education at lower secondary level has meant that many students transitioning to Grade 6 may have different expectations from those who chose to make the transition. Drop-out rates have increased from 7.7% in 2015 to 9.2% in 2018 and are unlikely to meet the 2% target planned for 2020. There is therefore a need for closer engagement with partners who can enhance the vocational education and training sections of the curriculum to mitigate against drop-out and ensure that graduates have sufficient skills and knowledge to find viable employment or establish their own small, start-up businesses.

Some primary education graduates will not be able to continue to formal lower secondary education, due to a lack of local lower secondary schools and other supply- and demand-side factors. They may therefore transition to non-formal education. This has reduced the transition rates from Grade 5 to Grade 6 from 91.7% in 2015 to 88% in 2018. However, to gain a full picture of the situation it is necessary to also measure the transition rate from Grade 5 to non-formal education. This rate is not yet available.

At 0.95 the Gender parity index for lower secondary enrolment is lower than that of early childhood or primary education. Access to clean toilets, girls' counsellors and encouraging the community to understand the societal benefits of educating girls are all needed to increase female participation.

There is an acute shortage of libraries/reading material and specialized rooms for science and technology-based subjects. This, combined with the shortage of teachers in those areas, places limits on improving student performance. Some schools have allocated one room as a resource centre which serves as a base for all three subject areas but there is an increasing need to have a clear costed plan to provide key human and physical resources to ensure high quality student outcomes. The GoL has committed to providing all schools with computers by 2020.

There is no active cluster system in operation at lower secondary level. This restricts sharing of good practice and use of resources. At a time when the sub-sector needs to engage with the broader community and establish new partnerships, it might be effective to consider working together in clusters.

The decree on progressive promotion has mandated that all schools provide remedial classes for children who may need additional support. However, many teachers do not have the skills and knowledge to offer effective remedial classes. Therefore, the PESS could quarantine funds for DESB staff and Pedagogical Advisers to provide guidance on remedial teaching through the cluster system. This would help to reduce drop-out.

Activities related to planning and management in the ESDP include a proposal that ICT should be used to upgrade school administration and management. This is an ambitious activity. There is a need to first establish the planned lower secondary data base at central level and then train staff at local level since they often do not have the skills to use ICT effectively in a professional context.

Priorities to support Lower Secondary Education by 2020

1. Seek partnerships at all levels to enhance the vocational education and training aspects of the curriculum
2. Initiate discussions on establishment of lower secondary education clusters.
3. Ensure that all levels understand the new M&E framework and use it as the basis for reporting.

Non-Formal Education

The overall objective of the Non-Formal Education sub-sector as shown in the ESDP 2016 – 2020 is:

"To create opportunities for out-of-school children and drop-outs to receive and complete primary education and continue their study at secondary education level".

The sub-sector has seven strategies to achieve the objectives.

Strategy 1: Expand non-formal education to rural and remote areas to provide education to the poor and disadvantaged target groups, females and ethnic groups equally and equitably.

Strategy 2: Improve the quality of teaching and learning in non-formal education.

Strategy 3: Promote the continuation of upgrading education.

Strategy 4: Provide basic vocational skills so that they can apply these to improving their living conditions.

Strategy 5: Develop Non-Formal Education Centres to be learning centres and encourage all people to pursue lifelong learning.

Strategy 6: Promote and support independent and distance learning.

Strategy 7: Improve the quality of non-formal education management.

Terminology: Non-formal education is inclusive of those with disabilities and generally offers education opportunities to the following groups:

- Out-of-School children and school drop-outs aged 6–14 years in rural remote and disadvantaged areas who do not have access to the formal education system.

- Disadvantaged Youth and adults aged 15-45 years.
- Youth and adults aged 15–35 years who do not complete lower and upper secondary education.
- Disadvantaged youth and adults aged 15 years and above.

The primary, lower secondary and upper secondary education programs are equivalent to those in the formal system.

Overall Achievement Against Planned Strategies

Access and Equity:

One of the criteria for exit from least developed country status is the national literacy rate. Increasing the rate is a key priority for the MoES as evidenced by the focus on Lao language acquisition in early grades. However, literacy rates among the general population are still limited. An effective Non-formal education system can help to increase literacy rates and the department will expand its operations from 10 provinces in 2015 to increase access in all provinces nationwide by 2020.

To support the expansion and make efficient use of resources, Non-formal education (NFE) centres are joining together to share materials and staffing in one centre for every 5 villages. This has led to the decision to develop the NFE centres as community learning centres (CLCs). Four new centres have been built by the community during the life of the ESDP to date and it is planned to have a total of 9 new community constructed community learning centres (CLC's) by 2020. There is also a long-term plan to have at least one CLC in each of 17 key remote, disadvantaged geographical areas. These will be established at a rate of 3 model CLCs per year. Registration of the CLC system as a modality for delivering non-formal education was submitted in 2017 and is awaiting approval.

An in-depth survey (2016–18) to identify the vocational education and training needs for students with disabilities is just being concluded. The results will help to inform development of strategies and actions for the next ESDP.

The revised curriculum for the basic vocational training program to equip out-of-school youth to enter the labour market has recently been formally recognized as part of the TVET provision. This, together with the expansion of coverage, is expected to encourage increased participation from 3,000 young people in 2018 to achieve the target of 20,000 by 2020.

Quality and Relevance.

The new NFE quality standards were completed in 2017 and are currently awaiting formal approval. In the meantime, the standards have been disseminated and the NFE centre at Vientiane successfully met all 35 standards during 2018. Centres in Champasack and Savannakhet are on track to achieve the full set by 2020, and all other centres are working towards achieving them.

The curriculum has been upgraded to be aligned with socio-economic development needs and the department works closely with the teacher education team to provide a program for upgrading

and training teachers during the vacation period to deliver the revised curriculum. New skills include travel and tourism, hospitality, hotel reception and food processing. In addition to the training to deliver new skills, the department has a national capacity building program with an annual plan of workshops and study visits to keep staff up to date on latest NFE -related developments.

The plan to increase access to NFE through development of distance learning was ambitious. Regulations on distance learning have been prepared for Higher Education but a non-formal modality for distance learning will require the establishment of a National Committee for Lifelong Learning which has not yet been formalized.

However, activities to support life-long learning are being implemented. The concept is being supported by DVV, an International Organization based in Germany which works in adult education. In 2017, 35 non-formal education staff were trained in the basic principles and methodology for teaching life-long learning programs. Seventy more staff are being trained in 2018 and more than 100 more will be trained by 2020. Once the training has been completed the department will help to prepare a decree to establish a National Committee for Lifelong Learning, which will be included as an action in the next 5-year plan.

Management and Administration

Expansion of the service will require an increased number of staff. Allocation of additional new staff will be limited under the quota system. The department therefore plans to borrow staff from the formal system and/or from other ministries wherever possible to ensure adequate coverage. A system to integrate the NFE data into the EMIS system is currently being developed with support from UNICEF, UNESCO and Korea. It is planned to be fully integrated by 2020.

Analysis of Overall Non-Formal Education Outcomes

The sub-sector is undergoing a period of significant change and expansion. It is under pressure to improve literacy rates across the whole country as well as to increase the quality and relevance of the curriculum to ensure that NFE graduates are equipped to meet the needs of the growing economy.

Provision of literacy programs for illiterate youth and adults (level 1) is on track to meet target. There were almost 20,000 learners in 2018 against a target of 30,000 for 2020. However, provision of literacy courses for out-of-school children aged 6–14 years in rural and remote areas only reached approximately 5,000 children in 2018 against a target of 15,000 by 2020. This may be due in part to the better access to formal primary schools.

Achievement of targets does not in itself solve the issue. Ethnicity and gender are both important factors. There are significant differences in literacy rates between ethnic groups, as shown in chapter 3 on overall outcomes and female literacy is lower than that of males, particularly among non-Lao-Tai groups.

The new law mandating compulsory education at lower secondary level has also affected the sub-sector in that it has a target to provide lower secondary education equivalency programs to 15-35-year olds nation-wide so that by 2020 every province can declare completion of lower

secondary education. To support this the number of programs at district level will rise from 40 in 2018 to 148 by 2020.

The increasingly pivotal role of NFE is also being recognized through interventions to include it as a sub-sector in the Education Management Information System (EMIS). The sub-sector currently keeps its own records but formal EMIS data will add nationally accepted evidence to be used as a basis for future planning and finance. Introduction of NFE into the EMIS system is funded by the Korean Government with additional support from UNESCO and UNICEF.

Non-formal Education Challenges to meet expected outcomes

A key challenge for non-formal education is that NFE is not yet included in the current national policy framework. This means that even though the equivalency programs are recognized by law as equivalent to those in the formal system, the qualifications are not transferable. For example, a graduate from an NFE lower secondary equivalency program cannot enrol in a formal upper secondary school. Also, since NFE programs are not included in the policy framework and are not accounted for in the EMIS system, students on equivalency programs cannot apply for scholarships. The situation is currently being addressed through revisions to the policy and assessment frameworks, but it needs to be accelerated.

Establishment of Community Learning Centres are an effective way of encouraging community members of all ages to improve their levels of education. There are currently 71 permanent and 269 informal, temporary community learning centres supported by the communities themselves or by international donors. They are serving demand-driven needs but are poorly resourced. Approval for registration of the CLC system submitted in 2017 is not yet approved and should be accelerated.

Improvements in quality, relevance and increase in quantity of all NFE provision mean that the sub-sector becomes increasingly dependent on high quality teaching and student outcomes. Legislation on incentives for non-formal education teachers has now become a priority.

Priorities to support Non-Formal Education by 2020

1. Include the NFE sub-sector in the policy framework and EMIS system.
2. Formalize Legislation on incentives for non-formal education teachers.
3. Seek partnerships at all levels to enhance the vocational education and training aspects of the curriculum.
4. Ensure that all levels understand the new M&E framework and use it as the basis for reporting.

Post Basic Education

The Post Basic Education section includes Upper Secondary Education (US) Vocational Education and Training (TVET), Teacher Education (TE) and Higher Education (HE).

Upper Secondary Education

The overall objective of the Upper Secondary Education sub-sector as shown in the ESDP 2016 – 2020 is:

"To create a favourable opportunity for students and youths to acquire knowledge so that they are ready to enter the labour market or continue their study in vocational institutes or in higher education".

The sub-sector has two strategies to achieve the objectives.

Strategy 1: Encourage high achieving lower secondary graduates to continue their upper secondary education.

Strategy 2: Promote teaching and learning basic vocational subjects in upper secondary schools

Terminology: Upper Secondary Education services usually include children aged 15–17 years who study at Grades 10, 11 and 12. Attendance at upper secondary education level is not compulsory and overage enrolment is very rare.

Overall Achievement Against Planned Strategies

Access and Equity

Currently 20% of students who complete upper secondary education follow the academic route while 60% enrol in TVET. The other 20% go to the labour market. One of the key activities planned in the ESDP under strategy 1 is to raise the quality of upper secondary performance. To promote implementation of the activity, a central level committee is developing criteria on which to base selection of students who might follow the TVET pathway and those who might benefit from a more academic route. Development of the criteria began in 2017 but the viability of this approach is still under discussion. This is in line with the ESDP objective to balance the proportion of lower secondary graduates enrolling in upper secondary and vocational schools. It will improve opportunities for students to continue learning according to their aptitude and abilities, raise the quality of student performance for both routes and help to reduce drop-out rates.

To assist in reducing discrimination by gender and encourage students from ethnic groups and those who have a disability, the number of classrooms has been increased and newly constructed school buildings have WASH facilities and access for wheelchair users. 15 new upper secondary schools with dormitories and toilets have been constructed through the ADB supported SESDP. Another key strategy to enable participation from the poor and disadvantaged is to offer scholarships and stipends. Under SESDP, MoES provided 1,200 needs-based stipends to upper secondary students. The Government through the Inclusive Education Centre offered LAK 200,000 per month plus fee-free study to more than 1,200, bright, disadvantaged upper secondary students. The Inclusive Education Centre also subsidizes fees for disabled students who have completed basic education and enrol at the Inclusive Education Centre.

Quality and Relevance

A key priority for the sub-sector during the life of the current ESDP was to upgrade the curriculum and staff training to meet the rapidly changing educational and transferable skill needs of the developing economy. The TVET sub-sector was included in preparation of the new curriculum and in an intervention funded by the GoL, one school in each of 3 provinces is piloting a program which offers students the opportunity to graduate with the Upper Secondary Education Graduation Certificate as well as a level 3 TVET Diploma. TVET courses offered are construction, electrical engineering and agriculture.

SESDP has supported MoES' rollout of new USE (and earlier LSE) curriculum, including provision of new textbooks and teacher guides and nationwide teacher training: the cohort-based introduction of finished with MoES' successful introduction of the new M7 curriculum nationwide in SY2016/17. SESDP subsequently supported MoES' development of curriculum for the new bachelor-level Secondary Teacher Education Program (STEP) to improve pre-service teacher education of LSE and USE teachers to strengthen skills in pedagogy and subject knowledge. SESDP also provided science laboratories and equipment, library resources, and other resources in selected USE (and LSE) schools. SESDP has also funded upgrading of teachers to Bachelor's Degree level in order to strengthen skills in pedagogy and subject knowledge.

Together with development partners, the Government of Lao is helping to fund access to ICT. As examples of good practice and a model for others, MoES has funded establishment of computer rooms and science laboratories in one school in each of 11 provinces and the Government has supplied 35 computers per school. There is a plan to equip all upper secondary schools in the country with computers for staff and student use by 2020 but this is still ongoing.

Management and Administration

There is no separate strategy for strengthening of planning and management in the upper secondary ESDP. It is addressed through Activity 5 in the strategy for quality and relevance. The activity plans to "Strengthen school management for administrators and strengthen vocational teaching and learning". One of the key achievements in this area during the life of the ESDP is the development of an upper secondary education data base. The data base is still under development and data from district and provincial offices is intermittent, but it is currently being used to record examination results.

A pilot introduction of TVET as part of the upper secondary school provision has enabled many upper secondary schools to work more closely than before, with their TVET partners. Schools located near vocational education centres can share the technical resources available. This improves the efficiency of the service and enables increased access as well as increased quality of teaching and learning for many students.

Analysis of Overall Upper Secondary Education Outcomes

Sub-sector provision has been considerably strengthened during the period of the ESDP in academic as well as vocational areas. This has led to increased participation, demonstrated by a lower to upper secondary transition rate of 92% in 2018 compared with a 2020 target of 90%. The

gross enrolment rate in upper secondary education has also increased from 45% in 2015 to 53.3% in 2018.

Construction of new schools and dormitories has contributed to increased access; teacher up-grading and provision of resources have improved quality and the development of a new curriculum designed to more closely meet socio-economic needs has added key areas of relevance to the provision. However, despite the progress, shortages of physical and human resources still limit the quality of student performance. It will take time for these crucial elements to be fully available to all schools.

Upper Secondary Education Challenges to meet expected outcomes

Achievement of the strategies, objectives and planned activities are heavily dependent on provision of additional finance for infrastructure, high quality staff and specialist materials to teach mathematics, science subjects, IT and foreign languages as well as to provide reading rooms/libraries for student and teacher research. This long-term challenge is slowly being addressed. However, the sub-sector needs increased financial support and a carefully targeted implementation plan to enable it to consistently produce a workforce which possesses the transferable, critical thinking and innovation skills needed to meet future socio-economic demands.

Priorities to support Upper Secondary Education Sub-Sector Achievement by 2020

1. Improve completion rates in upper secondary education and improve the quality of teaching and learning to better match the demands of both the labour market and university level education.
2. Prepare a clear, costed Physical and Human Resource Development Plan together with an implementation schedule and work towards its implementation steadily and transparently.
3. All levels to engage more closely with local employers to create practical work-experience opportunities for students following either the academic or vocational pathways.
4. National level to establish a clear national careers guidance service for lower and upper secondary students.
5. Central level to issue guidance for schools and district offices on how to conduct effective tracer studies and use the results as a basis for future decision making.
6. Ensure that all levels understand the new M&E framework and use it as the basis for reporting.

Teacher Education

The overall objective of the Teacher Education sub-sector as shown in the ESDP 2016 – 2020 is: "to prioritize the improvement of quality and consistency between pre-service and in-service training, to create readiness for teachers/students and teachers in general education to meet the demands of student learning within the different environments and courses".

The sub-sector has five strategies to achieve the objectives.

Strategy 1: Upgrade the quality of the teacher education curriculum in consistency with the general education curriculum.

Strategy 2: Enhance the quality of teaching in TEIs.

Strategy 3: Provide systematic in-service training for Continuing Professional Development Program.

Strategy 4: Strengthened Quality Assurance of Graduate Standards and Improved Management of TEIs.

Strategy 5: Plan and manage needs and teacher allocation for better coordination including selecting students who meet standards to study in teacher education.

Terminology: Trainee teachers are normally graduates from upper secondary education. Those who wish to teach at early childhood or primary education level take the entrance examination to study at a Teacher Training College (TTC). The Teacher Education Department has direct responsibility for 8 TTCs across the country. Those who pass an entrance examination to study as a secondary teacher in either a TTC or a Faculty of Education at university are trained to teach at secondary education level and there are also students who will pursue non-education related careers. From 2016, new TTC secondary graduates qualify in 2 major subjects and can teach at any lower or upper secondary Grade level. The GoL decrees an annual quota of trainee teacher enrolments but TTCs can also accept private fee-paying students.

Overall Achievement Against Planned Strategies

Access and Equity

Enrolment is open to all Lao citizens irrespective of ethnicity, gender or disability. To actively encourage participation of trainees from disadvantaged districts a new program for pre-service 9 +3 has been developed. This enables enrolment of trainees from remote and disadvantaged areas who have graduated at Lower Secondary level, to study for three years rather than the 2-year program for those who have graduated from upper secondary education. Access to the course is conditional upon trainees agreeing to teach in their own remote areas after training. This strategy is key to filling teaching vacancies in the most disadvantaged districts. BEQUAL has supported recruitment of 360 local ethnic people from very disadvantaged ethnic villages into three TTCs and deployment of the first cohort (212 new graduates) was in September 2018.

To increase access for pre-primary trainees, all 8 TTCs will offer pre-primary teacher training opportunities by 2020. Currently only 4 TTCs offer training in pre-primary education. Scholarships are available to the most disadvantaged 20% of trainees in quota.

Quality and Relevance

To raise the quality of trainees entering the profession, a new entrance examination has been implemented. By 2020 it is planned that 80% of all trainees will be selected for enrolment, based on the results of the examination and the target for enrolment will reduce from 21,373, (in 2017) to 16,000 by 2020.

The final report of the previous ESDP stated that trainees could qualify as teachers without passing the practicum. This is no longer possible. The practicum component of the pre-service curriculum has been revised and trainees cannot graduate without passing it. BEQUAL is providing support to improve the quality and relevance of the primary- teacher trainee practicum. Each TTC has a demonstration school that could conduct trial lesson by using new teaching method and new teaching theory and network and local schools for trainees to gain practical experience.

There is also a need to improve the relevance of the pre-service curriculum by aligning it with the new basic education and upper secondary curricula which have been developed over the last 5 years. An Advisory Council and Technical Working Committee to revise the curriculum were established in August 2018. BEQUAL is supporting the revision to the primary pre-service curriculum. The new pre-service curriculum is planned to be rolled out in 2020.

An in-service training needs analysis has also been conducted at provincial level to develop relevant continuous professional development opportunities in administration, technical and management skills. The results are currently being discussed to identify priority areas.

Management and Administration

Management and Administration for the sub-sector is currently focused on development of the new pre-service curriculum. Sub-sector meetings have shown that there are many equally valuable but conflicting ideas about what should be included. Four TTCs are targeted to pilot delivery of the new course by 2020. However, all are agreed that whatever the final content of the new curriculum, it must be aligned with the revised basic and post-basic curricula and the quality of the teaching is most important.

Analysis of Overall Teacher Education Outcomes

The teacher education sub-sector is entering a period of major change. In line with the focus on improving quality, MoES and development partners have embarked on several initiatives to raise the level of teachers' qualifications. This means that the TTCs must raise their standards equivalent to University status to provide Degree-level pre-service education. There are currently 8 TTCs under the auspices of the MoES. Of these, 3 have achieved Centre of Development Status as a first step.

There are also implications for the quality of current teacher educators. By 2018, 58% of teacher educators had been awarded Bachelor degrees against a 2020 target of 51%. 26% had gained Master Degrees against a 2020 target of 37% and 1% had achieved a PhD level qualification against a 2020 target of 4%. A set of competency-based teacher standards for TTC staff were approved in 2015. These will help to guide continuous professional development. To improve practical skills and focus on relevance, the department is working closely with IFAED to strengthen capacity of teacher educators to work at school cluster level with Master Trainers and Pedagogical Advisers to support in-service training especially in areas of subject shortage such as mathematics, science and multi-grade pedagogy. Active networks have been established with teacher colleges in Vietnam and Thailand. The networks have facilitated study visits which have broadened perspectives and increased exposure to best practice and training within the ASEAN context.

Teacher Education Challenges to meet expected outcomes

The most pressing challenge is to complete the new pre-service curriculum, and have it approved for delivery in 2020. However, the key challenge for the sub-sector is to produce graduates with the skills and knowledge to teach effectively to improve school performance and children's learning outcomes. The quota system and insufficient funding contribute to the challenges but essentially, provision of good teaching and learning are the main issues. Concrete steps are now being taken to raise the standards of teacher education, starting with selective acceptance of

trainees and continuing through increased levels of education for teacher trainers as well as creation of Centres of Excellence for Teacher Education Institutions. All these innovations will contribute to upgrading the whole quality of the service and lead to improved performance outcomes.

To maintain standards there is a need to strengthen Quality Assurance at program as well as institutional level to ensure that teacher education provision is fully accredited and has links to regional and international education systems. Lessons can be learned from the University sector where quality assurance systems are being developed.

The Teacher Education Competency standards approved in 2015 do not align with ASEAN standards. Raising the level of standards in line with ASEAN would increase the quality of teacher education graduate outcomes.

Priorities to support Teacher Education Sub-Sector Achievement by 2020

During a teacher education sub-sector meeting to discuss mid-term progress against the planned activities in the ESDP and consider next steps, several key priorities for achievement by 2020 were proposed. These are as follows:

1. Establish a Technical Working Group to develop, pilot and evaluate new practicum programs in both demonstration and non-demonstration schools.
2. Balance new teacher trainee intake and teacher recruitment quota to meet the demands for teachers in each subject, each year.
3. Develop a school based in-service training using the cluster system, supported by Provincial and District staff and Vientiane Capital to strengthen skills and knowledge on Lao language for ethnic teachers, teaching of reading, mathematics and science; inclusive learning and multi-grade pedagogies.
4. Develop professional networks between nearby schools and teachers to work together collegially to improve teaching and learning through sharing ideas and best practice.
5. Strengthen the competence of TTC lecturers to work with master trainers and pedagogical advisers at school level to support principals and teachers to improve student learning outcomes.
6. In conjunction with stakeholder departments, develop a program level QA system which is coordinated with the ESQAC and DoI frameworks and train TEI administrators on how to implement it.
7. Develop teacher development and deployment action plan for 2019-2020 and teacher development and deployment strategy 2020-2025.

Vocational Education and Training (TVET)

The overall objectives of the TVET sub-sector as shown in the ESDP 2016 – 2020 are:

1. "To encourage more students who have completed general education to enrol in vocational education".
2. "To ensure that vocational graduates from both public and private sectors have skills that are acceptable to employers".

The sub-sector has eight strategies to achieve the objectives.

Strategy 1: Construct, improve and expand capacity of vocational education.

Strategy 2: Encourage social and business agencies to contribute to vocational education and training development.

Strategy 3: Improve vocational education and training modes.

Strategy 4: Development of vocational education staff at pre-service, in-service levels.

Strategy 5: Improve vocational education and training quality.

Strategy 6: Develop vocational education and training information.

Strategy 7: Improve management structure of vocational education and training.

Strategy 8: Develop policy and materials for vocational education and training management.

Terminology: Vocational Education and Training (TVET) is used to describe provision of vocational skills and knowledge for students who have successfully at least completed the full basic education

Overall Achievement Against Planned Strategies

Access and Equity

Currently approximately 3% of basic education graduates enrol in TVET courses and of these, about 30% are female. In line with the GoL Development Plan the sub-sector has been expanding the service during the life of the ESDP 2016 – 2020 through establishment of vocational training centres in the largest districts. It is now conducting a survey to identify the need for vocational centres in smaller and more remote districts to increase access for those from disadvantaged groups. A TVET institution is being established in the newly created SAYSOMBOON province. It is envisaged that participation in TVET will rise to approximately 60% of upper secondary education graduates by 2020 with an expected increase in the current 43% who are female. The TVET schools and colleges offers training with certificate levels to attract young people from rural and remote areas so that they can obtain jobs in their districts or improve their skills to support their families. To encourage participation from those in rural and remote areas the department offers courses in animal husbandry, crop production and other related subjects in addition to the traditional C1 and C2 courses in basic life skills.

To expand access to TVET, stipend and voucher programs have been introduced and implemented through several projects. In addition, provision of dormitories is another factor contributing to increased enrolment, particularly female students from rural and ethnic communities. TVET education facilities have been upgraded and more equipment is provided through projects. With this support, TVET enrolment has significantly increased.

Quality and Relevance

In response to the changing requirements of labour market the sub-sector has experienced a significant revision to its portfolio of courses. The Strengthening Technical and Vocational Education and Training (STVET) Project as well as more than 50 national and international partners are supporting a major shift away from the traditional business studies to courses which more closely meet the demands of employers and the developing economy. Teaching approach has gradually changed from theory to hands-on exercise to strengthen their skills and familiar with equipment. Standards and curriculum for more than 20 jobs were developed and implemented.

Specific partnerships with Malaysia, Singapore, Luxembourg and Switzerland have resulted in development of courses in food processing, tourism, and hotel management with its suite of courses in housekeeping, reception and hospitality. Many of the courses are not resource-heavy and students are offered practical placements with both national and international partners.

The MoES is a member of the National Training Council with the Minister of Education serving as the NTC President. This is a tripartite, non-standing body mandated to advice on TVET and skills development policies. The MoES TVET curriculum development teams work with members of the Council to ensure that vocational training meets the occupational standards set by employers. Members of the council participate in MoES TVET steering committees and technical meetings to ensure that curricula are up to date and relevant. The regulatory framework related to the NTC and its Trade Working Groups has been revised in recent years and the Permanent Office of the NTC is currently undergoing restructuring processes. It will need continuous support to reach a capacity needed to effectively coordinate relations between the employers and TVET.

The TVET Department has initiated quality assurance processes aiming at the improvement of institutional performance of the TVET Centres but the system is lacking mechanisms to assure the quality (and subsequently the credibility) of TVET qualifications.

Management and Administration

A new curriculum for training staff to deliver and manage the new courses was completed in 2017. Staff are being trained at the Vocational Education Development Institute. The training and provision of relevant equipment is being funded by KfW a German Development Bank as well as the Governments of Luxembourg and Switzerland.

Analysis of Overall TVET Outcomes

The sub-sector traditionally focused training on business studies and related programs. The shift to more technical/ professional courses has meant that many TVET teachers have had to re-train or upgrade their qualifications at the Vocational Education Development Institute. Re-training is not always easy for staff. There will also be a need to recruit new staff with experience of the industries which will be served by the new courses. They will have the technical skills and knowledge but not necessarily have teaching experience. The sub-sector will need to monitor teacher performance closely in the coming year to assess the impact of these changes to the traditional staffing model.

Improved access to TVET through the expansion of vocational training centres at district level, roll-out of the new, more relevant curriculum and the new selection process for applicants to higher education, has resulted in increased enrolment. This has necessitated a revision of the enrolment targets for 2020. The number of students enrolled in C1 and C2 courses exceeded the 2020 target in 2017 with a total of 2,918 enrolments against a 2020 target of 2,400. The target has thus risen to 4,000. Provision of C1 and C2 courses depend upon funding from development partners and the sustainability of these programs is under pressure. Graduates of the new 9+3 curriculum will be considered as fully skilled technicians. The new courses are popular, and 2020 enrolment targets have been raised from 5,000 to 7,000. More than 15,000 students enrolled in the new 12+2 skilled technician and 12+3 Higher National Diploma courses in 2017. This almost exceeded the 2020 target of 16,000. Therefore, the target enrolment for these courses is now 18,000.

Scholarships for the poorest students, previously funded through the ADB STVET project have been institutionalized as part of the STVET sustainability strategy and are being funded by the GoL. However, the C1 and C2 stipends for disadvantaged youth implemented through GIZ VELA project are still entirely funded by the support of the donors. Introduction of a policy on equivalency courses, which will open the door for the C1 and C2 graduates to receive lower-secondary equivalency diplomas in addition to technical certificates, was an important step in the effort to improve the permeability of TVET system.

TVET Challenges to meet expected outcomes

The main challenge in the coming years will be to ensure that TVET teachers are fully trained to deliver the technical content of the new courses and understand how to use the new equipment and resources.

The department will need to pro-actively manage a rolling program of training and upgrading to ensure that the quality of teaching is in line with national, regional and where possible, international standards, supported by the international partners.

Another key, related, challenge is to effectively measure graduate employability as well as employer satisfaction and use the results as a basis for decision making. There is a need to develop national guidelines for TVET centres on how to conduct effective tracer studies and use the results to inform decision -making. It is often a challenge to find suitable work placements for students to gain practical experience as part of their studies. TVET centres should maintain a strong network of local employers to support students' practicum.

Priorities to support TVET Sub-Sector Achievement by 2020

1. Central, Provincial and District levels to monitor staff performance closely and use the evaluation as a basis for improved staff development programs.
2. All levels to engage more closely with local employers to create practical work-experience opportunities for students.
3. Central level to issue guidance for TVET centres on how to conduct effective tracer studies and use the results as a basis for future decision making.
4. Support the TVET centres, in particular teachers in implementation of the recently developed programs. Prepare new curricula in the areas of furniture-making, hospitality, construction, electrical engineering, mechanical engineering and agro-processing to deliver in 2021-25. Ensure that all levels understand the new M&E framework and use it as the basis for reporting.

Higher Education

The overall objectives of the Higher Education sub-sector as shown in the ESDP 2016 – 2020 are to:

1. "Promote human resource development with quality, consistent with the demands of socio-economic development that can compete and link with regional and international areas".
2. "Provide science research, technology development and innovation for the nation".

3. "Improve governance and higher education management".

The sub-sector has six strategies to achieve the objectives.

Strategy 1: Develop higher education to meet the demands of the labour market and the National Socio-Economic Development Plan.

Strategy 2: Improve the quality of teaching and learning.

Strategy 3: Support science research, technology development and technical services to meet socio-economic development needs.

Strategy 4: Improve higher education quality assurance.

Strategy 5: Improve higher education governance and management.

Strategy 6: Increase internal and external cooperation.

Terminology: Higher Education refers to the courses offered to students who have successfully completed upper secondary school.

Overall Achievement Against Planned Strategies

Access and Equity

The ESDP has targeted 20% of higher education students to receive scholarships. This target was met in 2017. In addition to scholarships and stipends provided by the Government, through the inclusive education department, in 2018 the Laos Australia Institute (LAI) provided 15 scholarships for students with disabilities to study at NUOL and 8 to study in Luangprabang. Each request for a scholarship is based on individual needs.

In 2017, the number of students who enrolled in public universities and private institutions was 79,758, of which the number of students in public institution was 52,555 (25,492 female, equivalent to 48.5%). The number of student studying abroad was 2,886 (1,072 female), and the number of students who have graduated was 1,599 (503 female). The current number of teachers in public universities is 5,720 (2,571 female).

The table below outlines progress to ESDP 2020 targets:

Indicator	2018 Status	Target 2020	Challenges
The total students in Higher education	79,758	200,000	On-going and need to include number of students that study abroad
Total students (five universities only)	32,388 (female 14,609)	45,000	On going
The rate of female students in Higher education	45%	45%	Achieved
Curriculum using English as a teaching language	4 new curricula (NUOL, SKU) and collaborative international curricular FBT	5 curricula	On going
Percentage Students	75%	58%	Data still

graduate from higher education who get employment			estimated
Establish university of technology	As achievement Feasibility study about establish, and was report to minister education and sports	1 institute	Establish University FBT technology, currently preparing to promote capacity for faculty of engineering in NUOL
Establish private university	Soochow university, China	1	Foreign investment Encourage private collages is considered together
Upgrade qualification of lectures at each course at ratio and special line subject issues	Still not fully complete	1:6:3	Continuing upgrade lectures at each course
Each institution must have quality assurance and assessment external and internal sector	Have 55 list of the results of IQA and 24 external assessment		On going
Decree	<ul style="list-style-type: none"> • Upgrade decree on higher education No.177 • National standard • Decree on national higher education council. • Decree institute • Decree on academic promotion 	About 10 regulations need to develop under Decree on Higher education no. 177	On going
Have research publication within domestic and abroad	More than 80 titles	80 titles	Achieved

In line with planned ESDP activities to increase access, resources and infrastructure have been upgraded, with support from the ADB, to create a centre of excellence for agriculture in Champasack, for environment in NUOL, for Logistics in Savannakhet and for engineering and tourism in Luangprabang by 2021. NUOL will be a centre of excellence in engineering supported by JICA. Of the USD 28.8 million project funds from ADB, USD 14 million was for infrastructure at Champasack University. A feasibility study to establish a University of Technology has been completed.

Quality and Relevance

MoES has placed a strong emphasis on improving quality of teaching and learning at all levels in the current ESDP. Over the life of the ESDP, development partners, notably the ADB, have funded a program of in-service training on pedagogy, upgrading skills and knowledge as well as overseas training opportunities to upgrade Bachelor's degrees to Master and Master degree to PhDs. The program has been made available to all staff in the four centres of excellence outlined above. Over the two phases of the ADB project, 142 staff will upgrade their Bachelor's degrees to Master degrees by studying in-country and abroad, while 33 staff will gain their Master's degrees from Universities overseas by 2020. In the first phase 26 staff were supported to upgrade their Master's degrees to PhD's and a further 20 staff were funded to upgrade to PhD during the second phase. All PhD awards were from overseas universities.

Alongside improvement in teacher quality, new, more stringent student selection criteria have been approved. Strengthening the selection criteria for new entrants will produce graduates with skills that more closely meet the needs of the developing economy. In addition to raising entry levels, the department has revised the way in which students select their area of study. To guide students to follow courses which best meet their aptitude, ability and preferences, the department offers study programs in three subject groupings. The three groups are:

A: Technology and Science

B: Social Sciences

C: A mix of A & B

Consequent to the revised study programs, a new qualifications framework is under development and will be approved before 2020.

One component of the ADB –funded higher education project is to support research. Research is a key area for development in the Higher Education sub-sector. Five Universities have research departments, but the number of published research papers is very limited. The GoL awards funding for research on a competitive basis but successful funding proposals for regional or international research projects need to be increased. The Higher Education Department, in conjunction with the ADB is currently preparing an invitation for a visiting scholar, to provide capacity development for the 4 MoES universities to upgrade their research skills and to train staff on preparation of journals and articles for regional and international publication.

Both internal and external Quality Assurance standards at institutional level have been approved. All Universities are required to complete an annual self-assessment report and return it to the quality assurance office of the ESQAC. During 2015 to 2016, external assessments were conducted in seven faculties at NUOL and in 2017/18, an internal assessment was conducted of six faculties of Souphanouvong university, Luangprabang.

The National University of Lao (NUOL) is also a member of the ASEAN University Network (AUN) which has guidelines and a set of regional standards for program level quality assurance. Tracer studies and employer survey were conducted at the national level. Tracer studies studied the trends of employment of graduates from various faculties and universities while employer surveys explored satisfaction of the employers in various industries have on their employees. Results from both studies were very constructive and used for the improvement teaching and learning in higher education institutions

Management and Administration

The ADB is funding development of a Lao University Management System (LUMS) which will eventually provide EMIS-type data for the Higher Education sub-sector. The system is currently piloting on-line registration of examination candidates.

Autonomy of Universities is being considered but the funding review has not yet taken place and funding mechanisms for universities under the Ministry of Education and Sports remain unchanged. The universities under the MoES are funded by the Government of Lao. NUOL is funded directly through the MoF, funding for the provincial universities is channelled through the PECS. Project funds are filtered through the Department of International Cooperation. Universities may request permission to generate income independently according to an agreed plan.

Analysis of Overall Higher Education Outcomes

Demand for higher education is high, both at TVET and University level. Approximately 40% of upper secondary graduates apply to Universities and 60% to TVET Institutions in 2017/18. Approximately 54% of university applicants were female. In 2017/18 the total number of new enrolments reached 11,674 against a 2020 target of 12,500. A total of 36,447 students were enrolled in the 4 MoES universities in 2017/18. Originally this would have meant that the department was on track to reach the 2020 total of 45,000. However, newer, more stringent selection criteria, designed to improve the quality of students at entry, will mean that the figure may be reduced. The move towards improved quality may also affect the overall target for student enrolment in public and private universities. Private colleges have not been allowed to award degrees since 2013 due to the poor quality of their educational standards. They offer Higher National Diplomas. These are not degree-level courses, but a Higher Diploma is a recognized qualification. Therefore, it is possible that students who don't pass the new selection criteria for a place at a public university may enrol in the private sector and that may lead to a significant increase in overall enrolment by 2020.

The Higher Education Department is responsible for five public Universities, four of which are under the direct responsibility of the MoES. The fifth is the University of Health Science. Traditionally the four universities have offered courses in, for example: business studies, Banking, Management etc. These courses require little in the way of physical resources. However, the sub-sector is under pressure to produce graduates with technical skills and knowledge to meet the demands of the labour market. These skills are usually referred to as STEM skills. (Science, Technology, Engineering and Mathematics). Teaching such skills requires sophisticated and expensive technical resources, as well as high quality, knowledgeable, teaching staff. In addition to that, students entering the higher education arena do not, in the main, have the pre-requisite educational background in such subjects as they are generally not addressed in primary and secondary grades. The lack of foundation skills to prepare for a higher education STEM subjects is being addressed by development of new curricula and a focus on improving mathematics teaching at primary level, but the lack of access to laboratories and other specialist resources at lower and upper secondary school means that the number of enrolments in STEM related higher education course is limited.

In addition to technical skills and knowledge, students also need the 'soft' or transferable skills which lead to increased employability. These include, for example: problem solving ability, creativity, good interpersonal skills and reliability. A new complimentary curriculum is being

developed to enable universities to teach such skills. It is planned to be delivered in 2019. However, there is still a need for students to gain meaningful work experience as part of their studies.

The introduction of program level quality assurance systems will have a fundamental and positive impact on the quality of provision provided that it is accompanied by a transparent accreditation structure. Universities already submit annual self-assessment reports to ESQAC and the Higher Education Department plans to have a quality assurance office in each university by 2020. The initial focus will be on institutional level QA. The structure should be in line with ASEAN standards to facilitate development of regional networks and encourage student mobility. The National University of Lao is a member of the ASEAN University Network and is developing standards for program level quality assurance.

Higher Education Challenges to meet expected outcomes

High quality graduates in science, technology, engineering and mathematics are essential to accelerating economic development in the future. Achievement is dependent on access to foundation skills at least in the lower and upper secondary schools, skilled teachers and appropriate learning resources. Despite the progress which has been made over the over the life of the ESDP to date, provision of such high quality physical and human resources remains a key challenge for the sub-sector. There is a need to work closely with development partners and employers to continue the advances that have been made.

The quality, skills and knowledge of HE staff is also a key challenge. Many existing lecturers will need to retrain to teach the new skills and new technical professionals from industry will also be required to teach new specialist subjects. These staff will be trained in pedagogy before they begin teaching but they will have no teaching experience. Both groups of staff will need to be carefully monitored to ensure that their teaching meets professional standards and that students are able to reach high standards of performance.

Development of Quality Assurance systems at program and institutional level is challenging. However, it is an essential element for the sub-sector to become a competitive member of the ASEAN regional network of Universities and offer opportunities for student mobility.

Another key challenge for the sub-sector is developing strong, mutually beneficial regional and international networks both with other universities and industries. The Higher Education Department is a member of APQN and should take every opportunity to participate in overseas conferences and seminars in order to gain effective contacts and build strong professional networks.

Priorities to support Higher Education Sub-Sector Achievement by 2020

1. Complete and start to deliver the complimentary course on skills to enhance employability.
2. Prepare the guidelines, legislation and decrees necessary to formalize new courses, quality assurance and accreditation.
3. Actively seek to strengthen regional and international networks
4. Prepare a detailed set of criteria for monitoring teacher performance in delivery of the new courses.

5. Encourage private universities to meet the quality standards necessary to award degree level courses.
6. Prepare guidelines on conducting tracer studies and how to use the results as a basis for decision making.
7. To establish a Center of Excellence for agriculture at Champasack university; environment at National University of Laos; engineering logistics at Savannakhet university; and tourism management in Souphanouvong university by 2021.
8. Strengthen the Faculty of Engineering of NUOL in relation to the establishment of a Technology University.
9. Create five new curricula using foreign language as a teaching medium (currently there are 4 such curricula)
10. Continue to upgrade the teaching staff ratio to achieve 1:6:3 ratio. (Bachelor: Masters: Doctorate)
11. Continue to conduct tracer studies in higher education to obtain information on graduates' employment and use such results to improve teaching and learning to ensure that 85% of graduates gain employment after graduation.
12. Ensure that higher education quality assurance units conduct self-assessment regularly, at least once a year, and conduct external assessment once every 5 years.

Scholarships

Terminology: In this section scholarships refer to financial support from the Government of Lao for students and staff to enable them to continue their studies at higher education level. This mainly includes students transitioning from upper secondary to University level.

Implementation

Responsibility for scholarships in the public education sector is shared mainly between three main sub-sectors. The Inclusive Education Centre manages scholarships for students with disabilities. A small number of scholarships for students with disabilities are provided by the GoL but the majority are funded by development partners. These scholarships have been described in the sections on post-basic sub-sectors above.

The table below shows the most recent available data for numbers of in-country and abroad scholarship holders²³.

Field of Study	2015				2016			
	In-country	Abroad	Total	%	In-country	Abroad	Total	%
Education and Teacher Training	6,696	353	7,049	14%	6,330	157	6,487	12%
Arts and Humanities	5,870	118	5,988	12%	6,657	111	6,768	13%
Social Sciences, Information and Journalism	874	434	1,308	3%	691	378	1,069	2%
Management, Administration , Laws	10,720	1,134	11,854	24%	11,468	1,185	12,653	23%
Natural Sciences, Mathematics and Statistics	1,494	136	1,630	3%	1,605	128	1,733	3%
Information and Communication Technologies	2,384	318	2,702	5%	2,818	218	3,036	6%
Production & Construction Engineering/Technology	10,652	507	11,159	22%	12,617	584	13,201	24%
Agriculture, Forestry, Fishery and Veterinary	3,885	104	3,989	8%	4,728	97	4,825	9%
Health and Welfare	1,743	579	2,322	5%	1,713	330	2,043	4%
Services	1,895	51	1,946	4%	2,207	34	2,241	4%
	46,213	3,734	49,947	100%	50,834	3,222	54,056	100%

²³ The table does not include scholarship holders for the preparatory year of study.

The table shows the large proportion of abroad scholarship holders who study management, administration and law compared to those who study STEM fields.

The Vocational Education and Training Department send a very small number of students to study mainly mechanical and agricultural engineering at training centres in China. These scholarships are funded by the Chinese Government. The Student Affairs Department manages scholarships for students to further their studies at University level both in-country and abroad funded by the Government of Lao.

Approximately 20% of all new university entrants are awarded scholarships from the GoL every year in line with the increases in enrolment. The government has also increased the amount of each scholarship recently and it now covers all expenses including tuition fees, accommodation, subsistence and books. Most University courses are four years in duration, but each scholarship is available for five years, to mitigate against a student failing one year (for an acceptable reason) during the course.

Selection of scholarship beneficiaries is conducted at provincial level. The central Department of Planning allocate a quota of scholarship funds to each province by subject each year. Students complete an application form and submit to the PESS. A committee usually comprising PESS, local authority representatives and school principals select the students based broadly on poverty, merit and a report from the school on the student's general suitability to continue to higher education. Applicants are required to select a first and second choice of subject and if selected, the priority is to send them to the University nearest their home.

In 2018/19, there were 12,132 new entrants to Higher Education. This number includes these Ministry or other staff seeking to upgrade their qualifications. Staff wishing to upgrade their qualifications either pay for themselves or are funded by development partners. A total of 9,451 were graduates from upper secondary schools and 20% of these were allocated a government scholarship.

Challenges

Even though scholarship provision has increased in line with enrolments, the key challenge lies in the relatively unchanged student profile. At a time when the MoES is moving towards provision of science, technology, engineering and mathematics (STEM)–based courses, most students still request scholarships for Business studies and Banking-type programs.

The scholarships office at central level has an opportunity in the coming years, to weight the scholarships allocation in favour of students who enrol in STEM – based programs. However, to ensure a steady increase in STEM- based scholarships, there is a need to prepare students at the basic education level especially in mathematics. In the past it has been sufficient for students to perform basic arithmetic operations quickly and accurately. However, to enable students to reach the levels required of STEM – type courses they need to have a conceptual understanding of number from an early age to perform well in more fundamental mathematical concepts such as fractions, decimals, percentages and geometry which are a basic requirement for all types of engineering, technology and sciences.

Priorities for 2020

The main priority for 2020 is to consider how provision of scholarships can contribute to changing the student profile in a move away from traditional 'white collar' jobs. These positions are now over-subscribed and highly competitive whereas there is a national shortage in STEM-based skills.

Sports

Terminology: 'Sports' refers to the 12 types of sport, general physical education, and performing arts, offered by the MoES. In addition to the more modern sports it also includes sports which are traditional to Lao PDR.

Implementation

Community Sport, better known as 'Sport for All', has a 2020 target to support at least 30% of the population to engage in physical exercise and play sports regularly. Interest in such activities has increased considerably over the period of the ESDP and in 2018, 22% of the population were actively engaged, even though no budget for equipment had been available since 2016/17. Therefore, it is likely to meet its targets.

The MoES has a specialist college for training physical education and sport teachers and another for training teachers of performing arts. The department has a joint overall target of providing teachers in physical education and arts to 90% of public and private schools as well as Higher Education Institutions across the whole country. As at 2018, sports and arts education were being delivered in 60% of primary schools, 75% of secondary (lower and upper) schools and 92% of Higher Education Institutions. The Department is therefore confident that the overall target of 90% will be reached by the deadline.

To raise the profile of Lao Sports at regional and international level, competitors are supported by a team of elite sports coaches and trainers. The team of trainers derive from several different organizations, brought together as part of the National Sports Federation. Trainers/coaches work at local, provincial and national level. The ESDP includes a clear plan of how many trainers/coaches are needed at each level for optimal operation, however these targets can be seen as a work in progress as the numbers are governed by the quota system. There are currently 252 professional trainers/coaches nationwide and it is envisaged that this number will grow during 2018–2020 but may not reach the targets set during the life of the current ESDP.

Local sports competitions, including Lao traditional sports are held regularly all over the country, both formally and informally, however the most important national competition is the National Student Games held every three years.

To increase the country's competitiveness, students from lower and upper secondary level who demonstrate outstanding ability in any of the 12 key sports are awarded scholarships to study at the National School for Talented Athletes. The scholarship includes accommodation, full board, tuition and administration fees. As at 2018 approximately 160 student athletes are enrolled.

The annual ASEAN student games is a major regional event and Lao PDR also fields competitors in the ASEAN Para-games which are held every 2 years. Para-athletes also benefit from a special sports program for students with disabilities supported by the Japanese NGO Asian Development

with Disabled Persons (ADDP). There is an active National Olympic Committee and the country regularly send competitors to the Olympics and Paralympics.

Challenges

Much progress has been made but a key challenge is finding sufficient funds for equipment, teachers and trainers/coaches for both sports and performing arts. The quota system places limits on staffing and there is a need to earmark specific funds for sport and arts in the national budget.

There is no shortage of referees for local games but there are a very limited number of referees at regional and international standard. Contributing referees to overseas or regional games is a key indicator of regional and international recognition and there is a need to increase the number to assist in raising the country's sports ranking.

Priorities for 2020

1. Support football and Self Defence as professional sports
2. Continue to ensure that Muay Lao Boxing remains competitive
3. Increase the number of sports and art teachers, professional trainers and coaches, to meet 2020 targets as shown in the ESDP
4. Increase the number of sports from 12 to 15 especially in areas of self defence
5. Increase the country's ranking in the South East Asia Games (SEA Games) league table to be 8 or 9 out of the 11 participating nations.

Management and Administration

Overall objectives

1. To ensure the collection and management of school data and effective use of the data for planning, budgeting and systematic monitoring to ensure effectiveness of internal and external fund utilization.
2. To ensure that organizational structure from central to local is relevant to roles, mandates and responsibilities of each sub-sector.
3. To ensure that education and sports sector has the evidence to inform policy making.
4. Improve and develop knowledge, capacity and experience on education management with quality for all education administrators.

There are eight strategies to implement for achieving the objectives of development of the management of education and sports sector.

Strategy 1: To improve and align planning and budgeting systems for effective use of budgets.

Strategy 2: Improve education administration and management systems by using ICT to be consistent with the education and sports context.

Strategy 3: Improve management systems, the utilization of teachers and education staff at each level.

Strategy 4: Strengthen inspection, M&E systems and quality assurance for the education sector

Strategy 5: Improve and strengthen the management and implementation of externally financed programs.

Strategy 6: Study and Research on the issues related to education

Strategy 7: Strengthen the training system and upgrading education and sports administrators to become professional

Strategy 8: Strengthen education information dissemination.

Terminology: Management and administration refer to senior management structures, central departments and centres, and at the sub-national level, PESS and DESB.

Implementation against Planned Strategies

A Planning and Budgeting Committee has been established to strengthen links between plans and available budgets. MoES has introduced Annual Costed Sector Plans (ACSEPs), a planning tool to operationalize the 5-year ESDP on an annual basis. The ODA database is being strengthened and updated to provide more relevant information to both MoES/MPI planners and development partners. A Teacher Allocation Committee has also been established to improve the efficiency of teacher deployment and placement. Department of Inspection is developing a stronger ESDP M&E framework to improve sector performance.

To meet the need of education development and the aim of government to reduce the number of civil servants, recently MoES has restructured its organization by revising the mandates for MoES departments and centres together with PESS and DESB. These mandates outline new/revised roles, responsibilities, scope of rights, structure, personnel and working methods, although more work is needed at sub-national level to better match actual staffing to required staffing due to different numbers of schools across districts.

MoES has trained all school principals and VEDC representatives to strengthen implementation of school-based management. MoES is currently preparing a major education planning and management training program based on the IIEP Education Sector Planning program (ESP). The training program, which will target central, provincial and district education administrators, will be implemented throughout 2019 and 2020. The MoES website has been updated and now includes a broad range of education-related information that is frequently updated.

Challenges to meet expected outcomes

Considerable fiscal constraints will remain at least until 2020, therefore the sector needs to determine how to more efficiently use its human and financial resources. However, the current very reduced quota from MoHA makes it difficult to add more required staff to PESS and DESB. In addition, the low share of GoL's non-wage budget makes it difficult to effectively plan programs for quality improvements.

There is a need to improve the quality and efficiency in education spending, including: (i) improving the efficiency of teacher deployment; (ii) strengthening the linkage between planning and budgeting through full operation of the Planning and Budgeting Committee (with formal presentation of the ACSEPs and of draft annual budgets); (iii) improving financial data collection for enhanced accountability and analysis; and (iv) further capacity building of administrative staff, particularly at sub-national level.

Priorities to support Planning and Management Achievement by 2020

1. Oversee collection of data from all sources and share regularly between central departments, DESB and PESS to ensure a free flow of information
2. Coordinate a training program for department heads to strengthen analytical skills to improve understanding of EMIS data and other related information as a basis for planning and decision-making
3. Work closely with senior managers from Inspection, (including M&E) Planning and Finance to strengthen the links with planning and budgeting
4. Develop strategies to make resource allocation more sensitive to policy needs and local conditions.

Quality Assurance

Terminology: Education quality assurance in this context refers to development, monitoring, evaluation and revision of education standards and indicators in both the public and private education sector.

Implementation

The Education Quality Assurance Centre (EQAC), is responsible directly to the Minister. It is tasked with responsibility for all aspects of education quality assurance at all education levels. This includes development, monitoring and revision of education standards and indicators in both the public and private education sector. It also ensures that regional and international standards are taken into account wherever possible when developing new initiatives for all Ministries which provide education programs

One of the foundations for improvement of quality is the clarity, relevance and measurability of approved quality standards and indicators. In the MoES, each technical education sub-sector has its own set of performance standards and indicators prepared in collaboration with ESQAC. Post-basic sub-sectors prepare annual self- assessment reports which they submit to ESQAC's QA office. However, feedback from sub-sector meetings at central level indicate that the primary and secondary standards and indicators are too complex to follow clearly. There was little evidence that standards and indicators were fully understood or being followed at sub-national level.

Quality improvement is a major goal in the MoES and this has led to a program of revisions in quality assurance. Standards for Early Childhood and Non-Formal Education have been prepared during the life of the current ESDP and submitted for approval. The quality standards and indicators for Primary Education, prepared in 2013, include those which would best be reported by EMIS. Therefore, EMIS-related indicators have been removed from the Primary Education Standards and added to the EMIS reporting requirements. The Primary Education Standards will thus include only those indicators related to technical education provision. These remaining education-delivery related indicators have also been revised to make them clearer.

The revised standards have been submitted for approval and will be discussed along with the new Early Childhood and Non-Formal Education standards at a high-level Ministerial meeting to be held in mi-November 2018. Standards for Lower and Upper Secondary education also contain EMIS-related indicators. These will be revised once lessons from the revision of the primary education standards have been learned and the primary education standards have been

approved. The quality standards for TVET and HE are at Institutional level and were approved in 2016. Both sub-sectors are required to submit annual self-assessment reports to the QA office of ESQAC. However, there is a need to improve quality by conducting external quality assurance.

A team of senior staff, selected against stringent criteria from Universities and TVET colleges across the country, have been trained by staff of the Asia-Pacific Quality Network (APQN) based in the Philippines to become Master External Assessors. External assessment of TVET colleges at Institutional level will start in 2018/19. It is anticipated that the TVET colleges will respond to the assessment by demonstrating close compliance with the standards and such, begin to improve the quality of the institution as a whole. Once key institutional quality mechanisms are in place the colleges can begin to prepare program level quality assurance and this will significantly improve the quality of provision.

Institutional quality assurance standards are being implemented in the 4 Universities under the auspices of the MoES, but it will take a little longer for University external assessment. A National Quality Assessment Framework is now being developed and it is envisaged that External Institutional Quality Assessment for Universities will start within the next 2–3 years.

In terms of program level quality assurance standards at University level, NUOL is already following the AUN guidelines on program level quality assurance and an international TA began work in 2017/18 to support the other 3 public universities to prepare program- level quality assurance standards. Consistent compliance with externally evaluated institutional quality assurance standards will enable private institutions to upgrade their status and, in some cases, restore their right to offer degree level courses. This in turn will increase access to as well as quality and relevance of higher education, thus contributing to a better educated work-force. However, the strengthening of quality standards is very challenging.

Challenges.

Creation of the new ECE and NFE quality standards, together with revision of the primary education standards requires development of a new quality assurance framework and a new qualifications framework. The new standards cannot be implemented effectively without these frameworks, but it takes time. There is a need to continuously review the standards and conduct a rolling program of revision and improvement.

Dissemination of new standards, policies and frameworks at sub-national level are essential if the standards are to have the impacted expected of them. However, understanding of how to implement the standards, and even the meaning of some of the standards themselves are sometimes limited at local level. There is a need for PESS and DESB to pay greater attention to achievement of quality standards and support schools accordingly.

At higher education level, TVET colleges and universities each have a quality assurance unit which is required to send annual self-assessment reports on compliance with quality standards to the ESQAC Quality Assurance office. However, it is sometimes difficult to encourage units to respond. There is a need for issuance of a Decree which ensure that sub-national levels implement the standards.

Sub-sector compliance against clear Quality Assurance standards with measurable indicators is a powerful mechanism to improve quality of provision at all levels. There is a need to ensure that

sufficient physical and human resources are available to monitor and evaluate the system and use the results as basis for future decision making.

Priorities for 2020

1. Gain approval for the National QA Framework and National Qualifications Framework.
2. Gain approval for the new ECE and NFE standards as well as the revised standards for Primary Education.
3. Prepare the Decree to ensure that sub-national levels comply with the University and TVET institutional quality assurance standards, including the requirement to submit annual self-assessment reports.
4. Disseminate the new Decree and information on ECE, NFE and Primary Education Standards effectively.
5. Strengthen capacity of QA staff at all levels.
6. Prepare program-level standards at all 4 Universities with a focus on economics and business courses.

Chapter 5: SDG4 Thematic Topics and Linkages with ESDP 2016-20

The 70th Session of the United Nations General Assembly and adopted the 2030 Agenda for Sustainable Development. This was designed with the active involvement of UNESCO. Education plays a central theme throughout the 2030 Agenda, which includes a stand-alone education goal and education-related targets within 7 other of the 17 Sustainable Development Goals (SDGs). SDG 4 aims to “ensure inclusive and equitable quality education and promote lifelong learning opportunities for all” by 2030. The goal consists of ten targets to guide countries along a transformative path to a sustainable education agenda.

Most ESDP 2016-2020 Outcome Statements have a close correspondence with the SDG 4 global indicators as both the ESDP Outcomes and SDG 4 indicators emphasize improving equity and quality throughout all levels of the education system. In Chapter 5 each SDG 4 global indicator that can be measured in Lao PDR is discussed in the context of its relationship with achieving the overarching ESDP 2016-2010 goal.

The global and thematic education indicators were designed to facilitate cross-national monitoring of progress towards the targets. Countries will be encouraged to report on both global and thematic indicators. Each country will determine whether it is able to collect all the data needed for each of the recommended indicators and to report them as requested. Countries may choose from the list of thematic indicators that are most relevant for their policy needs. International organizations will continue to collect data from countries for cross-national comparisons and to report on trends. In total, there are 43 indicators for the SDG4 targets. The table below maps the ESDP high-level outcomes to SDG4 global indicators.

Mapping of ESDP high-level outcomes to SDG4 indicators

ESDP 2016-20 high level outcome	Global SDG 4 Targets
Outcome 1: Number of learners from ECE to lower secondary M 4 increases with special focus on the disadvantages and ensuring gender equity.	<p>4.1: By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes.</p> <p>4.2.2 Participation rate in organized learning (one year before the official primary entry age), by sex.</p> <p>4.3.1 Participation rate of youth and adults in formal and non-formal education and training in the previous 12 months, by sex.</p> <p>4.5.1 Parity indices (female/male, rural/urban, bottom/top wealth quintiles and others, such as disability status, indigenous peoples and conflict-affected, as data become available) for all education indicators on this list that can be disaggregated.</p>
Outcome 2: Increased number of primary school children with functional literacy and numeracy skills.	<p>4.2.1: Proportion of children under 5 years of age who are developmentally on track in health, learning and psychosocial wellbeing, by sex.</p> <p>4.1.1 Proportion of children and young people (a) in Grade 2 or 3; (b) at the end of primary education; and (c) at the end of lower secondary education achieving at least a minimum proficiency level in (i)</p>

	reading and (ii) mathematics, by sex
Outcome 3: Increased number of qualified and competent teachers with better student learning outcomes across all subjects of the national curriculum from ECE to Secondary education.	4.c.1 Proportion of teachers in: (a) pre-primary education; (b) primary education; (c) lower secondary education; and (d) upper secondary education who have received at least the minimum organized teacher training (e.g. pedagogical training) pre-service or in-service required for teaching at the relevant level in a given country, by sex.
Outcome 4: All schools have physical and human resources to equitably improve student learning outcomes.	4.a.1 Proportion of schools with access to: (a) electricity; (b) the Internet for pedagogical purposes; (c) computers for pedagogical purposes; (d) adapted infrastructure and materials for students with disabilities; (e) basic drinking water; (f) single-sex basic sanitation facilities; and (g) basic handwashing facilities (as per the WASH indicator definitions)
Outcome 5: Increased numbers of basic education graduates who have acquired basic skills and knowledge and can apply for work in the labour market or continue post-basic education or become entrepreneurs.	4.4.1 Proportion of youth/adults with information and communications technology (ICT) skills, by type of skill. 4.4.3 Youth/adult educational attainment rates by age group, economic activity status, level of education and programme orientation
Outcome 6: Increased Adult literacy rate and gender parity index for adult literacy.	4.6.1 Proportion of a population in a given age group achieving at least a fixed level of proficiency in functional (a) literacy and (b) numeracy skills, by sex.
Outcome 7: The quality and number of post-basic education graduates from public and private education is aligned with the needs of the 8th NSEDP.	4.4.1: Proportion of youth and adults with information and communications technology (ICT) skills, by type of skill. 4.7.1 Extent to which (i) global citizenship education and (ii) education for sustainable development, including gender equality and human rights, are mainstreamed at all levels in: (a) national education policies; (b) curricula; (c) teacher education; and (d) student assessment
Outcome 8: Education and Sports sector is appropriately structured, resourced and monitored by using Annual Costed Sector Plans that are linked to ESDP 2016-20.	No corresponding SDG.
Outcome 9: Financing plan of ESDP takes into account the need to reduce disparities related to gender, ethnicity, poverty and location.	4.1: By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes. 4.3.1 Participation rate of youth and adults in formal and non-formal education and training in the previous 12 months, by sex. 4.b.1 Volume of official development assistance

	flows for scholarships by sector and type of study.
Outcome 10 Policy decisions are evidence-based.	No corresponding SDG.
Outcome 11: The number of general and professional athletes matching regional and international quality standards is increased and the physical health of the Lao population is improved.	No corresponding SDG.

MoES has been working with UNESCO and other development partners to identify possible indicators for the various SG4 targets. Currently, EMIS can provide data for 4 SDG4 indicators and LSIS a further 6 indicators. The Education and Sports Statistics Centre plans to improve coordination both within the sector and with other sectors (particularly health) to increase the number of indicators to allow more comprehensive reporting against SDG4. The section below describes current progress using available indicators.

Current progress against SDG targets

Target 4.1: By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes.

4.1.1 Proportion of children and young people (a) in Grade 2 or 3; (b) at the end of primary education; and (c) at the end of lower secondary education achieving at least a minimum proficiency level in (i) reading and (ii) mathematics, by sex

The proportion of students out-of-school (compared to the official age ranges) is 20% for primary, 40% for lower secondary and 60% for upper secondary with each level having considerable numbers of over-age students (17% for primary and 20% for lower secondary). The cohort completion rate is 80.4% for primary education, 54% for lower secondary and 31% for upper secondary.

The quality of learning is not sufficient as evidenced by the 2017 assessment of learning outcomes at grade 3 level for Lao language and mathematics (see chapter 3). Results indicate that proficiency is quite low for both boys and girls with considerable variation across provinces.

Target 4.2: By 2030, ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education.

1.2.1 Proportion of children under 5 years of age who are developmentally on track in health, learning and psychosocial well-being, by sex.

High percentages (90 percent or higher) of children in Lao PDR are “on track” 3 of the 4 domains of the UNICEF Child Development Index with low levels of disparity by gender, location, household wealth and ethnolinguistic group. However, only 25 percent of children are judged to be on track in the fourth domain, Literacy/Numeracy, with large disparities linked to region of the country, household wealth, the remoteness of the household and the level of education of the child’s mother.

In the 2017 implementation of the Lao Social Indicator Survey, the UNICEF/MICS Early Childhood Development Index module was administered to children 3 and 4 years of age. (It was not available at the time of the 2012 LSIS). Overall the ECD Index for Lao PDR was 89.1. The percentage of children 3 and 4 years of age who are on track in the domains of Physical Development, Social Emotional Development and Learning were found to be in the 90 to 99 percent range. There were generally small to moderate differences in the percentage of children on track in these domains related to geographical region, household wealth, gender, ethnolinguistic group, the educational level of the mother and whether or not the child was participating in an ECE programme.

In the other domain of the index, Literacy/Numeracy, only about 25 percent of children 3 and 4 years of age were judged to be on track. There was significant variation among groups of children. While gender differences were minimal, there were large differences among regions in the percentage children 3 and 4 years of age being on track in Literacy/Numeracy. In several provinces (primarily in the south) the percentage of young children on track in Literacy/Numeracy was less than one half the rate of young children in Vientiane. Children from non-Lao ethnolinguistic households were also only half as likely to be on track in Literacy/Numeracy development as their peers in Lao-Tai households and children in the bottom 40 percent of household wealth were only about one fourth to one fifth as likely to be on track for Literacy/Numeracy as children in the wealthiest 20 percent of households.

Not surprisingly, children in households with better educated mothers had higher rates of Literacy/Numeracy. A child whose mother had an upper secondary education or higher was three times as likely to be on track than a child whose mother had a primary education or less. 50 percent of children who reported that they are currently attending an ECE programme were considered on track for Literacy/Numeracy while just 12 percent of children not currently attending an ECE program were on track.

4.2.2 Participation rate in organized learning (one year before the official primary entry age), by sex

The GER for children 5 years of age is 77.1 percent with near gender parity. However, participation varies significantly by districts and by differences in household wealth, location and ethnolinguistic group.

The MoES EMIS produces estimates of GER for 5-year-olds from enrolment data and population estimates. In 2018 the GER for children 5 years of age was 77.1 percent with near parity for girls. Participation rates can differ quite markedly across the 148 districts in Lao PDR with 25 percent of districts having rates below 65 percent and 25 percent of districts having rates higher than 88 percent (2017). While the variation among districts is large, in 2017 this variation was about one half the variation of 2013 estimates of the GER for 5-year-olds suggesting that MoES investment is improving equity of opportunities for ECE.²⁴

Differences in district level participation rates are the result of differences in the supply of opportunities for ECE (programs, facilities, teachers) and underlying challenges faced by

²⁴ Coefficient of variation for district level GER for children 5 years of age about 50 percent smaller than in 2013.

households and children that can impact participation. Individual level data from the 2017 LSIS survey highlights how these challenges result in significant gaps in ECE participation. Children 5 years of age in the poorest households (bottom 20 percent) were about 30 percentage points less likely to report participation in either ECE or grade 1²⁵ than their less poor peers. Children 5 years of age from non-Lao ethnolinguistic groups were about 15 percentage points less likely to report ECE or grade 1 enrolment than children from Lao-Tai households. While the gaps associated with ethnolinguistic group and the remoteness of the household have narrowed since 2012, the gap associated with household wealth has remained quite large.

Target 4.3: By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university.

4.3.1 Participation rate of youth and adults in formal and non-formal education and training in the previous 12 months, by sex

An indicator for this target is still to be developed.

Target 4.4: By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.

4.4.1 Proportion of youth/adults with information and communications technology (ICT) skills, by type of skill

An indicator for this target is still to be developed.

Target 4.5: By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations.

4.5.1 Parity indices (female/male, rural/urban, bottom/top wealth quintiles and others, such as disability status, indigenous peoples and conflict-affected, as data become available) for all education indicators on this list that can be disaggregated

MoES data sources (primarily the EMIS) are utilized regularly by the MoES to assess gender equity across the system. In addition to estimations of gender parity in participation (enrolment), the system can produce basic indicators of outcomes (completion, survival, promotion, drop out, repetition) for subsectors (and in some cases, grades) disaggregated by gender and administration (Province/District).

The school-based census (EMIS) does not permit an exploration of how participation and outcomes may differ across other important characteristics like wealth, degree of remoteness and ethnolinguistic group. Fortunately, in the case of Lao PDR there have been two recent administrations of a social indicator survey (Lao PDR Social Indicator Survey – LSIS)- in 2012 and 2017- that does provide insights into how differences in relation to participation in education and outcomes.

²⁵ Grade one was included in order to capture children 5 years of age already enrolled in primary education.

Equity Indices by subsector:

ECE:

- ***Gender parity in GER of 5-year olds***
- ***Large disparities in participation of children 5 years of age by household wealth (bottom 20 percent participation lower by 30 percentage points)***
- ***Disparities in participation – but smaller than household wealth disparity – linked to remoteness of household and ethnolinguistic group.***

Whether measured using EMIS data (GER) or individual level data in the 2017 LSIS, the participation of 5-year-olds in ECE is essentially at parity for Gender. There are significant differences in ECE participation across the regions with GERs for children 5 years of age in some districts near 100 percent while others are 20 percentage points lower. While large, district level differences have narrowed since the 2013.

An analysis utilizing individual level data (LSIS 2017) indicates that there are large differences in participation rates for children 5 years of age by household wealth; with children in the poorest households being about 30 percentage points less likely to report participation in an education program. Children from households where the household head is not a member of the Lao-Tai ethnolinguistic group were also less likely to report current participation in education by about 15 percentage points.

Primary Education:

- ***Gender parity national Primary GER (but with some regions having GPIs below 0.95)***
- ***Gender Parity Index of 1.04 national primary cohort completion rate with significant variation by district.***
- ***Large disparity in primary completion for poorest children (bottom wealth quintile) in 2017.***
- ***Smaller disparities in primary completion for children from remote areas and children from non-Lao-Tai ethnolinguistic groups.***

Nationally, gender parity is near 1.0 for primary education GER. Differences in parity are present in district level calculations, although the differences have narrowed considerably since 2013. Individual level data (LSIS 2017) confirms that girls and boys of primary age are about equally likely to be enrolled in primary education.

Nationally the primary cohort completion rate in 2017 for girls is higher than that for boys (also for 2013 and 2015). Primary cohort completion rates calculated at the district level vary from the about 44 percent to nearly 100 percent with 25 percent of the districts having rates below 75 percent.

Individual data from the 2017 LISIS indicates that there are large differences in the primary completion rates linked to household wealth. The percentage of children 11 to 14 years of age from the poorest 20 percent of households that have completed primary education is about 60 percent, while about 90 percent of the children from other households have completed primary education. The percentage of children in remote households and children from non-Lao-Tai homes that have completed primary education were also lower than their peers in less remote households and Lao-Tai households. These differences were less than half the size of the difference by household wealth.

Lower Secondary Education:

- ***Gender Parity Index of .95 for lower secondary GER (was .91 in 2013 before lower secondary became compulsory)***
- ***Significant variation in Gender Parity Index for lower secondary GER by district (about 1/3 of districts below .90 and about 1/3 of districts greater than 1.0)***
- ***Percentage of the relevant age cohort enrolled in lower secondary significantly lower for poor households (bottom 20 percent)***
- ***Children from non-Lao Tai households or remote households also less likely to be enrolled in lower secondary school.***

Gender disparities in participation in lower secondary as measured by the national GER have narrowed quickly with the incorporation of lower secondary education into compulsory schooling. Other disparities are not closing as rapidly. Using LSIS individual data indicates that the percentage of children 13 to 16 years of age enrolled in grade 6 or higher is about 34 percent, while the figure for other non-poor children is about 75 percent. There were also disparities in participation between ethnolinguistic groups and disparities linked to residing in a remote household – but those disparities are much smaller than the differences associated with household wealth.

Upper Secondary Education:

- ***Gender Parity Index of .91 for upper secondary GER (has improved from .83 in 2013)***
- ***Significant variation in Gender Parity Index for upper secondary GER by district (about 20 percent of districts below .75 and about 20 percent of districts 1.0 or higher)***
- ***Youth from the 20 percent poorest households are much less likely to be enrolled in upper secondary education (47 percent for non-poor children versus 10 percent for the poorest children)***
- ***Youth in remote households are only about less than one half as likely to participate in upper secondary education than children not in remote households (43 percent versus 18 percent for children in remote households)***

Gender parity in upper secondary GER has improved from 0.83 in 2013 to 0.91 in 2017. Gender parity of GERs differs significantly across the districts – with some districts having a GER for girls only half the GER for boys. Using individual data from the 2017 LSIS to explore upper secondary participation reveals large differences in upper secondary participation by wealth of the household; with participation for children in the poorest 20 percent of households at 10 percent versus 47 percent for children in non-poor households. Children living in households classified as remote, were also much less likely to have participated in upper secondary education – 18 percent versus 43 percent for their peers not living in households classified as remote.

Higher Education:

University/college level 54% of enrolments are female, although a smaller proportion of women enrol in STEM programs. A similar situation occurs in TVET where the number of female students is increasing at public TVET colleges, with women accounting for 43% of all students enrolled in the academic year 2016-2017 but mostly in programs such as

tailoring, basic business administration, and hospitality. Together with development partners, MoES is addressing barriers to women's involvement in so-called "blue-collar" occupations. A 20% quota for female participants in courses covering priority skills (construction, furniture making, and automotive and mechanical repairs) has been established.

Management

Gender inequality also exists across management and administration levels. Relatively few senior managers at PESS and DESB levels are female although numbers of women in senior positions at central MoES have increased. At primary school level, 55% of primary teachers are female but only 19% of school principals are women.

Target 4.6: By 2030, ensure that all youth and a substantial proportion of adults, both men and women, achieve literacy and numeracy.

4.6.1 Proportion of a population in a given age group achieving at least a fixed level of proficiency in functional (a) literacy and (b) numeracy skills, by sex

The MoES Statistics Centre report literacy rates, based on 2017 LSIS data among 15-25 year olds as 85% for males and 77% among females. Disparities are discussed in more detail in Chapter 3.

Target 4.7: By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development.

4.7.1 Extent to which (i) global citizenship education and (ii) education for sustainable development, including gender equality and human rights, are mainstreamed at all levels in: (a) national education policies; (b) curricula; (c) teacher education; and (d) student assessment

An indicator for this target is still to be developed. In 2019 Lao PDR will participate in a SEAMEO sponsored regional assessment (SEA-PLM in 6 countries) at grade 5 level that will include an assessment of global citizenship. This will provide a comparable baseline assessment across some South-East Asian countries.

Target 4a: Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all.

4.a.1 Proportion of schools with access to: (a) electricity; (b) the Internet for pedagogical purposes; (c) computers for pedagogical purposes; (d) adapted infrastructure and materials for students with disabilities; (e) basic drinking water; (f) single-sex basic sanitation facilities; and (g) basic handwashing facilities (as per the WASH indicator definitions)

An indicator for this target is still to be developed.

Target 4b: By 2020, substantially expand globally the number of scholarships available to developing countries, in particular least developed countries, small island developing States and African countries, for enrolment in higher education, including vocational training and information and communications technology, technical, engineering and scientific programs, in developed countries and other developing countries.

4.b.1 Volume of official development assistance flows for scholarships by sector and type of study

In 2011, 1,800 (555 female) scholarships were provided through ODA support. Of these 666 were for Bachelor Degrees, 519 for Master Degrees and 75 PhDs. In 2017 scholarships for 1,700 Bachelor Degrees, 1,000 Master Degrees, 97 PhDs were awarded together with another 2,300 for preparatory study.

The table below shows trends in external scholarships by field of study. Although the number of external scholarships reached a peak in 2015, the decline afterwards is steadily being reversed.

Field of Study	2014		2015		2016			2017		
	Number	% of Total	Number	% of Total	Number	% of Total	% Female	Number	% of Total	% Female
Education and Teacher Training	437	11%	353	9%	157	4%	39%	310	8%	36%
Arts and Humanities	172	4%	118	3%	111	3%	43%	236	6%	34%
Social Sciences, Information and Journalism	382	9%	434	11%	378	9%	30%	357	9%	32%
Management, Administration , Laws	1309	32%	1134	28%	1185	29%	42%	1047	26%	40%
Natural Sciences, Mathematics and Statistics	185	5%	136	3%	128	3%	29%	177	4%	33%
Information and Communication Technologies	362	9%	318	8%	218	5%	22%	274	7%	26%
Production & Construction Engineering/Technology	401	10%	507	12%	584	14%	30%	481	12%	23%
Agriculture, Forestry, Fishery and Veterinary	149	4%	104	3%	97	2%	24%	85	2%	21%
Health and Welfare	627	15%	579	14%	330	8%	54%	803	20%	45%
Services	38	1%	51	1%	34	1%	53%	89	2%	43%
Total	4,062		3,734		3,222		37%	3,859		36%

Target 4c: By 2030, substantially increase the supply of qualified teachers, including through international cooperation for teacher training in developing countries, especially least developed countries and small island developing states.

4.c.1 Proportion of teachers in: (a) pre-primary education; (b) primary education; (c) lower secondary education; and (d) upper secondary education who have received at least the minimum organized teacher training (e.g. pedagogical training) pre-service or in-service required for teaching at the relevant level in a given country, by sex.

MoES has recently reformed its pre-service programs to strengthen both content and pedagogical knowledge. The minimum entry requirement for TTC is now completion of full secondary schooling with the previous minimum requirement being completion only of lower secondary. MoES has an upgrading program for teacher who wish to improve their qualification and future plans are to make a Bachelor of Education qualification the minimum teacher standard.

Chapter 6: Review of education financing

Introduction

While the ESDP 2011-2015 had mainly focused, with success, on expanding the education network and enrolment in primary schools, the ESDP 2016-2020 puts more emphasis on education quality improvement, and expansion of pre-primary, secondary and TVET education. The original ESDP 2016-2020 Financing Plan therefore included increased investment in these sub-sectors, as well as a substantial increase of the operational budget.

These planned increases however, did not materialise, first and foremost because of a deterioration of the country's fiscal position. The MoES and PESSs were therefore prevented from introducing a number of expenditure programmes, such as in-service teacher training and pedagogical support, key to education quality improvement. Other programmes were preserved, such as school block grants and textbook replenishment, but scholarships recently introduced for disadvantaged students are still very limited. Investment budgets in the education sector have also been curtailed, due a gradual decrease both in domestic investment and in ODA.

Public spending plans in 2019 and 2020 are likely to be revised downward in the next update of the Medium Term Fiscal Framework (MTFF), and the education budget will be much more modest than originally planned, as it has been the case in the period 2016-2018. ESDP policies and targets, and quality related expenditure programmes, must therefore be revised accordingly.

The scarcity of financial resources calls for more efficient budget management. The MoES is currently working on a few important initiatives such as strengthening the link between planning and budgeting (for more strategic allocation of resources), improving teacher deployment efficiency, and introducing formulas for more equitable budget allocation to the sub-national level.

Review of budget performance to date (2016-2018)

The revised macro fiscal framework and budget constraint

The government's macro fiscal projections are enshrined in the Medium Term Fiscal Framework (MTFF), which covers the period 2016-2025. The first version of the MTFF 2016-2025 was approved by the National Assembly in 2015. It was used as a basis for education budget projections for the ESDP Financing Plan 2016-2020. However, the MTFF is revised every year during the annual budget preparation process, to reflect changes in the fiscal situation. The last revised MTFF available, approved in November 2017, serves as a basis for this ESDP Midterm Review exercise. It includes actual budget data for 2015/16 and 2017 (preliminary), and updated projections for the period 2018-2025.

In the face of slowing economic growth, the authorities have annually revised their midterm macro fiscal projections quite substantially. The main changes between the original MTFF and the most recent revision are the following:

- Nominal GDP at 745.4 trillion kip for the 5-year period, instead of the 769.0 trillion kip originally planned
- Revenue projections at 137 trillion kip for the 5-year period, instead of originally planned 149.6 trillion kip

- Expenditures projections at 165 trillion kip for the 5-year period, instead of originally planned 167.8 trillion kip
- Fiscal deficit at 3.8% of GDP for the 5-year period, instead of originally planned 2.9%

The expenditure profile in the first years of the revised MTFF 2016-2025 has been marked by:

- A sizable increase in the wage bill in 2017, in parallel to a freeze on the total number of civil servants
- A substantial increase in debt service in 2017 and 2018
- A spike in the investment budget starting in 2017, due to the China-Laos railway megaproject, financed both externally and domestically
- A decrease of the non-wage operational budget (Chapters 62 and 63)

Due to wage increases crowding out operational expenditures, and huge transport projects (roads, railway) crowding out investment in the social sectors, the education sector has received more modest budgets than planned originally in the ESDP 2016-2020, in particular operational and investment budgets.

Overall education budget performance to date

Although the education share of budget is often referred to in terms of the *primary budget* (i.e. total expenditure minus debt service, but including ODA), in the ESDP Financing Plan 2016-2020 education budget projections were set at 17% of the *domestic primary budget*, (i.e. total expenditure minus debt service and ODA). This method of calculation was chosen as it avoids the distortionary effect of applying a percentage to the overall ODA envelope, which consists mainly of projects in the transportation area such as the China-Laos railway.

However, the overall national budget envelope was revised downward in 2016, 2017 and 2018. As a result, the education sector did not receive as much as planned in the ESDP in nominal terms, despite getting above 17% of the domestic primary budget in 2015/16 and 2018 (but only 13.1% and 14.2% of the primary budget). Tables 1 and 2 below show percentage shares and nominal budgets, and the ensuing financing gap.

Table 1 - Education share of state budget

Approved Budget	2015/16	2017	2018
Education to primary budget (incl. ODA)	16.3%	13.4%	14.02%
Education to domestic primary budget (excl. ODA)	17.9%	16.0%	16.9%

Table 2a - Education budget (ESDP projections vs approved budgets)

LAK million	2015/16	2017	2018
ESDP projections	4,416,806	4,898,126	4,969,860
Approved education budgets	4,023,548	4,037,489	4,142,987
Gap	-393,258	-860,637	-826,873

Table 2b - Education budget (ESDP projections vs approved budgets)

USD million	2015/16	2017	2018
ESDP projections	519.6	576.3	584.7
Approved education budgets	473.4	475.0	487.4
Gap	-46	-101	-97

The education budget approved by the National Assembly in 2017 was flat in nominal terms as compared to the budget for fiscal year 2015/16, but it decreased sharply in terms of percentage of the budget, from 16.1% in Budget 2015/16 to 13.1% in Budget 2017, as a result of the inclusion of the China railway megaproject in the investment budget. This left the education sector with a significant funding gap, as compared to ESDP projections, which prevented full implementation of ESDP programmes, as detailed in section 2.3 below.

Education budget composition

These global share-of-budget ratios, however, hide considerable discrepancies between the education shares of main budget expenditure categories: wage, operational (non-wage recurrent), and investment. As can be seen in Table 3 below, while the education sector usually gets around 24% of the national wage budget (Chapter 60), it gets no more than 12% of the operational budget (non-wage recurrent) and around 6% of the investment budget.

Table 3: Education share of state budget chapters

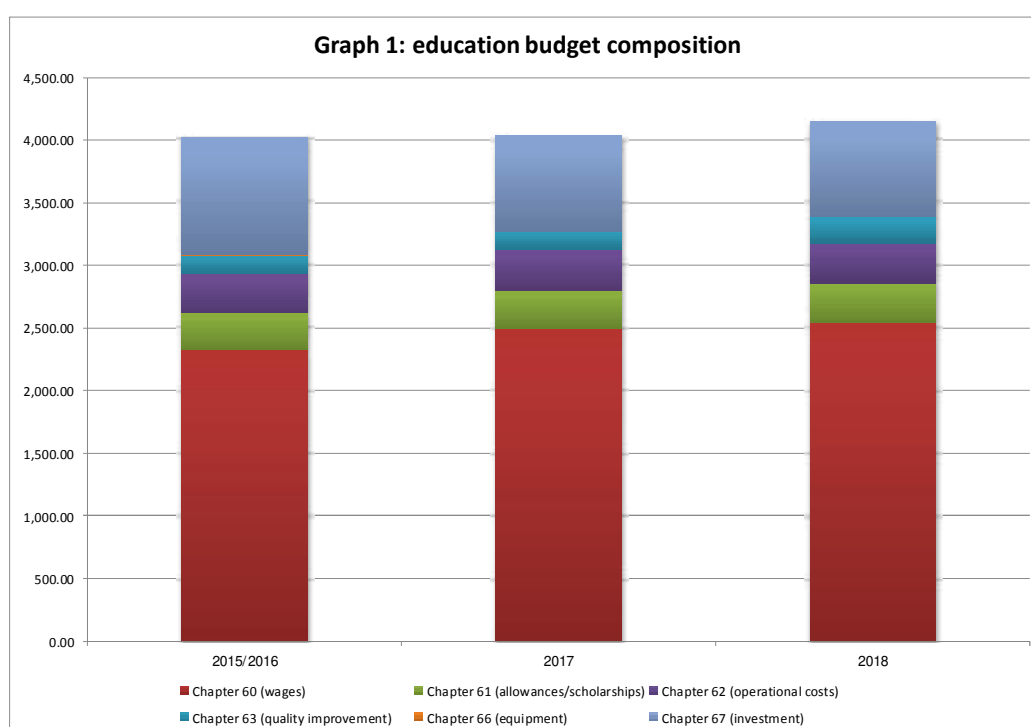
Approved Budget	2015/16	2017	2018
Education wage to total wage (chapter 60)	25.4%	23.8%	24.0%
Allowance (Chapter 61)	19.6%	17.6%	16.3%
Education operational (Chapter 62)	11.4%	11.9%	11.2%
Subsidies (Chapter 63)	8.9%	9.5%	13.9%
Education investment to total investment (Chapter 67)	11.1%	5.6%	5.9%
Education domestic investment to total domestic investment	6.5%	3.1%	2.9%
Education ODA to total ODA	10.7%	6.3%	6.4%

Considering the scope of its operations (it is the largest *public service* in Laos) and volume of its physical assets (thousands of administrative buildings and schools), the education sector therefore appears to have been particularly under-funded so far in the operational and investment budget chapters. The large financing gaps in the period 2016-2018, identified in Table 2 above, have actually resulted in the reduction or postponing of a number of expenditure programmes key to improving the quality of education service delivery. These include in particular:

- Teacher in-service training program: the ESDP had targeted teachers undergoing in-service training every 3 to 5 years. The program was almost entirely cancelled for lack of funding;
- Secondary education scholarships for disadvantaged students and families: the ESDP had targeted 2% of students receiving scholarships. This was reduced to 0.25% (1,000 students), and only started in 2018;
- Monitoring and pedagogical advisory missions: the ESDP had targeted schools being visited 4 times a year by DESB staff. This would have appeared particularly important considering the impossibility to finance in-service teacher training. However, DESB budgets were not increased, thus preventing full outreach of support services to schools, in particular those schools remote and most in need;
- Equipment (computers, lab equipment, etc.): budgets for equipment have been reduced to a minimum, thus preventing quality investment in secondary education;
- Construction of classrooms and dormitories: key to expanding enrolment in secondary education, and inclusiveness, only a fraction of what was planned could actually be financed;

- Upgrading schools to WASH standards: limited investment, and exclusively by development partners, have resulted in the percentage of WASH schools to total primary schools remaining flat at 64% from 2015 to 2018, notably due to deteriorating school infrastructure in the absence of maintenance budgets. This figure is likely to be worse after the flood disasters of 2018, which have badly affected an important number of schools.

As shown in Graph 1 below, wages (Chapter 60) represent 75% of the recurrent budget (Budget 2018). A large part of Chapters 61 and 62 (allowances and operational costs) actually consists of family and fuel allowances distributed to all education personnel throughout the country, including teachers, which are considered as entitlements complementing salary. The discretionary part of the budget is therefore very limited, in particular Chapter 63 (education quality improvement) and the domestic investment budget (part of Chapter 67).

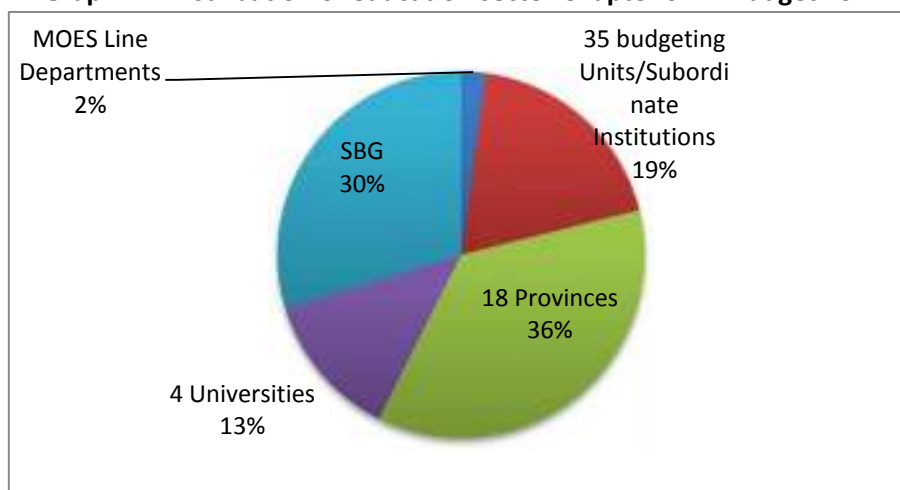


Implications at central and sub-national level

During the period under review, 32% of the education budget was implemented at the central level (which includes the MoES, its 35 subordinated institutions and NUOL), and 68% at the provincial level. Wages (Chapter 60) represented as much as 84% of the provincial budget, but only 13% of the central budget. The education investment budget is largely centralised, as 83% is under the central budget (including 99% of ODA), and only 17% is directly managed by the sub-national level (mostly domestic investment budget).

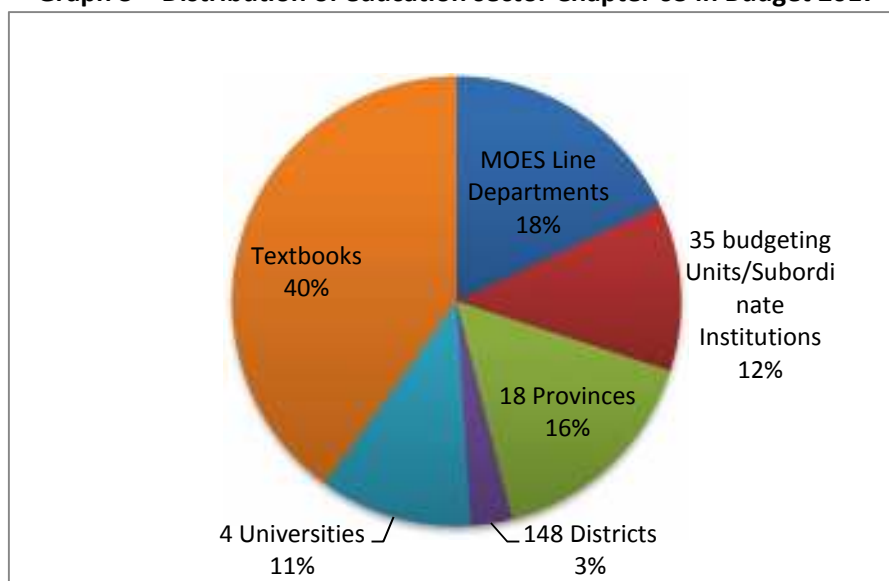
An analysis of the non-wage recurrent budget allocation shows important imbalances. As can be seen in the Graph below, Chapter 62 (operational expenditures) is largely centralised under the MoES to implement the School Block Grant programme and to cover the operating costs of its 35 subordinated institutions. Provinces are left with no more than 36% of the Chapter 62 allocation to cover expenditures of 18 PESSs and 148 DESBs.

Graph 2 – Distribution of education sector Chapter 62 in Budget 2017



Regarding Chapter 63 (education quality improvements), it is even more centralised, with the sub-national level managing no more than 19% of the budget allocation in Budget 2017. As can be seen in the graph below, the largest expenditures financed under Chapter 63 are the textbooks (mainly domestically financed replenishment), which are procured centrally. PESSs and DESBs are left respectively with 16% and 3% of what is already a very small budget, which is insufficient for them to effectively implement their assigned functions such as monitoring and pedagogical support.

Graph 3 – Distribution of education sector Chapter 63 in Budget 2017



To conclude, it appears that the budget constraint and the low percentage of the operational budget being allocated to the education sector, as well as important imbalances in the way the operational budget is allocated within the education sector (between central and sub-national level, but also within the sub-national between PESSs and DESBs), have prevented the normal operation of the sub-national level, in particular the district level. The ACSEPs 2019, presented in February 2018, estimated that the extra costs of empowering the district level to implement effectively their assigned duties would amount to less than LAK 30 billion (USD 3.5 million) on Chapter 63. This moderate request would represent no more than a 2% increase in the share of education in the total national Chapter 63. It would allow multiplying the DESBs' Chapter 63 budget by five in average, from the current average of LAK 57 million to LAK 250 million.

Revised ESDP Financing Plan for 2019-2020

Macro fiscal framework for 2019-2020

Pending approval and publication of the updated MTFF, which is expected in November 2018, the midterm review of the ESDP Financing Plan is based on the last version of the MTFF, which dates back to November 2017. It seems likely however, that the forthcoming updated MTFF will see a downward revision of the overall public spending envelope for 2019 and 2020 as domestic revenue mobilisation is lagging behind targets. In this section, we use two scenarios: Scenario 1 is based the MTFF 2017; Scenario 2 is based on macrofiscal projections adjusted downward²⁶. Both scenarios however are sensitive to economic, social and environmental risks, as described in the box below.

How vulnerable is the country to economic, social and environmental risks?

While Lao PDR's overall economic outlook is positive, the country remains vulnerable to endogenous and exogenous shocks. Among potential exogenous shocks one can mention continued US dollar appreciation (linked to further rise in US interest rates), economic slowdown in China, and uncertainties over global trade. The country's economy would be particularly sensitive to an economic slowdown in China, Vietnam and Thailand both for exports and FDI. Among potential endogenous risks, one can mention high fiscal deficits and public debt, a highly dollarized banking system, weak external sector and weak external reserves, high reliance of the population on agriculture and vulnerability to extreme weather, as demonstrated by the considerable damage caused by the 2018 floods. The capacity of the country to face such risks depends on progress in the following areas: gradual fiscal consolidation through improved fiscal revenue and rationalised expenditures, strengthening banking supervision, accumulation of international reserves, diversification of the economy, through improvement of conditions for private investment, development of infrastructure and human capital (education and health).

Financing the development of the education sector relies mainly of the fiscal capacity of Lao PDR, as the largest part of the education budget consists of recurrent expenditures, which, to be sustainable, should be financed from domestic revenue. Education sector financing is therefore particularly sensitive to slumps in tax revenue, as seen during the first three years of ESDP 2016-2020 implementation.

Revised ESDP Financing Plan for 2019-2020

For 2019 and 2020, the MoES has revised the targets and domestic expenditure programmes to match the new fiscal reality, as follows:

- Teacher in-service training program: the ESDP planned to introduce a mandatory 10-day continuous training every 3 years for each teacher. A micro program is still present in the projections for 2019 and 2020, but with no training at all for ECED teachers, and only 1%

²⁶ The adjustment consists of a 4% discount on MTFF 2017 primary budget projections, to which MTFF 2017 ODA projections are deducted.

- to 2% of primary and secondary teachers to participate in 10-day continuous training sessions per year;
- Secondary education scholarships for disadvantaged students and families: the revised ESDP financing plan targets 0.5% of secondary students as beneficiary in 2019, and 1% in 2020, instead of the 2% planned originally;
- Monitoring and pedagogical advisory missions: the MoES still includes this program in the revised ESDP financing plan, considering it compensates for the postponed in-service teacher training program;
- Equipment (computers, lab equipment, etc.): budgets for equipment have been reduced to a minimum for 2019 and 2020;
- Construction of classrooms and dormitories: number of projects revised downward for 2019 and 2020 (for instance 5 dormitories to be built per year instead of 10 in original plan);
- WASH schools 2020 targets: 90% instead of 100% for ECE schools; 70% instead of 85% of primary schools; 100% confirmed for secondary schools;
- Primary and secondary PCR and PTR are kept stable from 2018 to 2020, pending adoption of a new teacher allocation policy;
- TVET institutions improvement programs have been maintained as they are financed externally, but enrolment is below original targets at 24,000 instead of 52,000;
- Quotas of new teachers to be trained in teacher training colleges are down from 1,200 in the original plan to 476 in 2019 and 2020;
- Higher education's budgets for teaching and learning materials, equipment and research have been downgraded substantially;
- In sports, no further allocation for special games are planned for 2019 and 2020, as indicated by the Ministry of Finance.
- As per Government agreement: The National school lunch funding (310 schools and 515 schools from WFP), schools will receive LAK 100,000 per student in lunch funds (less than US\$1million per year)

Based on these adjustments, and a 3% annual increase of wages, the financing requirements for 2019 and 2020 are as follows:

Table 4 – Updated ESDP financing requirements for 2019 and 2020

	2016 (budget)	2017 (budget)	2018 (budget)	2019 (projections)	2020 (projections)
TOTAL	4,023,543.00	4,037,475.00	4,142,505.00	4,372,709	4,658,297
Chapter 60	2,326,776.43	2,498,478.00	2,546,524.00	2,643,635	2,779,782
Chapter 61	296,689.98	298,726.00	309,712.00	311,262	317,931
Chapter 62	313,710.59	333,269.00	325,687.00	396,016	416,283
Chapter 63	149,299.00	149,532.00	208,454.00	219,258	225,531
Chapter 66	9,327.00		0	30,490	30,490
Chapter 67	927,740.00	757,470.00	752,128	772,048	888,280

In the original ESDP Financing Plan, the education budget constraint was set at 17% of the domestic primary budget (see Table 5 below). ESDP financing requirements (i.e. the costs of policies targets and related expenditure programmes) were well above the constraint. Even after projected (net) ODA to education was factored in, there remained a substantial financing gap, cumulating to 1,071 billion kip (USD 126 million) at the end of 2018. As shown in Table 6 below,

the actual financing gap was much higher and is expected to have cumulated to LAK 2,578 million (USD 303 million²⁷) by the end of 2018.

Table 5 – Original ESDP 2016-2020 projections

Budget Projections					
	2016	2017	2018	2019	2020
Government primary expenditure (excluding ODA)	19,777,000	21,989,000	24,655,000	27,603,000	30,866,000
Education share (%)	17%	17.0	17.0	17.0	17.0
Education share (excluding ODA)	3,383,825	3,738,130	4,191,350	4,692,510	5,247,220
Financing requirements	4,416,806	4,898,126	4,969,860	5,322,760	5,517,092
Financing gap/surplus (excluding ODA)	-1,032,981	-1,159,996	-778,510	-630,250	-269,872
Projected ODA in education	656,000	619,000	625,000	705,000	625,000
Financing gap/surplus (including ODA)	-376,981	-540,996	-153,510	74,750	355,128
Financing gap/surplus (cumulative)	-376,981	-917,977	-1,071,488	-996,738	-641,609

The revised projections in the two scenarios below are also based on a 17% share of the *domestic primary budget*, as was already the case in the original projections shown in Table 5 above. As can be seen, the new budget constraint for 2019 and 2020 is significantly lower than in the original financing plan.

Table 6 – Revised ESDP Financing Plan (scenario 1)

	2016	2017	2018	2019	2020
Government primary expenditure (excluding ODA)	19,149,000	22,043,000	21,500,000	24,100,000	26,400,000
Education share (%)	17.9%	16.0%	16.9%	17.0%	17.0%
Education budget (excluding ODA)	3,418,190	3,526,620	3,625,060	4,097,000	4,488,000
Financing requirements	4,416,806	4,898,126	4,969,860	4,372,709	4,658,297
Financing gap/surplus (excluding ODA)	-998,616	-1,371,506	-1,344,800	-275,709	-170,297
Projected ODA in education	596,417	510,085	517,039	500,000	500,000
Net ODA (minus 30%: TA, overheads, not aligned projects etc)	417,492	357,060	361,927	350,000	350,000
Financing gap/surplus (including ODA)	-581,124	-1,014,447	-982,873	74,291	179,703
Financing gap(cumulative)	-581,124	-1,595,571	-2,578,443	-2,504,152	-2,324,449

In the Scenario 1 (see table 6 above), the first three years reflect actual budgets compared to original ESDP financing requirements. ODA however, is factored in *net* of development partners' overheads and projects not included in the ESDP financing requirements, such as technical assistance projects²⁸.

The resulting financing gap is therefore higher and cumulates at 2,578 billion kip (or USD 303 million) by the end of 2018.

²⁷ Based on gross ODA, the gap stands at USD 256 million by the end of 2018

²⁸ This adjustment, which is required to mirror the ESDP financing requirements to what ODA can actually cover, is made by applying a 30% discount to projected ODA.

Based on these assumptions and targets, the financing gap for 2019 and 2020 can be more than covered by planned net ODA. However, it should be stressed that the budget constraint projections under Scenario 1 are very likely to be revised downward, as suggested in the Scenario 2 (see Table 7 below).

In that alternative scenario, the ESDP revised financing requirements are the same, but the budget constraint is adjusted downward. The target education share of the domestic primary budget is still set at 17%, but the global envelope is lower than in Scenario 1 and thus the resulting projection for the education budget is inferior to that of Scenario 1. Once net ODA is integrated, it results in a slight gap, showing a more realistic and balanced budget.

Table 7 – Revised ESDP Financing Plan – Scenario 2

Budget Projections (million Kip) - Scenario 2

	2016	2017	2018	2019	2020
Government primary expenditure (excluding ODA)	19,149,000	22,043,000	21,500,000	22,783,000	25,027,000
Education share (%)	17.9%	16.0%	16.9%	17.0%	17.0%
Education budget (excluding ODA)	3,418,190	3,526,620	3,625,060	3,873,110	4,254,590
Financing requirements	4,416,806	4,898,126	4,969,860	4,372,709	4,658,297
Financing gap/surplus (excluding ODA)	-998,616	-1,371,506	-1,344,800	-499,599	-403,707
Projected ODA in education	596,417	510,085	517,039	550,000	550,000
Net ODA (minus 30%: TA, overheads, not aligned projects etc)	417,492	357,060	361,927	385,000	385,000
Financing gap/surplus (including ODA)	-581,124	-1,014,447	-982,873	-114,599	-18,707
Financing gap(cumulative)	-581,124	-1,595,571	-2,578,443	-2,693,042	-2,711,749

Conclusions and recommendations

The ESDP 2016-2020 midterm review shows clearly that the education sector has remained under-financed in the period 2016-2018. The review also suggests that, whereas an increase in the non-wage recurrent and investment budget would be essential to achieve its objectives and improve the quality of education, more should be done to improve budget management and the efficient use of scarce resources.

In 2017, the MoES established a Planning and Budgeting Committee in 2017 with a view to strengthen the link between planning and budgeting for a more strategic (and thus equitable) allocation of resources, but also to prepare a better case for increased funding by the Ministry of Finance (MoF) and Ministry of Planning and Investment (MPI) during the budget formulation process. These two questions are at the centre of the ESDP midterm review's recommendations.

Securing a fair share of the budget for education

Securing a fair share of the State Budget relates to the process of allocation of national resources across sectors. In Laos, the process is guided by the NSEDP, which sets the country's priorities for a period of 5 years. However, the NSEDP does not give strict indications of its priorities in terms of budget. Thus, the MoF for the recurrent budget and the MPI for the investment budget have some discretion in allocating resources across sectors, within the hard budget constraint.

Considering that the wage budget is non-discretionary, the only real margin can be found in the allocation of the national non-wage recurrent and investment budgets, in which the education sector appears to be particularly under-funded, as highlighted in the Section 2.3 above. Considering that there is a wide consensus on the need to invest more in human capital in order to achieve the country's development objectives²⁹, there shall be scope to secure targeted budget increases from MoF and MPI in certain budget chapters such as chapters 62, 63 and 67 (domestically funded investment). This however would require MoES and PESSs to present strategic and well-informed budget bids during the budget formulation process. This in turn requires MoES to continue and deepen its efforts at improving budget management, and in particular at better linking the planning and budgeting processes through enhanced use of the Annual Costed Sector Plans (ACSEPs) and full operation of the MoES Planning and Budgeting Committee.

Recommendation: The MoES departments of Finance and Planning should prepare together a concise explanatory note on education budget needs for the attention of MoF and MPI during the budget formulation process, showing concretely the link between additional budget requests and ESDP policies and targets. The note would be formally endorsed by the Planning and Budgeting Committee. It would, for instance, cover the request for DESBs' Chapter 63 increase to empower them and to implement the pedagogical support programme currently under revision, or the need for extra investment budget to repair schools affected by floods.

Continue improving planning and budget management

While it is crucial to ensure a fair share of the national budget to the education sector, it is equally important to ensure that funds are efficiently (i.e. *strategically* and *equitably*) allocated within the education sector (allocative efficiency). The budgeting process however is still essentially incremental, rather than strategic.

Recommendation: The Planning and Budgeting Committee should develop a plan to move the budgeting process to a more strategic mechanism with a focus on closing disparities (as identified in other chapters).

Although the MoF intends to introduce a Medium-Term Expenditure Framework (MTEF) and issue sector budget ceilings in the early stage of the budget formulation process, these reforms are likely to take time. In the meantime, the MoES and PESSs should deepen their efforts to make the best out of the planning and budgeting instruments that have been put in place: the ACSEPs, which improve the quality of planning, the MoES Planning and Budgeting Committee, which was

²⁹ A consensus shared by the Government (see NSEDP), the National Assembly, as well as development partners and the IMF

established to strengthen the link between planning and budgeting and therefore to trigger strategic budget discussions, and budget allocation formulas to distribute approved budgets more equitably between the different levels: central, provincial (PESSs), districts (DESBs), and schools.

The ACSEPs are updated every year at the central and provincial levels, and more recently have started to be expanded to the district level³⁰. By letting PESSs and DESBs setting their own targets and priorities, within a projected budget constraint, the ACSEPs provide strategic information about needs, gaps, and imbalances in current allocations. The ACSEPs 2019, which were conducted at the beginning of 2018, revealed for instance important imbalances in the way Chapters 62 and 63 are allocated to provinces and districts (see analysis in Section 2.4 above).

This analysis was used to develop a formula to be used by PESSs to allocate the provincial non-wage recurrent budget (Chapters 62 and 63) to DESBs in an equitable manner. The district allocation formula, which is based on objective indicators, will be implemented starting with Budget 2019. More however should be done to analyse disparities between and within districts, and to prioritize expenditure programmes so as to reduce these disparities.

Recommendation: To review in 2020 implementation of the formula to see whether other indicators could be added to further reduce disparities. At the same time, the MoF is currently considering the introduction of a formula for equitable allocation of the non-wage budget between provinces³¹. The formula would include three segments: health, education, and all other sectors.

Beyond the issue of equalization, allocative efficiency is also about balancing wage and non-wage expenditures, in particular non-wage expenditures that have a direct impact on learning outcomes. Key inputs in education are teachers, learning materials, physical infrastructure, and scholarships. The options available to the education managers concerning the composition of the mix of input need to be the object of systematic discussion and research, and a mechanism must exist to transfer answers to budgetary policy. The latter consists of two committees established recently: The Planning and Budgeting Committee and the Teacher Allocation Committee.

An important issue is how to contain or reduce progressively the share of non-discretionary expenditures, such as teacher salaries, in the education budget. During the first years of the ESDP 2011-2015, priority was clearly given to recruiting more teachers and increasing wages. While the Government has started to cap the total number of public servants since 2014, it has continued to increase wages regularly. As a result, the share of wages in the education recurrent budget has increased from 68 percent in 2011 to 75 percent in 2018, thus further crowding out non-wage recurrent expenditures. Improving teacher deployment efficiency is essential and the MoES is currently considering policy options to address it. The potential budget impact of these policy options should be analysed. Involving the MoF in the discussions is important to ensure that in future the fiscal space created as a result of this policy is used to increase the education non-wage recurrent budget, in particular Chapter 63.

³⁰ In January/February 2018, the ACSEPs were expanded to all districts of 4 provinces: Luangprabang, Champasack, Savannakhet and Khammouane

³¹ A first version of the formula was presented in September 2018, with ADB support.

To conclude, it is important for the MoES to demonstrate to the MoF and MPI its commitment and capacity to improve allocative and operational efficiency within the education sector. To achieve this, it is highly recommended to invite MoF representatives to participate in the meetings of the Planning and Budgeting Committee, and to include in its agenda strategic budget discussions, for instance at the occasion of the ACSEPs and draft budget presentation.

Summary of recommendations

- Add systematically in the Planning and Budgeting Committee's agenda a presentation of the ACSEPs (in February or March), as well as of the budget circular, new medium term macrofiscal projections (MTFF) and draft annual budget, so as to discuss priorities (for instance on how to reduce disparities). Invite MoF and MPI to attend.
- The MoES departments of Finance and Planning should prepare together a concise explanatory note on education budget needs for the attention of MoF and MPI during the budget formulation process, showing concretely the link between additional budget requests and ESDP policies and targets. The note would formally be endorsed by the Planning and Budgeting Committee. It would, for instance, cover the request for DESBs' Chapter 63 increase to empower them and to implement the pedagogical support program currently under revision, or the need for extra investment budget to repair schools affected by floods.
- Analyse the potential budget impact of teacher deployment policy options and make a presentation at the Planning and Budgeting Committee. Invite MoF and MPI to attend.
- Consider timing for expansion of the ACSEPs at the district level throughout the country. This may be synchronised with the rollout of the forthcoming PBMIS.
- Review in 2020 implementation of the District allocation formula to be implemented in 2021.

Chapter 7: Monitoring and Evaluation Framework for ESDP 2016-20

ESDP 2016-20 proposed M&E framework

The ESDP 2016-20 outlines a framework for ESDP that operates at several levels and serves several purposes. These include performance and impact monitoring, monitoring of effective and equitable provision of resources, and process and compliance monitoring. The department of Inspection (DoI) has responsibility for management of the M&E framework. The status of key components of the M&E framework are:

Level	Instrument	Lead agency	Supporting agencies	Status
Progress reporting				
Objective, Policy and Outcomes	Joint Sector Review Mission (JSRM)	DoI/DoP	Development partners and sub-sectors	Discontinued
Sector KPIs	Annual Sector Performance Report (ASPR)	DoP	Sub-sectors	Regular reports produced based on the 10 sub-sectors
Thematic	Annual Thematic Reviews (ATR)	DoI	Selected sub-sectors	Not produced.
Performance Report - District	Monitoring visits to schools	DESB		Limited budget to visit schools
Performance Report -school	School Census	DESB	Statistics Centre	Regular annual collection
Performance Report -school	P-EQS (school self-assessment)	VEDC	DESB	A pilot was implemented but no institutional mechanism to consolidate and analyse results
Supporting structures				
Education Quality Standards (P-EQS)	P-EQS indicators	DoI and EQAC	DESB	Self-assessment by schools but not regularly monitored
Annual school census	Census	Statistics Centre	DESB	Annual data collection but limited reporting of post-school education
PMIS	Database	DoOP	PESS	Updated irregularly
WMIS (FMIS)	Database	DoF	PESS/DESB	Under development

In addition to the above supporting structures MoES, and development partners, are developing a Planning and Budgeting Management Information System (PBMIS). PBMIS will enable central DoF to better monitor the wages bill since now wages are managed locally through many separate Excel files.

The ESDP 2016-20 M&E framework also identifies 36 key performance indicators spread across eight sub-sectors and information for all of these are readily and regularly available. The ESDP notes that the identification of monitoring approaches and Key Performance Indicators (KPI) for sector development is the key component of the monitoring and evaluation processes to inform decision-making for the improvement of implementation mechanisms and measures. It is suggested that DoI and DoP review this list of KPIs, for example, chapter 2 concluded that completion rate would be a better indicator than GER at secondary level. The identification of KPIs for the 2016-2020 ESDP will help MoES prioritize key areas of focus for education development especially the outputs of each subsector. Chapter 5 indicates that the education sector lacks information to report on many SDG4 indicators and more work needs to be done to determine how to improve reporting against SDG4. This should be developed for the next 2021-25 sector plan. Also noted is a need to maintain focus on problem areas, critical concerns and priorities: As well as taking forward the sub-sectors, there should be provision for special and possibly unforeseen policy directions which may need particular monitoring. The tracking of indicators will provide an early warning of unexpected circumstances.

GPE Independent Appraisal of 2015

An independent appraisal of ESDP 2016-20 was prepared for the Global Partnership for Education. This appraisal made several observations concerning the M&E framework; including:

- There is no single and overarching monitoring and evaluation system that has yet been fully institutionalized and currently insufficient human resource capacity to implement the M&E arrangements. The proposed M&E system will at the conclusion of the proposed review at the end of the second year should provide robust indicators and valid and reliable data to monitor the progress toward the achievement of the inputs, outputs, and outcomes described in the results framework.

The M&E framework of the ESDP does not specifically include the monitoring of strategies to mitigate the vulnerability of the education system to political, social, and environmental impacts.

The current Monitoring and Evaluation Framework for ESDP 2016-20.

The Department of Inspection has developed a comprehensive Monitoring and Evaluation Framework for ESDP 2016-20³². This framework requires annual reporting under each of the 11 high-level outcomes against all intermediate outcomes, action plan together with required policy and regulatory development. In addition, the M&E framework collects information from each sub-sector for more than just the 36 KPIs. For example, data is sought for 12 indicators related to early childhood compared to the 5 KPIs described in the ESDP 2016-20. The framework also seeks information about progress of each key activity under each strategy. For example, 18 separate activities are monitored for early childhood education. This approach requires identification of much data by sub-sectors and considerable consolidation of significant amounts of information by DoI. Reducing the amount of data to be submitted by each sub-sector may make it easier for sub-

³² Monitoring and Evaluation Framework for Education Sector Development Plan 2016-20, Department of Inspection, MoES June 2016

sectors to submit quarterly reports in a timelier manner and for analysis of both linkages between activity level and achievement of high-level outcomes and policy performance.

There is considerable overlap between reporting from the Annual Sector Performance Report (by DoP) and the M&E Framework reporting by DoI. This is unavoidable but DoP and DoI should jointly discuss ways to reduce the burden of reporting by the sub-sectors. However, there remain gaps in M&E: The Joint (MoES & development partners) Sector Review Missions (JSRMs) have been discontinued (no JSRM since 2015) and no Annual Thematic Reviews have been produced (due to the link between JSRMs and ATRs). Thus, there is not yet monitoring of the success of policy objectives nor progress against the 11 high-level outcomes, although DoI are in the process of doing this using their Annual Reporting on Performance Monitoring toolkit and guidelines. This toolkit identifies linkages between various activities and different outcome areas and also tracks delays in activity implementation. Sub-sectors tend to focus on their own plans (Part II of ESDP 2016-20) rather than the policy objectives and high-level outcomes of Part I of ESDP. Although the Department of Planning's *Education and Sports Sector Performance Annual Reports* (APMR) include an overview of approved budgets by budget chapter, more analysis of the effectiveness of budget utilisation against policy objectives is needed. The previous JSRMs always included as a theme, the status of sector financing.

Recommendations:

An analysis of overlap between reporting by the Annual Sector Performance Reports (DoP) and the M&E Framework (DoI) should be undertaken to streamline both reporting procedures and improve the complementarity of both reports. The DoI ESDP M&E Framework should have as its priority, reporting at policy and strategy levels.

The M&E network staff should make more use of the APMR toolkit to collect the necessary information from sub-sectors to improve consolidation and analysis of data against policy objectives and high-level outcomes.

While the previous JSRM approach was not considered cost-effective, ESWG should identify an alternative mechanism (such as thematic roundtables) to monitor success of current policies and progress to high-level outcomes. The results of this mid-term review will provide a baseline for future M&E of these.

The replacement mechanism for JSRM should assist DoI to identify critical themes for more in-depth analysis as part of Annual Thematic Reviews (As suggested by the independent appraiser, an early theme could address vulnerability issues and ESDP implementation.) This replacement mechanism should also regularly examine budget allocation and expenditure, particularly concerning other recommendations of this report about budget allocations prioritizing closing disparity gaps across sector performance. Other themes could include the impact of school-block-grants and how DESB operating budgets are utilized.

Monitoring ESDP progress using subnational indicators

District level indicators and underlying factors impacting results.

A comprehensive M&E framework for the ESDP should enable managers to track and report on progress and provide guidance for refinements of strategies and approaches that may be

necessary to meet the overall goal and objectives of the ESDP 2016-2020. An important component of a comprehensive M&E framework are performance indicators.

The ESDP 2016-2020 document has two groups of performance indicators. Each of the five ESDP objectives is associated with indicators – usually three to five. The ESDP also contains a table of 36 indicators – organized by subsector – that are presented in a table of Key Performance Indicators (KPIs). A common characteristic among the indicators for the five ESDP objectives and the table of KPIs is that they are national level indicators. While national level indicators can provide a measure of system performance, they do not provide managers insights into how (or why) results may differ for different groups of children; information necessary for revisiting strategies and approaches for meeting the ESDP 2016-2020 overall goal. Exclusive use of national level indicators is also inconsistent with overall goal of the ESDP – as expressed in several ESDP Outcome statements – of improving equity and reducing disparities.

In Chapter 2, Achievement of ESDP Objectives, ESDP progress against the five plan objectives was assessed utilizing subnational (District level) calculations of the relevant indicators from EMIS data complemented using individual level data from recent household surveys; the Lao PDR Social Indicator Survey (2012 and 2017). District level calculations from EMIS data on basic indicators such as GERs, completion rates, repetition rates and dropout rates were characterized by high levels of variation across districts.³³ These differences in district level indicators capture a mixture of differences in opportunities for education³⁴ and differences in the characteristics of the population of children who reside in the district.³⁵ With the availability of recent individual survey data (LSIS), the review team was able to complement the analysis of district level variation with individual level information that provides a more direct measure of the underlying challenges to meeting ESDP targets and the overall goal of promoting equitable access to quality education.

This mixed method assessment (EMIS and LSIS) provided a set of findings that apply across the subsectors (see Chapter 2 and Chapter 4). In general, children in poorer households were less – sometimes much less – likely to have enrolled or completed (survival rates, completion rates, transition rates) the various levels of the system. There were also differences in participation and completion associated with being in a remote household³⁶ and residing in a household where the head of the household does not belong to the Lao-Tai ethnolinguistic group. While this is not a surprising finding, the recognition that poverty, remoteness and ethnolinguistic group have an impact on participation and outcomes should have an impact on the strategies authorities implement to reduce disparities, improve overall results and achieve ESDP goals and objectives.

³³ Also noted in Chapter 2, that the level of variation among districts – although still significant in 2017 – had narrowed over time period reviewed (2013-2017).

³⁴ Differences in the level of provision of schools, classrooms, teachers, materials, etc.

³⁵ Differences among children related to poverty, the level of education of their parents, first language, the distance of the child's home from available schools or centres, etc.)

³⁶ Defined in the Lao PDR census methodology as being rural with no road.

Options to improve monitoring of the ESDP utilizing subnational indicators

One strategy for making educational planning and resource allocation more responsive to the need to reduce disparities is to include subnational (District) indicators as part of the M&E strategy. In choosing to explore the use of subnational indicators, there is an assumption that drawing attention to closing disparities will impact on decision making and resource allocation. Without a complementary effort to strengthen local level analysis and decision making (district level) and to facilitate greater responsiveness/sensitivity of central level planning and resource allocation to addressing disparities, monitoring through subnational indicators would mainly be an exercise in ongoing revision of district indicators so that they could be met through national level trends rather than as the result of targeted actions.

1. Establish a subnational indicator as a threshold and monitor the number of districts that meet the threshold level.

Under this option, priority outcomes would be measured by setting a threshold for an indicator (GER, completion rate, etc.) as well as a target for the number of districts required to meet the threshold level. (For example; 128 districts with more than 60 percent of five-year-olds in any form of ECE or 142 districts reach a primary completion rate of 95 percent.) While this option appears straightforward, it would require some empirical analysis for establishing the thresholds. If the threshold is set too low, the required number of districts may meet the threshold as a function of national level trends – requiring no responsiveness to the actual disparities. If the threshold is established at too high a level, many districts will fall below and create incentives to concentrate on districts that are close to the threshold indicator (easier to improve to meet the threshold) rather than districts with the greatest challenges. Another limitation to this approach is that for each indicator the districts where there is a risk of not meeting the subnational threshold may be a somewhat different group of districts. This would create logistical complications for providing targeted technical, material and financial support.

Pros	Cons
Easy to measure and track. Annual EMIS calculation and count of the number of districts meeting the threshold target for each indicator of interest.	Difficult to set the appropriate threshold. If objective is to improve focus on reducing disparities, a target that can be met without special attention does not have the intended effect. It measures but does not create incentives to address the disparities. Districts can potentially meet the targets while still improving at rates below the national trends with widening disparities) Each indicator may result in a somewhat different set of districts that require attention to meet the threshold. This makes targeting of support logistically and administratively complex.

2. Track the improvement in indicators in the MoES priority districts (or a small group) relative to other districts

In undertaking the analysis of EMIS calculated indicators, the team examined how district indicators varied in relation to district characteristics. In general, districts with higher poverty

head counts and/or a larger percentage of persons residing in areas without road access³⁷ had lower indicators for participation (GER, NER) and completion (repetition rates, dropout rates, completion rates) than less poor and less remote districts. In an examination of trends in indicators, almost all districts improved from 2013 to 2017, but gaps between the poorer and less poor districts and remote and less remote districts persisted.³⁸

We also examined the trends for the 40 districts identified as priority districts by MoES. The pattern was similar. There was a gap in indicators for participation and completion between priority districts and the other 108 districts in 2013.³⁹ By 2017 most of the 40 priority districts had improved indicators – but a significant gap between priority districts and the other districts remained.

Tracking the gap between a group of disadvantaged districts and other districts is another potential strategy for including disparity reduction into the monitoring of the ESDP. Focusing on a fixed group of districts also facilitates the provision of the necessary technical and financial support for strengthening capacity to address disparities to a manageable number of districts.

Below are examples of indicators using this framework of tracking headline national level progress and disparity reduction. While the MoES has identified a set of priority districts that could be used for monitoring changes in disparity, the large number – 40 – would make technical, material and/or financial support to the poor performing districts to address disparities infeasible. For the examples below the term “special support districts” is used for a much smaller set of the priority districts that could reasonably be provided with targeted assistance (10-20 districts).

Examples:

ECE:

85 percent GER for children 5 years of age by 2025 **and** a 2-percentage point reduction in the difference between GERs in the special support districts and other districts each year 2019-2025.

Primary Completion:

95 percent cohort completion rate by 2025 **and** a 2-percentage points reduction in the gap in completion rates between special support districts and other districts each year 2019-2025.

Upper Secondary:

Gender parity in upper secondary education is 1.0 by 2025 and the gap in the gender parity index between special support districts and other districts is reduced by 0.3 each year 2019-2025.

³⁷ Using Lao PDR 2015 district level census tables

³⁸ While this analysis was undertaken, the team recognizes that characterizing districts as “poorer” or “more remote” is very imprecise because even in a district with the highest percentage of poor persons or the highest percentage of persons living in remote households, the majority of persons in the district are not poor and do not live in a remote household.

³⁹ The 40 districts were not identified as “priority districts” in 2013. The use of 2013 and 2017 results is used to illustrate change over time of a group of disadvantaged districts relative to other districts over time.

Pros	Cons
<p>Using a change in the gap in indicators between a fixed set of disadvantaged districts and other districts (national trend) enables MoES and DPs to focus their technical and financial support for identifying and addressing the underlying causes of poor results to more manageable number of districts.</p> <p>Indicators and gaps readily calculable for data already captured by EMIS.</p>	<p>Potentially more controversial as support to reduce disparities is focused (in the short term) on a relatively small number of districts.</p>

Recommendations:

Using a manageable set of “special support” or “disadvantaged” districts and tracking the closing of the gap between those districts and national trends would be the better option if the goal of incorporating sub national indicators into the monitoring of ESDP is to facilitate development of improved planning and budgeting to reduce disparities. Using this approach, MoES and DPs could assess whether their support was enabling low performing districts to improve results at a rate above the overall trends in the system and reduce disparities while overall results continue to improve.

Chapter 8: Key challenges, recommendations and next steps

Introduction

During the first years of ESDP 2016-20, opportunities for education have been expanded throughout the education subsectors. There has been a significant increase in the participation levels in ECE and lower secondary education as those sectors have been expanded to address policy goals and unmet demand for education. While participation has grown at all levels, there are still disparities – sometimes large disparities -in participation and outcomes linked to gender, household wealth, ethnolinguistic group and geographical location. Sub-sectors are continuing to implement activities to improve the quality and relevance of their curricula and materials.

An important constraint to improving sector performance remains an allocation of non-wage resources (budget) that is low and inadequate for delivering on ESDP priorities – and the absence of strategies and methods to assess and improve the effectiveness of non-wage spending through a more strategic approach to resource allocation. The constraints on non-wage resources are due, in part, to the inefficiency in spending on teachers with areas of significant oversupply of teachers while some schools may experience a lack of appropriately qualified staff. There are also large numbers of volunteer teachers with unclear systems for integrating them into the system.

Meeting government goals of expanding opportunities and reducing disparities are further challenged by the need to develop new post basic opportunities that are aligned with the country's economic and social development needs as the economy moves from a reliance on natural resources to services and manufacturing, the low level of learning outcomes at the primary level and the need to reverse declining transition rates from primary to lower secondary education.

Section 1 of this chapter identifies key challenges that need to be addressed to achieve the relevant outcome. These challenges are prioritized in terms of the time by which they should be addressed. Other challenges outlined in Section II of this chapter are ongoing and have not been prioritised in term of time

Note: The key issues, challenges and recommendations shown in this chapter do not necessarily address all the technical priorities identified by sub-sectors in chapter 4 as these other priorities are related to specific sub-sector implementation issues.

Key issues, challenges and recommendations

Outcome 1: Number of learners from ECE to lower secondary grade 9 increases with special focus on the disadvantaged and ensuring gender equity.

Key Issue: Continuing the positive trends in the number of learners enrolled in ECE, primary and lower secondary will require strategies to prioritize underserved populations (Depending on the local conditions, these underserved groups would include a mix of: poor, ethnolinguistic groups and children in remote communities). This will require strengthening PESS/DESB capacity to identify the underserved populations and to efficiently allocate resources (existing and additional) to improve enrolment, completion and transition rates. Potential actions include: deployment or redeployment of new and existing teachers, changes to the school block grant scheme and

improving the responsiveness of DESB funding to local conditions and priorities for improving outcomes.

Recommendation: (*Before 2020*) Both the Teacher Allocation Committee and Planning and Budgeting Committee should have a focus on developing a strategy to reduce disparities as a means of meeting overall ESDP 2016-2020 outcomes (in some cases, ESDP targets for objectives will be difficult to reach if disparities are not reduced). This framework would enable the committees to consider making the allocation of human and financial resources more responsive to addressing disparities rather than broad increases. This strategy should include a plan to change current approaches to human and financial resources to favour areas of disadvantage. (Continuing current approaches will not enable overall 2020 targets to be met.)

Key Issue: The MoF has disbursed significant financing through school block grants (SBG) to support quality improvements at school level through funding of local school development plans. For early childhood and primary levels, the VEDC is tasked to develop a plan according to mandated guidelines. An average (88 enrolments) primary school may receive an allocation of 6.2 million kip per year but the overall amount to the sub-sector is 55 billion kip per year.

Current guidelines assume that all students receive the same grant amount and the approved budget lines for grant use are the same across all schools. ASLO results on learning outcomes at grade-3 level from 2017 do not demonstrate a significant return on this investment and the impact of the grant on other types of outcomes like completion have not been assessed.

Recommendation: (*Before 2020*) An analysis of the impact of SBG on quality improvements and student outcomes (learning achievement, completion, gender equity, improvement in participation of disadvantaged children, etc.) is needed to guide policy makers on improving the return on investments to SBGs. This analysis will enable decision makers to identify the most effective uses of grant funds and consider if changes to the allocation formulas would produce better – and more equitable – results.

Outcome 2: Increased number of primary school children with functional literacy and numeracy skills

Key Issue: The new policy on progressive promotion requires teachers to conduct remedial classes but most district and provincial offices agree that, due to lack of funds, teachers are not generally trained in remedial teaching and cannot be reimbursed for additional remedial teaching during the vacation period; nor have they received training to identify children with vision, hearing or cognitive impairment. ASLO 2017 results at grade 3 level indicate poor learning outcomes in mathematics and Lao language and repetition rates in grade 1 remain high in some areas (>10% in 40 districts in 2017/18). The secondary analysis of questionnaire data is ongoing and once completed will identify factors associated with differing levels of learning outcomes.

Recommendation: (*Before 2020*) The progressive promotion policy should be fine-tuned to allow for its differential implementation across areas where learning outcomes remain low. This fine-tuning will require inputs from the sub-national level to identify additional support structures that are needed together with advice from researchers (both from inside and outside MoES)

Key Issue: A new primary curriculum, with major changes to the content and pedagogy for the subjects; mathematics and Lao language has begun to be rolled out. Training for implementation

of the new curricula is also being provided for all teachers. (Grade 1 mathematics began in 2018 and Lao language will begin in 2019, with later grades being sequentially rolled out.)

Recommendation: (*ESDP 2021-25*) MoES should establish a mechanism to closely monitor the success of the new primary curriculum, prioritizing the impact of the new mathematics and Lao language curricula.

Key Issue: There are considerable differences in learning outcomes across the country, particularly among some ethnic groups and children with disabilities.

Recommendation: (*Before 2020*) A strategy and budget is needed that specifically outlines how learning outcomes can be improved among groups who are below the national average. The budget should also include support for capacity building of PESS and DESB to be better able to identify solutions.

Outcome 3: Increased number of qualified and competent teachers with better student learning outcomes across all subjects of the national curriculum from ECE to primary and secondary education.

Key Issue: As noted in chapter 6, budget constraints in 2017 eliminated planned ESDP investment in in-service teacher training. Current operating budgets at district level are inadequate to provide the necessary pedagogical support and limited training to VEDCs to understand their role in supporting teachers can be given by DESB staff. (The pre-service curricula at TTCs is under revision.)

Recommendation: (*Before 2020*) The Department of Teacher Education should work closely with the Department of Organization and Personnel and the Planning and Budgeting Committee to prepare an investment case (costs, benefits, delivery options) for increasing the operating budgets of DESBs to enable more ongoing support to the existing teacher workforce.

Key Issue: At lower secondary level, there is a shortage of competent STEM teachers. Increasing the numbers of STEM teachers will require improved learning outcomes in mathematics at primary schools and continued advocacy concerning the importance of studying STEM subjects at secondary level.

Recommendation: (*ESDP 2021-25*) In addition to the earlier recommendation for an increased operating budget for DESBs to support teachers, DESB staff, particularly PAs need to understand the importance of STEM subjects. Any PA upgrading program should address the capacity of PAs to support teachers in teaching mathematics in an interesting way.

Key Issue: At all levels, teachers do not have adequate skills and knowledge to make all classrooms inclusive.

Recommendation: (*Before 2020*) Pre- and in-service teacher/lecturer training programs at all levels should include approaches to inclusive education.

Key Issue: School and classroom-based assessment practices are weak and inconsistent, even with grade 5 final exams.

Recommendation: (*Before 2020*) An implementation plan for the National Assessment Framework, currently under development, should be drafted in close collaboration with stakeholders from the sub-national level.

Outcome 4: All schools have financial and human resources to equitably improve student learning outcomes.

Key Issue: A large proportion of the education budget is for wages and allowances (89% at sub-national level) resulting in a severe shortage of funding to support improving learning outcomes. Current teacher allocation remains inefficient and there are large numbers of volunteer teachers.

Recommendation: (*Before 2020*) The MoES departments of Finance and Planning should prepare together a concise explanatory note on education budget needs for the attention of MoF and MPI during the budget formulation process, showing concretely the link between additional budget requests and ESDP policies and targets. The note would be formally endorsed by the Planning and Budgeting Committee. It would, for instance, cover the request for DESBs' Chapter 63 increase to empower them and to implement the pedagogical support program currently under revision, or the need for extra investment budget to repair schools affected by floods. The note should explicitly outline the expected outcomes from the additional budget being requested for DESB operations.

- Analyse the potential budget impact of teacher deployment policy options and make a presentation at the Planning and Budgeting Committee. Invite MoF and MPI to attend.
- Review in 2020 implementation of the District allocation formula to be implemented in 2021.

Key Issue: Allocation of human and financial resources to schools does not take into account the additional resources required to make classrooms inclusive; for example, to support children with disabilities. It is not cost-effective to build and staff more "Special Schools", therefore efforts are needed to make all classrooms inclusive, particularly for children with special learning needs and children with disabilities.

Recommendation: (*ESDP 2021-25*) The ESDP financing plan should identify additional requirements to make classrooms inclusive.

Key Issue: There continue to be schools with an acute shortage of teachers while others have an over-supply of teachers. This issue was first identified in 2013⁴⁰ but no strategy to address this issue is yet in place, although a teacher survey has been conducted.

Recommendation: (*Before 2020*) In collaboration with the sub-national level and MoHA, the Teacher Allocation Committee should examine how future allocations of civil service positions can directly preference filling vacant positions in schools with an acute shortage of teachers.

Outcome 5: Increased numbers of basic education graduates who have acquired basic skills and knowledge and can apply for work in the labour market or continue post-basic education or become entrepreneurs.

⁴⁰ Mid-term Review report of ESDP 2011-15, MoES 2013

Key Issue: While primary completion exceeds 80%, lower secondary cohort completion is only around 50% (due to low transition from primary and dropout within lower secondary) and upper secondary cohort completion is less than 30%. Programs such as needs-based stipends for disadvantaged youth and girls and dormitories (particularly for ethnic group youth from more remote areas) appear to be demonstrating positive impacts and should be expanded to the extent resourcing allows.

Recommendation: (*Before 2020*) Further research is needed to more fully understand the diverse factors underlying low completion rates, particularly at secondary level. At primary and lower secondary levels, more attention is required to support children from disadvantaged groups (poverty, ethnicity, location) through affirmative funding. This research should include: reasonable estimates of the cost of strategies to address these challenges as well as presentation of the benefits to Lao PDR social and economic development from improved completion rates in secondary education

Key Issue: The private sector continues to report that basic education graduates continue to enter the workforce with both inadequate problem-solving skills, critical thinking and lack of vocational skills such as mechanical skills or tourism-related skills, although articulation by the private sector about their future labour needs could be improved.

Recommendation: (*Before 2020*) The lack of information about labour market demand (and analysis) is a serious obstacle to developing a basic education that prepares young people for employment in Lao PDR. The MoES should lead a process of developing a strategy for periodic (2 to 5 years) assessment of demanded soft and hard skills and broader characteristics. This process would include a mapping of existing government data sources (Lao PDR Statistics Bureau - and other MPI entities, Ministry of Labour and Social Welfare, Ministry of Finance, TVET and Higher Education institutions) as well as appropriate data and reports from business associations. The mapping of the data sources would be followed up with technical support to develop a methodology for analysis that provides policy direction and priorities for the development of programmes.

Key Issue: In addition to the need for further progress to universalize primary and lower secondary education (now also compulsory), it will be critical to further expand investments to improve the quality and relevance of basic education to Lao PDR's socioeconomic transformation.

Recommendation: This will include planned primary curriculum reforms, as well as continued efforts to more effectively deliver the recently reformed LSE curriculum. Both will require building the capacity of teachers to use active learning pedagogies to build “soft skills” (e.g., applied literacy and numeracy, creativity, critical thinking, problem-solving, communication, and STEM skills) needed in a modern economy and society. This will also require expanding investment over time in equipping schools with adequate facilities (e.g., science laboratories and libraries) and teaching and learning resources needed for mastery of soft skills. Finally, reforms of curriculums and pedagogy must be accompanied by reforms of student assessment, to shift from a focus on rote memorization to an emphasis on mastery of soft skills. These 3 pillars (curriculum contents, pedagogy, and assessment) will require a sustained and coordinated effort over the medium-term.

Outcome 6: Increased adult literacy rates and ensure gender parity index for adult literacy

Key Issue: While youth and adult literacy rates have improved, there are disparities by way of poverty, ethnicity and location.

Recommendation: (*ESDP 2021-25*) Non-formal programs to deliver literacy courses should, as a priority, target areas where literacy rates are lowest, particularly women from Tibeto-Chinese ethnic groups.

Key Issue: Learning outcomes, as measured by ASLO at grade 3 level, remain quite low and it is not known how many children who dropout before completing primary school have sustainable literacy skills.

Recommendation: (*ESDP 2021-25*) MoES should consider developing and implementing a screening test for all primary school leavers to determine if they have sustainable literacy skills.

Outcome 7: The quality and number of post-basic education graduates from public and private education is aligned with the needs of the 8th NSEDP

Key Issue: While many post-basic education graduates get jobs, there are insufficient graduates in STEM fields. The private sector focuses more on non-STEM areas since they are unable to make the necessary investments to support such teaching. The expanding contribution of the industry and service sectors to GDP also require improved quality of graduates from upper secondary, colleges and universities.

Recommendation: (*ESDP 2021-25*) Greater advocacy to encourage more students. At all levels, to study and be interested in STEM subjects is needed. However, this will also require improved teaching of science and mathematics at lower levels (primary and lower secondary), both to raise student interest and ensure a strong foundation for continued studies in STEM subjects. It will also be particularly important to strengthen STEM within upper secondary, to equip larger numbers of youth to enter related fields in TVET and higher education, and also provide foundational soft skills for the large number of upper secondary graduates entering directly into modern sector employment. Such investments and advocacy may be more sustainable than developing criteria to apply at the end of lower secondary education to direct graduates to different areas of further study.

Key Issue: There is a lack of regular and timely labour market surveys and tracer studies to inform both students and post-basic education managers concerning programs to offer at different levels. These surveys tend to focus on larger entities located in larger urban areas.

Recommendation: (*Before 2020*) MoES should continue to collaborate with other agencies (LSB, MoLSW etc.) to more fully utilize existing and regularly collected datasets and negotiate with private sector to jointly fund regular labour market surveys addressing the needs of not only the industry and services sector but also for smaller enterprises in the agro-processing area.

Key Issue: The curriculum used in TVETs is not inclusive and the environment is not accessible, and this prevents learners with disabilities in accessing vocational courses provided by TVETs.

Recommendation: (*ESDP 2021-25*) The specific needs of students with disabilities should be identified to improve accessibility to TVET programs.

Outcome 8: Education and Sports sector is appropriately structured, resourced and monitored by using Annual Costed Sector Plans that are linked to ESDP 2016-20

Key Issue: The ACSEPs have the potential to improve the efficiency of investments but this is not yet apparent.

Recommendation: (*Before 2020*) Systematically add to the Planning and Budgeting Committee's agenda a presentation of the ACSEPs (in February or March), as well as of the budget circular, new medium term macro-fiscal projections (MTFF) and draft annual budget, so as to discuss priorities (for instance on how to reduce disparities). Invite MoF and MPI to attend. Consideration should be given to expansion of the ACSEPs at the district level throughout the country. This may be synchronised with the rollout of the forthcoming PBMIS.

Key Issue: The Annual Performance Reports give very clear information on what happened during the previous year and include priorities for the coming year. However, in most cases the links between actual implementation and activities planned in the ESDP are not always apparent. This may cause a disconnect between the activities conducted during the year, and progress towards both policy objectives and achievement of ESDP high-level outcomes.

Recommendation: (*Before 2020*) The template for sub-sector inputs to the Annual Performance Report should be updated to ensure that each sub-sector reports on progress to relevant policy objectives and high-level outcomes

Key Issue: The ESDP and its financing plan does not take into account the vulnerability of Lao PDR to severe natural disasters (such the impact of Cyclone Ketsana in 2009 and the rainy-season disasters in 2018).

Recommendation: (*ESDP 2021-25*) The revised financing plan for ESDP 2016-20 and the financing plan for 2021-25 should allocate fiscal space for the sector to implement disaster response strategies if required.

Outcome 9: Financing plan of ESDP takes into account the need to reduce disparities related to gender, ethnicity, poverty and location

Key Issue: There is currently an imbalance between wage and non-wage budgeting with about 90% of the sub-national level budget allocated to wage-and wage-related items (items (although across the sector there has been a gradual decrease in the share of the wage bill which has enabled a slight increase in spending on education quality improvement.) In the current budget system, the Education Sector has weak incentives for improving the efficiency of teacher deployment as the potential budget savings are not available for other needed expenditures for improving performance on ESDP outcomes.

Recommendation: (*ESDP 2021-25*) A facility should be established that enables MoES to capture the potential budget savings from rationalizing the deployment of teachers to apply to needed investments in non-wage expenditures in programmes and strategies that improve ESDP outcomes by reducing disparities in in attention and/or outcomes by way of gender, ethnicity, disability, poverty and location. (As planning and budgeting of the system must support the overall goals of the ESDP there are clear linkages between recommendations for Outcome 9 and 10 and recommendations for other ESDP Outcomes).

Key Issue: Securing a fair share of the State Budget relates to the process of allocation of national resources across sectors. In Laos, the process is guided by the NSEDP, which sets the country's priorities for a period of 5 years. However, the NSEDP does not give strict indications of its priorities in terms of budget. Thus, the MoF for the recurrent budget and the MPI for the investment budget have some discretion in allocating resources across sectors, within the hard budget constraint.

Recommendation: (*Before 2020*) The MoES departments of Finance and Planning should prepare together a concise explanatory note on education budget needs for the attention of MoF and MPI during the budget formulation process, showing concretely the link between additional budget requests and ESDP policies and targets. The note would be formally endorsed by the Planning and Budgeting Committee. It would, for example, cover the request for DESBs' Chapter 63 increase to empower them and to implement the pedagogical support programme currently under revision, or the need for extra investment budget to repair schools affected by floods.

Outcome 10: Policy development is evidence-based

Key Issue: Various Management Information Systems (MIS) exist within the education sector but their use in policy development and planning is limited, particularly by the different sub-sectors. MoES has difficulty in maintaining up-to-date information on Personnel (PMIS) and wages (WMIS). The Education EMIS includes many indicators but there are some discrepancies between EMIS and data collected by LSIS, the population census and the international Out-of-School study.

There is an Education and Sports Research Centre at RIES that undertakes and coordinates research in the education sector. While many research studies are conducted by GoL and development partners, there is limited use of research findings to inform policy development and planning.

Recommendations: (*Before 2020*) A strategy is needed to make better use of MIS data to inform policy development and planning. Consideration should be given to establishing a Policy Analysis Division as either part of the Department of Planning or as an adjunct to the Planning and Budgeting Committee. Such a division should examine research findings to enable consolidation and analysis of knowledge included in these many research documents and undertake analysis of trends based on EMIS data and other surveys such as LSIS to inform policy development and planning.

Current work to implement a Planning and Budgeting MIS (PBMIS) is a welcome development but a constraint is the exclusion of the many volunteer teachers from PMIS. More detailed information about the deployment of volunteer teachers is needed to inform future planning.

The National Statistics Bureau wishes all other sectors to use its official population statistics for calculating population-related indicators (for example, enrolment rates and intake rates). A strategy is needed to ensure compatibility of data as the transition from the current system where teachers collect population data to use of the NSB data.

Key Issue: Much work has been done on preparing a sector-wide Monitoring and Evaluation System. The results will clearly inform the reporting and planning process. Although all sub-sector officers at central, provincial and district have been trained to use the new system and there is a

clearly defined M&E network, there is little evidence that the tools are currently being used effectively.

Recommendation: (*Before 2020*) Consideration should be given to reviewing the existing M&E system to simplify the reporting requirements, particularly data that is to be reported on a quarterly basis. A review of the objectives of the ESDP M&E system should be undertaken to determine what is the appropriate level of ESDP reporting: Policy, objective and outcome only or activity level as well?

Outcome 11: The number of general and professional athletes matching regional and international quality standards is increased and contribute to the Nation's art and culture preservation.

Key Issue: Interest and participation in sports has grown considerably over the life of the ESDP. Community sports has benefited from equipment, schools have seen increased numbers of physical education teachers as well as teacher of performing arts and the country is well represented at regional and international competitive games.

Recommendation: (*ESDP 2021-25*) The general expansion of interest and participation has not yet reached the more disadvantaged regions of the country. It is recommended that the quota system and future funding be weighted in favour of providing sports and arts coverage to areas currently under-served.

M&E Framework for ESDP 2016-20

Key Issue: There is considerable overlap between reporting from the Annual Sector Performance Report (by DoP) and the M&E Framework reporting by DoI. However, there are serious gaps in M&E: The Joint (MoES & development partners) Sector Review Missions (JSRMs) have been discontinued and no Annual Thematic Reviews have been produced. Thus, there is no monitoring of the success of policy objectives nor progress against the 11 high-level outcomes. Also missing is a systematic monitoring of budget allocation and expenditure. The previous JSRMs always included as a theme, the status of sector financing.

Recommendations: (*Before 2020*)

An analysis of overlap between reporting by the Annual Sector Performance Reports (DoP) and the M&E Framework (DoI) should be undertaken to streamline both reporting procedures and improve the complementarity of both reports. The DoI ESDP M&E Framework should have as its priority, reporting at policy and strategy levels.

The M&E network staff should make more use of the APMR toolkit to collect the necessary information from sub-sectors to improve consolidation and analysis of data against policy objectives and high-level outcomes.

While the previous JSRM approach was not considered cost-effective, ESWG should identify an alternative mechanism to monitor success of current policies and progress to high-level outcomes. The results of this mid-term review will provide a baseline for future M&E of these.

The replacement mechanism for JSRM should assist DoI to identify critical themes for more in-depth analysis as part of Annual Thematic Reviews (As suggested by the independent appraiser, an early theme could address vulnerability issues and ESDP implementation.) This replacement mechanism should also regularly examine budget allocation and expenditure, particularly concerning other recommendations of this report about budget allocations prioritizing closing

disparity gaps across sector performance. Other themes could include impact of school-block-grants and how DESB operating budgets are utilized.

Key Issue: A common characteristic among the indicators for the five ESDP objectives and the table of KPIs is that they are national level indicators. While national level indicators can provide a measure of system performance, they do not provide managers insights into how (or why) results may differ for different groups of children; information necessary for revisiting strategies and approaches for meeting the ESDP 2016-2020 overall goal. Exclusive use of national level indicators is also inconsistent with overall goal of the ESDP – as expressed in several ESDP Outcome statements – of improving equity and reducing disparities.

Recommendation: (ESDP 2021-25) Using a manageable set of “special support” or “disadvantaged” districts and tracking the closing of the gap between those districts and national trends would be the better option if the goal of incorporating sub national indicators into the monitoring of ESDP is to facilitate development of improved planning and budgeting to reduce disparities. Using this approach, MoES and DPs could assess whether their support was enabling low performing districts to improve results at a rate above the overall trends in the system and reduce disparities while overall results continue to improve.

Section II other issues, challenges and recommendations (ESDP 2021-25)

Outcome 1: Number of learners from ECE to lower secondary grade 9 increases with special focus on the disadvantaged and ensuring gender equity.

Challenge: Across the whole education sector, requests for additional school buildings were a common demand during central level meetings, as well as consultation workshops at provincial, district and central level. However, no evidence was provided on how many children in any one village or community are without easy access to school and it seemed that central level sub-sector managers did not have clear data on which to base clear decisions and target requests for funding. Anecdotal information from provincial workshops attributed increased enrolment and reduced drop –out rates to the fact that dormitories for children and teachers in disadvantaged areas has been constructed.

Recommendation: Sub-sector managers at central level could work more closely with PESS officers to gain clear information on the gaps in provision so that the annual, costed plan for construction is based on hard evidence and everyone can understand the plan. In addition, MoES should further develop and more extensively utilize school network mapping approaches for evidence-based targeting of investment to underserved communities.

It is sometimes not feasible to construct school buildings in areas where there are few children. Therefore, alternative strategies for ensuring that all children have access to primary school could include, for example:

- mobilizing the community to provide shared transport and protection during travel to school
- improving the school cluster system to maximize use of teachers
- mobilizing the community to provide shared transport during travel to school
- constructing dormitories on existing school sites
- training the community to better understand the benefits of education

Challenge: There is an increasing need to enhance ownership and participation of the community and VEDC. This is difficult in poor and disadvantaged communities where participation has traditionally been based on giving money to the school.

Recommendation: Ownership can be enhanced through creating demand for increased quality. This can be fostered if DESB, PESS and Central level encourage schools to publish their learning outcomes, compare them with those of similar schools in the districts and disseminate them to the community

- Provision of Early Childhood Education has expanded steadily over the period of the ESDP and enrolment rates have risen each year. However, to ensure universal coverage there is a need to address the disparities between caused by geographical location and ethnicity. Much could be achieved if parents and community were made aware of the importance of early years education and formed self- help playgroups. Therefore, it is recommended that Community Awareness Campaigns be scaled up to reach the most disadvantaged and remote areas, resulting in a further decrease in disparities by 2025.
- Reducing drop-out is a key issue for the Lower Secondary sub-sector. In 2017/18 dropout was 9.2% against a 2020 target of reducing dropout from 7% to 2%. Perhaps one of the most common reasons for the spike in dropout may be the new law requiring students to complete basic education. Students who previously would have stopped their education at the end of primary school might not be willing or able to continue their lower secondary education for the full four years. There are no figures to measure how many of those who drop out of formal education, transfer to non-formal or TVET programs. It is recommended that such transitions be recorded and used as a basis for understanding the student flow more clearly as well as using the information for further decision making by 2025.

Outcome 2: Increased number of primary school children with functional literacy and numeracy skills

Challenge: The new policy on progressive promotion requires teachers to conduct remedial classes but most district and provincial offices agree that, due to lack of funds, teachers are not generally trained in remedial teaching. Nor have they received training to identify children with vision, hearing or cognitive impairment.

Recommendation:

- District and Provincial offices to increase focus on supporting teacher to conduct effective remedial classes
- Central and Provincial level to work closely with DPs and NGOs to provide training and guidance for teachers on how to identify children with vision, hearing or cognitive impairment. CRS is already active in this area
- The learning of Lao language and mathematics is a key issue for the primary education sub-sector. A number of different organizations are supporting a variety of different ways to improve the situation and a new curriculum for Lao language will be rolled out in 2019/20. ASLO will conduct a second diagnostic test in 2023 and it is recommended that the primary education department, in collaboration with development partners ensure that all schools, DESB and PESS are aware of the test and set targets for numbers of Grade 1, 3 and 5 children who meet the requirements of the test by 2022.

- There is no accreditation of courses for transfer between the formal and non-formal education sub-sectors. This means that, for example: students who have successfully completed the lower secondary equivalency program cannot transfer to upper secondary in the formal system if there is no non-formal upper secondary equivalency program available nearby. It also means that non-formal data is not captured by EMIS. A law passed in 2015 mandates a period of compulsory education from Primary through to the end of Lower Secondary education. This is resulting in more children completing the full basic education. However, students without a nearby lower secondary school may be obliged to transfer to a Non-Formal setting and once enrolled in the NFE system it will not be possible for them to return to the formal system, especially at University level. To remedy this, a new qualifications framework and policy framework are under discussion. It is recommended to accelerate completion and approval of the frameworks which will include accreditation of transfer between formal and non-formal modalities by 2019 and include NFE into the MoES EMIS system by 2020.

Outcome 3: Increased number of qualified and competent teachers with better student learning outcomes across all subjects of the national curriculum from ECE to primary and secondary education.

Challenge: Each sub-sector is supported by a range of service departments, divisions or units which share specialist skills such as curriculum development, teacher training, quality standards, education research etc. In theory this is an efficient use of specialist skills which can help to strengthen sub-sector development. However, in practice, it appears that, at department level, the support is often seen as separate from the work of the sub-sector rather than an integrated part of its development.

Recommendation: Senior leadership of the MoES could consider actively promoting the benefits of the current system and strengthen sub-sector participation in it as well as ownership at central level.

Challenge: The quality of teaching and learning is generally considered to be low in the basic and post basic education sectors. This is partly because the quality of teaching in Teacher Education Institutions and Training Colleges is limited. Upgrading qualifications of teacher educators is planned but this alone will not solve the problem. Feedback from provincial and district workshops include concerns that, despite being trained, some teachers and school directors do not fulfil their responsibilities conscientiously. MoES already has a set of quality standards and a comprehensive M&E system. A set of school director standards is being developed. However, use of the existing tools appear to be limited whereas in fact they could be extremely useful in gathering data to show weaknesses in service delivery.

Recommendations:

- It is recommended that the MoES prioritize use of the existing M&E tools and service standards and introduce a basic system of sanctions and rewards which PESS and DESB staff can use to work together more productively with schools to help raise the quality of compliance with standards and improved recognition of professional responsibilities.
- There is a prevailing concept across the MoES that the quality of teaching is low, mainly due to the quality of pre-service education. A sustained program of upgrading teacher educators' qualifications has been supported by development partners and teacher educators' skills and knowledge are improving. However, new curriculum development

increasingly includes a need for STEM skills. The foundation for STEM skills begin in the early grades. It is recommended that the teacher education curriculum be re-focused to promote the teaching of basic STEM foundation skills at least from primary level and develop regional networks to share examples of good practice by 2025.

- It is recommended to utilise demonstration schools attached to the TTCs to pilot innovative models of teaching and learning.

Challenge: Primary Schools conduct their own Grade 5 leaving examination. Since there is no national approved test at Grade 5, there is no standard level of skills and knowledge on which to base entry to Grade 6. This means that learning outcomes cannot be measured and compared, to identify strengths and weaknesses in provision at local level.

Recommendation: Central level to consider developing a competency-based national test at Grade 5 to measure learning outcomes at primary level and to ensure that a set of measurable key skills and knowledge are gained before transition to lower secondary level.

Outcome 4: All schools have financial and human resources to equitably improve student learning outcomes.

See Section I

Outcome 5: Increased numbers of basic education graduates who have acquired basic skills and knowledge and can apply for work in the labour market or continue post-basic education or become entrepreneurs.

The main objective of the Higher Education sub-sector in the ESDP is to produce high quality graduates to meet the demands of socio-economic development. Support from development partners has led to significant improvements in human and resource development at the four Universities under the responsibility of MoES as well as expansion of regional and International networks. However there has been limited development in the area of research. In order to compete for regional and international research projects, Universities must not only be able to prepare professional proposals, but to demonstrate the quality of their university through publication of articles on line as well as in professional journals. It is recommended that the University research department staff work closely with the new Visiting Professor who will shortly arrive to assist them and plan targets for numbers of published articles and research proposals to be achieved by 2025.

Outcome 6: Increased adult literacy rates and ensure gender parity index for adult literacy

See Section I

Outcome 7: The quality and number of post-basic education graduates from public and private education is aligned with the needs of the 8th NSEDP

A key objective for the upper secondary sub-sector in the ESDP, is to satisfactorily equip students with soft skills (e.g., STEM skills, critical thinking, problem solving, communication, etc.), which are demanded by modern sector employers.

Challenge: To become more responsive to the needs of the developing economy it is essential that the education system produce graduates who are skilled in at least one of the sciences, technology, engineering and mathematics-based skill areas. Foundation skills in these areas should be taught at all levels of education from Primary upwards. However upper secondary is a key platform for consolidating the learning and preparing students to continue their education either through the University or TVET routes or to enter directly into the labor market. There is an

acute shortage of physical and human resources to support practical applications of science, technology, engineering and mathematics-based subjects. Several schools are working with their local TVET colleges where they are close by, to share practical resources. It is recommended to continue to actively encourage investment from public, private, industrial and overseas sources, to support provision of physical resources to meet the challenges of socio-economic development.

Recommendation: The TVET sub-sector is under-going a major change in its provision to meet the needs of the growing economy in Lao. There is a need for all levels to maintain constant development to ensure training and employer partnerships keep pace with socio – economic development needs and to facilitate free movement of skilled labour throughout the ASEAN Region. To facilitate student mobility, it is recommended that the TVET sub-sector continue to develop strong regional and international networks to share good practice and begin to explore mutual accreditation of course modules at regional level by 2025.

Outcome 8: Education and Sports sector is appropriately structured, resourced and monitored by using Annual Costed Sector Plans that are linked to ESDP 2016-20

Challenge: Each sub-sector in the ESDP 2016 -2020 has clearly laid out its overall objectives, strategies and actions to achieve the objectives. All sub-sectors have a set of measurable targets. However, many of the activities to achieve the strategies and targets are not easily measurable and it is therefore difficult for sub-sectors to measure and evaluate their performance effectively.

Recommendation: A move to outcome-based with measurable performance indicators would increase efficiency in sub-sector management, planning, monitoring and evaluation

Challenge: The Annual performance reports give very clear information on what happened during the previous year and include priorities for the coming year. However, in most cases the links between actual implementation and activities planned in the ESDP are not always apparent. This may cause a disconnect between the activities conducted during the year, and progress towards achievement of EDSP targets.

Recommendation: Annual performance reports might be more informative if each sub-sector expressed annual performance within the context of the 5-year plan. A more outcome- based approach to both the 5-year and the annual plan would increase the effectiveness of both planning and reporting. It is therefore recommended that sub-sectors be encouraged to prepare outcome-based 55-year plans and annual reports should include direct reference to achievement of the performance indicators in the 5-year plan.

Outcome 9: Financing plan of ESDP takes into account the need to reduce disparities related to gender, ethnicity, poverty and location
See Section I

Outcome 10: Policy development is evidence-based

Challenge: The office of statistics EMIS data is one of the key resources for measuring performance of the sector. Summary information can be found in the Lao EDU- Info data base and to a certain extent it can be mined to provide sector results which could be used to inform sub-sector planning. However sub-sector perception is that the data is only to be used by EMIS.

This restricts the level of information at sub-sector level and can lead to fragmentation in planning and ownership.

Recommendation: Sub-sector planning and reporting would be more effective if the sub-sectors begin to use EMIS data as a dynamic part of the decision making and planning process. It is recommended that central levels be trained on how to use EDU-Info and that the EMIS function become more accessible.

Challenge: Much work has been done on preparing an approved Ministry – wide Monitoring and Evaluation System. The results will clearly inform the reporting and planning process. All sub-sector officers at central, provincial and district have been trained to use the new system and there is a clearly defined M&E network. However, there is little evidence that the tools are currently being used effectively.

Recommendation: Members of the M&E network could be strongly encouraged to use the tools effectively so that results are used as a basis for planning at all levels.

Outcome 11: The number of general and professional athletes matching regional and international quality standards is increased and contribute to the Nation's art and culture preservation.

Challenge: Investment in development of sports at central and sub-national levels is limited and not continuous. This has resulted in disruptions to the implementation of the Sports Development Plan. There is no budget allocated for athletes with disabilities for 2019 and 2020 para games and existing sports facilities at all levels need better management and maintenance.

Recommendation: In view of the financial constraints, for Lao PDR to remain competitive at regional and international level the emphasis on elite sport development should focus on strengthening and supporting the school for talented athletes.

Next Steps: Taking recommendations to action

An outcome of an ESWG technical level meeting discussion of an earlier draft of the MTR report stressed the importance of taking recommendations to actions.

Several themes and questions are common across the mid-term review findings:

1. Significant achievements but disparities remain. How can allocation of human and financial resources reduce disparities, including changes to formula for determining operating budgets at all levels?
2. Poor learning outcomes at primary level have flow-on effects. What factors contribute to different learning outcomes?
3. Inefficiency of teacher allocation. What long-term strategy is needed?
4. Interface between primary completion and lower secondary. Why are transition rates from primary to lower secondary declining and why are dropout rates from the early grades of lower secondary increasing?
5. Engagement with private sector and utilization of existing data sources to periodically assess trends in labour market demand. What information is missing?

Taking recommendations to action covers various sub-sectors and includes cross-cutting issues such as gender, ethnicity, poverty, geographical location and learners with a disability. MoES and development partners should identify the most appropriate mechanism to:

- Convene a number of joint thematic roundtables to address these issues and identify specific actions to implement before 2020. Roundtables should begin within two months of the MTR report's formal endorsement by the Executive level ESWG.
- Publish thematic action plans before the end of quarter 1 of-2019
- Monitor progress of thematic action plans and report to ESWG in November 2019 and by mid-2020.

The identified mechanism should be to convene joint thematic roundtables that can focus on higher level matters of policy and strategy rather than activity level and should be able to bring selected sub-national level staff, as required to attend the thematic roundtables. Minutes of each roundtable discussions should be distributed to all ESWG members and outcomes discussed at a technical level ESWG meeting.

Annex 1: List of people consulted

The MTR Team would like to extend their sincere thanks to the following MoES staff who kindly shared their time, information and support in the preparation of the report. In addition to the people below, the Mid-term review team met with sub-national staff during a series of provincial consultation meetings and with participants attending Focal Group meetings in Vientiane.

Name	Position	Department
Mr. Sisana Bouphe	Director General	Department of Inspection
Ms. Bounhome Chanthasack	Deputy Director General	Department of Inspection
Dr. Phanh Champathong	Deputy Director General	RIES
Mr. Khamphanh Khamone	Deputy Director General	Teacher Education Department
Ms. Dala Khiemthammakhoun	Deputy Director General	Inclusive Education Centre
Ms. Khampaseuth Kitignavong	Deputy Director General	Department of Planning
Mr. Vannalek Leuang	Deputy Director General	Department of Technical and Vocational Education
Prof. Dr. Khamlusa Nouansavanh	Director General	Department of Student Affairs
Dr. Sisouk Vongvichit	Director General	Department of General Education
Mr. Sithat Outhaithany	Head of Division	Department of General Education
Ms. Keomanivanh Phimmahasay	Deputy Director General	Department of General Education
Ms. Philany Phissamay	Deputy Director General	Department of Non-Formal Education
Mr. Phitsonesine	Head of Division	Department Higher Education
Mr. Somphou Phongsa	Assistant to Minister	Department of Sports
Ms. Phoukhaokham Souvanh	Deputy Director General	Education Quality Assurance Centre
Ms. Keotra Viengsavanh	Deputy Head of Administration	Education Quality Assurance Centre
Mr. Darasack Ratsavong	Director General	Institute for Educational Administrators Development
Mr. Saykhong Saynasine	Director General	Department Higher Education
Mr. Kadam Vongdeuan	Act. Head of Division	RIES
Mr. Balo Sibounheuang	Deputy Head of Division	RIES
Mr. Phimmasone Sisaat	Head of Division	Department of Inspection
Ms. Phoutsavad Vongphachan	Technical staff	Department of Inspection
Mr. Xayadeth Songmixay	Head of Division	Department of General Education
Mr. Khamfong Sommala	Head of Division	ESDF Coordination Unit/ Early Childhood Education Project
Mr. Phisitxay Soulinthone	Deputy Head of Division	ESDF Coordination Unit/ GPEII
Dr. Mithong Souvanhvixay	Director General	Department of Early Childhood Education
Ms. Bounpheng Viengsombath	Deputy Head of Division	Department of Early Childhood Education
Ms. Somphone Vilaysom	Head of Division	Department of General Education
Mr. Somlith Virivong	Deputy Director General	Department of Technical and

		Vocational Education
Mr. Chandy Phommabouth	MoES Adviser to the Department of Planning	
Ms. Katie Smith	Second Secretary	Australian Embassy
Ms. Chindavanh Vongsaly	Program manager - Education	EEAS-Vientiane
Ms. Takaho Fukami	Chief of Education	UNICEF
Ms. Sylvia Bitter	Team Leader	BEQUAL

Annex 2: Assessing disparities in access and outcomes

The ESDP 2016-2020 MTR notes that national level indicators for tracking plan progress on access and outcomes are generally positive – demonstrating the government’s commitment to expanding access and improving quality throughout the system. While the plan is on track to meet many of the targets established at the national level, there can be significant disparities when results are examined at a more disaggregated level. The challenge of more effectively linking ESDP strategies and investments to reducing these disparities is reflected in a number of the MTR recommendations.

This focus on disparities is both right in principle and in practice. Reducing disparities and improving equity is reflected in the overall goal, policy objectives and the 11 outcomes of the ESDP 2016-2020. This emphasis is consistent with the Government of Lao PDR’s commitment to realizing SDG 4 as well as its own development priorities expressed in its National Social and Economic Development Plan (NESDP).

For a number of ESDP policy objective targets, greater attention to the disparities and inequity are crucial to meeting the national targets. For example, ECE participation rates of 80% of children 5 years of age are likely to be achieved by 2020. However, the children least likely to participate are the same children (disadvantaged, non-Lao speaking) who would benefit the most from having this early exposure to schooling. Another example is primary completion. The high target for primary completion (89%) will be difficult to reach if large groups of children with different types of disadvantages are completing at much lower rates.

Education stakeholders’ interest in disparity precedes the development of the ESDP 2016-2020 and there have been discussions about how to incorporate the reduction of disparity into the monitoring of ESDP results. The most accessible measures of disparity in the sector are results disaggregated to the district level. District level calculations provide an indication of how access and outcomes are distributed in the country – and how that distribution may have changed over time as the result of education policy and investment.

District level indicators can be useful for drawing MoES and development partners’ attention and investment for improving outcome and reducing disparities. However, they do not provide information about the underlying causes of low performance. This information – critical for developing/revising strategies and approaches- requires strengthening the capacity of provincial and district level managers and providing them the tools and resources to develop plans of action.

In using district level results to track disparity reduction there are three limitations that must be kept in mind. First, the calculation of an indicator at the district level in a given year could be affected by an error (data entry, consolidation, etc.). So, extreme caution must be used when interpreting any single one-year value for a district. The second limitation is that EMIS information is not information about students – it is information about schools. No individual level data on students is included in the EMIS data base. Individual characteristics are captured at an aggregate level – for example age or ethnicity are captured as the number of children of a certain age or ethnicity in a grade in a school. From the EMIS data we do not know – for example – if it is the 10-year-old child that drops out or the 6-year-old; the Lao mother tongue speaker or speaker of another language a child that lived far from the school or one that lived nearby.

Finally, many of the factors that impact on a child’s persistence in school or results are not captured anywhere in education data systems (EMIS). The socio-economic conditions of the child have a profound influence on how much schooling a child successfully completes and his/her results. While information from relevant national sources can be used to characterize a district as “poor” or “remote” or “disadvantaged”, most of the children living in that district are neither poor, remote or disadvantaged.

This annex to the MTR provides a detailed assessment of the variation in outcomes across districts and – to a lesser extent – a review of underlying causes. The data sources used for this exploration are EMIS indicators as packaged by EduInfo. EduInfo does not include data for post-secondary, non-formal or TVET. Education data is supplemented by an analysis of individual level data from the 2012 and 2017 administrations of the Lao Social Indicator Survey. This population-based survey provides an opportunity to explore the impact of the individual characteristics of children on education outcomes.

ECE

MoES is on track to meet the target of a national 80 percent GER for children 5 years of age. Figure 1 presents the distribution of District ECE GERs for 2013, 2015 and 2017. For each year the figure presents the range of rates from lowest district GER to the highest as well as the “middle 50% of districts.” This middle 50% is the range of GERs that capture ½ of the Districts. Figure 1 demonstrates that between 2013 and 2015 the range in GERs has decreased and GERs that identify the middle 50 percent of has consistent moved higher. The figure also suggests that while there have been overall

improvements, the level of variation from district to district has only been reduced slightly; suggesting that progress on reducing disparities has been slower than the overall increase in participation.

Map 1 illustrates the distribution of ECE participation in Lao PDR in 2017. For knowledgeable stakeholders this distribution likely confirms their perceptions that the districts in the south outside of the major population centres have the lowest participation rates.

As mentioned previously, the district participation rate is the result of both the supply of ECE places (centres, schools, community-based) and the different types of disadvantages faced by children and their families. Poorer districts – defined by the percent of poor persons residing in

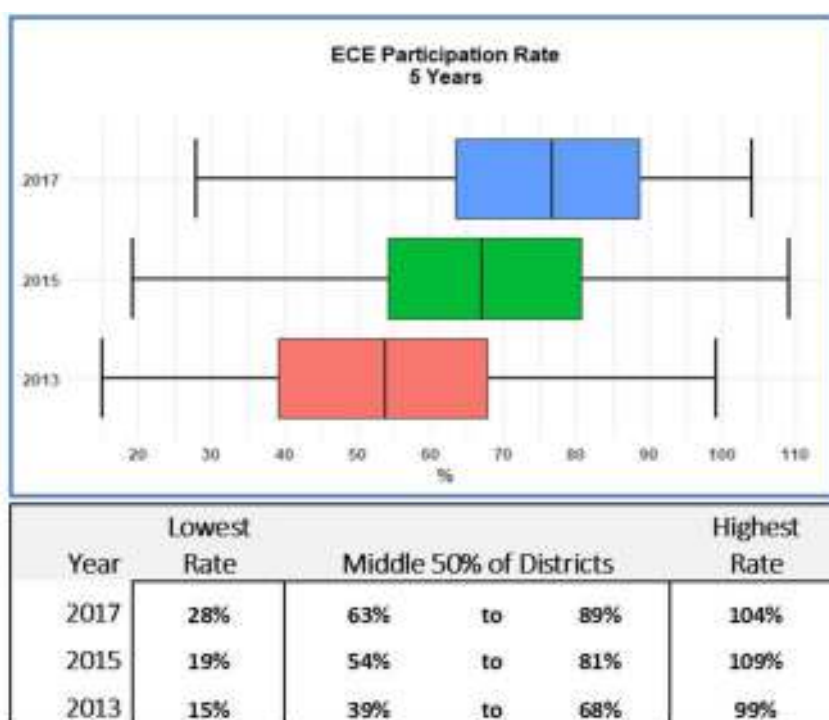
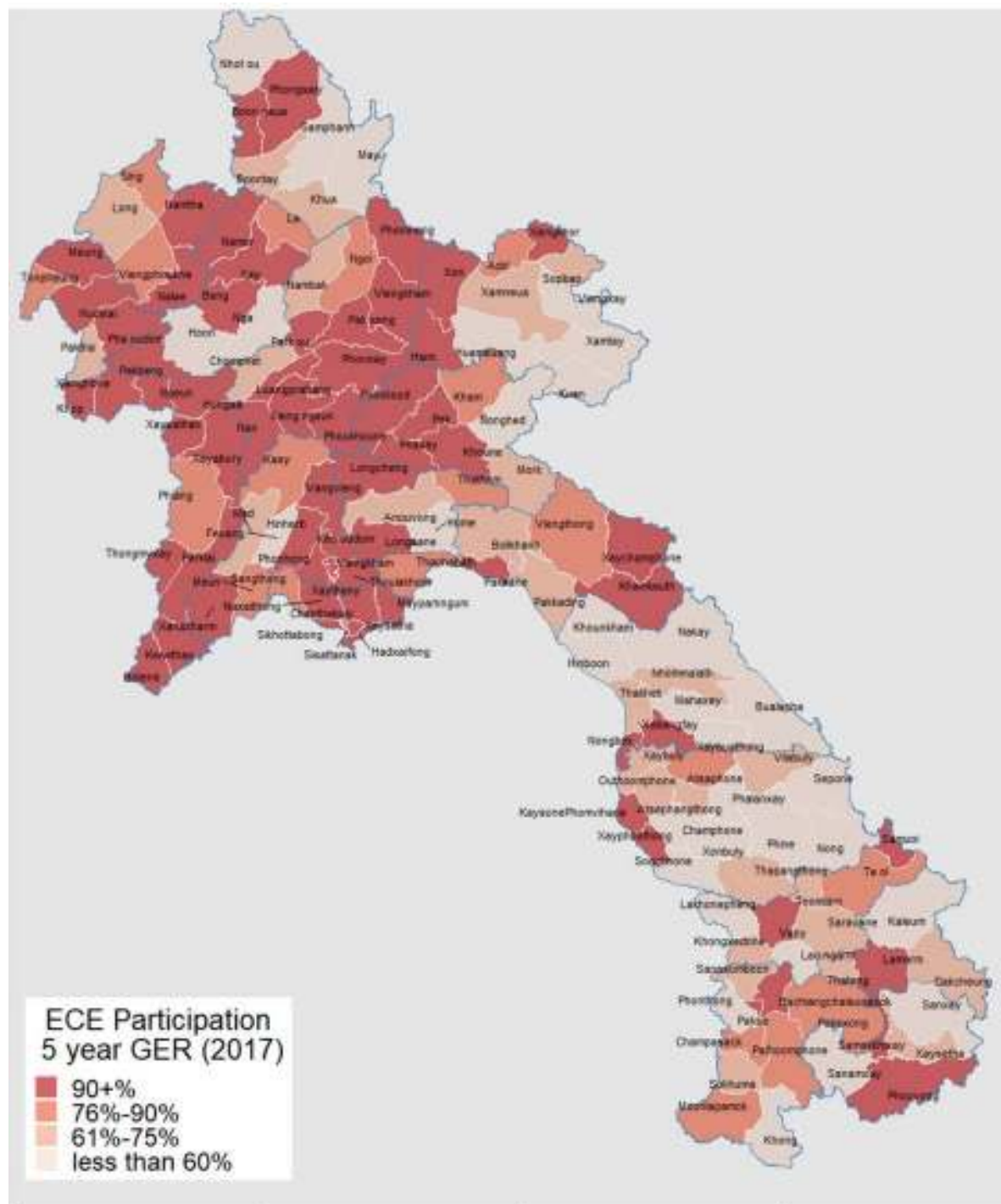


Figure 1: GER 5 years of age (EMIS/EduInfo)

the district⁴¹ have lower rates of ECE participation than less poor districts. The same applies to differences in districts with respect to the remoteness of the district (percent of households in rural areas with no road).⁴² The district level indicator of ECE participation provides information about which districts have low (or high) participation rates but determining the cause of low rates – and the appropriate strategies to improve participation -will depend on analysis by DESB officials.

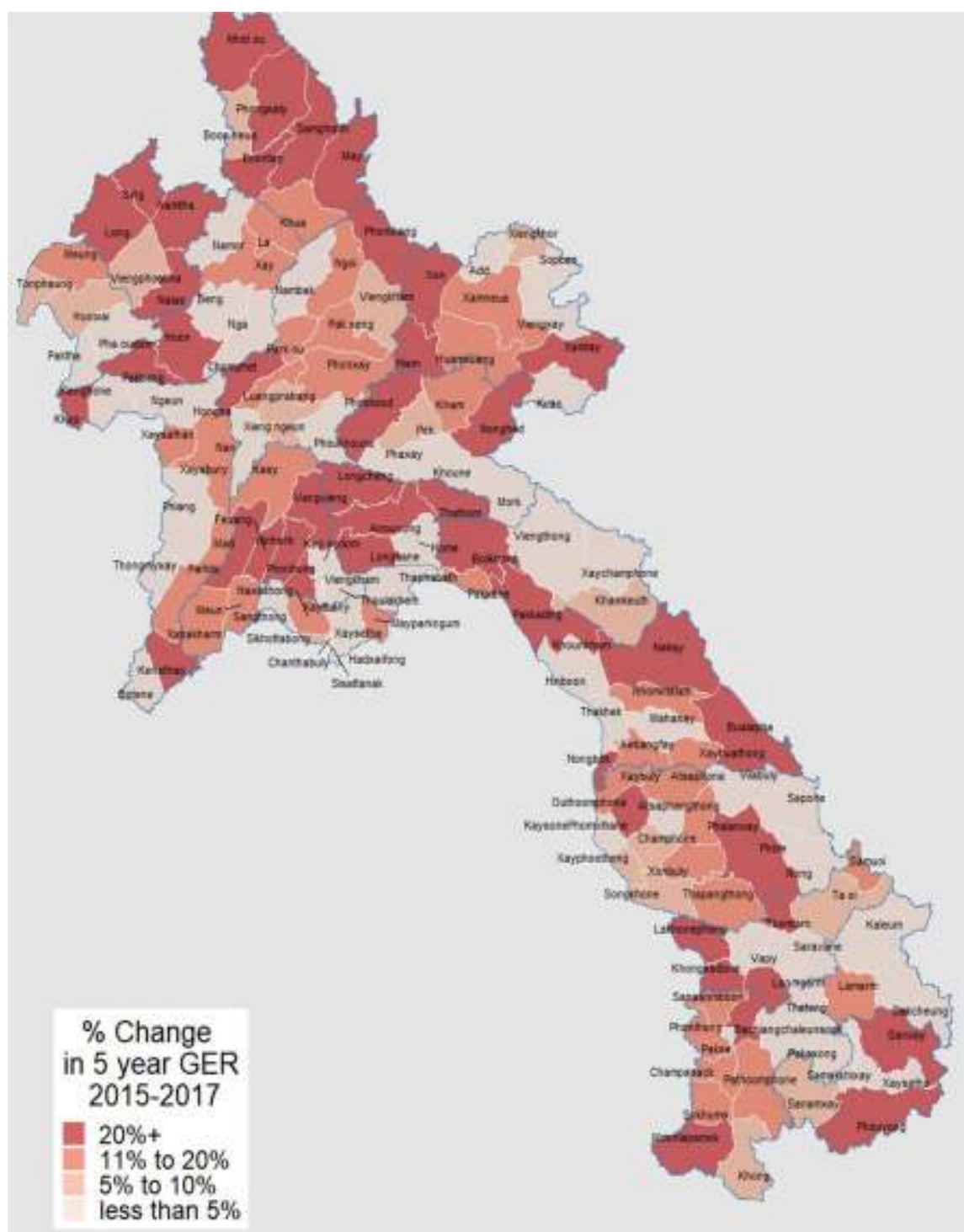


Map 1: 5-year GER in ECE (2017) (EMIS/EduInfo)

⁴¹ Poverty head count by district in Lao PDR 2015 Population Census.

⁴² Also, Lao PDR 2015 population census.

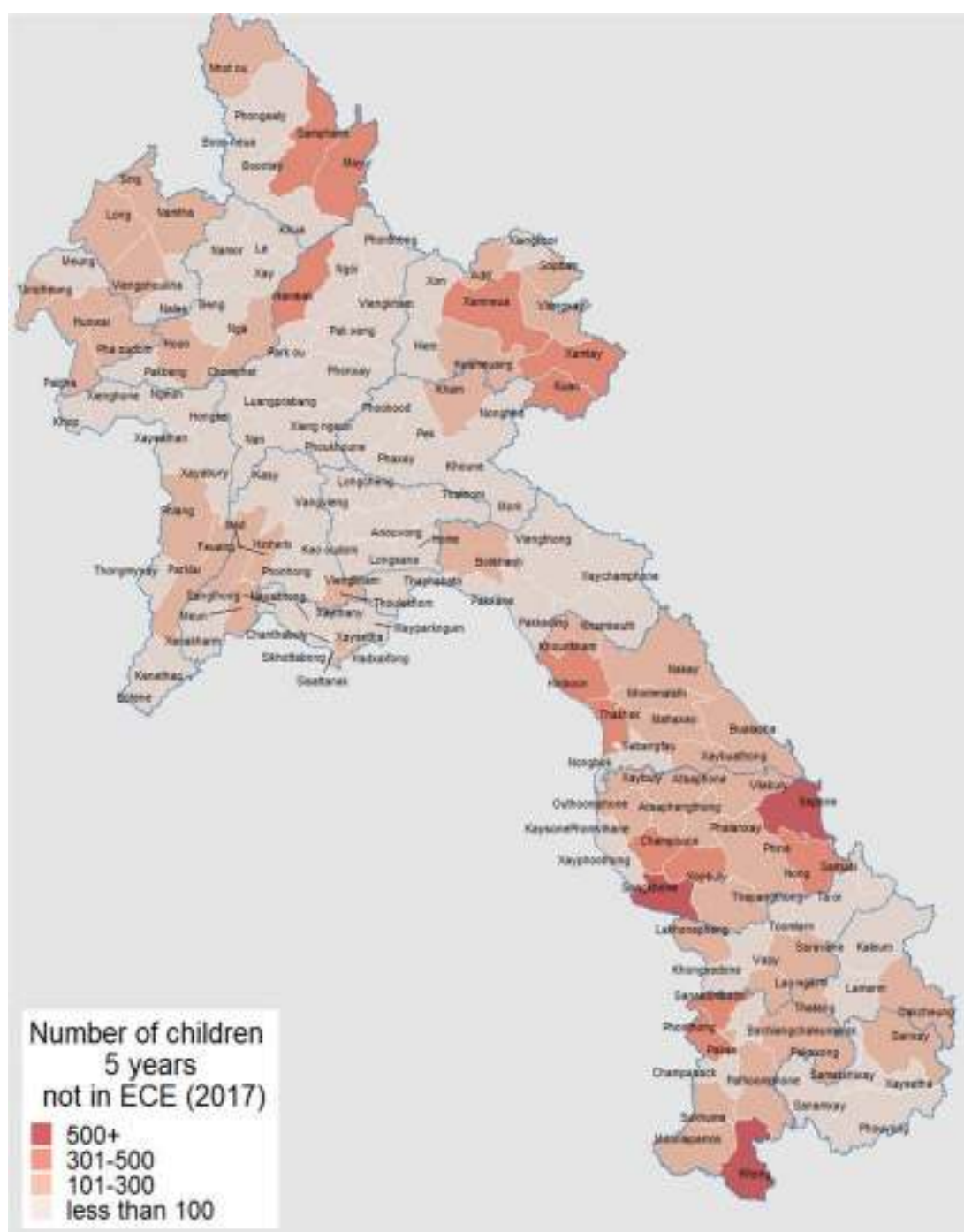
Map 2 illustrates the change in ECE participation rates between 2015 and 2017. This is measured as a percentage change – for example an improvement from a GER of 30% to a GER of 40% is a 33% improvement ($40\%/30\% - 1 = 33\%$). The pattern in the change of rates confirms that MoES (and DP) investments have had a positive impact on many of the districts identified in Map 1 as districts with low participation rates. It is also interesting to note that some districts in the capital areas continue with rapid rates of growth despite their already high levels of participation and that some districts with low 5-year GERs have also been slow to improve since 2015 (compare **Map 1** and **Map 2**)



Map 2: % Change in 5-year GER in ECE 2015-2017 (EMIS/EduInfo)

Map 3 presents the estimated number of children 5 years of age in the district not participating in ECE. This was calculated on the basis of reported EMIS enrolment of children 5 years of age and the reported GER. This view provides an indication of districts where efforts to expand ECE using the various modalities

(kindergarten, pre-primary, community-based) may have the largest impact on improving national level participation rates. In general, the districts in the South that have low participation rates also have relatively large populations and the largest number of children 5 years of age that did not participate in ECE in 2017.



*Map 3: Estimated number of children 5 years of age not participating in ECE (2017)
(EMIS/EduInfo)*

Primary Education

Reported participation rates in Primary Education (NER) are approximately 98 percent with gender parity. The ESDP 2016-2020 includes a number of targets for Primary Education. These include Grade 1 dropout and repetition, survival to Grade 5 and the Primary Cohort Completion Ratio.

Keeping Grade 1 repetition and dropout low are important aspects of promoting equity and improving the overall efficiency of the education sector (less “wastage” of valuable resources from repetition and dropout).

However, the policy of progressive promotion (including investment in remediation) may make comparisons of grade 1 repetition and dropout less useful as an indicator of progress or of disparity. Dropout and repetition at any grade are reflected in the estimated cohort completion rate. The cohort completion rate indicates the percentage of children in grade 1 who would be expected to complete Primary Education if the current trends in repetition and dropout do not change. In 2018 MoES estimated a completion rate of 80.4 percent (slightly higher for girls).

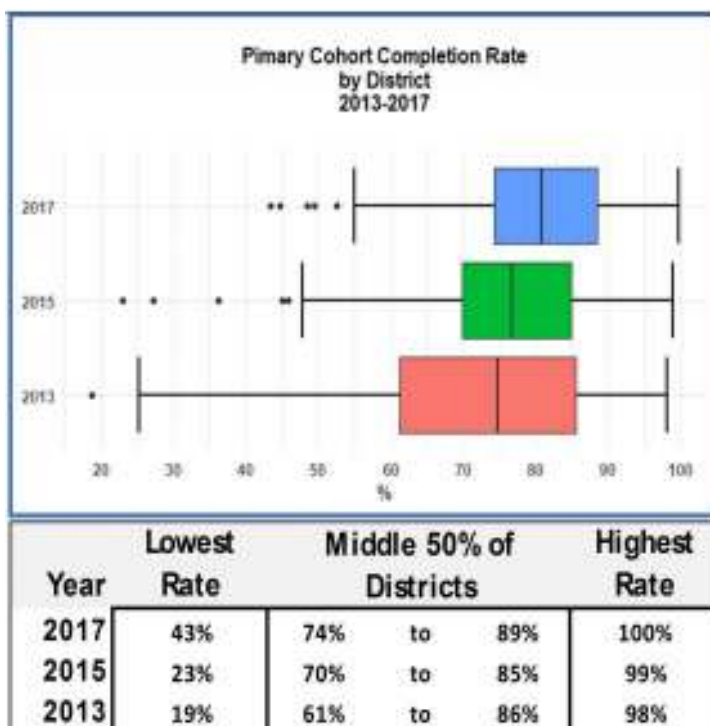


Figure 2: Primary cohort completion rates (EMIS/EduInfo)

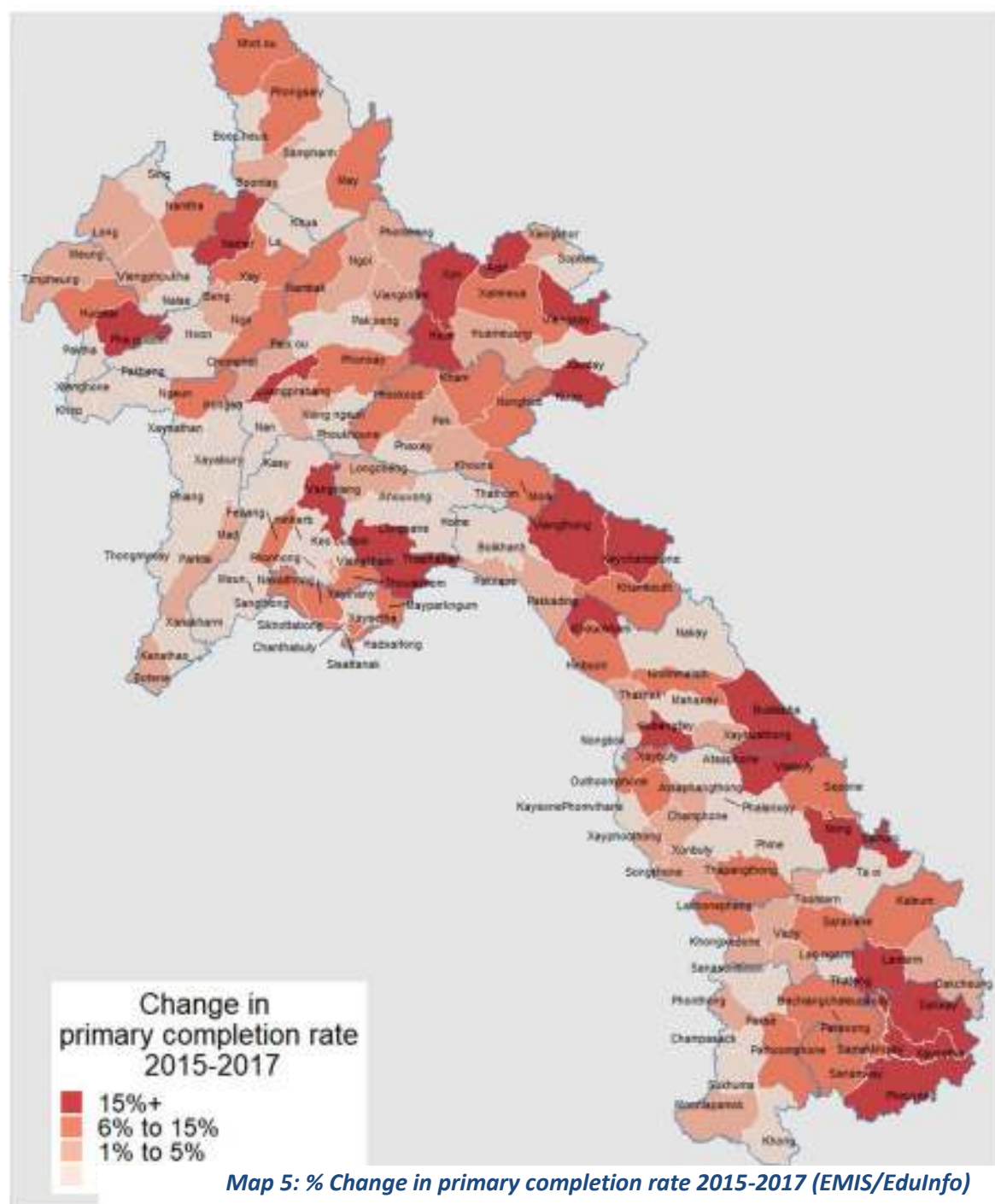
Using district level primary completion rates from 2017 indicates that the variation in completion rates is significant. The degree of variation is so great that the plotting methodology yields points (dots) indicating districts that should be considered as “outlier” values.⁴³

The pattern of progress is similar to the pattern observed in ECE participation rates – improving rates and a moderate reduction in variation over time. As noted in Chapter 2 of the ESDP 2016-2020 MTR, while overall primary completion rates have improved, and variation has decreased, it will be difficult to achieve the national level goal of 89 percent without targeted efforts to improve the low performing districts.

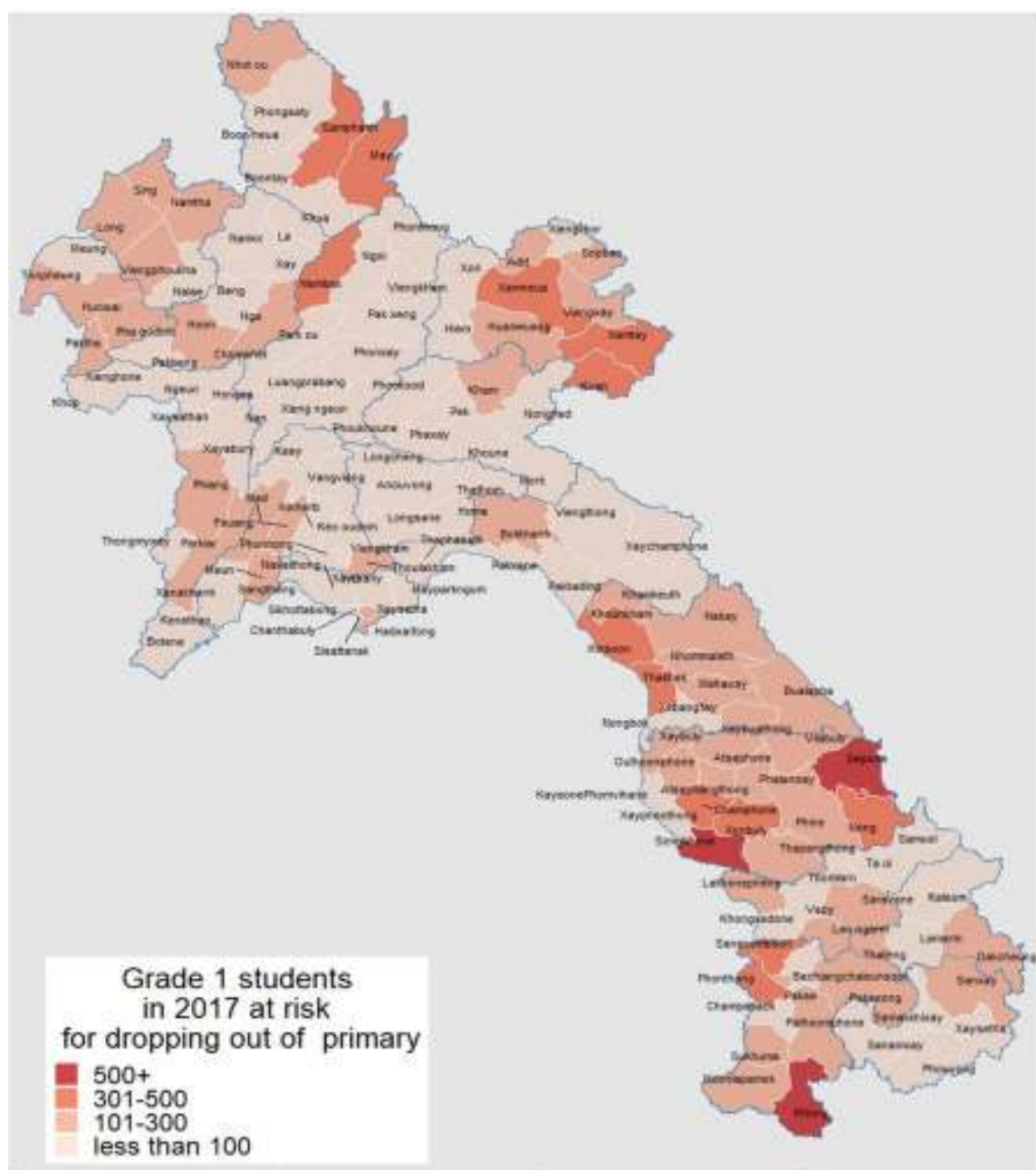
Map 4 plots district level primary cohort completion rates in 2017. The lighter colours indicate districts with lower cohort completion rates. The districts with the lowest rates are concentrated in the South and along the border with Vietnam. These districts had primary completion rates below 45 percent.

⁴³ Rather than provide the formula – readers should just understand these values as “extreme” given the distribution of all other values. In the case of the primary cohort completion rates by district there are several districts that have “extremely” low (outlier) rates. These can be observed by examining the rates using the EMIS or EduInfo.

Map 5 presents the improvement in primary completion rates between 2013 and 2017. As was the case with the improvements in ECE rates – these are percentage improvements. Lighter colour indicates less improvement than darker colours. The pattern of improvement illustrated in the map suggests that some districts that have the lowest completion rates (**Map 4**) have also had the least improvement between 2013 and 2017. (Notably the southern districts along the border with Vietnam.). With all indicators, the impact of low (or high) levels on the education system is also dependent on the size of the population. A district with a small population and a low primary completion rate may be have negatively impacting fewer children (number of children not completing primary education) than a much larger district that has a higher – but still inadequate – completion rate.



Map 6 presents a view of the impact of low primary completion rates. The cohort completion rate (calculated by the Education and Sports Statistics Centre) is an indication of how many current Grade 1 students would be expected to complete primary school if there are no changes in current levels of repetition and dropout. In Map 6 the completion rate was used to estimate the number of children in Grade 1 in 2017 that would be expected not to complete primary school given the District's current level of repetition and dropout. The number of children at-risk of not completing primary education are concentrated in about 20 districts that have relatively low completion rates and relatively large populations.



Map 6: Estimated number of children in grade 1 likely to drop out of primary (EMIS/EduInfo)

Lower Secondary Education

The process of incorporating lower secondary education into compulsory education began with the 2015 revision of the education law. The lower secondary enrolment in 2017 was 20 percent higher than before the change in law (2013) – nearly 70 thousand additional students. The national lower secondary GER increased from 69 percent in 2013 to 83 percent in 2015.

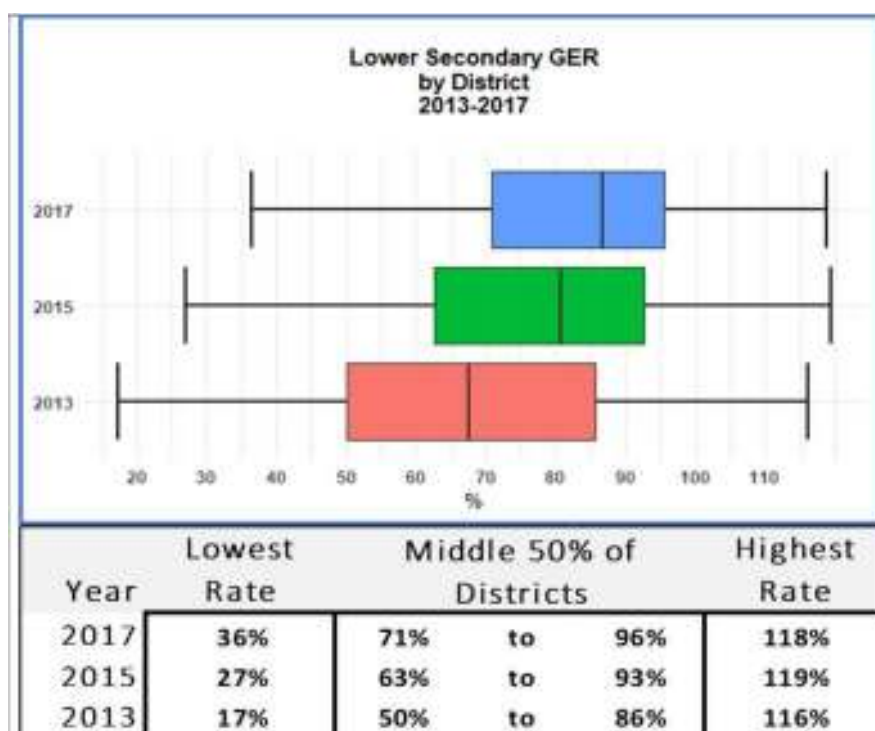
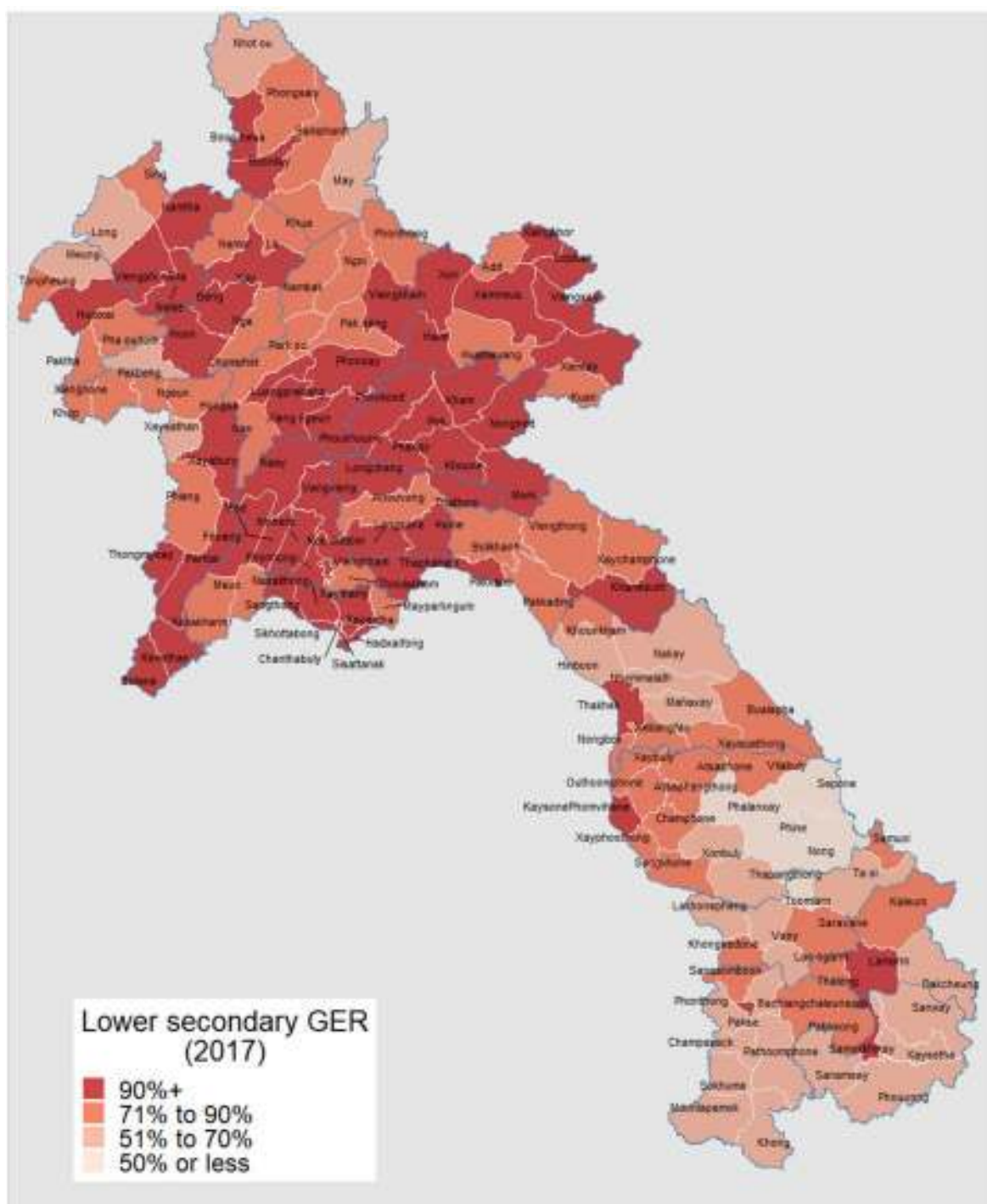


Figure 3: Lower secondary GER (EMIS/EduInfo)

Incorporating lower secondary education into compulsory education has also resulted in narrowing the differences between districts in participation as compared to 2013 (using the middle 50% of districts as an indicator). While the differences between districts have become smaller since 2013, they remain large.

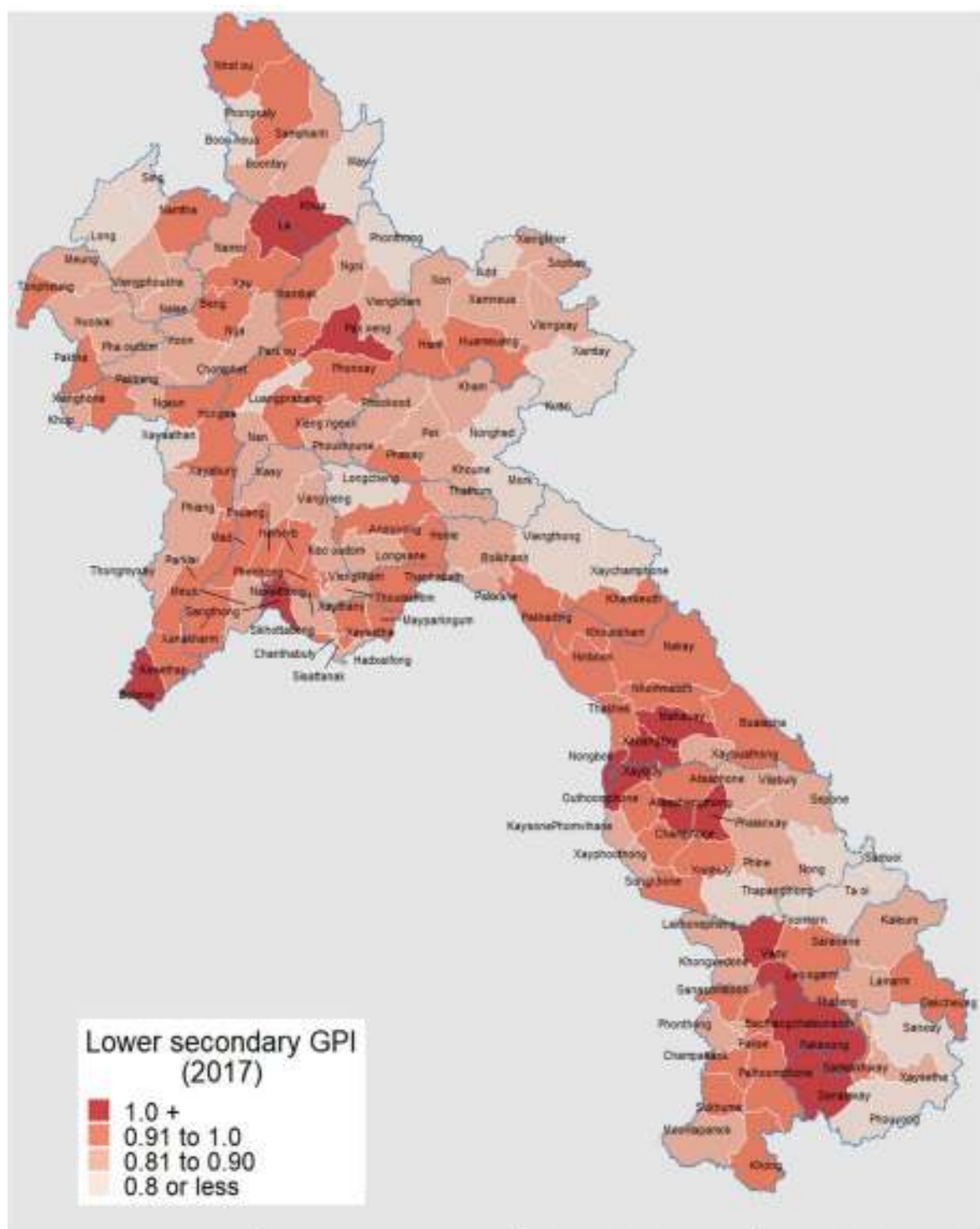
Map 7 presents the estimated GER for lower secondary education by district. There is a significant difference in participation levels in lower secondary between the north, central and southern region of the country.



Map 7: Lower secondary GER (2017) (EMIS/EduInfo)

MoES has expressed concern about the level of drop outs from lower secondary education. However, drop out calculated on an annual basis may overestimate the number of young people failing to complete lower secondary as it is not uncommon for children to return the next year after being recorded as a “drop out” the previous year. A more concise estimate of the loss of students requires the use of individual level data (see below, “lower secondary completion”)

In ECE and Primary Education in Lao PDR, access and outcomes are at parity for girls and boys. Beginning at the level of lower secondary, traditions and customs begin to have more impact on the participation of girls and women. **Map 8** illustrates the Gender Parity Index for lower secondary education in 2017. About 25 percent of districts have a GPI of 0.8 or less. **Map 8.** Illustrates that challenges to girls' participation in lower secondary tend to be concentrated in geographical areas (clusters of districts). This suggests that there are problems of accessibility (insufficient opportunities) or cultural factors in the types of communities concentrated in these geographical regions.



Map 8: Lower secondary GPI (2017) (EMIS/EduInfo)

Upper Secondary Education

Upper secondary education GERs vary considerably from district to district. As with other indicators these variations are the result of both individual demand side factors and the supply (access) to available secondary school places. A more detailed analysis with information disaggregated to the village level would be necessary to assess the impact of available upper secondary places.

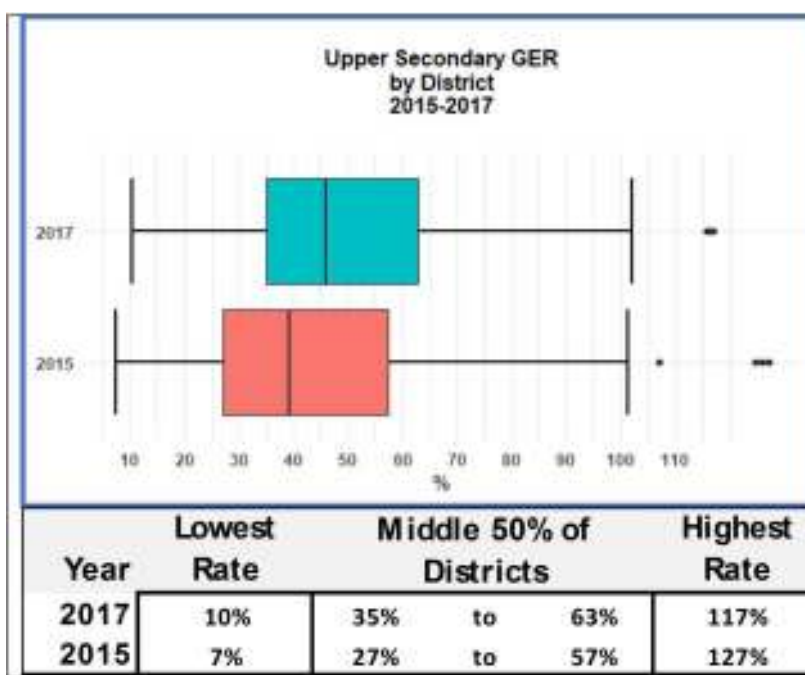
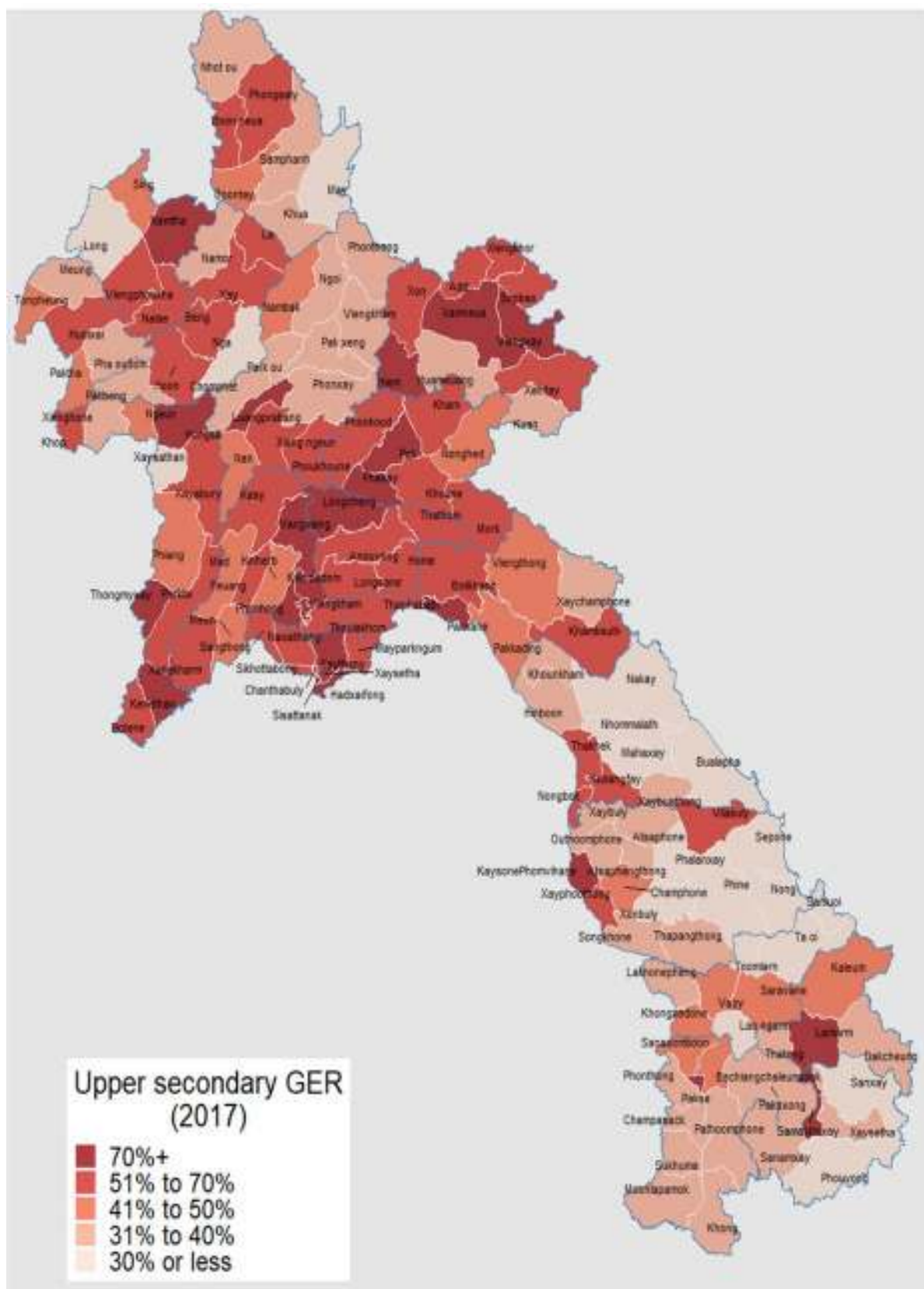
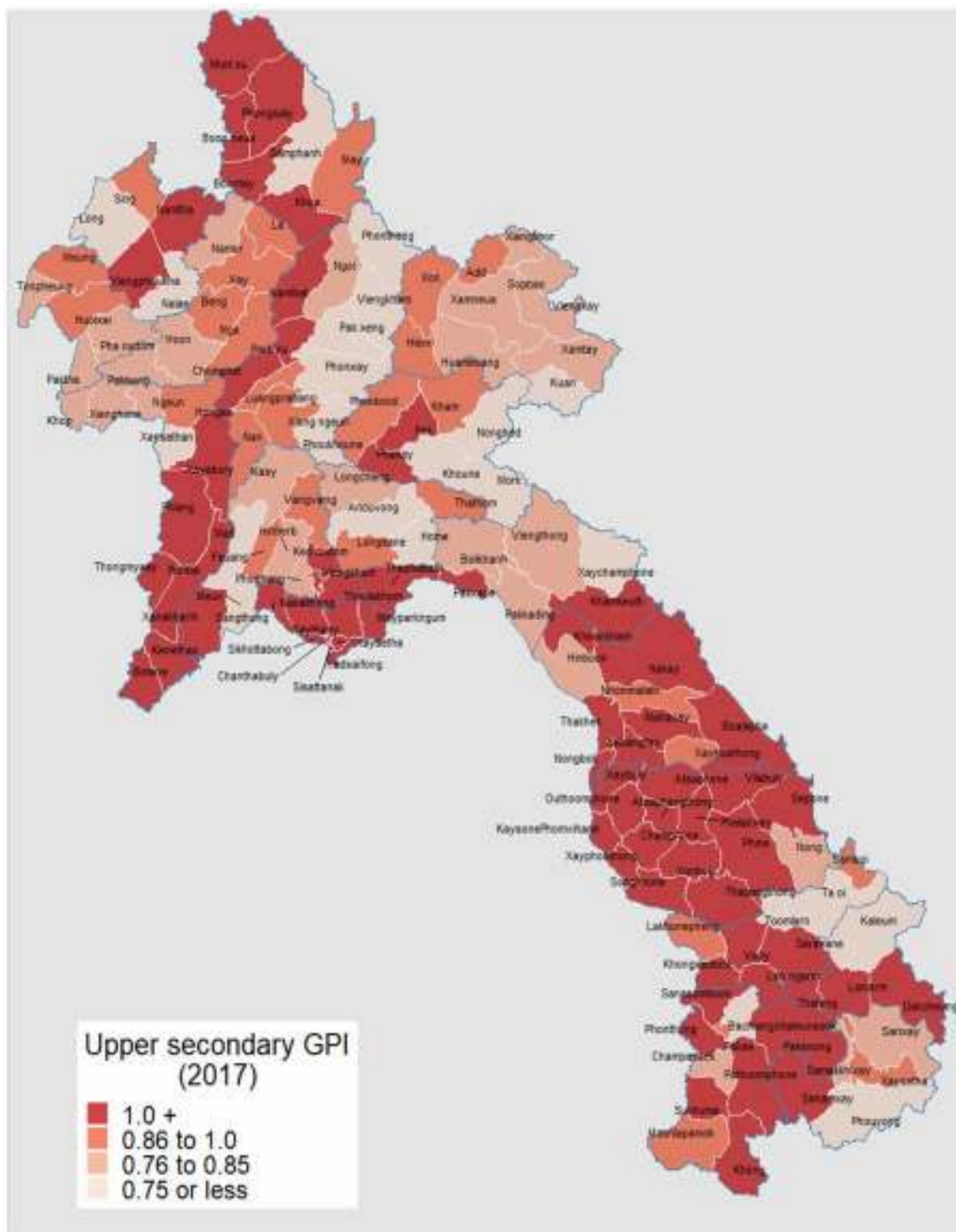


Figure 4: Upper secondary GER (EMIS/EduInfo)

Upper Secondary GERs for 2017 are presented in Map 9.



Map 9: Upper secondary GER (2017) (EMIS/EduInfo)



Map 10: Upper secondary GPI (2017) (EMIS/EduInfo)

Map 10 presents the district by district gender parity index for upper secondary education in 2017. While participation rates for upper secondary are lower than for lower secondary, gender parity is better. This suggests that gender has less impact on participation in secondary education than other socio-economic conditions or differences in the supply/accessibility of upper secondary school opportunities.

Individual/household characteristics and participation in education and education outcomes

Many individual and household factors influence participation in education and education outcomes. The Lao Social Indicator Survey (2012 and 2017) provides data on individual children that can be used to assess the relative importance of these factors. For this annex, we have chosen to focus on a limited set of factors – factors that are relevant to policy and planning in Lao PDR: ethnolinguistic group, household wealth and remoteness of the household. These values have all been defined by the Lao Bureau of Statistics.

In other parts of the MTR, simple proportions – or differences in proportions – like differences in participation rates or completion rates have been presented (poor versus non-poor, Lao-Tai speakers versus other language speakers, etc.). While those proportions can provide useful insights for policy makers and planners, they do not take into consideration the correlation between the categories. For example, some ethnolinguistic groups may tend to be located in very remote regions. So, when comparing their participation rates to other groups, part of what we observe are differences that are unique to being a member of that particular ethnolinguistic group with differences attributable to being in a remote household mixed in.

In this section we apply statistical method⁴⁴ that estimates the “unique” effect of these factors on education outcomes. So, for example, when a difference between children from Lao speaking households and children from other ethnolinguistic groups is presented this difference is estimated without the influence of other differences that may be associated with living in a non-Lao speaking household – like being poorer, or living in a more remote area.

ECE participation

A child 3 to 5 years of age from a non-Lao speaking household is less likely to have attended ECE than a similar child from a Lao speaking household. In 2012 a non-Lao speaking child was less than ½ as likely to have attended ECE as a child from a Lao speaking household. While the difference in 2017 is still large, it is much smaller than the 2012 difference.

The poorest children are much less likely to attend ECE than children who are not in the group of poorest households. In 2017, this difference is still large.

In 2012 children from remote households were less likely to participate in ECE. By 2017 expansion of the system meant that remoteness was no longer a statistically significant predictor of ECE participation.⁴⁵

Probability that a child 3 to 5 years of age attends ECE		
	2012	2017
Lao speaking Household	38%	49%
Non-Lao speaking Household	15%	30%
Non Poor	38%	49%
Poor (bottom 20%)	15%	26%
Non Remote	38%	
Remote	22%	

⁴⁴ Logistical regression

⁴⁵ This means that a difference there is no “unique” disadvantage in ECE participation for children living in a remote area that is not better explained by their level of poverty or their ethnolinguistic group.

Primary Completion:

In 2012 the odds that a child between 11 and 15 years of age had completed primary schooling was only about 50/50. The probability for a child from a non-Lao speaking household was only about ½ of the probability for children from Lao speaking households.

Expansion of opportunities for primary education changed this profile significantly between 2012 and 2017. In 2017 a non-poor child (not in bottom 20%) had a 90% probability of having completed primary education and the probability for a similar non-poor child from another ethnolinguistic group was nearly the same.

While the impact of being in a remote household was reduced significantly by the expansion of the system (almost no impact in 2017), the poorest children are still much less likely than their non-poor peers to complete primary education.

Probability that a child 11-15 years of age has completed primary education		
	2012	2017
Lao speaking Household	50%	90%
Non-Lao speaking Household	29%	84%
Non Poor	50%	90%
Poor (bottom 20%)	22%	72%
Non Remote	50%	90%
Remote	39%	89%

Participation in lower secondary education:

Expansion of lower secondary education and the incorporation of lower secondary into compulsory education has reduced the disparities linked to ethnolinguistic group and remote location.

However, a poor child is only about ½ as likely to be enrolled in lower secondary education than a child not in a poorest 20% household.

Probability that a child 12 to 16 years of age is enrolled in lower secondary education		
	2012	2017
Lao speaking Household	51%	60%
Non-Lao speaking Household	41%	60%
Non Poor	51%	60%
Poor (bottom 20%)	22%	33%
Non Remote	50%	
Remote	33%	

Lower secondary completion:

Expansion of lower secondary education and the incorporation of lower secondary into compulsory education has had a similar impact on the probability that a young person has completed the level.

Differences linked to ethnolinguistic group and remote locations have been drastically reduced while overall rates have increased. Poor children are still less than ½ as likely as their non-poor peers to have completed lower secondary education.

Probability that a youth 16 to 20 years of age has completed lower secondary education		
	2012	2017
Lao speaking Household	44%	67%
Non-Lao speaking Household	21%	57%
Non Poor	44%	67%
Poor (bottom 20%)	9%	31%
Non Remote	44%	67%
Remote	18%	60%

Upper secondary participation:

The probability that a youth 16 to 22 years of age from a Lao speaking household has entered or completed at least one grade of upper secondary is 54%. The probability that a youth from a non-Lao speaking household entered upper secondary is about 38%. A youth from a poor household is less than ½ as likely to have entered at least one grade of upper secondary.

Probability that a youth 16 to 22 years of age attended upper secondary education	
	2017
Lao speaking Household	54%
Non-Lao speaking Household	38%
Non Poor	54%
Poor (bottom 20%)	20%
Non Remote	54%
Remote	40%

Upper secondary completion:

The overall probability that a youth who enters secondary school successfully completes the level is about 83%. The probability that a young person from a Lao speaking household who enters secondary school successfully completes secondary is 85%. The probability that young people from non-Lao speaking households who enter upper secondary successfully completes secondary school is 78%.

Poor youth are less likely to complete (71% probability) – but it is important to keep in mind that only about 20 percent of poor youth successfully enter upper secondary education.

Being in a remote household did not have a statistically significant impact⁴⁶ on whether a young person who entered upper secondary was successful in completing the level. Children from remote households who are fortunate enough to enter upper secondary education are likely to have the financial resources to relocate close to the secondary school (or are supported by a government provided dormitory).

Probability that a youth 20 to 24 years of age who entered upper secondary has completed the level	
	2017
Lao speaking Household	85%
Non-Lao speaking Household	78%
Non Poor	85%
Poor (bottom 20%)	71%
Non Remote	
Remote	

⁴⁶ There was no independent difference in secondary completion between young people from remote households and

Summary: policy and planning to address disparities.

The ESDP 2016-2020 MTR emphasizes the importance of addressing disparities in participation and outcomes in meeting the plan goals and objectives. Despite significant investments in expanding access and improving quality, disparities are evident at all levels of the system. Many of these disparities cannot be efficiently addressed through ongoing expansion and require more targeted approaches focused on underlying causes – and resource allocations to support these approaches.

This annex has provided an example of how existing data systems can support the underlying analysis to identify promising strategies for addressing particular disparities and monitoring progress. The annex is only an example of how underlying challenges might be better understood, much more is possible through the utilization of other data sources like the individual data from the Lao PDR Census and a more complete exploitation of the capabilities of school census data (EMIS) and financial data (GFIS/FMIS). Government and Development Partners will explore how to better utilize information sources in developing policy and practice responses to ESWG ESDP MTR recommendations.

Annex 3: Proposed Key Performance Indicators for ESDP 2016-20

	Recommended KPIs (specific benchmarks need to be reviewed).	Achieved in 2016	Achieved in 2017	Achieved in 2018	Proposed for 2020
1	Increasing and Equitable Access to quality education services				
1.1	The participation rate of 5 years old in any form of ECE	70,9%	74,4%	77,1%	80%
1.2	Number of districts with more than 60.0% of five year olds in all aspects of ECE	N/A	116	126	135
1.3	Primary Net Enrolment Rate	98.8%	98.7%	98.8%	99%
1.4	Primary Net Intake Ratio	97.9%	97.6%	97.7%	98%
1.5	Number of districts achieving Primary completion rate (gross admission rate to the last grade of primary) of 95.0% or more	N/A	134	127	140
1.6	Lower Secondary Gross Enrolment rate	82.2%	82.9%	83.1%	85%
1.7	Upper Secondary Gross Enrolment rate	47.8%	51.4%	53.3%	56%
1.8	Number of provinces achieving LSE completion rate (gross admission rate to the last grade of LSE) for girls of 70.0% or more	N/A	10	12	16
2	Internal Efficiency/Quality				
2.1	Primary repetition arte	4.8%	4.1%	4.0%	2%
2.2	Primary drop-out rate	4.7%	4.4%	4.1%	2%
2.3	Primary Survival Rate	79.6%	81.1%	82.2%	86%
2.4	Lower secondary drop-out	8.0%	8.3%	9.2%	8%
2.5	Upper secondary drop-out	5.4%	5.8%	7.0%	6%
2.6	Number of districts with a total primary repetition rate below 7.0%	117	126	130	138
2.7	Number of districts with a total primary drop-out rate below 6.0%	111	115	119	130

3	Improved Service Standards at school level				
3.1	Number of Districts with Primary Teacher Allocation of R2 > 0.8 of defined standard ¹	N/A	N/A	44	60
3.2	Percentage of Primary Schools that have all year accessible to water supply			46.7%	52%
4	More Effective leadership and management of Education Services				
4.1	Percentage of National Recurrent Budget allocated to MoES	20,50%	19,78%	20,06%	
4.2	Percentage of National Primary Budget allocated to MoES including ODA	16.3%	13.4%	14.02%	
4.3	Percentage of National Primary Budget allocated to MoES Excluding ODA	17.9%	16.0%	16.9%	
4.4	Percentage of non-wage budget in education budget	19%	19%	20%	

¹ Based on Revised Teacher Allocation Guideline

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