



Australian Government
Department of Foreign Affairs and Trade



Australia-Laos Education Delivery Strategy 2013–18



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Cover: Pupils at Namone primary school, Xieng Khouang Province, Lao PDR.
Photo: Bart Verweij/DFAT (2014).

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List of acronyms

ABEL	Access to Basic Education in Laos program
ADB	Asian Development Bank
APPR	Annual Program Performance Report
ASEAN	Association of Southeast Asian Nations
ASLO	Assessment of Student Learning Outcomes
CBC	Community-Based Contracting
DBEL	Delivering Better Education in Laos
DESB	District Education and Sports Bureau
EFA-FTI	Education for All-Fast Track Initiative
EGRA	Early Grade Reading Assessment
ESDF	Education Sector Development Framework
ESDP	Education Sector Development Plan
ESWG	Education Sector Working Group
GER	Gross Net Enrolment
GoL	Government of Lao PDR
GPE	Global Partnership for Education
INGO	International Non-Governmental Organisation
IPP	Individual Performance Plan
LABEP	Laos–Australia Basic Education Program
LARLP	Laos–Australia Rural Livelihoods Program
LDC	Least Developed Country
MDG	Millennium Development Goal
MOES	Ministry of Education and Sports
NER	Net Enrolment Rate
NESRG	National Education System Reform Strategy
NGO	Non-Government Organisation
NPA	Non-Profit Associations
NSEDP	National Socio-Economic Development Plan
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
PAF	Performance Assessment Framework
PESS	Provincial Education and Sports Services
TESAP	Teacher Education Strategy and Action Plan
TVET	Technical Vocational Education and Training
UNICEF	United Nations Children’s Fund
UN HDI	United Nations Human Development Index
VEDC	Village Education Development Committee
WASH	Water, Sanitation and Hygiene
WFP	World Food Programme

Executive summary

Basic education is the building block for the future economic and social development of Lao PDR. Improved basic education has proven benefits for public health, including better nutrition and lower maternal and child mortality, and for improving long-term economic growth. With nearly 50 per cent of the population less than 20 years old, it is essential that basic education provides quality, relevant and accessible learning opportunities for Lao children.

While access to basic education in Laos has increased over recent years, high rates of dropout and repetition in the early grades are undermining education achievements. These challenges suggest issues with the curriculum and quality of teaching, as well as the costs of education, particularly the opportunity costs of a child attending school, that outweigh the perceived benefits. These issues suggest a need to focus on early learning, particularly in remote areas where dropout and repetition are most significant. This extends beyond the education sector, as barriers related to rural poverty and poor health must be addressed to enable children to be ready and able to learn. Engendering a culture of valuing basic education in Laos is mired by cultural, economic and gender barriers.

Australia has a long history and a good track record in supporting efforts in basic education in Laos. The focus of our work has been to stimulate economic growth for the benefit of the poor, with an emphasis on the provision of education for the most educationally disadvantaged. Australia has assisted Laos to expand access to education through the construction of classrooms, training of teachers and provision of school meals. We now need to build on this investment and help create 'quality schools', by focusing on better quality education through an improved curriculum and better teacher performance and school management.

The support proposed will ensure that more disadvantaged girls and boys, including those with disabilities, are able to achieve basic literacy, numeracy and core life skills by completing a quality basic education. This will entail moving beyond the Millennium Development Goals (MDGs), driven by a focus on enrolments, to participation and achievement of quality learning outcomes. A focus on better teaching will be an essential element, ensuring that the right teachers are recruited and provided with the right skills to support learning in the most disadvantaged areas.

The delivery strategy envisions a ten-year timeframe. In 2023, the strategy will be considered successful if high enrolments are sustained, primary completion rates have increased by at least 10 per cent and more students are literate and numerate. Under this delivery strategy Australia will work towards achieving three intermediate objectives:

1. Participation: more disadvantaged children and young people participate in primary education daily and are ready to learn.
2. Resourcing: learning environments in targeted geographic areas are more equitable and adequately resourced.
3. Effective teaching: effective teaching enables more disadvantaged girls and boys to learn.

To achieve these objectives, we will build on and link to Australia's Rural Development Program in Laos, directing education investments to targeted communities where support for rural livelihoods is being implemented. We will build on past successes by working closely with partners who want to work with us, and who have a strong record for delivering high-quality education investments in Laos. Australia's continued role as a leader in the sector presents an opportunity to work more directly through a stronger bilateral engagement with the Government of Laos.



Lao primary school students working with new learning materials provided by Australia, Xayaburi district. Photo: Bart Verweij/DFAT

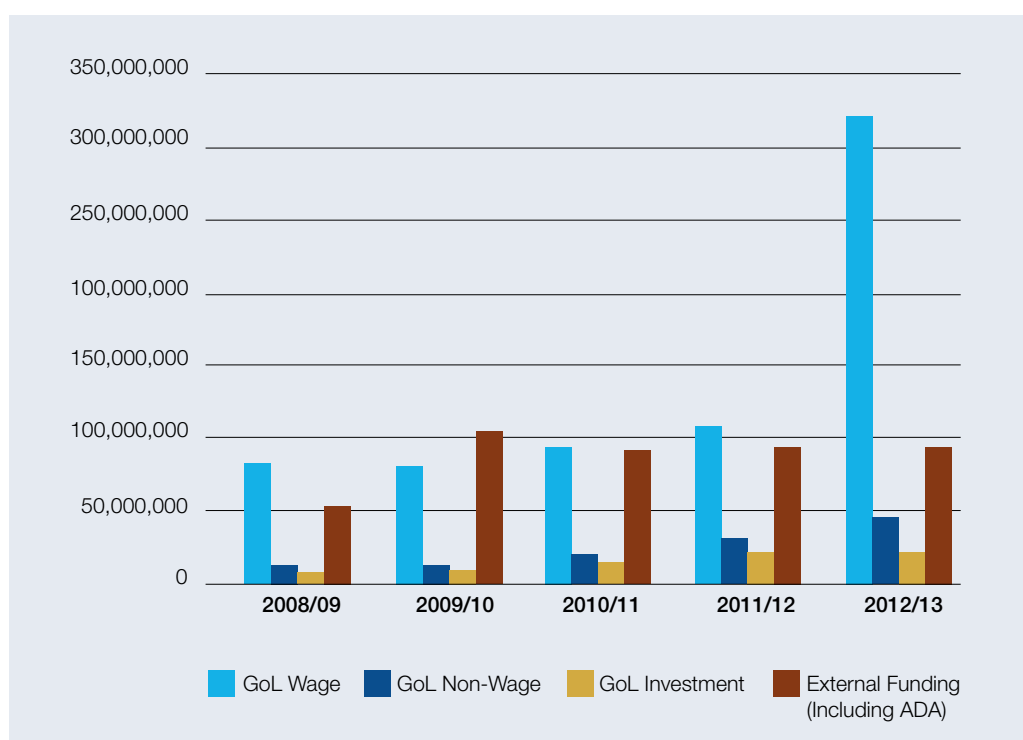
1. Development context

While strong gains have been made in the education sector, the generally low standard of human development (as reported in the United Nations Human Development Index) impedes overall progress towards the MDGs and the ambition of Laos to graduate from Least Developed Country (LDC) status by 2020. The demographic profile of Laos is young. Nearly 50 per cent of the population is less than 20 years old, and the proportion of the population that is of prime working age is expected to continue to rise into the future. Although shaped by high fertility rates, declining mortality rates and rising life expectancy, this young demographic has the potential to generate significant economic dividends.

Budgetary environment

In 2012–13 the Government of Laos set a target of allocating 17.3 per cent of the national budget to education, which is on target to reach the 18 per cent target allocation for the education sector budget as outlined in the Education Law (2007). This represents a large single-year increase in the budget share to education (11.3 per cent in 2011–12¹), primarily due to significant salary increases for teachers and other civil servants introduced in 2012–13 (see Chart 1 below). These salary increases, proposed to increase further in 2013–14 and 2014–15, were introduced as a means to increase the number and quality of public sector workers, particularly in health and education. Nonetheless, the strain these wage increases have placed on the national budget of Laos creates a risk of a further imbalance between wage expenditure and non-wage recurrent and investment expenditure.

Chart 1: Lao Education Sector Budget (in USD) by source and allocation 2008–09 to 2012–13²



1 Both figures are budget estimates rather than actual expenditure.

2 2008–09 and 2009–10 expenditure data from Lao National Assembly; 2010–11 to 2011–12 budget approved by the Lao National Assembly; 2012–13 is the revised budget provided by the Lao Ministry of Finance.

Donor funding finances approximately 30 per cent of the total education budget in Laos. The structure of the Government of Laos' recurrent education budget represents a risk to investments from development partners not being sustained due to the very low non-wage operating budget (less than 10 per cent of the total education budget). Based on a Government of Laos Decree on pupil-teacher ratio³, there is an overall surplus of teachers of 21 per cent at the primary level and 29 per cent at the secondary level. This surplus reflects a large oversupply of teachers in urban areas, while a significant undersupply exists in rural and remote areas. There is therefore a critical need to focus on improved efficiency in resource allocation in the education sector.

Basic education in Laos

Basic education, as outlined in the Education Sector Development Plan (ESDP) 2011–15 released by the Government of Laos includes early childhood education, five years of primary education and four years of lower secondary education, and is a cornerstone for human development. Children with a basic education have better prospects later in life of earning higher incomes, having better health and finding work outside of farming.⁴ Basic education is critical to a range of pathways which lead to employment and for the development of a sufficiently skilled workforce essential for economic growth.

In 2011, the 9th National Congress of the Lao People's Revolutionary Party adopted four approaches to Laos graduating from LDC status by 2020, one of which is human resource development. This approach is intended to address the growing skills shortage, and is recognition by Laos that education outcomes are lagging. Results from the Assessment of Student Learning Outcomes (ASLO) for 2009 found 72 per cent of all Grade 5 students across the nation were assessed as 'pre-functional' in mathematics.⁵ Overall a comparison of results from 2006 and 2009 showed no real improvement over time. Similarly, preliminary findings from an Early Grade Reading Assessment (EGRA) conducted in 2012 indicate that the average student in Grades 2 to 4 has poor reading ability, even after four years of schooling.⁶ There are a number of interrelated causes of these poor education outcomes, outlined below.

Participation

Laos has made steady progress with enrolment rates in primary education over the past decade, by prioritising improvements in access, with a focus on girls, and targeting children who remain excluded from the mainstream education system. Despite achievements, Laos is off track to meet MDG 2 on universal primary education and MDG 3 on gender equality.

While net enrolment rates in primary education have increased from 89.2 per cent in 2007–08 to 96.8 per cent in 2012–13, high dropout rates in Grade 1 and low retention to Grade 5 are seriously undermining this progress. Retention to Grade 5 has not significantly improved, up from 67 per cent in 2007–08 to only 71 per cent in 2012–13. On current projections, retention rates to Grade 5 will reach 73 per cent by 2015, far short of the national MDG target of 95 per cent.⁷ Progress is being made on gender parity at the primary level with female enrolments at 95 for every 100 male enrolments in 2012–13. See **Annex A** for further details on participation in post-primary education.

3 Decree 177/Government of Laos 2012: that stipulated pupil teacher ratios of 30:1 for primary, 25:1 for lower secondary and 20:1 for upper secondary.

4 Note that farming is the primary livelihood activity in Laos, with 75 per cent (or 4.5 million people) in Laos earning their incomes through farming. Source: Agricultural Census of Laos 2012.

5 The Lao Assessment of Student Learning Outcomes uses three benchmarks to examine how well children are prepared at the end of primary school. These are pre-functional: primary students have not reached minimal level for functional purposes in Lao society; Functional: primary students have reached level for functional participation; and Independent: primary students have reached the level to enable independent learning in grade 6.

6 For students who do not have Lao as their mother tongue (around 40 per cent of the population) Early Grade Reading Assessment preliminary results show that they perform at much lower levels.

7 Retention rates are based on reconstructed cohort method of survival rate from grade 1 to grade 5.



Pupils at Namone primary school. In this small classroom they teach first and second graders and until the construction of the new school is finished sometimes also pupils from Grade 3 and 4. Photo: Bart Verweij/DFAT

Disadvantage

Children from disadvantaged groups: particularly minority ethnic groups, girls, and children with disabilities, are less likely to complete primary school. Causes of low completion⁸ include: informal costs of schooling; opportunity costs of the loss of livelihood generated from children working or caring for younger siblings; irrelevant curriculum; incompatibility with language of instruction; and inadequate learning environments, such as teacher shortages or schools with no toilet.⁹

Disability: there is no systematic collection of data on children with disabilities in the Lao Education Management Information System (EMIS). Based on global estimates of disability prevalence about 217,000 children aged 5–14 in Laos have a disability, but in 2007–08 only four per cent of these children were enrolled in school.¹⁰ Children with disabilities are more likely to miss out on education when families need to prioritise scarce resources. School facilities are often physically inaccessible to children with a disability, and there is a lack of government legislation requiring disability access in schools. In addition, there are limited systems to provide rehabilitation and disability services to children. The health system is generally not able to identify and refer children with a disability for specialist support, reducing opportunities to access education.

Remoteness, ethnicity and vulnerability: remoteness and geography impact on the ability of many Lao children to access school, particularly in the transition from primary to lower secondary schools. Many rural and remote communities are especially vulnerable to annual

8 Causes of low completion rates are identified in a Rapid Assessment Survey conducted by the Ministry of Education and Sports in 2011, an ILO report on child labour in 2012 and an Australian conducted basic education situational analysis in 2013.

9 Only 42 per cent of the 8,940 primary schools in Lao PDR have both functioning water supplies and sanitation.

10 National Strategy and Action Plan on Inclusive Education, Ministry of Education 2011–5–14 population estimates—1,451,158 total—from Lao Statistics Bureau 2011 <http://www.nsc.gov.la/>

flooding and other kinds of natural disasters, and have little resilience to these events due to poverty. Cognitive and language readiness to learn in Laos is significantly challenged by barriers related to remoteness, ethnicity, food insecurity and malnutrition. Food insecurity is a major problem—only 1 in 3 rural households are food secure, resulting in serious impacts on child nutrition. An estimated 44 per cent of children less than five years of age in Laos are stunted and 26.6 per cent are underweight.¹¹ Children from minority ethnic groups are at a particular disadvantage, as food insecurity and chronic malnutrition is common in many ethnic communities. Children from minority ethnic groups also face language barriers to learning, with many enrolling in Grade 1 without any knowledge of basic Lao language.



Pupils in front of their new school, Vangkhone School, Xonbuly district, Savannakhet province.
Photo: Bart Verweij/DFAT

11 Health Service Delivery Profile Lao PDR, 2012. Compiled in collaboration with the World Health Organization and Ministry of Health, Lao PDR.

Early childhood development

Whilst school readiness is still an issue in Laos, the Government of Laos has a policy commitment to support children's readiness to learn and has made some progress in this area. Since 2007, participation rates in early childhood readiness programs (for three- to five-year-olds) have doubled from 24.3 per cent to 52.9 per cent in 2012–13, albeit mostly in urban areas. The challenge will be to extend these gains to rural and remote communities. Different models of early childhood school readiness programs are currently being tested.¹² Critical to early childhood care and development in Laos is a holistic approach recognising the links between health and education outcomes.¹³

Teacher supply and quality

Throughout the basic education sub-sector there are significant challenges to teacher supply, training, deployment and professional support. While there is a surplus of teachers nationally, difficulties in attracting and maintaining qualified teachers in remote areas is a major constraint in Laos, and contributes to the large number of one- and two-teacher or 'incomplete' schools¹⁴ throughout the country. Disincentives to working in remote environments include a lack of resources and support, extra workloads associated with teaching in what are often multigrade environments, and—for non-local teachers—language and cultural barriers. Non-local female teachers face additional challenges of working and living in these communities—including safety and security issues and gender-related cultural barriers—which make it difficult for married females to relocate their families for professional reasons.

The Government of Laos' Teacher Education Strategy and Action Plan (TESAP) 2011–2015, attempts to address many of these challenges. The main purpose of this strategy is to ensure that teachers receive continuous and systemic qualifications upgrading through pre- and in-service training. The strategy has been finalised for several years but remains significantly underfunded.

There is a persistent lack of textbooks and other basic teaching and learning materials in schools, particularly those in remote areas, with a supply of about one textbook per every three students.¹⁵ No data is available on government-funded textbook replenishment, but in the wet and humid climatic conditions, textbooks are usable for only two to three years at most. Weaknesses in financial, procurement and distribution systems are undermining efforts to fully address this problem.

Partners in development

Given the importance of education to economic development and poverty reduction, and the Government of Laos' resource limitations, there remains a role for the international community to support the country's efforts to develop the education sector for some time to come. There are a wide range of partners working in the education sector in Laos, including:

Government of Laos: prioritises education, and more broadly human resource development, in national planning, as evidenced by education being a priority under the *Seventh National Socio-Economic Development Plan (2011–15)*. This plan places a high priority on expanding opportunities for accessing quality education, and developing all levels of education to build the nation's human resources. It emphasises the need to continue with reforms outlined in the *National Education System Reform Strategy (2006-2015)* which, along with the ESDP, provides a reasonably robust and coherent policy and institutional framework for achieving

12 Such as kindergarten, a 1-year pre-primary program and a low-cost community-based school readiness program.

13 Note that the Government of Laos is already implementing programs in recognition of these linkages, introducing school meals programs that link with agricultural development and community nutrition education to improve education outcomes.

14 Schools offering less than the full five grades of primary are referred to as 'incomplete' schools.

15 As reported by District Education Bureaus across the country during the ESDP review 2013.

quality education for all. Reforms outlined in the strategy have a particular focus on ethnic groups and women through actions that focus on achievement of MDGs 2 and 3. The government is strengthening the evidence base for policymaking and implementation, including through a recent mid-term review of the ESDP and joint Annual Education Sector Reviews.¹⁶

The Government's renewed commitment to decentralisation through the 'Three Builds' Policy (Prime Minister Instruction No. 16/PM, 15 July 2012) aims to enhance ownership and accountability of local administration for more effective expenditure decisions, which respond to local needs, but are consistent with national development plans. Decentralisation of planning has largely been implemented in the education sector. However, the Lao Ministry of Finance has recently ordered the re-centralisation of budget allocations for education and health.

International development agencies: Laos is heavily dependent on Official Development Assistance (ODA). In the education sector, Australia and Japan are the top OECD bilateral donors; while the Asian Development Bank (ADB) and the World Bank lead multilateral contributions. International donors provided an estimated 42 per cent of budgeted expenditure in the education sector during 2011–12.¹⁷ Laos' neighbours are playing an increasingly important part in financing investments in the sector. China, Vietnam and Thailand are understood to have substantial education investment portfolios, with a heavy focus on providing infrastructure and information communication technology to secondary education institutions.¹⁸



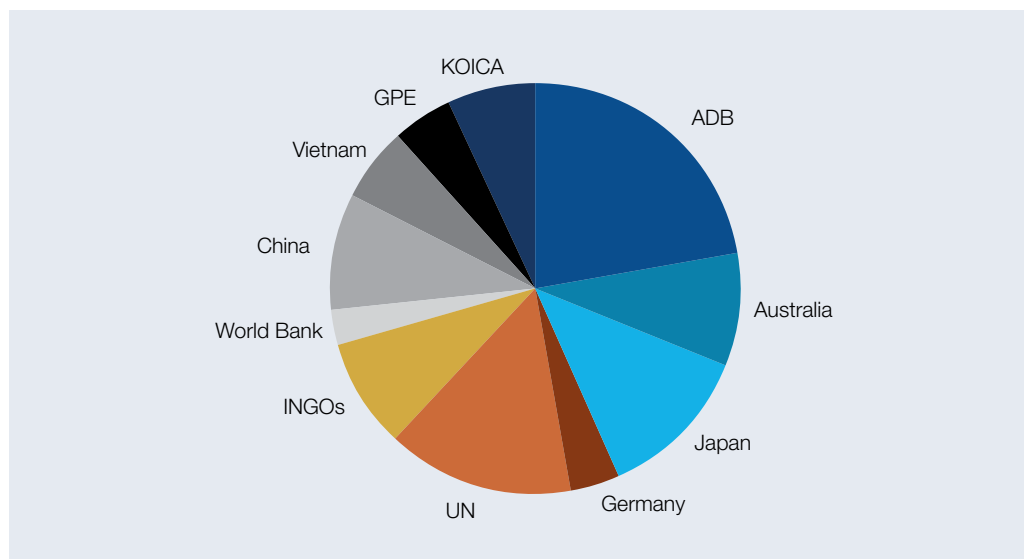
Pupils at Namone primary school, Xayaburi district. Photo: Bart Verweij/DFAT

¹⁶ An annual Joint Sector Review of the education sector between development partners and the Lao Government was undertaken in 2011 and 2012. A joint Mid Term Review of the Education Sector Development Plan took place in 2013. Both development partner agencies involved in education in Laos and the Government of Laos are conducting this review.

¹⁷ Shah, F., Australian Aid Education Sector Situational Analysis, 2013 p. 32.

¹⁸ An investment loan from China of more than US\$55 million over the period 2010–12 represented the single largest investment in upper secondary during that period.

Chart 2: Official Development Assistance and international non-government organisation disbursements to the education sector¹⁹



Donor aid is mostly in the form of project-based delivery modalities. The Government of Laos does not have sufficient capacity to receive and manage large amounts of budget support, and its capacity is limited in relation to managing pooled funding. This is slowly changing through the introduction of capacity-building activities, the use of country procurement and financial systems, technical assistance and increased responsibility and ownership by government executing agencies. Aid instruments over recent years have been largely in the form of grant-based assistance, but this situation is changing with the Government of Laos accepting large loans from neighbouring countries.

Civil society: Civil society in Laos is small but growing. There are around 300 non-government organisations (NGOs) working in Laos, including more than 50 international NGOs and local Non-Profit Associations (NPAs) engaged in the education sector. Together, contributions from international NGOs and NPAs to education totalled US\$12.11 million in 2012.²⁰ NGOs play an important part in education service delivery, working closely with district education offices, schools and communities, building capacity at local levels and often delivering innovative approaches to education to reach remote and vulnerable populations.

NGOs participate actively in monthly informal Education Development Partner Working Group meetings, bringing updated knowledge of the issues they are facing at district, village and school levels as well as sharing some of the approaches they use to address these issues. These organisations take an active role in policy development in the education sector through coordination mechanisms such as the Education Sector Working Group (ESGW) and an annual Government of Laos-led NGO and NPA education forum.

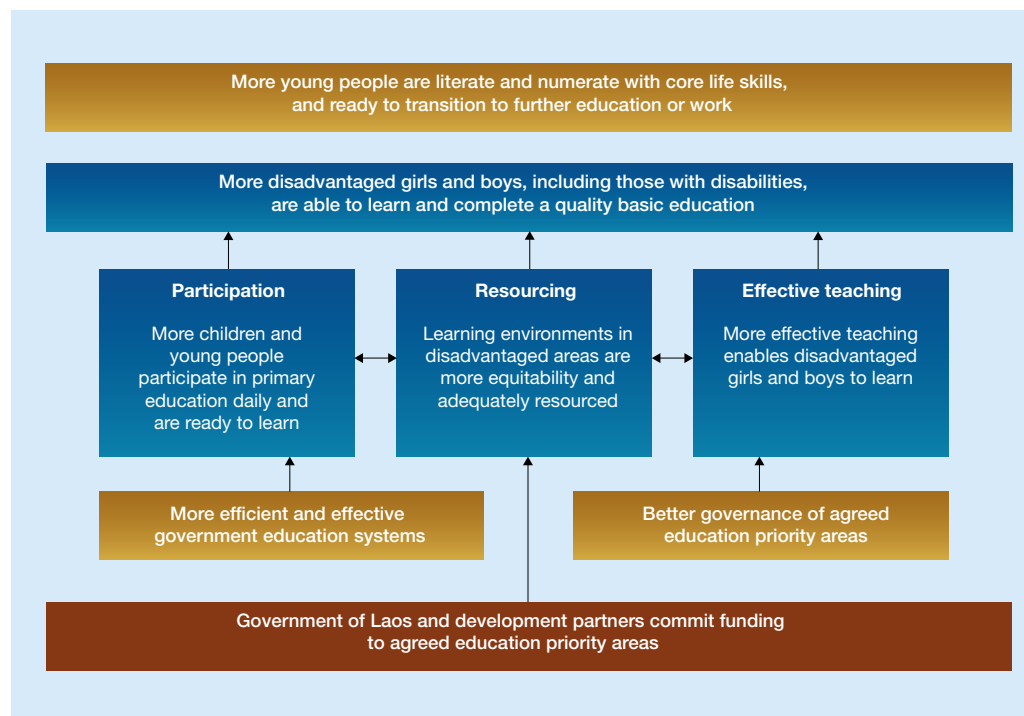
¹⁹ Based on approximate figures for past and projected aid 2010–18 (education not including scholarships and HRD activities) as reported by Development Partners in the Aid Management Platform (Ministry of Planning and Investment) with INGO figures reported in the Ministry of Education and Sport Investment Database.

²⁰ Note that this growth has largely included funding from International NGOs; NPA support to the sector remains modest at US\$0.07 million in 2012.

Private sector: The Ministry of Education and Sports (MoES) has expressed interest over recent years in Public-Private Partnerships in education. To date, the private sector's role has been limited to the provision of education services, primarily in urban areas. The sector has not yet taken advantage of specialised private sector skills to support the delivery of public education services. The public sector accounts for the majority of enrolments in basic education, although private sector provision is slowly expanding in the capital Vientiane, particularly in private kindergartens. In 2011–12 only four per cent of enrolments in primary education were through private sector providers, with 65 per cent of those enrolments concentrated in Vientiane. Lower secondary enrolments through private sector providers accounted for only 3.5 per cent, with over 79 per cent of these enrolments in Vientiane. There is a growing private sector for Technical Vocational Education and Training (TVET) provision and all but two provinces have at least one private TVET provider. While private enrolment in higher education comprised less than half of total enrolments in 2011–12, this figure is increasing annually.

Aid effectiveness: The primary aid effectiveness forum for education in Laos is the ESWG. It is through this mechanism that the government and donors conduct sector planning, policy dialogue and coordination. The ESWG is chaired by Laos and Australia is currently a co-chair. The ESWG provides a forum for dialogue around key sector issues, challenges and responses. To date, the forum has served mainly as an opportunity for information exchange, but is slowly moving toward more active policy discussion, especially with the establishment of sub-sectoral focal groups. The need for evidence-based policy-making has been a focus of ESWG discussions, with donors supporting joint sector reviews that focus on collecting data on key sector issues to inform policy making. Of the ten sector working groups in operation in Laos, the ESWG is regarded as the most functional and effective.

Figure A: Proposed Theory of Change for basic education in Laos



2. Theory of Change

This delivery strategy focuses on support for basic education, particularly at the primary level, as the foundation upon which broader gains in educational attainment and economic productivity can subsequently be built. Without the solid grounding that a quality basic education provides, success at more senior levels of education and human resource development in Laos will be limited. This is especially true for disadvantaged students, for whom completion of basic education can help provide viable alternatives for higher-paid and more meaningful employment.

A focus on upper or post-secondary education has not been prioritised in this delivery strategy, as Laos is not yet considered to be in a position to benefit most from this. A focus on higher levels of education would also limit the direct impact on poverty reduction from our investment, as the poor are much less likely to complete basic education and progress to upper secondary and beyond.

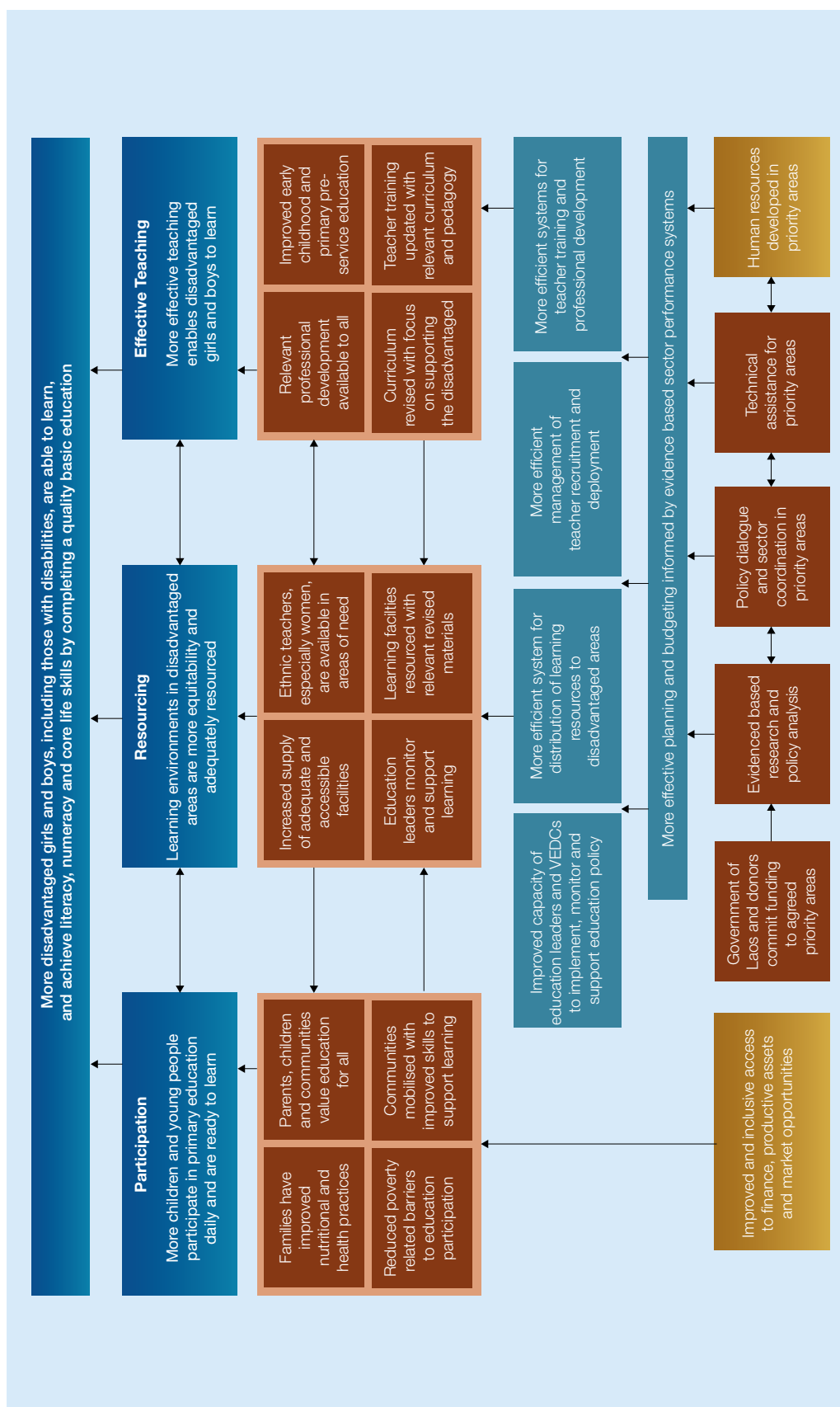
The Theory of Change, outlined in **Figure A**, proposes that by supporting education participation, resourcing and effective teaching for the most disadvantaged groups, more girls and boys will be able to complete a basic education that provides them with the literacy, numeracy and life skills required to succeed in further education or employment. This change will require a long term commitment. Strengthened education systems and sector governance, underpinned by mutual commitment of funding from Laos and donors to support education for the most disadvantaged, will be critical to sustaining these results. This approach to change will require a long-term commitment from Laos and development partners. At least ten years will be required to fully achieve the theory's projected outcomes.

The Theory of Change incorporates support for both the demand for, and the supply of, quality basic education. While support to basic education to date has led to significant achievements in access, support for increasing community demand for education by reducing barriers that enable full participation (attendance, school readiness and learning) is required to improve completion rates. Similarly, while some progress has been made on improving resourcing of learning environments over recent years, a weak and underfunded system for resourcing and the maintenance of learning environments, and the absence of ongoing professional development and support for teachers, create a risk that these outputs will not lead to sustainable outcomes. Complemented with improvements to pre-service teacher education and a curriculum that is relevant to the most disadvantaged groups,²¹ support for strengthening education systems will lead to more children and young people gaining basic literacy, numeracy and life skills by completing a quality basic education.

Education development for the most disadvantaged groups in Laos is not a straightforward process. It requires an understanding of the different ways in which multiple disadvantages act to constrain access to basic education. In the past, most basic education interventions have focused on increasing the supply of education facilities and improving education systems, with only limited coordination and complementarity with other sectors to support students' ability to participate in and complete a basic education. There is now a growing recognition of the need to complement the delivery of better quality education with support for improved participation through increasing youth, parent and community demand for quality education. This support would extend beyond the education sector, as barriers related to rural poverty, child protection and poor health and nutrition also need to be addressed to enable children and young people to be developmentally and cognitively ready and able to learn.

21 Including: those living in poverty, remote areas and in the most educationally disadvantaged districts; children and youth with disabilities; girls; and children and young people from ethnic groups, particularly those with a mother tongue other than Lao language.

Figure B: Proposed Theory of Change for basic education in Laos



To achieve the proposed outcome that more disadvantaged girls and boys, including those with disabilities, are able to learn, and achieve literacy, numeracy and core life skills by completing a quality basic education, three intermediate development outcomes are proposed:

1. Participation: More disadvantaged children and young people participate in primary education daily and are ready to learn

Many children, especially girls, whose families experience poverty or health and nutrition-related challenges, face significant barriers to full participation in primary education. In order to improve primary school attendance and completion rates, education interventions need to be complemented by rural development activities that aim to address some of these barriers, especially for women and people with disabilities. As illustrated in Figure B, the Theory of Change proposes that support for improved finance and livelihood opportunities will help create an environment where poor families are better able to support their children's participation in education and thereby increase demand for quality education for all.

The concept of cross-sectoral support is not new to the education sector, with the development of the Government of Laos' National School Health Policy and a draft National School Meals Policy, as well as support for community engagement in education. Activities under this strategy will support and complement these policies by taking a holistic approach to improving education participation in the most disadvantaged areas. This includes capacity development of school leaders; involvement of parents and community members; school readiness; water, sanitation and hygiene (WASH) activities and school meals; and a geographical focus on areas where livelihoods are being supported.

2. Resourcing: Learning environments in targeted geographic areas are more equitably and adequately resourced

Efforts to improve resourcing of learning environments have included a range of interventions such as increasing the supply of classrooms, provision of school administration block grants to schools, and incentives to improve the number and deployment of teachers. While these interventions have led to an overall increase in enrolment, they have not resulted in large numbers of students successfully completing a basic education, particularly in rural and remote areas. In order to address this challenge, the Theory of Change proposes the recruitment of more local ethnic people to be trained as teachers. Structures will be put in place to ensure that these recruits return to their local villages to teach. Deploying additional teachers back to small remote schools will also require construction or renovation of safe, accessible classrooms, water supplies and latrines. Better management of education resources and school block grants through monitoring at the local level will help ensure schools are supplied with adequate resources, including textbooks and learning materials to enable children to learn effectively.

3. Effective teaching: More effective teaching enables more disadvantaged girls and boys to learn

Effective teaching is a key pillar of the Theory of Change, and links directly to the other two pillars. Progress towards effective teaching requires an improvement in the quality and relevance of curricula, textbooks and teacher guides, and increased professional development, both pre-service and in-service. Addressing challenges of teacher effectiveness will require an approach that supports increased teachers' knowledge of subject matter and an improvement in pedagogical skills. A comprehensive professional development system implementing effective and scalable professional training to all teachers would ensure that teaching quality is consistently and sustainably improved.

The Theory of Change proposes that in order for remote communities to value education the curriculum must be relevant, including localisation where necessary, and teaching and learning must be of high quality to provide students with sustained literacy and numeracy skills. To support learning for the most disadvantaged groups, the curriculum needs to provide a high



Primary school classroom in Namone which teaches first and second graders, and until the new schools is finished, pupils from grade three and four. Photo: Bart Verweij/DFAT

degree of relevance and support for children from ethnic groups and those with disabilities. The Government of Laos' Inclusive Education Policy supports this theory, as does the Education Law (2007), which allows for localisation of the curriculum to increase relevance. Administrators and teachers, however, currently lack the skills to adapt the curriculum in this way.

The three intermediate development outcomes linked with participation, resourcing and effective teaching will be achieved and sustained only with strong commitment and leadership from the Government of Laos. Underlying the achievement of these outcomes is the need for more effective planning and budgeting informed by evidence. This will be even more critical with the current strain on the Lao education budget. A series of approaches undertaken jointly by the Government of Laos and development partners will be required to progress the intermediate outcomes, including: joint prioritisation of funding; evidence-based research and analysis; human resource development; technical assistance; policy dialogue and coordination.

Key assumptions

Key assumptions made in preparing the Theory of Change for the education sector include that:

- > The Government of Laos and development partners are committed to supporting education for the most disadvantaged. The ESDP, *Education for All National Plan of Action 2003–2015* and the *Millennium Development Goals Compact of 2010* provide an indication of this commitment.
- > The Government of Laos and development partners will align support to priority areas under a revised, costed Education Sector Development Plan.
- > Comprehensive Australian aid rural development programs are in place and are providing support to improve livelihoods.
- > The political economy of Laos supports budget planning and execution between central, provincial and district levels.

3. Australia's strategic priorities

Education, specifically basic education, is one of three pillars of the current Australia-Laos Development Cooperation Strategy 2009–15, and is fundamental to Australia's aid program. This strategy outlines a plan to increase Australia's investments in basic education in Laos if the conditions for success are present, including strong Government of Laos commitment to education and human resource development. A renewed focus on education²² has been confirmed as a key priority for Australia's foreign and aid policy, and basic education will remain a key pillar of the successor development cooperation strategy in Laos.

Australia's strategic priorities in education in Laos align with other development priorities, including the other two pillars of the development cooperation strategy:

- > Rural development
- > Trade and investment.

Inclusive development, particularly for women and girls, is considered a strategic priority for Australia's education investments²³ and consequently education activities delivered in Laos under this strategy must strive to ensure that all women and girls, men and boys, including those with disabilities, have the opportunity to access quality basic education.

Lessons learned

Over the last 10 years, the focus of Australia's support in education has been pro-poor, expanding access to education for disadvantaged children and improving the quality of basic education. Key areas of focus have included the provision of school infrastructure, professional development of principals and teachers to improve education quality, provision of school meals to keep children in school, and disability-inclusive education activities.

Australia has supported major education programs including the Laos-Australia Basic Education Program 1999–2007 (LABEP); the Access to Basic Education in Laos program 2006–11 (ABEL); and the Delivering Better Education in Laos program 2007–13 (DBEL). Australia's current major education investment is through the Education for All: Fast Track Initiative (EFA-FTI) program 2010–14 (refer to **Annex 2** for program summaries). Evaluations have been conducted for all these programs, which have assisted in the identification of lessons learned. The most recent evaluations recommended that Australia maintain the strategic direction of recent and current programming, including the targeted approaches to reaching the most disadvantaged children and communities.²⁴ The key lessons learned from these programs are as follows:

- > **Unrealistic program timeframes can reduce program impact:** under the EFA-FTI program the pressure to use considerable pooled funding within the tight (original three-year) timeframe with limited human and systems capacity has affected the overall impact of the program.
- > **Complex management structures can reduce program impact:** the EFA-FTI program is a multi-component program with a highly complex implementation structure. This structural complexity has led to substantial operational and transactional overheads for both the Ministry of Education and Sports (as the implementing agency) and for financing partners. As a result, program efficiency and effectiveness were compromised.

22 Confirmed in the recent speech made by Australia's Foreign Minister, the Hon Julie Bishop MP, during the ACFID Conference on 31 October 2013.

23 As identified in Australia's Gender Thematic Strategy (November 2011) and the Development for All Strategy 2009–14 and reconfirmed in the recent speech made by Australia's Foreign Minister, the Hon Julie Bishop MP, to ACFID on 31 October 2013.

24 Peter Deacon, 2012, Recommendations Report for the Lao EFA-FTI Program.



Pupils in class at Namone primary school. Photo: Bart Verweij/DFAT

- > **The use of Program Implementation Units (PIUs) can reduce program impact:** while PIUs can be an effective investment strategy with activities that are high cost and require substantial and sustained investment, such as for infrastructure development, program delivery through multiple PIUs can limit coordination and cohesion of program inputs.
- > **Community-based contracting is an effective approach:** community-based contracting of school construction under the EFA-FTI program has proven to be a successful way of providing good quality infrastructure to rural and remote communities, and has assisted in community mobilisation and participation. In using such an approach, however, there is a need for comprehensive construction quality oversight and assurance at central and sub-national levels. There is also a need for greater scrutiny of site selection for school construction.
- > **Teachers and learning resources—not just buildings—make a school:** when a school is constructed, it is important for teaching and learning resources to be mobilised quickly to make the school fully functional. This instils confidence and ownership among the community, and enhances prospects of sustainability.

- > **Holistic approaches to child development can be highly effective:** both ABEL and LABEP demonstrated the value and impact of holistic approaches that support improved education institutions and systems while increasing community demand for better education services. An evaluation of the ABEL program recommended that Australia consider an approach which brings together, at a local level, a range of initiatives in rural development, such as improved agriculture and livelihoods, health and social protection, with education interventions.
- > **Investment in high quality monitoring and evaluation and knowledge generation is essential for program quality:** the evaluation of the ABEL program recognised the value of investing in strong monitoring and evaluation that can adequately measure program progress and impact. The importance of investing in government programs that measure student learning outcomes was also identified. Experience across all programs highlights the importance of addressing data and knowledge gaps through research and analysis. This approach can assist in better targeting policy dialogue and evidence-based policy making.
- > **Program coordination takes time and effort but underpins program performance:** the need for more resources to be invested in coordination both within a program and across portfolios is an important lesson. Improving the quality of a program can be directly linked to better coordination as lessons and synergies can be better explored, which can improve implementation. This has been a lesson learned through the EFA-FTI and ABEL programs.
- > **Program delivery modalities must be fit for purpose:** the EFA-FTI program has been delivered through a pooled-fund development bank model, which has proven to be effective for delivering activities related to school construction, but less so in delivering quality education inputs because of the model's target driven nature. This modality has proven to be less flexible than other approaches, as program adjustments take time, and there is limited ability to direct and mobilise resources to address implementation weaknesses.

Australia's choice of strategic path

Australia will support an end-of-delivery strategy outcome of:

- > ***more disadvantaged girls and boys, including those with disabilities, are able to learn and achieve basic literacy, numeracy and life skills by completing a quality basic education.***

Our support will contribute to the broader Theory of Change for basic education. In identifying Australia's strategic choices in education, the following considerations have been made:

1. Identification of challenges and opportunities through detailed sector analysis
2. Development need for the basic education sub-sector, including key constraints to progress
3. Collection of evidence of where aid can be effective, based on lessons learned
4. Consideration of past and current investments and how these could be built-upon
5. Analysis of other donor investments in the sector, both current and planned, and how these investments could be complemented with Australia's future sector investment
6. Government of Laos sector priorities and specific requests for Australia's assistance

Australia's education program focus

This delivery strategy will guide implementation of the education outcome of the development cooperation strategy that aims to ensure all boys and girls complete a quality basic education. In applying the key considerations listed above, and as outlined in the Theory of Change, the following three intermediate development outcomes have been identified for the focus of Australia's future support to basic education. The following section provides a description of Australia's future investment under each of these intermediate development outcomes.

1. Participation: more disadvantaged children and young people participate in primary education daily and are ready to learn.

In response to the Government of Laos' National School Meals Policy and the national school meals program currently being piloted in two provinces, Australia will support a school meals program to complement current efforts. The national pilot program will take time to be fully operational and at scale. Australia's support will ensure school meals are provided to schools located in the most food insecure areas across the country. Anecdotal evidence from the national pilot program demonstrates that this intervention is enabling more parents to send their children to school while they are working, in the knowledge that their children will receive a healthy lunch and consequently be able to stay at school for the full day. To further build upon the evidence base for the effectiveness of school meals, Australia's future investments in this area will include a comprehensive performance assessment framework, including impact evaluations.

Global evidence²⁵ shows that the availability and use of improved water and access to sanitation in schools and communities directly improves enrolment, attendance, retention and learning achievement in schools, particularly with respect to female students. Water and sanitation facilities will be provided to schools in the most disadvantaged areas. Hygiene and nutrition education will also be provided to schools and the broader community. Efforts will be made to ensure that all schools receiving school meals are provided with water and sanitation facilities as a priority. Both interventions will complement Australia's past and current investments in basic education. Priority will be given to schools constructed under the EFA-FTI program to receive both water and sanitation facilities and school meals.

Poor health and nutrition, as well as limited access to livelihoods for disadvantaged families, create barriers to education participation. In this regard, a more holistic approach to education will be linked to Australia's Rural Development Program. This will link support for school meals, with the participation of communities in education and capacity development of villagers, teachers and education officials. This approach would be implemented in targeted communities where Australia delivers rural livelihoods support.

To equip more children to be ready to fully participate in primary education, options for early childhood, school readiness and non-formal approaches to education will be explored. This support would be connected to the investment in effective teaching—under intermediate development outcome three—as efforts will be made for these activities to be undertaken in the same villages where teachers from ethnic communities are deployed.

25 Freeman, M.C., Greene, L.E., Dreibelbis, R., Saboori, S., Muga, R., Brumback, B. and Rheingans, R., 2012. The impact of school WASH in absenteeism: can a school-based water treatment, hygiene and sanitation program influence pupil absenteeism? Nairobi, Kenya: CARE Kenya.



Girl at Namone primary school, Xayaburi district. Photo: Bart Verweij/DFAT

Australia's support under this pillar will aim to achieve the following by 2018:²⁶

1. School meals provided to more children in food insecure districts
2. Supply of adequate and accessible water and sanitation facilities to more schools to enable children, especially girls and those with disabilities, to participate in primary education
3. Improved nutrition, sanitation and hygiene education provided to more students and community members
4. Support for non-formal education in targeted villages
5. Support for school readiness programs in targeted villages

²⁶ Specific quantitative targets for each of these areas will be developed alongside a robust monitoring and evaluation framework during the design of the new basic education program investment.



Learning materials donated by DFAT to Namone primary school. Photo: Bart Verweij/DFAT

2. Resourcing: learning environments in targeted geographic areas are more equitably and adequately resourced.

Better resourced learning environments will be provided in targeted areas in the most disadvantaged parts of the country. The focus of Australia's support will be in improving access to education, through both physical infrastructure and investments in school communities and administrations, to enable better management of resources.

For physical infrastructure, support will focus on improving early childhood education learning environments and incomplete primary schools. This support will be carefully planned and managed to ensure it responds to location-specific needs, taking into account resettlement and safeguard concerns; and is matched with resourcing of teachers and learning materials. It will be focused on small, remote villages unlikely to be moved within the next four years, and where multi-grade teaching is required. This approach builds on Australia's investment under the EFA-FTI program.

To underpin this investment, efforts will be made to improve the supply of teachers in ethnic communities. As lower secondary graduation is now a minimum qualification to train as a teacher in Laos, support (such as scholarships) to improve girls' participation, particularly those from ethnic communities, in lower secondary education in the most educationally disadvantaged districts will be considered. The focus on assisting girls from ethnic communities in particular is appropriate given the significant barriers they face to both access and participation in lower secondary school.

To complement the physical investment in school communities, efforts will be made to improve the knowledge and value of education in communities. Support for strong school leadership, through capacity building of school principals, Village Education Development Committees (VEDCs), community groups, and District Education and Sports Bureaus (DESBs) will aim to increase community participation in education, ultimately supporting more children to stay in school and complete a basic education. This support will also assist school communities to be

better able to plan, manage and monitor the use of resources, including school block grants, towards meeting national education quality standards, leading to more equitable and adequate school resourcing.

Australia's support under this pillar will aim to achieve the following by 2018:

1. Increased number of classrooms constructed through a community-based contracting approach in remote and disadvantaged villages
2. Increased number of accessible textbooks and teaching materials that incorporate relevant curriculum distributed to more schools
3. Increased number of female ethnic teachers trained and deployed to remote schools
4. Increased number of female primary graduates from remote ethnic communities are supported to attend lower secondary education
5. Training of community groups including VEDCs in targeted districts
6. Laos' approach to supporting education quality is improved through stronger links between inputs (school block grants) and outputs (meeting national education quality standards).

3. Effective teaching: more effective teaching enables disadvantaged girls and boys to learn.

Australia will support more effective teaching for improved literacy and numeracy, with a focus on the most disadvantaged girls and boys—including those from ethnic groups, children with disabilities and children from remote communities—where multigrade or non-formal education is required. Our support will focus on both pre-service and in-service teacher education in line with the Government of Laos' Teacher Education Strategy and Action Plan. This includes the development of a comprehensive professional development system that strengthens teacher education institutes and provides ongoing teacher education and pedagogical support for teachers and principals. Support for improved physical facilities at these institutes, including model multi-grade schools on site, will also be considered.

Review and revision of the current primary education curriculum would be supported, including improving relevance for the most disadvantaged groups. This will improve the effectiveness of student learning, including literacy, numeracy and life skills, particularly for children from ethnic groups whose mother tongue is not Lao. The Education Law (2007) mandates Lao language as the sole language of instruction. Use of ethnic languages to explain concepts in the classroom is accepted however, and support for the development of a specific curriculum for teaching Lao to students from ethnic groups with languages other than Lao will be considered under this pillar. Primary level textbooks and learning materials will be revised and updated.

Australia's support under this pillar will aim to achieve the following by 2018:

1. National primary curriculum is revised and reflected in teacher education curriculum
2. Textbooks and teacher guides updated to incorporate revised curriculum
3. Improved quality of teacher education institutes, including improved physical facilities
4. A national professional development system for teachers, school officials and pedagogical advisers is developed and implemented

Support outside the scope of the education delivery strategy

There are several interventions that have been ruled out for Australia's support in the medium term. These have been identified in part because of a recognised need for activities implemented under this strategy to predominantly focus on education quality, and to reduce the risk of duplication of investment with other programs. These include:

- > **A large infrastructure investment for school construction:** while Australia will continue to support classroom construction in incomplete primary schools in Laos, this support will be highly targeted and be directly linked with investments in effective teaching.

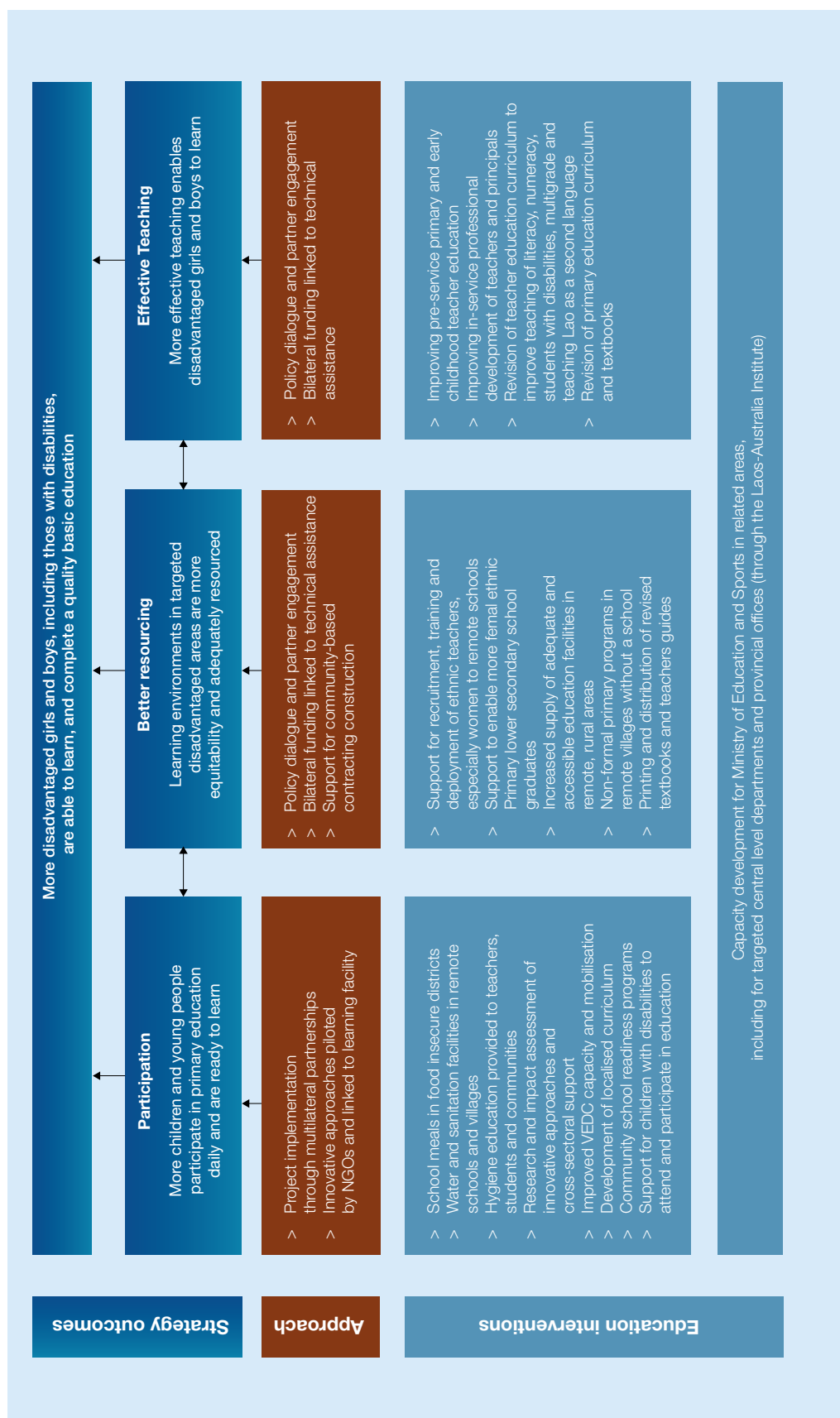


Children walking home from their school which was constructed with Australian financing. Original school on left. Tong school Outhomphone District, Laos. Photo: Bart Verweij/DFAT

- > **Support for cash transfers:** while cash transfers to vulnerable households can improve participation in education, this approach has not been identified as the optimal approach for Australia's education investments in Laos. Cash transfers are instead being piloted through a complementary program within Australia's Rural Development Program in Laos. These transfers are expected to have complementary impacts, enabling families to send their children to school and to improve their nutritional status.²⁷
- > **Direct support for improving child health or nutrition:** the main objective of support for school meals, water, sanitation and hygiene under this strategy is to encourage children's participation in school. It is not the intention for these interventions to be primarily striving for health or nutrition outcomes. These investments are however 'nutrition-sensitive', and improvements in student health and nutrition may be a secondary outcome.
- > **A large investment in early childhood care and development or lower secondary education:** early childhood education has not been chosen as a major area of focus partly because the World Bank is preparing a large investment in this subsector. The withdrawal of most of the World Bank's activities in the primary subsector will create a gap in donor funding. This change of focus for the World Bank along with the Asian Development Bank's recent decision to shift away from primary education leaves this as the subsector most in need of Australia's assistance, and the level of education at which our assistance can have the greatest impact. Lower secondary has not been chosen as a major focus area for the first phase of delivery strategy implementation because of the higher relative need for primary education, particularly for disadvantaged students and those in remote areas. High repetition and low completion rates at the primary level, particularly for disadvantaged students, indicate that an investment at the lower secondary level would not be effective in the medium term.

²⁷ There will be a social protection schemes (cash and asset transfer for sustainable livelihoods) piloted in three provinces. The transfers are expected to contribute to families' financial capacity to send their children to school and to tackle under-nutrition among young children, thereby strengthening their cognitive development and enabling them to stay at school and to perform better.

Figure C: Proposed strategic priorities for Australian support 2013–14



4. How Australia will deliver its support

Over the first five years of this delivery strategy, Australia is proposing to invest up to A\$100 million over financial years 2013–14 to 2017–18. We will continue to deliver a program that aligns with the Government of Laos' priorities and supports the most disadvantaged communities. Support will be delivered in line with the three pillars in the Theory of Change (participation, resourcing and effective teaching), through partnerships with key multilateral agencies and through bilateral engagement. This builds on the recent progress that has been made towards improved aid effectiveness in education, by implementing through partnerships, pooled funding mechanisms and government systems using a multilateral trust fund. Australia will consider pooled funding options under this delivery strategy with other partners.²⁸ Australia's future investment in basic education will be delivered in such a way as to ensure high quality outcomes, promote the Australian aid program and enhance Australia's leadership role in the education sector. The program will be responsive and adaptable to a changing fiscal environment, with in-built potential to scale the investment up or down. This will be a feature of both multilateral and bilateral partnership activities.

Multilateral engagement

Australia will provide support through experienced multilateral partners that have the capacity and expertise to deliver high quality services to schools and communities across the country.

Australia will support improved participation in primary education in partnership with UNICEF and the World Food Programme (WFP), through the Basic Education Water, Sanitation and School Meals Program 2013–17. This joint program will be coordinated and will complement investments already made. This delivery option was selected because of the proven experience of both organisations in implementing large-scale programs across Laos, as well as their demonstrated capacity to build and sustain strong relationships with Australia and Laos.

Bilateral engagement

Bilateral support for improved basic education quality and access in Laos, delivered in partnership with the Ministry of Education and Sports, through the engagement with NGOs, will contribute to effective teaching and better resourcing outcomes. As part of the design for this bilateral program, and to determine the extent to which government systems can be used, an assessment of partner government systems will be undertaken. The proposed bilateral support will include the following areas of focus:

- > **Australia will support improved teacher education** by developing a comprehensive professional development system for school officials and teachers, revising the primary curriculum, and printing and distributing teacher guides and textbooks to disadvantaged schools across the country. This support would be delivered in partnership with the Ministry of Education and Sports' Department of Teacher Education and with the eight Teacher Training Centres across Laos.
- > **Australia will provide comprehensive education support for disadvantaged districts** to improve village and school management of education resources. Activities will include capacity building of local level education leaders and VEDCs, and recruiting and deploying ethnic minority women to train as teachers and return to their villages. The same mechanism would provide a package of support for education services in target districts, including community-based school readiness, non-formal education for remote villages and scholarships for ethnic minority girls to attend secondary school.

²⁸ Such as the Global Partnership for Education and the European Union.



Women participating in community-based construction for the new Namone primary school.
Photo: Bart Verweij/DFAT

- > **Australia will support construction and rehabilitation of school classrooms,** building on previous progress made under the community-based contracting construction approach. This support would be provided under the following conditions: (i) that it continues to focus on improved construction safety and quality; (ii) considers implementation through the Ministry of Education and Sports departments rather than through a Program Implementation Unit; (iii) is focused on the most remote communities, (iv) takes into consideration resettlement risks; (v) is linked with Australia's support for recruitment, training, and deployment of teachers from ethnic groups; and (vi) Australian aid visibility is ensured.
- > **Australia will pilot innovative approaches to support participation,** such as localising the curriculum, supporting children with disabilities to participate in education and teaching Lao language to children from ethnic groups. These pilots will be closely aligned with Government of Laos education priorities and to broader Australian support delivered through bilateral and multilateral arrangements. The pilots will be selected and conducted with the long-term view of scaling up the initiatives and integrating them into the education system.
- > **Australia will mobilise technical assistance** to plan, deliver, monitor and evaluate basic education activities. Strong local knowledge of Laos and the region will be a key criterion for sourcing technical specialists. Australia will encourage these specialists to work in a highly participatory way with the Government of Laos and other education stakeholders. Australia will procure specialists that demonstrate a developed and practical understanding of partnership principles.



Classroom at Namone primary school. Photo: Bart Verweij/DFAT

- > **Evidence-based research, analysis and knowledge generation** will ensure Australia's investment in basic education remains well targeted and effective. Australia will continue to develop its understanding of the constraints to accessing a quality basic education in Laos through evidence-based research and analysis and strong monitoring and evaluation under future basic education investments. Particular consideration will be given to using Australia's Learning Facility²⁹ to assist with monitoring of the education portfolio, and to explore cross-linkages between education and rural development. Investments under the strategy will be flexible, allowing for joint research and for Australia to adapt programs using the lessons that emerge. Research and analysis will inform any expansion of the piloted innovative approaches.
- > **Support for human resource development, particularly at school and district level** will maximise the effectiveness, efficiency and sustainability of education activities and outcomes. In support of education service delivery, particularly to disadvantaged communities, Australia will invest in developing experiential learning opportunities and alternate modes of delivery for capacity building. Australia will seek to contribute joint funding with the Government of Laos for capacity building activities. Australia will also mobilise support for human resource development at sub-national and central levels through the Laos-Australia Institute.³⁰ The Institute will work with the Ministry of Education and Sports to identify individual and organisational professional development needs, and seek to address these through a range of professional learning activities.

29 The Learning Facility has been developed under Australia's Rural Development Program in Laos.

30 The Laos-Australia Institute is an eight-year program of support to the development of human resources in Laos. The first phase is 2013–17.

Leadership in the education sector

Australia is respected and viewed as a leader in the education sector because of its significant investment in basic education, success in building strong relationships with both the Ministry of Education and Sports and development partners, and its influence in policy dialogue. Australia is the largest donor to basic education, a position that has been reinforced by recent decisions by the Asian Development Bank and World Bank to reduce their funding to this sub-sector.

The perception of Australia as a leader has been facilitated by our role as co-chair of the ESWG, which provides us with opportunities to engage in policy dialogue with the Government of Laos and development partners. Given the influence that this role allows, it is likely that Australia will continue as co-chair for at least some of the delivery strategy period. Australia also takes a leadership role as the Global Partnership for Education (GPE) Co-coordinating Agency.³¹ In this role and as the ESWG co-chair, Australia will continue to advocate for future GPE funding to support the Government of Laos' priorities in basic education and to complement Australia's future investments in the sector.

Promoting the Australian aid program

Australia's investments under this delivery strategy will need to be promoted to several main audiences: the Lao public, the Government of Laos and international donors, the Australian public and within the Australian Government more broadly. By more directly managing our education program through bilateral arrangements, Australia will be able to demonstrate a greater knowledge base and will continue to improve its reputation in the education sector. In turn, this will give Australia the credibility to pursue deeper policy dialogue.

A visibility strategy for Australia's education investments in Laos will be developed. This will propose different visibility approaches for different delivery partnerships, for example, bilateral engagement, UN agencies, NGOs and development banks.

Effective pro-poor policy dialogue

As co-chair of the ESWG since 2006, Australia has played a lead role in policy dialogue in the education sector, contributing significantly to policy development and supporting cooperation between the Government of Laos, development partners and civil society. In particular, Australia has worked with the Government of Laos and other partners to successfully support policy decisions in the education sector. Australia has also contributed to consultations that have led to the development of significant Government of Laos policies.³²

The expansion of Australia's support to education in Laos, along with a shift to bilateral engagement, will allow Australia to build on these past successes as well as enabling more direct policy discussions between Australia and Laos. In recognition that NGOs have specific knowledge and experience working with the most disadvantaged groups in Laos, they will continue to play a key role in policy dialogue, and as a leader in the sector. Australia's role is to support this engagement.

Based on an analysis of the development context, the scope of Australia's global policy priorities and the outcomes under this strategy, Australia's policy dialogue will focus on the following key issues:

- > **Improved sector financing for better service delivery:** increasing the share of the national budget to education, with a focus on increased budget for non-wage recurrent expenditure
- > **More effective planning and budgeting for better service delivery:** at all levels of the education system

31 Australia has undertaken this role since Laos' accession to the GPE in 2010.

32 Including a National Inclusive Education Policy and Action Plan and an Education Sector Development Framework 2009–15. The framework provided a platform for prioritising actions towards the Millennium Development Goals in the education sector, and contributed significantly to development of the ESDP and the education inputs in the 7th National Socio-Economic Development Plan.

- > **Improved teacher quality:** increasing public funding for teacher training; improved teacher qualifications; and system for teacher professional development; and more comprehensive in-classroom pedagogical support, particularly for disadvantaged areas
- > **More efficient management of teacher recruitment and deployment:** ensuring appropriate pupil teacher ratio at all levels, and to address teacher shortages in rural and remote areas



A young boy receives instructions from his father about how to use his new walking frame. Pakouynongbone Village, Xaybouathong District, Khammuan Province, Lao PDR.
Photo: Bart Verweij/DFAT



Pupil at Namone primary school. Photo: Bart Verweij/DFAT

- > **Improved basic literacy and numeracy for non-Lao speaking groups:** providing greater flexibility for local curriculum content to assist students for whom the language of instruction (Lao language) remains a challenge to participation and learning
- > **More efficient learning resource distribution:** addressing the challenge of insufficient numbers of textbooks, particularly to rural and remote disadvantaged areas
- > **Raising the profile of inclusive education:** through the generation of evidence demonstrating learning impact, and advocating for elevated status of the Ministry of Education and Sports' Inclusive Education Centre
- > **Impact of resettlement on education participation:** continuing to seek opportunities to provide evidence to Lao Government policy makers on the impact of resettlement on children's participation in education, particularly with respect to drop out and retention rates, and the link to progress against Millennium Development Goals and Least Developed Country graduation targets

Cross-cutting issues

Australia is committed to cross-cutting issues being integrated into its education portfolio. Guiding our portfolio design and implementation are key Australian aid program strategies, policies and guidelines:

- > Promoting opportunities for all: gender equality and women's empowerment (2011)
- > Development for all: towards a disability-inclusive Australian aid program (2009–14)
- > Investing in a safer future: A disaster risk reduction policy for the Australian aid program (2009)
- > Child Protection Policy for the Australian Government's aid program (2013)
- > Integrating displacement and resettlement safeguards (2012)
- > Tackling corruption for growth and development: A policy for Australian development assistance on anti-corruption (2007)



Reading activity as part of an inclusive approach to education, Australian supported “Right to Learn” project in Xaybouathong District, Khammouane province. Photo: Bart Verweij/DFAT

Gender: will remain a priority area for basic education programming under this delivery strategy.³³ While progress has been made in Laos to improve gender parity in primary enrolment nationwide, significant disparities exist in remote and predominately ethnic areas. Australian investments in education will particularly focus on keeping girls in school. Australia will consider providing resourcing to enable girls from ethnic groups to complete lower secondary school so that they are able to obtain a teaching qualification if they choose to. Australia will also promote boys’ participation in education, as in some rural and remote areas the pressure to become wage earners at an early age leads to greater numbers of boys dropping out of school. The Laos-Australia Institute will also provide support for women’s leadership in the education sector.

Children with disabilities: Australia will incorporate a focus on children with disabilities in program design across all three pillars of the delivery strategy. A disability-inclusive education situational analysis was undertaken as part of the delivery strategy development, with key recommendations to be taken forward in program design. Australia will emphasise building on existing investments in disability-inclusive education, and provide support for replication of successful innovative approaches throughout the education system in Laos. Australia will also support research and analysis on the extent and nature of disabilities among school-age children in Laos and the related barriers to effective participation in basic education.

³³ Note that Australia supported a comprehensive gender analysis of the education sector in the first half of 2013 (as part of the ESDP Mid Term Review), and findings and recommendations will contribute to the design of Australia’s new investment in basic education in Laos.

Disaster risk reduction: Australia will continue efforts to make school designs more resilient to natural disasters by applying disaster risk reduction design solutions. The Ministry of Education and Sports has already made some progress towards this, developing standard school designs which are adaptable to local disaster contexts, particularly floods. As ESWG co-chair, Australia can facilitate discussion and coordination between development partners, the Ministry of Education and Sports and the Association of Southeast Asian Nations (ASEAN) Safe Schools Initiative to build on this progress. Additionally, Australia could support forums, through the ESWG structure, to communicate lessons learned from disaster risk reduction activities, and to promote disaster risk reduction education through revisions to the primary education curriculum.

Child protection: Australia will continue to ensure that children are protected during the planning, implementation and evaluation of new education investments. This includes ensuring that implementing partners have strong child protection policies and adhere to DFAT's child protection policy for the Australian aid program, and that any potential breaches of the policy are followed up efficiently and effectively. Australia will continue to explore ways that the education program can bolster the protection of children. For example, this may include incorporating a child safety curriculum that will increase the ability of children to protect themselves, including child protection issues in the design of facilities and buildings, or incorporating protection principles in training teachers, principals and through the work of VEDCs to recognise risk areas.



Pupils on their way to school, Xayaburi district. Photo: Bart Verweij/DFAT

Social safeguards: displacement and resettlement processes in Laos are complex with competing social, economic and political interests that are difficult to balance. Village consolidation is an explicit strategy of the Government of Laos. It is unlikely, however, that all small villages can be consolidated within the next 15 to 20 years. In any case many villagers return to their original villages after a short period of time. Many small schools will continue to be the providers of primary education for the most remote and disadvantaged communities.

Australia will monitor and analyse (with implementing partners) issues relating to resettlement across the education portfolio. Australia will draw on lessons learned to contribute to Australia's own safeguard policies and guidelines at headquarter and country office levels.

Key risks

Risk and value assessments of key investments under the delivery strategy have been undertaken. Key risks identified include the following:

- > Financial limitations on recurrent education budget allocations lead to:
 - an inability for investments in teacher education and better resourcing to be sustained for the long-term due to low non-wage recurrent budget
 - Australian investments in recruitment of teachers from remote villages are not sustained due to lack of recurrent budget to support teacher salaries.
- > Budget planning and execution between central, provincial and district level is not effectively managed leading to inefficiencies and insufficient resources at school level.
- > External financing:
 - does not support education sector priorities, including for the disadvantaged
 - continues to be uncoordinated, leading to resource duplication in the sector, and an inability to create complementary and efficient programs.
- > Intended results of Australia's education investment are not realised in the proposed timeframe, leading to reputational risks for Australia.
- > Safeguard risks to child protection, the environment or that Australian-supported education services are not supporting or including children with disabilities.
- > Village consolidation processes lead to:
 - the poorest and most disadvantaged children and communities being unable to access adequate education services due to competition with other communities
 - education investments being wasted due to movement of villagers either away from their original village or back to their original village from a new (resettled) village
 - education investments incentivise resettlement that puts vulnerable groups at risk.

To mitigate these risks, Australia will support the Ministry of Education and Sports in monitoring annual education sector budget plans and to actively support public financial management. Detailed risk management plans will be prepared for each investment under this delivery strategy to ensure risks are managed. Australia will develop clear procedural guidelines for school construction with reference to the child protection policy for the Australian Government's aid program, and will ensure compliance of construction with agreed disability accessible design requirements. Village consolidation plans and plans concerning large-scale projects (such as hydro-power dams) will be considered when planning school infrastructure investments, and risk mitigation strategies put in place before any construction commences. The education sector assessment of partner government systems will further enable fiduciary risks to be identified and minimised during program design and implementation.

5. Delivery strategy management

Australia's investment in education to Laos is expected to expand as a proportion of the total bilateral program in Laos.³⁴ There is a need to ensure staff members have key competencies in education program management to deliver an effective education portfolio through multilateral and bilateral delivery mechanisms.

Current program management arrangements

An education team in the Australian Embassy in Vientiane, comprised of a First Secretary (40 per cent allocation), a Second Secretary (Education) and three senior program officers, currently manages the implementation of the Laos education portfolio. The Second Secretary is primarily accountable for implementation of the basic education pillar of the Australia-Laos Development Cooperation Strategy, and acts as focal point for Australia's role as co-chair of the ESWG and Coordinating Agency of Global Partnership for Education funds. The First Secretary, to whom the Second Secretary reports, provides strategic oversight to the education team.

Technical advisory support, including in our capacity as ESWG co-chair, is provided by the Senior Education Advisor based at the Ministry of Education and Sports, who dedicates approximately 20 per cent of their time to supporting the Vientiane Post. The program is also supported by the Senior Policy Officer (Canberra), Mekong Desk, who contributes policy advice and guidance to the education program, and keeps the team abreast of relevant corporate developments. Specialist support on disability-inclusive education is provided by a regional specialist, and education thematic group advisors contribute critical technical advice and guidance.



Outside of Namone primary school. Photo: Bart Verweij/DFAT

³⁴ At present, Australia's funding to basic education is approximately 24 per cent under the Laos program, and the allocation is expected to expand to approximately 28 per cent by 2015–16.



Adjustments are made to a young girl's new hearing device so it will fit perfectly, Xaybouathong District, Khammuan Province, Lao PDR. Photo: Bart Verweij/DFAT

Future program management arrangements

Under this strategy, the education team will be responsible for managing a high quality, comprehensive program of support through both multilateral and bilateral engagement. As the program funding increases and Australia retains a leadership role in the sector, there will be a need for an increase in program resources, with the addition of one program manager to manage partnerships and oversee multilateral engagement. The shift to more direct bilateral support will require a different skill set for education program staff, including the skills to manage closer relationships with the Ministry of Education and Sport colleagues, and possibly a managing contractor arrangement. Plans for the development of skills to meet new portfolio demands will be articulated through team members' Individual Performance Plans.

Learning and development

Australia must further develop its capacity to meaningfully and regularly engage in policy dialogue and contribute to sector policy development. Over the course of 2013–14, this capacity will be further built through the development of a comprehensive plan for professional development of the Laos education team. Where Australia's work in the sector engages with NGOs, the Laos team will draw on resources provided by the regional Australia-Mekong NGO Engagement Platform (AMNEP). This assistance could initially be in the form of high-quality technical assistance for planning, design and execution of investments involving NGOs and civil society.

The Learning Facility will provide the education team with technical advice, analytical assistance and an evidence base to support Australia's engagement in policy development and policy dialogue with Government of Laos agencies. The Learning Facility will also play a role in providing capacity development for the education team through collaboration on research and evaluation.

Performance management

Under this delivery strategy, a rigorous performance management system will be developed. This system will promote a results driven approach underpinned by five core international performance management principles:³⁵

1. focus dialogue on results at all phases of the development process
2. align programming, monitoring, and evaluation with results
3. keep measurement and reporting simple
4. manage for, not by, results
5. use results information for learning and decision-making.

A Performance Assessment Framework will be the principal tool to measure progress towards targets (see **Annex C**). The progress required to meet targeted results in 2018 will be set out in the Delivery Strategy Monitoring Table (**Annex C**). The Framework is a living document that will be further developed during program design and continually refined during program implementation.

The performance management system will be driven by an annual review of the delivery strategy with the Government of Laos and other key partners. The timing of the annual review will take into account Government of Laos planning and budgeting processes and ideally align with the annual Joint Sector Review of the Education Sector Development Plan. The review will inform the Annual Program Performance Report (APPR) of the Laos Country Program.

The annual review will:

1. Discuss delivery strategy context and assess progress principally against the Performance Assessment Framework's annual milestones. The Framework will be refined as appropriate and annual milestones for the following 12 months will be established. Independent assessment of progress against key initiatives under the delivery strategy will inform the assessment of process.
2. Prepare a concise report on results, progress achieved and management consequences for the next 12 months.

This review will directly inform a number of key performance management tools including the Annual Program Performance Report, and the Laos Program Management Plan,³⁶ Review and adjustment of the Education Team. Individual Performance Plans will occur to promote mutual consistency with annual milestones.

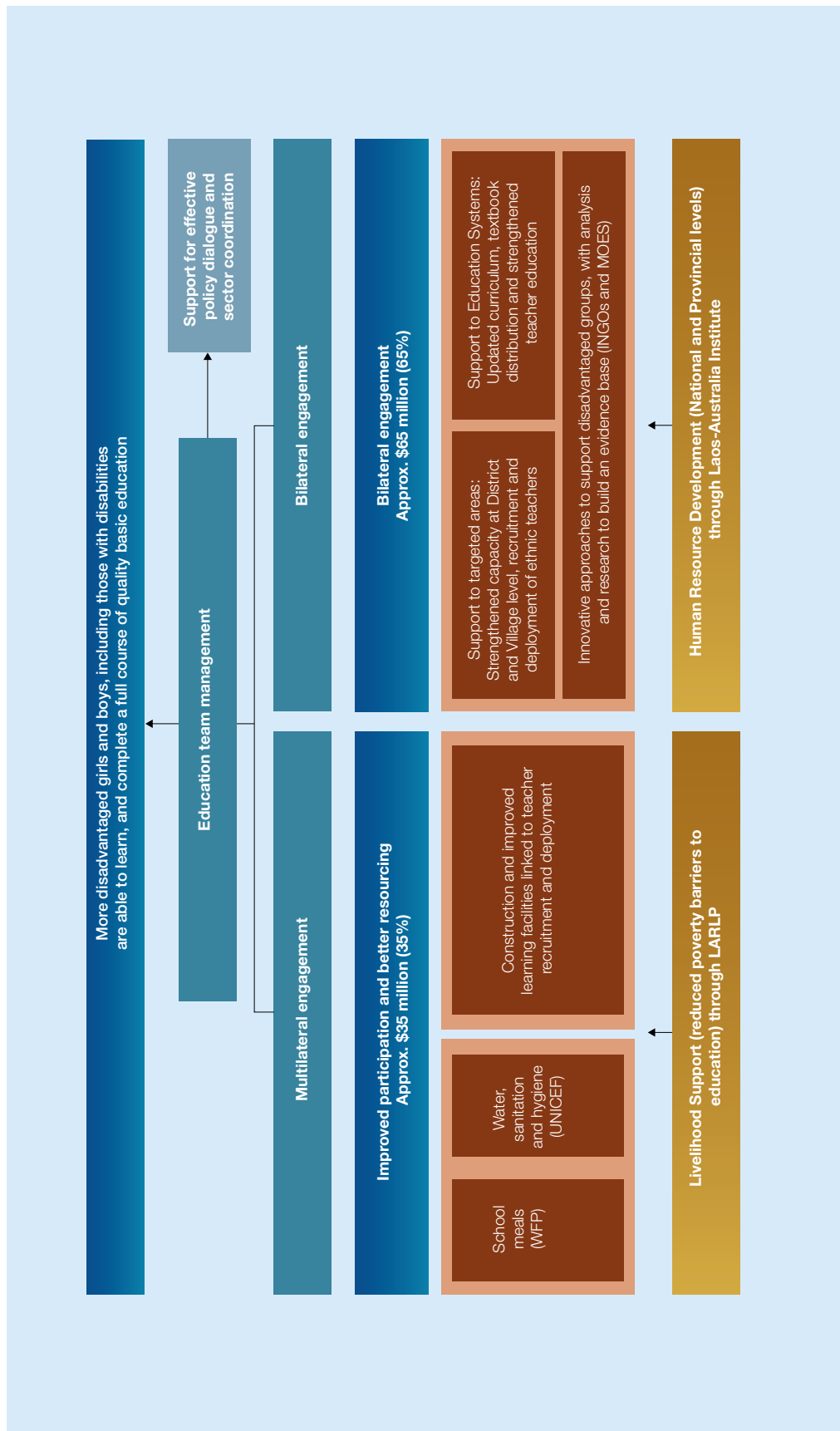
A mid-term review of the delivery strategy will be conducted in 2015. This will provide an opportunity to more broadly review progress and assess whether any major changes in approach or outcome targets are required. A final review of the delivery strategy is scheduled for 2017.

Under the delivery strategy there will be a concerted effort to use the information and performance management systems of the Government of Laos. The use of parallel data and systems will be minimised. Supporting the use and strengthening of Government of Laos monitoring systems will occur and this will highlight service delivery constraints, improve resource allocation and identify areas for policy dialogue.

³⁵ See www.MfDR.org

³⁶ Note that the Program Management Plan which sets out future major quality assurance activities.

Figure D: Australia-Laos Education Program (2013–14 to 2017–18) Implementation Structure



Annexes

Annex A: Context continued

In recent years the Lao economy has experienced strong growth of around eight per cent per year. However, there is evidence that growth is not inclusive and inequalities have increased: Laos' Gini co-efficient of 36.7 in 2010–11 (from 28.6 in 1992) illustrates the growing inequality in income and consumption levels. While Laos has made strong progress reducing absolute poverty, there are still an estimated two million people—around 28 per cent of the population—living in poverty.³⁷ Poverty is linked to geographical remoteness, ethnic minority status, and is more likely to be experienced by girls and women. There is insufficient data on disability, although based on global estimates, approximately 945,000 people (15 per cent of the population) in Laos live with a disability.³⁸

Laos is the most heavily bombed country in the world (on a per capita basis) and faces crises associated with nutrition leading to stunting rates of around 44 per cent. Reducing child mortality is the only MDG on track.

Laos is ethnically, culturally and linguistically diverse, with 49 officially recognised ethnic groups and more than 200 subgroups.³⁹ The Lao-Tai ethnic group makes up the majority of the population (66 per cent). The remaining 33 per cent of the population mainly inhabits rural and remote uplands and Lao, the national language is not their mother tongue.⁴⁰ Around 70 per cent of the population reside in rural areas and agriculture remains the main source of employment for around 95 per cent of households. Around 51 per cent of the population lives without access to sanitation.

The education system in Laos

Laos has one of the smallest education systems in South East Asia, however due to low population density, constrained revenue, and a lack of service delivery infrastructure, it is one of the most developmentally challenged. Of the 10,500 villages in Laos,⁴¹ only around 8,900 have primary schools. In school year 2012–13 across the 56 EFA-FTI Districts, 33 per cent of all primary schools do not offer all five grades. Among the other non-FTI districts, 22 per cent of primary schools do not offer all five grades. Only 29 per cent of primary schools have water supply and latrine facilities.

The formal education system in Laos consists of three basic tiers: general education, technical, vocational education and training (TVET), and higher education. General education includes pre-school, primary school, lower secondary and upper secondary school. Basic education is usually defined as primary and lower secondary school, comprising nine years of education. The total number of students in Laos' formal education system is estimated at 1.68 million: 137,000 in pre-school, 878,200 in primary school, 385,600 in lower secondary and 157,700 in upper secondary. There are an estimated 8,800 students in TVET and 73,600 in higher education, together with an additional 35,200 enrolled in the university preparation year program.

37 The proportion of population in Laos living below the national poverty was 28 per cent in 2007–08 (Lao Expenditure and Consumption Survey), with 34 per cent living below the international poverty line of US\$1.25 per day (World Bank, Development Research Group, 2008).

38 The World Health Organization (WHO) and World Bank World Report on Disability (2011) estimates that at least 15 per cent of the world's population are people with disabilities.

39 Lao Front for National Construction, 2008. The Ethnic Groups in Lao PDR IDF, World Bank.

40 Shah, *op cit.* p 9.

41 The figure of 10,500 is an estimate as resettlement and migration are continually impacting on the demographic of village location in Laos. The figure of 10,500 is taken from the UNICEF Child Friendly Schools Case Study 2011.

On a per capita basis, expenditure on education in Laos remains low. Although non-wage recurrent budget allocations remain low, there have been some recent increases in non-wage allocations, primarily driven by the introduction of a school administration block grant scheme.⁴²

As shown in Table 1 below, recurrent upper secondary education costs remain very high with approximately A\$320 per student per year being spent, while the average expenditure per primary student is A\$160.⁴³ Variations in the 2011–12 foreign investment budget are also seen, with ODA providing about A\$52 per primary or secondary student but A\$1,400 per enrolled TVET student.

Table 1: Known projected investment in education

Key sector interventions	FY2011–12 (expenditure)			FY2012–13 (budget)		FY2013–14 (estimated)
	Available resources (US\$ millions)			Available resources (US\$ millions)		Available resources (US\$ millions)
	GoL recurrent	GoL investment	Foreign investment	GoL recurrent	Foreign investment	Foreign investment
Early childhood	4.6	0.2	0.6	9.9	5.6	7.3
Primary	45.7	3.1	44.3	63.2	16.2	9.9
Lower secondary	21.7	3.1	9.4	31.4	7.7	2.9
Upper secondary	18.2	2.5	16.9	25.7	6.8	4.4
TVET	5.9	2.2	12.2	2.6	13.4	18.4
Teacher training	6.5	1.7	6.1	-	7.3	4.6
University	13.7	1.8	7.5	17.5	14.3	12.9
Non-formal	1.5	0.1	2	2.8	4	1.5
Administration	22.3	7.1	2.1	91.8	7.3	5
Total	140.1	21.8	101.1	244.9	82.6	66.9
Sources:	Department of Finance expenditure database			DoF budget	ODA database (11-3-2012)	ODA data base (11-3-2012)

Source: PMD Investment Database, Feb. 2013

42 The school administration block grant scheme is a nationally funding scheme for primary schools that provides a small operating budget to schools to assist them to manage administration and maintenance expenditure. It commenced in FY2011–12, with a grant allocation of LAK20,000 (A\$2.50) per primary school student. This per capita allocation was increased to LAK50,000 (A\$6.00) in FY2012–13.

43 Source: Annual Costed Education Sector Plan 2012–13 and Project Management Division Investment Database of Department of Planning, Ministry of Education and Sports. Note: There are also wide provincial disparities, with primary student costs ranging from about A\$90 to A\$240 and lower secondary unit costs ranging from A\$90 to A\$270.

Donor financing trends in education to date have seen a decrease in the number of donors supporting primary education, with some transitioning to other education sub-sectors such as to secondary, TVET and higher education. This trend appears set to continue, with the World Bank recently indicating that their next major education investment will be directed to early childhood education. The Global Partnership for Education has also indicated that its basic education investment in Laos will decrease from a current US\$30million to US\$16.8million. The Asian Development Bank has indicated that it will continue to consolidate their support to lower secondary, TVET and higher education. It is likely that Japan International Cooperation Agency (JICA) and the European Union will provide budget support in the future with links to policy priorities for school-based management.

Participation in education (pre- and post-primary)

According to the Government of Laos' Education Law (2007), **early childhood education** and care should be provided in crèches (for children from three months to three years old), and kindergartens (for children ages two to five years old). Enrolment rates in early childhood education and care in Laos have been increasing, albeit from a very low base. In 2011–12, net enrolment rates for pre-primary education were 28.6 per cent—an increase of 13 per cent (or almost double) that of 2007–08 when the net enrolment rate was 15.4 per cent. While numbers are still too low to identify any clear trends and patterns of enrolment, there are no significant gender differences in enrolment rates in this age group.

Overall enrolment rates remain modest for **lower secondary education**, with the total Gross Enrolment Rate (GER) of 64.7 per cent in 2011–12.⁴⁵ By lower secondary school many children who entered the education system at primary school have left – most without basic literacy skills. Transition rates to lower secondary education are low, with only 54.7 per cent of children in Laos beginning a secondary education. The GER in lower secondary education has increased from around 53 per cent in 2000 and on current trends is unlikely to meet the target of 75 per cent by 2015. This target is particularly important as it is a criterion for graduating from Least Development Country status by 2020.⁴⁶ To reach this target, however, more children will need to complete primary education, particularly those in disadvantaged districts. In terms of gender parity for lower secondary school, the last five years have seen a rise from 0.80 (80 girls for every 100 boys enrolled) in 2008–09 to 0.91 in 2012–13.

Participation in **upper secondary education** has even greater limitations. The GER for this level is currently at 34.7 per cent (38 per cent for males and 31 per cent for females). Even though there has been significant investment in improving access to upper secondary education through the construction of additional classroom and boarding facilities for teachers and students, dropout rates remain high at 12 per cent over the first year of upper secondary. Gender parity is also a challenge, with a minimal increase from 0.78 to 0.84, over the past five years.

Participation in **Technical, Vocational Education and Training** in Laos is minimal, with only seven per cent of students studying at higher education levels enrolled in technical vocational courses. Only 12 per cent of enrolments for technical vocational courses are in agriculture-related courses with the remaining 88 per cent of enrolments split between industry and service sectors.

44 The Government allocates a significant proportion of the budget to basic education due to the higher number of students enrolled at this level. Analysis shows an average per student cost of upper secondary as almost double that of lower secondary and lower secondary costs around 20 per cent higher than primary education costs.

45 Ministry of Education and Sports Annual Statistics Bulletins, 2007–08 to 2011–12.

46 The identification of LDCs is currently based on three criteria: per capita gross national income (GNI), human assets (through the Human Assets Index) and economic vulnerability to external shocks (through the Economic Vulnerability Index). The gross secondary school enrolment ratio is a sub-criterion of the Human Assets Index.

For the **tertiary level** GER was reported as 18 per cent in 2011, equating to about 1,250 enrolments per 100,000 inhabitants (against a world average of 2,700 per 100,000).⁴⁷ Additionally, enrolments at tertiary level are skewed across different fields, and not reflective of labour market needs. For example, about 85 per cent of all Masters level students in 2011–12 were undertaking a Master of Business Administration.⁴⁸ There was an overall increase in gender parity for tertiary level from 0.62 in 2005–06 to 0.74 in 2008–09, but progress has stagnated in recent years with gender parity remaining at 0.74 in 2011–12.

Key government education sector stakeholders include the Ministry of Education and Sports (at central level); Provincial Education and Sports Services, District Education and Sports Bureaus, teacher education institutions at sub-national levels; and primary and secondary schools, teachers, principals, Village Education Development Committees (VEDCs) at school and community levels. Outside the formal education system several mass organisations are important stakeholders including the Lao Women's Union and the Lao National Front for Construction.

There are approximately 69,250 teachers in Laos: 5,000 early childhood teachers, 36,250 primary teachers and 28,000 secondary school teachers.⁴⁹ Annual graduates from all teacher education institutes generate an additional nine per cent for early childhood, two per cent for primary and 20 per cent for the secondary level.⁵⁰

There are teacher shortages, particularly for primary schools in remote areas, and few teachers from ethnic groups. About 40 per cent of primary schools in Laos have only two teachers or less, 25 per cent of all primary classes must use multigrade teaching or not offer the full five grades. Few teachers however have training and regular technical support to teach multigrade effectively. Poor teaching quality is contributing to the drop out of students from early grades and low Grade 5 survival rates. Recent analysis of the quality of teacher training in Laos shows that teaching in pre-service programs relies primarily on rote learning, with minimal opportunities for meaningful interaction and application of theory.⁵¹

Pedagogical advisors, mandated to provide in-class support to teachers, are significantly under-resourced. As a result they have limited opportunity to travel to schools to provide support to teachers, and, in many cases, lack current teaching skills due to limited access to professional training opportunities.

47 Source: UNESCO at http://stats.uis.unesco.org/unesco/TableViewer/tableView.aspx?ReportId=3345&IF_Language=eng

48 Of the total 930 enrolments at Masters level in 2011–12, 792 were in MBA programs. Of the 71,220 bachelor level enrolments, about 11,500 are in science related fields – Source: Ministry of Education and Sports Annual Statistics Bulletin 2011–12

49 Ministry of Education and Sports, Annual Statistical Report 2012–13

50 Ministry of Education and Sports, Dept. Teacher Education, 2011–12

51 World Bank, 2012. *Lao PDR Economic Monitor*. Vientiane cited in Shah, F. The Education Sector in Lao PDR—Achievements, Challenges and Opportunities: Australia's Education Sector Situational Analysis, p28.

Annex B: Australia and other development partners in the education sector

Australian supported programs

The **Education for All-Fast Track Initiative** (EFA-FTI) is the largest basic education program ever to be implemented mainly through government systems in Laos and a first step towards a more program-based approach to education support in Laos. The EFA-FTI targets the 56 (of 143) most educationally disadvantaged districts. The initiative includes building schools, quality improvements, training teachers, providing learning materials, and support to a non-formal mobile teacher programs. Over 2011–14, Australia is providing A\$21 million in funding through a multi-donor trust fund managed by the World Bank. This initiative uses Government of Laos systems where possible.

To complement the EFA-FTI, Australia is funding a **Primary Education School Meals, Water and Sanitation Program**, and a **Disability-Inclusive Education Initiative**. These initiatives ensure that more schools are accessible to: children with disabilities, by ensuring that the facilities are more accessible and teachers have the skills to teach more inclusively; girls, by ensuring separate toilets; and school meals provided to children from poorer families, as incentive to participate in school. Improved water, sanitation and school meals also reduce health-related absenteeism and improve the concentration of children.

Annual monitoring and evaluations over the past five years reveals that the entire portfolio has been aligned with Country Strategy objectives, and the outcomes articulated in this delivery strategy. Initiatives have been not only assessed as highly relevant, but also highly effective with attributable impact as demonstrated in the 2012 evaluation of LABEP. Initiatives have been assessed satisfactory or more than satisfactory under each of Australia's performance criteria except in relation to monitoring and evaluation for the early years of ABEL and DBEL.

Complementary programs managed by Australia

The Laos-Australia Institute is providing a comprehensive human resource development program. The Ministry of Education and Sports is one of four organisations to be prioritised initially under the program. The institute is:

- > assisting with human resource planning
- > providing training opportunities
- > administering the highly successful Australia Awards program
- > providing 280 scholarships to students from disadvantaged areas to study at Lao Universities

The total value of Australia's support for human resource development is about A\$40 million over four years.

The Laos–Australia Rural Livelihoods Program (2012–16) comprises four components: social protection and sustainable livelihoods; financial inclusion; unexploded ordnance action; and rural development learning. The program is of a smaller scale to the education portfolio and is thus likely to be targeted to fewer districts; however the targeting is likely to have some overlap with the targeting under the education portfolio presenting an opportunity to exploit synergies between the two sectoral interventions. This is a A\$43 million program to be delivered over 2012–16.

Complementary programs managed by other Australian Government departments

There are no significant activities by other Australian Government departments directly supporting basic education in Laos, however there are programs which are complementary.

The Department of Education provides Australian scholarships, known as the **Endeavour Awards**. These awards promote reform and improve educational governance; build enduring links among potential future leaders and institutions; and enhance mutual understanding and knowledge.

Development partners in the education sector

Early childhood education: For the early childhood sub-sector, the major development partners contributing are the Global Partnership for Education, the World Bank, Australia (through the EFA-FTI Program), UNICEF, UNESCO, UN Habitat, the World Food Programme and World Vision Lao PDR. This includes support for infrastructure, improved quality of education (teacher training, school management, school meals) and community or district level support through NGOs.

Primary education: Many of the donors working at pre-primary level are also involved in the primary sub-sector, with the World Food Programme, Government of Japan, Global Partnership for Education, Australia, World Bank, and Room to Read Laos, making up more than 80 per cent of the external support to the primary sub-sector budget. The new contributor is the hydro-electric dam, Nam Teun II, which, in accordance with the World Bank financing agreement, devotes a significant proportion of its disposable surplus to social sectors.

Lower secondary education: Vietnam is providing nearly 10 per cent of the total contribution to the lower secondary sub-sector development financing. This financing includes construction of secondary schools and dormitories, including an ethnic boarding school, dormitories, teacher training to teach the Vietnamese language and natural science subjects, and the development of Vietnamese textbooks for general education students.

Upper secondary education: By far the largest single investor in development of the upper secondary sub-sector is the Alcatel-Lucent Shanghai Bell (ASB) (China). That investment loan of more than US\$55 million over the period 2010 to 2012, and directed at upper secondary level, covers construction, equipment, and capacity development. It is intended to improve education access and quality through the use of ICT. That loan is more than three times as large as the Asian Development Bank grant.

Technical Vocational Education and Training: Korea is the largest single investor in TVET, contributing nearly 40 per cent of the total external support to this sub-sector. The Asian Development Bank contributes 28 per cent, and the two German institutions, the German Development Agency GIZ⁵² and the German Development Bank KFW,⁵³ contribute another 28 per cent.

Non-formal education: Multilateral support is provided by the Global Partnership for Education, the World Bank, and Australia (through the EFA-FTI Program) for development of instructional materials and methods for a primary equivalency program taught with mobile teachers, primarily focused in remote areas with non-Lao ethnic group populations. In addition, a host of NGOs make significant but small contributions to non-formal education.

52 Deutsche Gesellschaft für Internationale Zusammenarbeit (German Society for International Cooperation).

53 The name of the German government-owned development bank, KFW originally comes from Kreditanstalt für Wiederaufbau (Reconstruction Credit Institute).

Teacher education: Strikingly, the largest single contribution to teacher education—more than half of the external support—is made by Vietnam. This contribution takes the form of development and capacity building for a teacher development centre for education management. The Government of Laos’ contribution is in the form of unsecured financing for construction of the building and office for a Liberal Arts Teacher Training College, construction of a three-storey students’ dormitory for a Physical Art Teacher Training School, expansion of classroom facilities in two teacher education institutions, renovation of the student dormitory for the Physical Education Teacher Training College, improvement of the teacher education management information system, construction of classrooms and a hall for the Savannakhet Teacher Training College, and numerous activities for quality improvement and planning,

Higher education: Australia, through its scholarship program, makes the largest single contribution to higher education development. The second largest contribution is by the Asian Development Bank, through the Strengthening Higher Education Project, which provides support to strengthen three of the country’s universities. The third largest contribution is from Vietnam, through support for teachers and students to learn Vietnamese. Japan supports higher education with 20 scholarships per year, sending Lao students to study in Japan.

Governance and management: The Global Partnership for Education, the World Bank, and Australia (through the EFA-FTI Program) provide multi-donor support for strengthening monitoring and evaluation capacity, program management, policy planning and implementation capacity, the functioning of the Lao Education Management Information System (EMIS), and assessment of student learning outcomes. Nam Teun II also provides secure Government of Laos financing for the development of the National Education System Reform Strategy. UNICEF, UNESCO, UN Habitat and WFP provide broad support for the development of the United Nations Development Assistance Framework (UNDAF).

Annex C: Performance Assessment Framework 2013–18

Education Delivery Strategy Objective to 2018		More disadvantaged girls and boys, including those with disabilities are able to learn and complete a full course of quality basic education		
		<ul style="list-style-type: none">> Primary net enrolment rates (total and sex disaggregated)> Primary survival rates to Grade 5 (total and sex disaggregated)> Primary school repetition rates (total and sex disaggregated)		
Objective 1—Improved participation				
Strategy outcome to 2018	Outcome indicators	2018 Outcome targets	Data source	Key assumptions
More disadvantaged children and young people participate in education daily and are ready to learn	<p>Improved attendance rates in target schools (total and sex disaggregated)</p> <p>Reduced primary school drop-out rates (total and sex disaggregated)</p> <ul style="list-style-type: none">> schools utilising WATSAN facilities meeting Government of Laos minimum quality standards> additional girls and boys utilising safe water and sanitation facilities> children enrolled in “school readiness” in targeted districts (total, boys, girls)> children (x girls) consuming a daily school meal	<p>Attendance rate improved by x per cent (boys, girls) in target schools</p> <p>Primary drop out reduced by x per cent (boys, girls) in target schools</p> <ul style="list-style-type: none">> schools have water and sanitation facilities meeting GOL quality standards with district funded O&M plan in place> additional girls and boys utilising safe WATSAN facilities> additional girls and boys have better understanding of nutrition, sanitation and hygiene based on revised national curriculum and teaching guides> children (x girls) receiving daily school meals as part of a nationally funded “home grown” school lunch program	<ul style="list-style-type: none">> WFP monitoring data> UNICEF monitoring data> EMIS data	<p>WATSAN facilities combined with improved sanitation and hygiene education will lead to better health of students, and better school attendance, especially for girls.</p> <p>A daily school meal (particularly school lunch) provides an incentive for children to attend school regularly and stay there for longer.</p> <p>School meals, combined with improved WASH, will improve students’ health and concentration at school, leading to readiness to learn.</p>

Objective 2 —Better resourcing				
Strategy outcome to 2018	Outcome indicators	2018 Outcome targets	Data source	Key assumptions
Learning environments in targeted geographic areas are more equitably and adequately resourced	<ul style="list-style-type: none"> > fully utilised classrooms are resourced with adequate and accessible facilities > fully utilised classrooms use an accessible design guideline (that is based on consultation with people with disabilities) > classrooms are resourced with updated three core textbooks and teaching materials which are fully utilised > classrooms are resourced with reading materials which are fully utilised > additional female ethnic teachers are teaching in schools in remote disadvantaged areas > schools have stronger school based management and utilise School Improvement Plans to plan and manage resources <p>Resources better managed by officials in DESBs in x target districts, through development and utilisation of district education plans (linked to provincial annual costing sector plans)</p>	<ul style="list-style-type: none"> > fully utilised constructed/upgraded classrooms meet minimum Ministry of Education and Sports quality standards and follow accessible design guidelines > schools have correct allocations of text book and teaching guides and teaching materials which are fully utilised (independent verification) > A sustainable text book, teaching guide/materials replenishment mechanism is linked to school block grants > additional female ethnic teachers are fully funded within GOL system and teaching in remote disadvantage areas > school officials trained (male, female) > VEDC and/or parent/teacher committee members trained (male, female) > The Ministry of Education and Sports and DESBs taking responsibility and action for the effective and costing planning, management, and maintenance of schools through the use of district education plans > VEDC involvement in construction and maintenance 	<ul style="list-style-type: none"> > EMIS data > The Ministry of Education and Sports information on classroom construction and use of textbooks and teaching materials needs to be established through program 	<p>That more children and young people will be able to learn effectively as a result of learning environments being well-led and resourced sufficiently.</p> <p>That districts and schools (including VEDCs) have the authority and technical capacity to manage resources, as well as to manage and track teacher and student performance.</p> <p>That the program will be able to ensure that sufficient revised textbooks and materials are distributed to classrooms, including in remote and hard to reach areas.</p> <p>That ethnic females recruited for teacher training will complete a quality teacher education and return to their village to teach.</p>

Objective 3—Effective teaching				
Strategy outcome to 2018	Outcome indicators	2018 Outcome targets	Data source	Key assumptions
More effective teaching enables more disadvantaged girls and boys to learn	<ul style="list-style-type: none"> > Extent of revised curriculum used by teachers and TTC staff (including alternative practicum approaches) > Extent of revised materials used and implemented (for improved literacy, numeracy and life skills) > National professional development system developed and implemented > Nature and scope of teaching approaches > Teacher Training College staff qualifications and scholarship completion rates > National learning assessment results (total and sex disaggregated) 	<ul style="list-style-type: none"> > All schools, PESSs, DESBs have copies of revised curriculum > Teacher training curriculum revised, printed and used at eight teacher education institutes > Existing teacher guides updated and introduction of a new teacher guide for early grade literacy > DESBs (pedagogy advisors) and school principals support teachers to use new curriculum, textbooks, teacher guides and other materials > teachers trained (male, female) and demonstrating stronger skills/capacities for teaching based on the revised teacher curriculum 	<ul style="list-style-type: none"> > The Ministry of Education and Sports and TTC reporting > The Ministry of Education and Sports and UNICEF data on textbooks > Data on teacher performance/materials use—not available (to be addressed through program) 	<p>That better quality teachers and teaching will lead to improved learning outcomes for primary students.</p> <p>That improvements in pre-service and in-service teacher training programs along with revisions to teaching and learning materials under the program will influence teacher performance in the classroom and lead to better student learning outcomes.</p>

DELIVERY STRATEGY FOUNDATION OUTCOMES: More effective planning and budgeting				
Strategy outcome to 2018	Outcome indicators	2018 Outcome targets	Data source	Key assumptions
More effective planning and budgeting	<ul style="list-style-type: none"> > Percentage of total government expenditure allocated to education > Percentage of recurrent budget expended on non-wage recurrent budget > Percentage of primary schools meeting National Education Quality Standards > Extent to which the Ministry of Education and Sports is implementing recommendations from program and joint sector reviews > Alignment of teacher demand and supply > Consistency of provincial resource allocation with annual costed sector plans, based on the EDSP 	<ul style="list-style-type: none"> > Government of Laos and donor funded investments align with Government of Laos Education Sector Development Plan priorities > Annual costed sector plan is the single planning and budgeting tool for the sector submission to the national budget > Donor Investment plans identify and source Government of Laos recurrent budget requirements > Policy is informed by evidence based research and analysis > Enrolments of non-formal school-aged pre-primary and primary equivalency programs are included in EMIS 	<ul style="list-style-type: none"> > Government of Laos Budget Gazette > The Ministry of Education and Sports budget reports > EMIS data on teacher supply > ESWG Records 	<p>The Government of Laos is able to increase expenditure allocation to education over the life of the delivery strategy and will prioritise increases in non-wage recurrent budget.</p> <p>The Ministry of Education and Sports has the capacity to improve efficiency of teacher supply.</p> <p>That the decentralisation process will effectively provide provincial and district levels with more authority to plan and execute budgets.</p>
Proposed key evaluation questions for end-of-program outcomes				
	<ul style="list-style-type: none"> > To what extent did completion/survival rates to Grade 5 improve for girls and boys, particularly those from ethnic minorities and children with disabilities as a result of the programs under the delivery strategy? > To what extent have girls' and boys' literacy, numeracy and other core skills improved as a result of the programs under the delivery strategy? > To what extent has the quality of school/district level leadership improved as a result of the programs under the delivery strategy? What contribution has this made to the performance of teachers and students? > To what extent have improvements to teacher education (pre-service and in-service) under the delivery strategy changed instructional practice (including the balance between theory and practicum in teacher training)? > How has government education service delivery improved as a result of this program? What, if any changes have led to improved education opportunities and learning outcomes for girls, boys, ethnic minorities and children with disabilities? What, if any, changes have led to improved efficiency of education, particularly in teacher supply? 			

Delivery Strategy Monitoring Table

	Indicator	Baseline (2012–13)	2013–14		2014–15		2015–16		2016–17		2017–18		Means of verification
			Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	
1	School enrolment rates (total, M, F) Nationwide WASH target districts School Meals target districts Resourcing support target districts	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	
2	School survival rates (total, M, F) Nationwide WASH target districts School Meals target districts Resourcing support target districts	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	
3	School attendance rates (total, M, F) WASH target districts School Meals target districts	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	
4	Gender parity (total, M, F) Nationwide WASH target districts school meals target districts Resourcing support target districts	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	
5	Assessment of student learning outcomes results (% of students at functional level or above—sex disaggregated) Lao Language Mathematics World Around Us	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	

1 The Government allocates a significant proportion of the budget to basic education due to the higher number of students enrolled at this level. Analysis shows an average per student cost of upper secondary as almost double that of lower secondary and lower secondary costs around 20 per cent higher than primary education costs.

